



**CITY OF RIVER FALLS, WISCONSIN  
COMMON COUNCIL PROCEEDINGS**

**March 23, 2021**

Mayor Dan Toland called the meeting to order at 6:30 p.m. in a virtual format due to the Covid 19 pandemic. The City Council Chambers was open for public to attend.

**City Council Members Present:** Todd Bjerstedt, Sean Downing, Christopher Gagne, Scott Morrissette, Diane Odeen, Ben Plunkett, Hal Watson

**Members Absent:** None

**Staff Present:** City Administrator Scot Simpson; Assistant City Administrator Jason Stroud; City Attorney Chris Gierhart; Community Development Director Amy Peterson; Economic Development Manager Keri Schreiner; Utility Director Kevin Westhuis; IT Specialist Jon Smits; others

**Others Present:** Lesley Brotkowski, Peter Haug, Jon Kreidler, others

The Pledge of Allegiance was said.

**APPROVAL OF MINUTES:**

March 9, 2021, Regular Meeting Minutes

**MS Morrissette/Odeen move to approve minutes. The roll call vote passed unanimously 7-0 with all voting in favor.**

**APPROVAL OF BILLS:**

Bills: \$575,248.55

**MS Morrissette/Bjerstedt move to approve bills subject to the Comptroller. The roll call vote passed unanimously 7-0 with all voting in favor.**

**PUBLIC COMMENT, PETITIONS, REQUESTS AND COMMUNICATIONS:**

There were no public comments.

**State of the City Presentation**

City Administrator Scot Simpson provided the presentation. He said 2020 was a year like no other noting it was a year of loss for many. He asked for a moment of silence to recognize those who lost their lives to the pandemic.

Simpson said this year's presentation focused on the City's core values which are: put people first, embrace change, serve our community, pursue excellence, act with integrity, and consider future generations.

Simpson talked about putting people first. The City took an 'all hands-on deck' approach. He spoke of the creation of employee teams focusing on different areas of concern during the pandemic. He talked about the importance of communication and the creation of the 'Crushing Covid Plan.'

Simpson talked about the importance of embracing change. There was a quick transition to virtual meetings and the City had put in place the technology to make it easier to do so. Simpson talked about the five elections that were held in 2020 combined with Covid and changes at the library.

Simpson noted the different ways the City continued to serve the community with excellence. He spoke the transition of the EMS to Allina.

Simpson talked about considering future generations. He spoke about development, the completion of jug handle, the Depot and City Station, the police station, and many other projects.

Simpson addressed acting with integrity. He talked about paring back projects, instituting a hiring freeze, and delaying a rate increase. He recognized City partners including county health officials, the River Falls Area Chamber of Commerce, and UWRP.

Simpson spoke about ways the City is focused on future and recovery goals including a more normal summer recreation program, doing the comprehensive plan in fall 2021, the Mayor's summer cookouts, citizen survey, and communicating with the public.

Simpson thanked the Mayor, Council, City staff, and the community, for their support. There were no questions from the Council.

**CONSENT AGENDA:**

Acknowledgement of the following minutes: BID Board – 2/9/21; River Falls Housing Authority – 2/10/21; Plan Commission – 2/2/21; Park and Recreation Advisory Board – 2/17/21; Library Board – 2/1/21; West Central Wisconsin Biosolids Facility Commission – 1/21/21

Resolution Endorsing New Economic Development Electric Rate for Qualified Commercial Customers→→*pulled by Downing*

Resolution No. 6554 Awarding for 2021-2023 Directional Boring Contract

Resolution No. 6555 Recommending Engineering Firms for South Wasson Lane Reconstruction and Cascade Avenue Intersection Improvements

**MS Odeen/Morrisette move to approve the remainder of the Consent Agenda. With no other questions, the Mayor asked for a vote on the resolution. The roll call vote passed unanimously 7-0 with all voting in favor.**

Resolution No. 6556 Endorsing New Economic Development Electric Rate for Qualified Commercial Customers

Alderson Downing is in favor but had questions. He said if it is accomplished, it will lock in prices. Who qualifies? Who benefits? Does the public benefit?

