

MINUTES
FINANCE REVIEW COMMITTEE MEETING
APRIL 11, 2017
12:00 PM (NOON)

1. Call Meeting to Order

Bob called meeting to order at 12:00 PM (NOON)

2. Roll Call

Members present: Bob Schmidt, LeRoy Ihm, Pete Hoffman and Kate Reuter.
Also present were Mayor David Varnam, Interim Administrator/Clerk Dave Kurihara and DPW John Hauth

3. Minutes

Motion by Kate, second by Pete to approve the minutes of 11/14/2016. Motion carried.

6. Public Comments

Jeff Gruetzmacher, Royal Bank made a presentation on the banking and lending services that can be provided to the City.

A discussion on banking services will be done sometime at a later date.

4. Discuss 2017 Borrowing

Dave K. reviewed the following spreadsheets regarding the upcoming projects and related borrowing:

- Proposed 2017 Capital Projects
- G.O. Debt Limit/Capacity
- 12/31/16 Outstanding Debt
- Debt Schedule.

A possible \$320,000 loan and a 3.1 million bonding are planned for 2017.

5. Discuss Purchasing and Incentives related to any Possible Future Land Developments

It was noted that Kolar Estates was a successful City developed subdivision and the City should look into another such development. Dave K. will contact a realtor to express the City's interest in obtaining land for development. This is not an immediate need but something the City should consider if land can be reasonably purchased and developed.

Tax rebates/refunds are not allowable as form of incentives to attract residents or businesses in the State of Wisconsin as it is in Iowa. Dave K. noted a couple of cities provide privately funded residential incentives but not publically.

- A new home owner in the City of Waterloo can get up to a \$4,000 merchandise credit.
- An economic incentive of up to \$50,000 toward tuition for a new or renovated home in the City of LaCrosse,

The Committee thought it would be a good idea to contact State representatives to encourage changing the law regarding incentives to be like Iowa.

6. Adjourn

Meeting was adjourn at 12:56 PM

David Kurihara, Interim Administrator/City Clerk

MINUTES
FINANCE REVIEW COMMITTEE MEETING
JUNE 13, 2017
12:00 PM (NOON)

1. Call Meeting to Order

Bob called meeting to order at 12:00 PM (NOON)

2. Roll Call

Members present: Bob Schmidt, Pete Hoffman, Kate Reuter and Dan VonFeldt.
Also present were Interim Administrator/Clerk Dave Kurihara and DPW John Hauth

3. Minutes

Motion by Pete, second by Kate to approve the minutes of 4/11/2017. Motion carried.

4. Water Tower Painting Financing

Dave K stated the water tower painting project bid will be considered for approval Monday night and the total project cost is approximately \$350,000. Financing will be not be needed until later this summer but it was suggested to obtain a 5-year loan of \$300,000 from a local bank or the State Trust Fund (Current rate for a 5 year note is 3%).

Further, John H explained the scope and timeline of the project.

There was consensus to further discuss this at a later date in which a procurement of a 5-year \$300,000 loan from the local banks will be done as an option for financing from the State Trust Fund.

5. TIF Financing

Dave K. noted the possible creation of a new Tax Incremental Financing District for the commercial and residential development on the South side of the City will be discussed at a near future Council meeting. This creation may incur additional financing needs for associated infrastructure development costs but would be recouped through generated tax increments. This item was provided as a “heads up”.

6. Preliminary 2018 Budget

Based on tax and levy limit restrictions, there was consensus to confer with Administration that department requests will be set to zero or less than 1% percent budgetary increase for 2018 operational costs.

7. City Compensation Study

Dave K wondered if the Committee would be open to Administration to pursue having a city compensation study done. He stated it possibly could be a good tool for hiring new employees and guideline for existing wages but with the understanding increases if any may not be obtainable due to budget constraints.

There was consensus of having Karen Kurt, City Manager of Platteville to present and discuss her experience of having a city compensation study at a future meeting.

Tentatively the next meeting will be scheduled at 12:00 P.M. Noon on August 8th.

8. Adjourn

Motion by Kate, second by Pete to adjourn at 12:55 P.M. Motion carried.

David Kurihara, Interim Administrator/City Clerk

MINUTES
FINANCE REVIEW COMMITTEE MEETING
SEPTEMBER 12, 2017
12:00 PM (NOON)

1. Call Meeting to Order

Bob called meeting to order at 12:00 PM (NOON)

2. Roll Call

Members present: Bob Schmidt, Pete Hoffman, Kate Reuter and Dan VonFeldt.

