

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

December 13, 2011

Council President Caflisch called the meeting to order at 6:30 p.m. in the City Council Chambers located in City Hall.

City Council Members Present: Tom Caflisch, David Cronk, Bob Hughes, Randy Kusilek, Scott Morrissette, Jim Nordgren, David Reese

City Council Members Absent: Mayor Richards

Staff Present: Bill Thiel, City Attorney; Scot Simpson, City Administrator; Carl Gaulke, Utility General Manager; Julie Bergstrom, Finance Director/Assistant City Administrator; Reid Wronski, Director of Public Works/City Engineer; Roger Leque, Police Chief; Tony Steiner, City Planner; Lu Ann Hecht, City Clerk; Mike Noreen, Conservation and Efficiency Coordinator; Tom Schwalen, Maintenance Supervisor

Others Present: Michael Stifter, Jeff Johnson, Kevin Flynn, John Lisowski, George Hauser, Dale Viney, Patsy Linehan, Shannon and Craig Gervais, Pauly Cudd, others

APPROVAL OF BILLS:

City – \$1,218,566.38

MSC Cronk/Morrissette move to approve the bills subject to the comptroller. Unanimous.

APPROVAL OF MINUTES:

November 22, 2011, Minutes

MSC Morrissette/Cronk move to approve minutes as submitted. Unanimous.

PUBLIC COMMENT, PETITIONS, REQUESTS AND COMMUNICATIONS:

Kwik Trip, Inc. 1238 N. Main St. – Change of Agent - Disposition

MSC Cronk/Morrissette move the approval of the change of agent. Unanimous.

Secondhand Jewelry Dealer License – Elizabeth’s Fine Jewelry

MSC Morrissette/Nordgren move the approval of a license. Unanimous.

PUBLIC HEARING:

Resolution No. 5541 - Vacation of Alley Right of Way – Tax Incremental District #9

Council President Caflisch recessed Council at 6:33 p.m. and went into a public hearing. At 6:34 p.m. with no one wishing to speak for or against this issue, Council reconvened into Open Session for disposition. MS Nordgren/Cronk move to approve resolution. The resolution passed 6-1 with all voting in favor except for Hughes who voted against.

Ordinance 2011-13 - Amendment to Section 16.20.010 D and E - Dedications for Parks and Recreational Areas - Second Reading and Disposition

Council President Caflisch recessed Council at 6:34 p.m. and went into a public hearing. At 6:34 p.m. with no one wishing to speak for or against this issue, Council reconvened into Open Session for disposition. MS Cronk/Nordgren move to approve ordinance.

Kusilek asked about why the State made changes. Attorney Thiel said it was due to lobbying. There was clarification about the ordinance number. **With no further discussion, the ordinance passed unanimously.**

Liquor license Application for “Class B” Liquor and Beer License for Mainstreeters of River Falls Inc. Shannon Gervais, Agent, Mainstreeter Bar & Grill – Hearing and Disposition

Council President Caflisch recessed Council at 6:36 p.m. and went into a public hearing.

Shannon and Craig Gervais came forward. Shannon said they have 20+ years of restaurant experience and are looking forward to being part of Mainstreeters.

At 6:37 p.m. with no one else wishing to speak for or against this issue, Council reconvened into Open Session for disposition. MS Cronk/Morrisette move to approve the license.

Due to how the application was completed, Reese asked if they intended on serving beverages in the lower level. It was clarified that liquor would be stored in the lower level so that area needed to be licensed.

The license application was passed unanimously.

Final Resolution No. 5542 - Authorizing Special Assessments and Levying Special Assessments Against Benefitted Property (Cascade Avenue Reconstruction from Spruce Street to Oak Knoll)
Council President Caflisch recessed Council at 6:38 p.m. and went into a public hearing.

Pauly Cudd, 223 North 4th Street – recently purchased land on Oak Knoll, and he wanted Council to know he was opposed to the special assessments.

At 6:40 p.m. with no one else wishing to speak for or against this issue, Council reconvened into Open Session for disposition. MS Cronk/Kusilek move to approve final resolution.

Nordgren asked Wronski about why there was no assessment for property number 45 (Jimmy John's). He asked if there was no change so it resulted in no assessment. Wronski said that was correct.

The resolution passed 6-1 with all voting in favor except for Hughes who voted against.

CONSENT AGENDA:

Acknowledgement of the following minutes:

- Fire Department – 11/7/11; Police and Fire Commission – 11/7/11;
- Ambulance Commission – 11/7/11; Historic Preservation Commission – 11/9/11;
- Plan Commission - 11/1/11; Park and Recreation Advisory Board – 11/16/11;
- River Falls Library Board – 11/7/11

Resolution Appointing Election Inspectors for the 2011-2012 Term → *Pulled by Nordgren*

Resolution No. 5543 - Regarding Number of Election Workers for Each District and Combining Wards for Reporting Purposes

Resolution No. 5544 - Amending City Fee Schedule – Parkland Dedication Fees

MSC Cronk/Morrisette move to approve remainder of Consent Agenda. Unanimous.

Resolution No. 5545 - Appointing Election Inspectors for the 2011-2012 Term

Nordgren pulled the resolution because he needed to abstain from voting because his wife was on the election worker list.

MSC Morrisette/Kusilek move to approve the resolution. Unanimous.

ORDINANCES AND RESOLUTIONS:

Resolution No. 5546 - Regarding 2011 Budget Adjustment

Council President Caflisch asked if Assistant City Administrator/Finance Director Bergstrom wanted to speak. Bergstrom explained the budget adjustment was due to re-arranging some expenses and additional revenue.

Morrisette asked about City Hall debt service. Bergstrom explained it was for interest. Simpson said whenever the City has unanticipated revenues it is being used to strengthen the balance sheet and pay off debts.