Simpson said only the largest customers benefit. This would be for large industrial expansions with the potential for large institutional expansions. He provided examples. The primary reason is for competitive reasons to provide small, temporary incentives for a large electric user to locate in the community. Rate tariff allows to provide market rate pricing. There isn't a particular demonstrated negative to customers.

Downing stated if it attracts bigger groups to the City and locks in a short-term price so there's a convenience for the average customer. Simpson said a price is not locked in – they are riding the market. He explained the pricing is set to be conservative and smooth. The con is if you take the approach that the rate should be the rate (for everyone). Simpson provided further clarification. It shouldn't have an impact on existing customers. Downing asked about it provided stability for the average customer. Simpson said it has the opportunity to provide stability in the long run by customers using electricity at night. This rate is something we are doing proactively for future customers.

Aldersperson Morrissette shared there is potential for these clients to have a downside. If the electrical market spikes, they will pay a higher rate. On residential side, there's a price adjustment to even things out. He said this is another economic development tool.

**MS Downing/Bjerstedt move to approve resolution. The Mayor asked for questions.** Aldersperson Plunkett inquired if the billing was from the generation facility or the power delivery core system. Who is paying for the power loss transition? Simpson said it will be calculated on how the power is delivered. As Morrissette pointed out, they are taking on some market volatility. Simpson provided further details and asked Utility Director Kevin Westhuis if he wanted to speak. Westhuis said the price depends on location, losses, and daily market prices. It is a risk-reward. He noted this is only for a portion of their energy usage.

Aldersperson Watson asked if there will be a negative impact to the bottom line for the utility over a 10-year period. What are we giving up in terms of income? Westhuis said it is revenue neutral to the utility. It is a pass-through cost as they are paying for exactly what they are getting. Westhuis noted the rate is purely voluntary. It is for competitive advantage for City.

Watson asked about the payment helping fund infrastructure. Is that loss an issue? Westhuis said it was not. He talked about the long-term benefits outweighing the short-term sacrifice. Westhuis said 29 out of 51 communities in the WPPI group have already adopted this.

**With no other questions, the Mayor asked for a vote on the resolution. The roll call vote passed unanimously 7-0 with all voting in favor.**

#### **ORDINANCES AND RESOLUTIONS:**

Resolution No. 6557 Approving 2020 Budget Adjustments

**MS Morrissette/Odeen move to approve resolution. With no questions, the Mayor asked for a vote on the resolution. The roll call vote passed unanimously 7-0 with all voting in favor.**

Resolution No. 6558 Adopting Action Items, Timing, and Financial Scope for Phase One of Powell Falls Dam Decommissioning and FERC License Amendment

**MS Morrissette/Watson move to approve resolution.** Utility Director Westhuis provided a presentation.

Westhuis gave a history of the project. He provided the cost context of hydro relicensing, breaking it down into four areas: FERC submittal and pre-studies work (TRC) \$165,000; studies and costs \$542,000; application for license and supporting work \$218,000; decommissioning and removal \$2,070,000 which totaled \$2,785,000. Westhuis spoke in further detail about the expenses and the hydro production for the last three years. He talked about the current status, the drawdown of Lake Louise in October 2020, flood damage, sediment/repairs, and costs.

Westhuis continued and spoke about the direction of the project. He talked about the five options which were presented at a prior workshop and about deciding on Option 3 and repairs that will be done. The project will shift relicensing to decommissioning or at least run on parallel tracks. To move ahead, Westhuis asked Council to allow TRC to submit an amendment with FERC to remove Powell Falls from the City's original license. It would move the jurisdiction authority to the Wisconsin DNR which would allow the City to do more things locally with the dam including sediment management. Staff believes it is a good route to go now.

Westhuis talked about 2021 construction activities including permit application for sediment management, constructing an access route and possible road, turbine removal, trash rack cleaning, and minor repairs on west wing wall. He showed the location for the road.

