



## RIVER FALLS CITY COUNCIL WORKSHOP REGARDING THE 2024-2028 FISCAL PLAN

September 12, 2023, 5 p.m., Training Room, City Hall

**City Council Members Present:** Dan Toland (came after 5), Jeff Bjork, Todd Bjerstedt, Sean Downing, Scott Morrisette, Alyssa Mueller (5:37 p.m.)

**Members Absent:** Diane Odeen

**City Staff Present:** City Administrator Scot Simpson; IT Specialist Jon Smits; Management Analyst Fellow Sara Kasel; Finance Director Josh Solinger; Utility Director Kevin Westhuis; Police Chief Gordon Young; Library Director Tanya Misselt; Economic Development Manager Keri Schreiner; Fire Chief Steven Cash; Adult Services and Circulation Librarian Heather Johnson; Community Services Director/City Clerk Amy White

**Others:** Ben Fochs, Patricia LeRue, Wayne Roen, Tiffany Alexander

At 5 p.m., the workshop was called to order by Council President Scott Morrisette as the mayor was not present when the meeting started. Finance Director Josh Solinger began the presentation.

Solinger reviewed the agenda. He began by talking about the long-range fiscal plan which provides a blueprint for future decisions including capital and operating budgets and the work plan.

Staff also receives feedback from council on local revenues (property tax levy, street light special charge fee, vehicle registration fee, allocation of levy). Staff uses this as a tool to discuss non-local revenues and impacts to plans (shared revenue, other intergovernmental revenue including transportation aid, payment for municipal services). It is also used to estimate future operating costs and debt commitments.

Solinger showed a slide of steps in fiscal planning and implementation. The next slide showed the fiscal plan history. The first fiscal was completed in 2011-2015. It identified several issues. It confirmed financial policies and identified fund balance (40% minimum, target of 50%). Solinger talked about debt levels – state limit of 5% of equalized value – city’s goal if half of state limit; revenue concerns – shared revenues increase of \$533,000 in 2024 (Act 12); long-term impact of personal property tax repeal unknown (approximately \$133,000 in revenue); transportation aids – fiscal plan contemplates these are remaining the same; and PILOT impacts - fiscal plan includes impacts to PILOT payment from anticipated growth in utility infrastructure (Mann Valley, Biosolids).

Solinger talked about the 2018-2023 fiscal plan in comparison to actual tax year 2022. He wanted to make the point that things can change.

Solinger talked about 2024-2028 fiscal plan projections. He began with core assumptions and covered the amounts for wages, benefits, operating costs, transfers out, tax levy, net new construction, shared revenue, interest, TID transfers, full-time equivalents.

Aldersperson Downing asked about interfund loans targeting interest to bring it down and paying it off as soon as it can. Solinger said the chart was referring to interest earning on the cash the city has in the bank. He talked about reviewing the TIDs. He spoke further.

City Administrator Simpson asked Downing if he was using bonding and interfund interchangeably. Downing was talking about both. Simpson said the city prioritized external bonds and getting them paid first and

interfund transfers are paid after. Simpson spoke in length giving more details and examples. He fielded questions from council about talked possible scenarios.

Solinger moved onto the next slide which featured core assumptions for future expenses including fire station design \$500,000 cash financed in 2024; fire station construction \$5.5 million project, \$4.1 million borrowed; police roof \$400,000, financed in 2025. Both Solinger and Simpson spoke providing content about assumptions and future expenses.

Solinger moved onto the next slide featuring allocations. Solinger talked about general fund allocations and HR allocations. He spoke about the funds that receive the allocations and the percentage of the city funds.

The next slide showed the allocations out including maintenance and general funds allocations.

Aldersperson Bjork asked about HR allocations. Simpson talked about how the allocations were calculated. There were questions from council which Simpson and Solinger answered.

Solinger showed a slide illustrating the annual change in general fund expenses. He provided an explanation of the changes between the years. Bjork and Mueller asked clarifying questions. Solinger and Simpson provided answers.

Solinger continued showing slides of levy increases from 2022-2028 and the general fund balance 2022-2028. He talked about the cumulative fund balance over/under minimum and goal. Simpson talked about scenarios. Morrisette asked about the city's bond rating. Simpson provided information. He talked about extra money and cautioned about spending. He talked about city's rating.

Mueller asked about spending money. Does it make a difference on what it is spent on? Simpson thought yes. He provided some scenarios regarding the question.

Simpson noted the time. It was decided a second workshop on the fiscal plan would be held.

**The workshop adjourned at 6:20 p.m.**

Respectfully submitted,

Kristi McKahan, Deputy Clerk