

Resolution No. 5331 - Approving Vacation of a Portion of State Street and Alley (TID #8)

Kusilek wanted clarification on the vacation.

Steiner said this was a first step in the redevelopment of this area. He said State Street and the alley would be vacated and become private. At this time, Council is referred this item to the Plan Commission for review and recommendation. It will come back before Council at a later time.

Attorney Thiel said this was a preliminary resolution before Council tonight. He said in order to engage in this process a preliminary resolution must be passed by Council.

MSC Kusilek/Cronk move to resolution. Unanimous.

ORDINANCES AND RESOLUTIONS:

Ordinance No. 2010-1 - An Ordinance to Amend § 14.12.030 C. and 14.12.050; Park and Fire Impact Fees-First Reading

No comment.

Ordinance No. 2010-2 - An Ordinance Amending Chapter 14.16.030(C), 14.16.050, 14.16.070, and 14.16.080(B) of the Municipal Code for the City of River Falls, Wisconsin (Library Impact Fees) – First Reading

No comment.

Ordinance No. 2010-3 – To Amend 14.04.060 and 14.04.080 B. of the City Code; Sewer Service Connection Fees – First Reading

No comment.

Ordinance 2009-15 – Ordinance Amending Chapter 3.14 of the Municipal Code of the City of River Falls, Room Tax – This item was tabled at the 11-24-09 meeting

MSC Nordgren/Caflisch move to remove ordinance from table. Unanimous.

MS Cronk/Nordgren move to approve ordinance.

Rosanne Bump, River Falls Chamber, came to give a presentation to Council. Bump gave a history of room tax. The room tax ordinance was passed in June 2008 and is a five percent tax. It became effective in July 2008 and contains a sunset clause. Ninety-five percent of the tax goes directly to the Chamber to promote tourism; five percent goes to the City of River Falls for administration.

Bump said the Chamber formed a committee of which all the hotels are a part. They are working on developing a website and a branding and a marketing campaign. Request for proposals were put out and a vendor, Kinzie Green, was chosen. Bump explained why the vendor was chosen due to price, location and customer service.

Bump reviewed the funds. She said the funds needed to be used as follows: 70 percent goes to overnight promotion, 15 percent goes to Chamber administration, 10 percent goes to discretionary funds and 5 percent goes to the City. There were a couple of questions about the funds.

Bump discussed future events. She talked about purchases of print and media buys. Ebert asked if the marketing plan was a one-time expense. Bump said it was. Reese asked about if statistics were available about heads and beds. Bump said the hotel occupancy rates would be used.

Kusilek pointed out that the City provides support for community events in the form of labor. He asked Bergstrom to provide a summary of the labor and equipment costs. Bergstrom said in 2007, Public Labor and equipment costs were about \$26,000. This figure did not include the Police Department costs. Kusilek felt the City is contributing money these events.

City of River Falls, Wisconsin

January 12, 2010

Page 3

Bump said the community events are quality of life events. She felt the City had an obligation to provide residents and businesses things about and beyond the basic services.

Reese mentioned that the ordinance was amended since it was tabled. It does not raise the rate from five to eight percent but changes the allocation to 67/33 percent.

Bump asked Council to leave the allocation as it at 95/5 so the Chamber could make a difference. There was discussion about the funds and spending.

Cedric Ellingson, President of Chamber – said there was a marketing plan for the next 18 months that needs to use the funds. He said the money was to be used for tourism.

Bump said the hotels need to be supported. She reiterated that the funds were for tourism. She said there are other groups hosting community events and not just the Chamber. She said ways to cut expenses could be looked at.

Nordgren noted the City would have additional expenses for Farm Technology Days. Reese discussed the budget and funds and the amount of time it has taken for this project get underway.

Larson said she is a member of the Chamber and is on the tourism committee. She said when the ordinance was passed, City Council was told it would be 18 months before they had a report because there was no idea of how much money would be collected. Reports from the hotel owners are bleak, so she doesn't feel there will be a large amount of revenue. Larson said that money couldn't be spent until it was received and accumulated. She explained that it was important to give them time to work the plan in order to see results.

Cafilisch felt there would be sufficient funds for the committee to complete the project. Ellingson asked for the time to complete the plan. There was further discussion about the funds. Reese felt it has taken too long to implement the plan. Bump explained it was hard to get everyone on the same page. There was further discussion by Council.

City Administrator Simpson clarified that the ordinance has been revised with feedback provided by Council and Chamber regarding allocation. The City is not filling an expenditure hole. The City would still have significant expenditures for community events. He said the room tax is not just heads and beds but a local sales tax which cities can use to recover money using the community at large. He felt it made sense to have some of the money offsetting some of the cost of community events. He said the numbers given to Council came from Julie and Rosanne, and they are trying to do the best job possible to provide the most accurate information. Simpson said the 2010 numbers are estimates and are subject to change.

Simpson wanted to clarify a statement made during the presentation inferring that River Falls was a high tax city. He said the City portion of the tax bill would rank in the bottom quartile of every City in the State of Wisconsin.

Simpson said if the ordinance passes, the City would have to go back and do expenditure reductions in other areas because the anticipated revenue isn't as high as previously thought. He said the Chamber would have to do the same.

Nordgren/Cafilisch called to question. Unanimous.

The Mayor clarified that a "yea" vote was in favor of the City allocation changing to 33 percent and the Chamber allocation changing to 67 percent.

The Mayor asked for a roll call vote. The roll call vote was 5-2 with Cronk, Ebert, Cafilisch, Reese and Nordgren voting in favor of the motion and Kusilek and Larson voting against.

REPORTS:

City Administrator's Report

Simpson reminded Council of upcoming workshops. He informed Council about "Capitol Buzz" email which provides information on legislation relevant to local governments. He cited one mandate regarding bidding which could negatively affect the City and another regarding 'green' cleaning.

Ebert asked about the status of the solar panels. Gaulke said a site assessment was done to determine the best location. He said they are working on fine-tuning the financing and then recommendations would be brought back to Scot and the Council.

ANNOUNCEMENTS:

Mayor's Appointments:

AMBULANCE COMMISSION

Appointment of Dr. Carole Mottaz through April 2015

POLICE AND FIRE COMMISSION

Appointment of Dr. Carole Mottaz through April 2015

MS Nordgren/Cronk move to approve appointments. Cafilisch was opposed to her appointment because she was not a City resident. The Mayor called for a vote. **All members voted in favor of the appointments except for Cafilisch who voted against.**

CLOSED SESSION:

MS Larson/Cronk move to recess into Closed Session per Wisconsin State Statutes § 19.85 (1)(e) and 19.85(1)(g) for the following purposes:

Deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session; to-wit: acquisition of property; and for the purpose of conferring with legal counsel who is rendering legal advice as to strategy to be adopted with respect to litigation in which the City is involved; to-wit: Linehan v. City of River Falls

The roll call vote to move into Closed Session was unanimous at 7:55 p.m. Deputy Clerk not present for Closed Session.

MSC Cronk/Nordgren to move into Open Session. Unanimous.

Motion by Cronk to adjourn the meeting.

Respectfully submitted,

Kristi McKahan, Deputy City Clerk