Westhuis ended the presentations by restating key points and noted the City is within budget on relicensing. He said the hydros will produce about \$600,000 in avoided costs from 2018-2023.

Alderson Gagne felt Westhuis had done a great job of laying the process out to Council and being available to answer questions. He spoke further about removing the dams at the end of their useful life.

Alderson Morrissette asked why we are repairing the wingwall. Westhuis said FERC has indicated they want us to do it. He said it would be a minor repair perhaps with sandbagging the wingwall.

Alderson Bjerstedt asked how FERC will react to the proposed amendment. Westhuis said positively. He has had preliminary conversations, and they are supportive of the direction the City is moving. It will take several months to do the amendment. There are no surprises with any of the agencies.

City Administrator Simpson clarified that when we say "FERC", we mean FERC staff. They are careful of speaking on behalf of FERC. We believe this is the right path. The flood has given us an opportunity to have them reconsider their previous advice to us. Simpson said it's not a done deal until it's a done deal.

Gagne noted Judy Babcock had commented that KCC and other stakeholder groups support this approach.

Alderson Plunkett noted it appears repairs to the Powell Dam would not be cost effective. He has heard from people that we are losing money but according to the numbers presented by Westhuis we are not. This is the most cost-effective answer. Do we have plans for the turbine once it is removed? He feels it may be an interesting historical piece.

Westhuis has spoken with Peter Haug from Ayres. Westhuis thinks it may come out in pieces. Haug talked about the turbine and how it would be handled going through the phases. He thinks the turbine may be able to be removed in one piece.

Alderson Watson thanked Westhuis, City staff, TRC, and other consultants on helping the City navigate through a complex situation. This is an important vote Council is making tonight. He talked about the difficulty of getting the process completed. He is very supportive of this.

Alderson Downing asked if there was a location for the community to read the reports. Westhuis said yes on the RFMU website.

**With no other questions, the Mayor asked for a vote on the resolution. The roll call vote passed unanimously 7-0 with all voting in favor.**

Resolution No. 6559 Creating Tax Incremental District No. 17, Approving its Project Plan and Establishing its Boundaries

Economic Development Manager Keri Schreiner provided a presentation on the creation of tax increment district 17. She explained the basics of tax increment financing. District 17 will be a blight elimination district and can be open for 27 years. The goal is to promote redevelopment.

Schreiner gave a background of the project. Staff had reached out to several retailers to see if there was interest in the site without success. Schreiner showed a boundary of TID 17, proposed projects, the projection of value, and the previous/next steps. She talked about Tattersall Distilling which is the business that will be located in the district. She provided project information details saying there will be a distillery, retail store, event center, amphitheater, restaurant, and cocktail bar. She covered employment numbers, site drawings, and the company's plan for sustainability. Schreiner talked about TID financing, the guaranteed value, the minimal annual increment, with the City to receive over \$2.3 million in tax increment. Staff recommends approval of the TID and the developer's agreement.

**MS Odeen/Downing move to approve resolution. The Mayor asked for comments/questions.**

Downing was curious what retailers staff reached out to about the site. Mayor Toland noted Schreiner had included it in the presentation. Schreiner read the list of retailers. Downing felt it was important for the public to know the retailers told the City no.

Plunkett asked how the customer visits would impact the traffic flow. The Mayor said it had been discussed at the Plan Commission. Studies have been done, and we were assured it won't be a problem. Simpson said Shopko had tremendous traffic impact. Staff doesn't believe the traffic won't be more substantial than Shopko, but staff will be prepared. Gagne asked about traffic flow numbers regarding Shopko. Simpson didn't believe staff had numbers specific to Shopko. Gagne asked Simpson to provide details about how businesses decide to come to town. Simpson said the City is most often taking calls and populating websites. He provided details about past businesses that came to the City.

Both the Mayor and Odeen noted there should be a vote on the resolution. Plunkett asked if there were projections on the potential numbers of people coming as a destination for this business and in turn would patronize other area businesses. Simpson said a study was not done. It is possible to hire a study to be done but he is not sure the studies are scientific. Gagne called attention to positive comments on the Tattersall Distilling Facebook page thinking that was an indicator of interest.

