



City of River Falls 2026 Budget Supplement

CITY HALL ♦ 222 LEWIS STREET ♦ RIVER FALLS ♦ WISCONSIN ♦ 54022

TRANSMITTAL LETTER



TO: Mayor Toland and City Council
FROM: Josh Solinger, Finance Director
DATE: November 11, 2025
TITLE: 2026 Budget Supplement Information

BACKGROUND

In 2024, the City of River Falls adopted its two-year budget for fiscal years 2025 and 2026. A two-year budget allows staff to plan and set goals for the two-year period under the direction of the City Council. In addition, it reduces the staff time spent on the budgeting process and allows staff to focus on service delivery and improving City operations. Two-year budgeting empowers departments with more flexibility to manage their costs.

State statutes do not allow for adopting a two-year levy on our current budget schedule, however, and the City is required to follow the budgetary process of setting a public hearing date and approving the budget ordinance for the 2026 portion of the biennial budget. The first reading and public hearing of the 2026 levy and budget ordinance will be held on October 28 and adoption of the 2026 levy and budget ordinance and second public hearing are scheduled for November 11.

The following pages contain a preview of results for fiscal year 2025 and a review of the 2026 budget. The appendices contain various tables and graphs to help visualize the information.

PREVIEW OF 2025 RESULTS

The City's General Fund is on track with actual-to-budgeted expenditures through the end of September. However, several categories of revenues – license and permit fees, recreation fees, and interest/investment earnings – are well ahead of budget. Through the end of September, the General Fund is on track to end the year with a budget surplus. The City's four utilities are also on track to end 2025 with surpluses.

Surplus or Deficit by Fund as of September 2025

Fund	Current Year Surplus / (Deficit)	Prior Year Surplus / (Deficit)
General Fund	\$ 1,258,855	\$ 829,222
Electric Utility	1,152,465	1,119,157
Water Utility	611,874	574,202
Wastewater Utility	600,435	990,700
Stormwater Utility	118,401	225,586

FISCAL YEAR 2026 BUDGET UPDATES

The planned budget for 2026 totals \$66,635,649, which represents an increase of \$12,783,854 compared to the original plan for 2026 when the 2025-2026 biennial budget was approved in November 2024. The largest sources of the change are the General Fund, due to cash financing for the fire station project, the Library Trust Fund, due to budgeted Library building improvements from community fundraising, and the General Capital Fund, due to the fire station project.

PROPOSED TAX LEVY

The following table shows the proposed property tax levy for 2026 compared to what is in the 2024-2028 Fiscal Plan. The proposed tax levy is approximately \$91,000 less than originally contemplated in the Fiscal Plan, primarily due to less borrowing required and more cash available for financing capital projects than originally anticipated.

Property Tax Levy		
<u>Fund Type</u>	<u>Per Fiscal Plan</u>	<u>Proposed 2026</u>
General Fund	\$6,283,000	\$6,364,000
Library Fund	950,000	950,000
Debt Service	1,173,297	1,100,098
<u>Capital Projects</u>	<u>163,983</u>	<u>65,000</u>
TOTAL	\$8,570,280	\$8,479,098

PROPERTY VALUES

River Falls continues to see an increase in net new construction for both counties, with Pierce and St. Croix Counties realizing 2.75 percent and 6.72 percent growth in equalized value due to new construction, respectively. The proposed levy takes an incremental approach that seeks to maintain the City’s financial capacity in a prudent and fair manner. The financial support from the tax levy will maintain the City’s ability to support the future growth of the community.

Overall, the City’s equalized value increased by \$153.7 million from 2024 to 2025, or an increase of approximately eight percent. Roughly half of the equalized value increase between 2024 and 2025 was the result of new construction.

CONCLUSION

The City’s biennial budget process is a practical and time-saving solution for the budgeting process. This allows the organization to have more time dedicated to seeking operating efficiencies and good budget implementation.

Staff is pleased to present this budget supplement that provides for the City’s needs within the framework of sound financial management.

Please contact City Staff if you have any questions regarding this information.

APPENDIX A: BUDGET UPDATE BREAKDOWN

All Funds Budget (2026): Original to Updated			
Fund	Original Planned 2026	Updated Planned 2026	Difference
General Fund	\$ 13,538,251	\$ 14,394,367	\$ 856,116
Special Revenue Funds	8,821,774	11,246,146	2,424,372
Debt Service Funds	1,250,896	1,250,896	-
Capital Funds	2,367,130	11,672,500	9,305,370
Enterprise Funds	25,582,337	25,482,337	(100,000)
Internal Service Funds	2,291,407	2,589,403	297,996
TOTAL	\$ 53,851,795	\$ 66,635,649	\$ 12,783,854

General Fund Budget (2026): Original to Updated		
Original Planned 2026	Updated Planned 2026	Difference
\$ 13,538,251	\$ 14,394,367	\$856,116

\$ 789,017: Capital Cash Financing
 255,529: Operations
 28,371: Transfers Out
(216,801): Personnel
 \$ 856,116: Total adjustments

Library Budget (2026): Original to Updated

Original Planned 2026	Updated Planned 2026	Difference
\$ 1,448,099	\$ 1,453,646	\$5,547

\$ 5,547: Personnel
\$ 5,547: Total Adjustments

Library Trust Budget (2026): Original to Updated

Original Planned 2026	Updated Planned 2026	Difference
\$ 6,000	\$ 2,301,000	\$ 2,295,000

\$ 2,300,000: Library Improvements (Foundation)
(5,000): Transfer to Reserves
 \$ 2,295,000: Total Adjustments