MS Reese/Nordgren move to approve resolution. The roll call vote to approve the resolution passed unanimously.

Resolution No. 5547 - Authorizing Funding for Library Lighting Project

Maintenance Supervisor Schwalen said the City is looking to replace 12 chandeliers in the main area of the library that are expensive. A cost efficient replacement which the Library Board has found favorable has been identified.

MS Cronk/Nordgren move to approve resolution. Morrisette asked if a fan/light combination had been considered that would move the heat around. Schwalen said there is ductwork that already provides for that. Kusilek asked if option four was the recommendation. Simpson said yes. **The resolution was passed unanimously.**

REPORTS:

City Administrator's Report

Simpson reminded the public of when City offices were closed and about tax collection.

UNFINISHED BUSINESS:

Resolution No. 5548 - Regarding Banking Services for the City of River Falls

MSC Nordgren/Morrisette move to take resolution off of table. Unanimous.

Council President Caflisch explained there was not a motion at the last meeting to accept or reject the resolution. He said the Council wanted more information. Caflisch said he had spoken to representatives from both Security Financial Bank and the First National Bank prior to start of the meeting. He said because representatives from First National Bank were at the last Council meeting, he wanted to give representatives from Security Financial Bank an opportunity to speak. First National Bank would also be given an opportunity to speak.

John Lisowski, Vice President, Security Financial Bank, gave a presentation for Council. He said the bank has been open in River Falls since 2006. Their 2010 taxes exceeded \$35,000. Their proposal includes an offer to pay the City interest on their daily average collected balances for the deposits, and if it were in place today, it would be 1.10 percent. He said the City is currently receiving .14 percent. If there were a million dollars on deposit, which he said the City does average, the City would receive \$10,000 average on an annual interest return. He said that could be close to \$30,000 for the term of the contract.

Lisowski said there was also interest rate floors provided so the interest rate would not drop automatically. He said the technologies are in place for the requested level of service including positive pay, tokens, and operating service. He asked Hauser to discuss community service.

George Hauser, Executive Vice President, Security Financial Bank, said River Falls is a desirable place to do business. He talked about his and other staff member's community involvement. He thanked the Council and asked them to consider their proposal.

Council President asked First National Representatives to come forward.

Jeff Johnson, President and CEO of First National Bank, introduced board members and several staff members. He thanked Council for considering their proposal. He said the bank is 108 years old and the banking offices have always been in River Falls. They have had a banking relationship with the City since 1974. He said they are one of two 'true' local banks and a majority of the deposits are loaned out locally. They have 81 employees - a vast majority of them live, shop and pay taxes in River Falls. Johnson noted his staff volunteered a total of

2,602 hours the past year. He said the bank has also donated over \$65,000 in the past year - most donations are given in River Falls.

Johnson said the bid was an improvement over the existing contract. No profit has been built into it. He said Security is offering a slightly better interest rate. He said the difference in the interest rates exists only if interest rates do not increase over the next 3-5 years. He talked about the \$10,000 being compressed if interest rates change. He hoped the Council considers everything First National Bank has to offer the City. He thanked the Council for their time.

Lisowski returned to the podium for a rebuttal. He had no arguments with what First National Bank offers. He respects them as a good corporate citizen. He talked about First National Bank's ability to volunteer and donate money. Lisowski noted that prior to 1974 another bank had the business with the City. He said they are asking for the opportunity to do the same. He talked about basing the decision on the merits of the proposal. He thanked the Council.

Council President Cafilisch said the low bid belongs to Security Financial Bank. He asked Council members if they had questions or wanted to make a motion.

Morrisette asked both representatives why they wanted the City's business, and he also asked about securitizing.

Lisowski sees it as a benefit to offer services to the City and a contribution to the community. The large deposits are also a consideration.

Johnson said it is the right thing for the bank to do even though there would not be a large profit for the bank.

Morrisette about the securitization factor if the amounts of the deposits increased. Johnson said their investment portfolio is about \$81 million dollars and as long as the City kept \$34 million or less, it would be fine.

Lisowski said their bank was about the same in the range of dollars so securitizing the deposits would not be an issue.

Cafilisch thanked each representative for his presentation. He asked the Council members their wishes.

MS Cronk/Nordgren move to approve resolution.

Nordgren said it was hard to put aside an old friend but he had to look at it from a constituent's standpoint. He felt it had to look at the financial difference regarding the interest.

Cronk had a hard time looking at the subjectiveness of community service each bank. He talked about getting on a slippery slope if the Council started weighing in community service. He appreciates what has been given to the City of River Falls. He said the RFP was fairly simple and Security Financial beat out First National by a small amount but didn't feel \$30,000 over three years was a real small amount. Cronk said he had to go with Security Financial.

Hughes felt it was too hard to ignore what First National Bank does for the community.

Reese felt Council owed it to the constituents to go with the numbers. He was pleased the City had banks competing for its business.

Cafilisch called for a roll call vote. The roll call vote passed 6-1 with all voting in favor except for Hughes.

CLOSED SESSION:

MS Nordgren/Cronk move to recess into Closed Session at 7:23 p.m. per Wisconsin State Statutes § 19.85 (1)(e) and (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: right of way offer – Cascade Avenue Phase I,” and “Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to be become involved.”

The roll call vote to recess into Closed Session was unanimous.

Council had discussion on items for Closed Session consideration.

RECONVENE INTO OPEN SESSION:

MSC Cronk/Morrisette move to adjourn into open session. Unanimous.

MSC Morrisette/Kusilek move to approve resolution regarding Cascade Avenue Phase I. Adopted.

Motion by Cronk to adjourn meeting.

Respectfully submitted,

Kristi McKahan, Deputy City Clerk