Downing asked about the TID and blight clean up. Simpson said in the developer's agreement, which is the next item, there are provisions which require the obligations to live beyond the current developer if someone new acquires the project.

**With no other questions, the Mayor asked for a vote on the resolution. The roll call vote passed unanimously 7-0 with all voting in favor.**

Resolution No. 6560 Approving the Development Agreement between the City of River Falls and River Falls Holdings, LLC.

**MS Morrissette/Gagne move to approve resolution. The Mayor asked for comments/questions.**

Downing requested a timeline.

Jon Kreidler, owner/founder of Tattersall – is unbelievably excited about the project. The plan is to close next month with construction starting as soon as possible with production up and running by late summer with the consumer facing portion to follow in September/October. He has had conversations with community members about hosting fundraisers and events. He is extremely excited about the potential. Downing welcomed him to the community and thanked him for his dedication to sustainable energy. Kreidler said the City's focus on sustainable energy was a big draw for them to come to River Falls.

Morrissette asked Kreidler to give an overview about the relationship with Morrissey Hospitality. Kreidler said Morrissey has been consulting on the front of the house aspect of the business. They will be running the restaurant and event center. We are bringing their expertise in to help us to make sure that side of the business is a first-class operation.

Gagne asked about the amount of restaurant business he is looking to do. Kreidler said in conversations with City staff, they felt the restaurant and event center would be an amenity to the community. Both will be open to the public. We are hoping to bring a lot of business to River Falls. Kreidler said his phone has been ringing off the hook. He is meeting a lot of community members, and it has been fun. Kreidler talked about the different events they hold and bringing people to town. Gagne was glad to hear they have a community mindset. He talked further about social media, Facebook posts, and offering more to the community than just "being a bar". He is in favor of the project. Gagne welcomed Kreidler.

**With no other questions, the Mayor asked for a vote on the resolution. The roll call vote passed unanimously 7-0 with all voting in favor.**

#### **REPORTS:**

##### Rescue Plan Act Summary Presentation

Assistant to the City Administrator Brandt Johnson gave a presentation. He provided background and talked about provisions of the bill that may impact the City, specifically: transportation and infrastructure, low-income water and energy assistance, emergency rental assistance, institute of museum and library services, and

emergency paid sick leave credits. Johnson broke down the dollar amounts and entities which will receive them, and the distribution of the funds. He said Wisconsin is estimated to receive \$3.206 billion, Pierce County \$8.29 million, St. Croix County \$17.59 million, and the City of River Falls from \$1.58 - \$3 million. Johnson spoke about the allowable use of funds and how more information is needed before the City acts.

Comptroller Report for February 2021

Comptroller Odeen read the following: General Fund revenues through the end of February were \$3,678,471 or 32 percent of budgeted revenues. Revenues in February include \$2,322,904 in property tax settlement, and \$424,842 in annual payments for state facilities. Expenditures for the same period were \$1,361,681 or 12 percent of budgeted expenses. Net revenues over expenditures as of February 28, 2021, were \$2,316,790.

**CLOSED SESSION:**

**At 8:45 p.m., MS Watson/Odeen move to recess into Closed Session per Wisconsin State Statutes for the following purposes: § 19.85(1)(c) “considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercise responsibility, to wit: City Administrator”. The roll call vote passed unanimously 7-0 with all voting in favor.**

**RECONVENE INTO OPEN SESSION:**

**At 9:10 p.m., MS Watson/Morrisette to move into Open Session. The roll call vote passed unanimously 7-0 with all voting in favor.**

Resolution No 6561 - Approving City Administrator Employment Agreement

**MS Bjerstedt/Odeen to approve resolution. The roll call vote passed unanimously 7-0 with all voting in favor.**

**At 9:13 p.m., MS Bjerstedt/Morrisette move to adjourn. The roll call vote passed 7-0 with all voting in favor.**

Respectfully submitted,

Kristi McKahan, Deputy Clerk