Also present: Administrator David Carlson, Clerk Dave Kurihara and DPW John Hauth

3. Minutes

Motion by Pete, second by Bob to approve the minutes of 6/13/2017. Motion carried.

4. Compensation Study

Karen Kurt, Platteville City Manager, made a presentation summarizing the compensation study that had been done for the City of Platteville along with its objectives, expectations and outcomes.

This item will be further discussed when the budget is reviewed as to whether to include this type of project for the City in 2018.

5. Water Tower Painting Financing

Dave K presented a summary of the proposals requested for a \$300,000 5-year term loan with no prepayment sent out to all financial institutions in the City.

Motion by Kate, second by Dan to recommend for Council approval a \$300,000 5-year loan at a low fixed rate of 1.93% from Royal Bank to finance the repainting of the water tower. Motion carried.

6. 2018 Utility Rates

A summary of utility rates over the last few years (2015-2017) rates and any increases were reviewed. Note: Financial budget information will be reviewed next month.

There was consensus to apply for a SRC increase (3%) for water and implement an inflationary 1.5% increase for sewer. It should be noted there will be a 25 cent increase in the monthly garbage fee due to a 25 cent increase in the unit cost per the contract.

These increases will be reflected in the proposed 2018 budget.

7. Preliminary 2018 Budget

As agreed upon last month, Administration had instructed department heads to submit budgets with a zero or less than 1% percent budgetary increase for 2018 operational costs.

At the next meeting, a summary of requests above the 1% will be presented for discussion and justification.

8. 2016 Audit Report

A copy of the 2016 report, which will be presented next Monday, was handed out for members review.

The next meeting will be scheduled at 12:00 P.M. Noon on October 10.

9. Adjourn

Motion by Kate, second by Pete to adjourn at 1:12 P.M. Motion carried.

David Kurihara, City Clerk

MINUTES
FINANCE REVIEW COMMITTEE MEETING
OCTOBER 10, 2017
12:00 PM (NOON)

1. Call Meeting to Order

Bob called meeting to order at 12:00 PM (NOON)

2. Roll Call

Members present: Bob Schmidt, Pete Hoffman, Kate Reuter and Dan VonFeldt.

Also present: Administrator David Carlson, Clerk Dave Kurihara, Mayor David Varnam, DPW John Hawth and Fire Chief Steve Braun

3. Minutes

Motion by Pete, second by Dan to approve the minutes of 9/12/2017. Motion carried.

4. Emergency Services Administrator

Fire Chief Braun made a presentation summarizing a proposal to consider creating a full-time EMS position, which would serve 2/3 time with the ambulance and the other 1/3 with the Fire Department.

The Committee thought the concept of this type of position to assist in maintaining 24/7 ambulance coverage seems reasonable but a consensus was reached to have further study done to determine if this can be a city position and if other viable options exist.

5. Proposed 2018 Budget

The draft 2018 Budget Preview was reviewed and in summary was the following:

- Proposed tax levy increase \$40,000 or 2.98%
- Proposed utility rate increases of 3% for water and 1.5% for sewer
- Estimated Impact on Residents
 - A resident whose property is assessed at \$100,000 and uses 4,000 gallons of water a month will likely pay a slight increase in:
 - City-only tax of .66 per month (\$51.66 compared to \$51.00 in 2017)
 - Utilities of \$1.74 per month (\$86.15 compared to \$84.36 in 2017)

There was a consensus to add \$4,000 for community enhancement as to be determined by the Beautification Committee.

6. Proposed 2017 Plan of Finance

A 2017 plan of finance was reviewed which outlined a proposed financing of a 20-year \$3,025,000 bond as follows:

- \$860,000 Street Improvement Projects
- \$50,000 Public Works Building Improvements
- \$165,000 Improvements of Parks and Public Grounds
- \$185,000 Sewer Projects
- \$185,000 Water Projects
- \$1,580,000 Refunding (\$805,000 TIF and \$775,000 General)

There will be eight (8) related resolutions for Council consideration next Monday.

Based on the size and term of the bond, this borrowing will be bided out to the market as has been done with previous bond borrowings; however, the BMO note with a balloon payment of \$635,000 due on 12/1/17 and to be refinance will be bided out to the local banks as was done with the water tower painting project.

7. Adjourn

Motion by Kate, second by Pete to adjourn at 1:23 P.M. Motion carried.