Information Technology (2026): Original to Updated

Original Planned 2026	Updated Planned 2026	Difference
\$ 1,161,716	\$ 1,322,540	\$ 160,824

\$ 197,000: Capital Costs
 90: Transfers Out
(36,266): Personnel
 \$ 160,824: Total Adjustments

Capital cost increases primarily consist of:

- Fiber network installation to the Police Department
- Access control panel replacements
- Citywide switch replacements
- Zero Trust network access

Facilities Maintenance (2026): Original to Updated

Original Planned 2026	Updated Planned 2026	Difference
\$ 588,678	\$ 689,406	\$ 100,728

\$ 60,000: Capital Costs
 38,300: Operations
 2,046: Personnel
382: Transfers Out
 \$ 100,728: Total Adjustments

Capital cost increases primarily consist of:

- Glover Schoolhouse front steps
- Larson Park garage roof, siding, and door replacements

APPENDIX B: GENERAL FUND SUMMARIES

FY 2026 GENERAL FUND REVENUES

<u>Summary of General Fund Revenues</u>	<u>2026</u>
Tax	\$6,385,100
Intergovernmental	4,079,000
Licenses & Permits	295,500
Fines / Forfeitures	145,000
Charges for Services	368,730
Interest	170,000
Miscellaneous	992,170
Other Financing Sources	1,958,867
Total Revenues	\$14,394,367

FY 2026 GENERAL FUND EXPENDITURES

<u>Summary of General Fund Expenses</u>	<u>2026</u>
Wages	\$6,031,074
Benefits	2,308,183
Operating Supplies	4,289,893
Debt Service	60,863
Other Financing Sources	1,704,354
Total Expenses	\$14,394,367

APPENDIX C: ENTERPRISE FUND SUMMARIES

FY 2026 ELECTRIC UTILITY

<u>Summary of Electric Utility Revenues</u>	<u>2026</u>
Charges for Services	\$17,125,000
Interest	80,000
Miscellaneous	129,500
Other Financing Sources	100,000
Total Revenues	\$17,434,500

<u>Summary of Electric Utility Expenses</u>	<u>2026</u>
Wages	\$1,236,433
Benefits	546,969
Operating Supplies	12,452,996
Debt Service	2,188,375
Other Financing Sources	1,009,727
Total Expenses	\$17,434,500

FY 2026 WATER UTILITY

<u>Summary of Water Utility Revenues</u>	<u>2026</u>
Charges for Services	\$2,881,037
Interest	100,000
Miscellaneous	127,800
Other Financing Sources	200,000
Total Revenues	\$3,308,837

<u>Summary of Water Utility Expenses</u>	<u>2026</u>
Wages	\$761,728
Benefits	292,936
Operating Supplies	615,917
Debt Service	881,300
Other Financing Sources	756,956
Total Expenses	\$3,308,837

FY 2026 WASTEWATER UTILITY

<u>Summary of Wastewater Utility Revenues</u>	<u>2026</u>
Charges for Services	\$3,380,000
Interest	100,000
Miscellaneous	26,000
Other Financing Sources	250,000
Total Revenues	\$3,756,000

<u>Summary of Wastewater Utility Expenses</u>	<u>2026</u>
Wages	\$933,875
Benefits	361,542
Operating Supplies	825,167
Debt Service	1,255,489
Capital Assets	15,000
Other Financing Sources	364,927
Total Expenses	\$3,756,000

FY 2026 STORMWATER UTILITY

<u>Summary of Stormwater Utility Revenues</u>	<u>2026</u>
Charges for Services	\$597,000
Interest	5,000
Miscellaneous	1,000
Other Financing Sources	50,000
Total Revenues	\$653,000

<u>Summary of Stormwater Utility Expenses</u>	<u>2026</u>
Wages	\$284,419
Benefits	84,469
Operating Supplies	128,490
Debt Service	103,986
Other Financing Sources	51,636
Total Expenses	\$653,000

APPENDIX D: FULL TIME EQUIVALENTS

Full Time Equivalents (FTEs) by Division	2025 Budgeted	2026 Budgeted
Administration	2.6	2.6
City Clerk	2.4	2.4
Communications	0.5	0.5
Municipal Court	1.2	1.2
Human Resources	1.6	1.6
Finance	2.2	2.2
Technology Fund	4.2	4.2
Subtotal (Admin/Finance)	14.6	14.6
Community Development	5.4	5.4
Economic Development	0.2	0.2
Recreation	1.5	1.5
Swimming Pool	0.3	0.3
Conservation and Parks	0.6	0.6
Housing Reserve Fund	0.0	0.0
Subtotal (Comm Dev)	8.0	8.0
City Hall/Building Maintenance	3.5	3.5
Engineering/Bridges	1.5	1.5
Garage	3.2	3.2
Parks	3.8	3.8
Streets	6.5	6.5
Stormwater Utility	2.6	2.6
Subtotal (Eng./PW)	21.1	21.1
Library Fund	9.3	9.3
Subtotal (Library Services)	9.3	9.3
Electric Fund	16.4	16.4
Water Fund	8.5	8.5
Sewer Fund	11.4	11.4
Solid Waste Fund	0.1	0.1
Subtotal (Municipal Utilities)	36.3	36.3
Ambulance Fund	0.0	0.0
Fire	1.0	1.0
Police-Civilian	3.0	3.0
Police-Sworn	25.0	26.0
Subtotal (Public Safety)	29.0	30.0
Total FTEs	118.3	119.3