David Kurihara, City Clerk

MINUTES
FINANCE REVIEW COMMITTEE MEETING
NOVEMBER 14, 2017
12:00 PM (NOON)

1. Call Meeting to Order

Bob called meeting to order at 12:00 PM (NOON)

2. Roll Call

Members present: Bob Schmidt, Pete Hoffman, Kate Reuter and Dan Von Feldt.
Also present: Administrator David Carlson, Clerk Dave Kurihara and Mayor David Varnam

3. Minutes

Motion by Kate, second by Pete to approve the minutes of 10/10/2017. Motion carried.

4. Budget Requests from Grant County and Nelson Dewey Historical Society

There was consensus to budget \$4,000 for the Nelson Dewey Historical Society since this amount can be applied to the remaining Tiedemann Trust funds, which approximately \$6,500 remains. It should be noted that this contribution is to be requested on an annual basis.

Motion by Dan, second by Kate to approve Grant County request for \$4,000 contribution toward the project of "Lighting the Dome". Motion carried.

Both requests will be included in the Budget with \$4,000 in Beautification and \$4,000 in Historic Preservation with offsetting Interest Income of \$8,000.

5. Close Session

Motion by Kate, second by Dan to convene to close session at 12:08 P.M. for the purpose of considering employment, promotion, compensation or performance evaluation of any public employee over which the governmental body has jurisdiction or exercises responsibility in regards to full time non-represented employees' wages (Wisconsin Statutes 19.85, Pl, c). Motion carried unanimously by roll call vote.

6. Open Session

Motion by Pete, second by Kate to resume to open session to take action on above if so advisable. Motion carried unanimously by roll call vote.

7. Proposed 2018 Budget

The 2018 Proposed Budget Amendments Memo was reviewed which summarized the proposed changes:

- Road Aid and Cable Fees-Increase \$33,000
- Grant Co. and Nelson Dewey Budget Request-Increase \$8,000
- Wage Adjustments-Increase \$7,000

Note: There was no change in the proposed levy of \$1,383,000 or 2.98% increase.

Motion by Kate, second by Dan to recommend to Council approval of proposed 2018 budget as outlined in the memo. Motion carried unanimously by roll call vote.

8. 2018 Simplified Water Rate Increase and Sewer Rate Increase

Motion by Pete, second by Bob to recommend to Council an application for 2018 Simplified Water Rate Increase and approval of a 1.5% Sewer Rate increase for 2018. Motion carried.

9. General Fund Balance

A memo had been provided to show an analysis of the City's General Fund Balance as of December 31, 2016.

Unassigned portion was a deficit of \$143,246 and should be \$341,400-\$596,000 based on the Fund Balance policy. Because on this deficit, the City's bond rating was recently lowered from A- to BBB+.

City Administration is unclear how the rating change will affect the rate of borrowing on the upcoming bond issue (11/20/17) but wanted the Committee to be aware.

Further Administration understands that the unassigned balance is not at the proper level but will actively address it through budgeting with a surplus over the next few years to recover the deficit amount.

10. November 20, 2017 Bond Sale and BMO 12/1/07 Loan Refinance

It was mentioned the Council will be considering a resolution to approve the sale of a \$3,025,000 Bond next Monday.

A summary of the proposals for a \$635,000 10-year term taxable loan that had been sent out to all financial institutions in the City was reviewed. The \$635,000 is the final (balloon) principal payment on the \$997,644 10-year original note, which had been obtain thru BMO Bank (formerly M & I Bank) to replenish the general fund for TID #3 (Arrow Ridge Business Park) infrastructure costs

Motion by Kate, second by Dan to recommend for Council approval a \$635,000 10-year taxable loan at a low fixed rate of 3.43% from Royal Bank to finance the 12/1/07 BMO Loan. Motion carried.

11. Wisconsin Management Company's Request for Letter of Support-Tax Incremental Financing (TIF) District

Presented was a letter of support requesting the City to pursue development of a pay-as-you-go TIF to help finance an approximate loan amount of \$161,500 as part of covering their funding gap of the proposed construction improvement project of around \$5,000,000. The project is contingent on WMC receiving Low Income Housing Tax Credits. The letter of support will help with approval of those credits.

Motion by Kate, second by Pete to recommend for Council approval of Wisconsin Management Company's Request for Letter of Support-Tax Incremental Financing (TIF) District. Motion carried.

Tentatively the next meeting will be scheduled at 12:00 P.M. Noon on March 13, 2018.

12. Adjourn

Motion by Pete, second by Kate to adjourn at 1:20 P.M. Motion carried.

David Kurihara, City Clerk