

**Finance & Personnel Committee
of the City of Onalaska**

Wednesday, October 3, 2018

1

1 The Meeting of the Finance & Personnel Committee of the City of Onalaska was called to order
2 at 7:55 p.m. on Wednesday, October 3, 2018. It was noted that the meeting had been announced
3 and a notice posted at City Hall.

4
5 Roll call was taken, with the following members present: Ald. Jim Olson, Ald. Kim Smith, Ald.
6 Jerry Every

7
8 Also Present: City Administrator Eric Rindfleisch, Mayor Joe Chilsen, Financial Services
9 Director/Treasurer Fred Buehler, Human Resource Director Hope Burchell, Ald. Jim Binash,
10 Ald. Diane Wulf, Parks and Recreation Director Dan Wick

11

12 **Item 2 – Approval of minutes from the previous meeting**

13

14 Motion by Ald. Olson, second by Ald. Every, to approve the minutes from the previous meeting
15 as printed and on file in the City Clerk’s Office.

16

17 On voice vote, motion carried.

18

19 **Item 3 – Public Input (limited to 3 minutes/individual)**

20

21 Ald. Smith called two times for anyone wishing to provide public input and closed that portion
22 of the meeting. Ald. Smith then asked that Item 9 be addressed first.

23

24 **Consideration and possible action on the following items:**

25

26 **FINANCE**

27

28 **Item 9 – Rate impacts for water, sewer, and storm water utilities – including presentation**
29 **by Hawkins Ash CPAs, including option regarding rate adjustments**

30

31 Ald. Smith noted that Monica Hauser of Hawkins Ash CPAs had given her presentation at the
32 just-completed Utilities Committee meeting and asked if anyone would like Monica to re-present
33 anything or ask her any questions.

34

35 City Administrator Rindfleisch said if anyone wishes to review Monica’s presentation, they may
36 do so both via the Utilities Committee recording as well as the Board of Public Works meeting
37 minutes from October 2.

38

39 Ald. Smith noted that Item 8 will be addressed next.

40

41 **Item 8 – Financing Plan – including a presentation by Baird Public Finance**

42

Reviewed 10/5/18 by Hope Burchell & Fred Buehler

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2

43 Fred said Brad Viegut, Managing Director for Baird Public Finance, will be discussing General
44 Fund Obligation and also Mortgage Revenue Bonds. Fred noted that the city's past history is to
45 borrow approximately \$3.5 million in General Obligation Debt, and he said Brad's financial
46 figures will be looking at approximately \$3.5 million in General Obligation Debt. Fred reminded
47 committee members that some of the projects scheduled for 2018 were completed, and some
48 were not. Fred said the city is considering doing a Mortgage Revenue Bond issue for Water,
49 Sewer, and Storm Water, and he told committee members there will be a Water/Sewer Mortgage
50 Revenue Bond and a Storm Water Mortgage Revenue Bond because Storm Water is relatively
51 new to the system. Fred noted Mortgage Revenue Bond issues are supported by the rates within
52 the utility itself, and he said if the city will have a significant number of Water projects through
53 the Capital Projects issue, water rates must be sufficient so that they cover the debt of the
54 Mortgage Revenue Bond issues. Fred said Mortgage Revenue Bond issues do not impact the
55 city's debt limit outlined in its financials.

56
57 Brad said he will be discussing the content of the packets committee members had received.
58 Brad noted he normally appears before the Finance and Personnel Committee in the spring after
59 the city's Capital Improvements Projects have been approved. However, due to the CIP that is
60 currently working its way through the budget process, Brad said Fred typically asks him during
61 the fall to prepare some preliminary data so he may determine what the potential impact might
62 be. Brad said, "This year's total financing package is going to look a little different than what
63 the city has seen in the past. There are a lot of moving parts with the two revenue bond issues
64 and the General Obligation Bond issue. And remember, there were Note Anticipation Notes
65 earlier this year to fund capital projects – a portion was for Enterprise, and a portion was for
66 General Obligation. There are many more moving parts than what the city typically sees. I'm in
67 front of you to introduce a financing plan that is going to provide the most economical financing
68 to the city. The reason it's being introduced now is, to execute this plan requires a small
69 financing later this year, in December. That's why this is a little different than what you would
70 normally see."

71
72 Brad began his presentation on page 2 of the packet given to committee members and
73 highlighted the following points:

- 74
- 75 • When the City of Onalaska issues less than \$10 million of tax-exempt debt in a calendar
76 year, it is considered Bank Qualified. Bank Qualified Debt typically has lower interest
77 rates than debt that is non-Bank Qualified. If the city were to go \$1 over \$10 million, all
78 of that debt is non-Bank Qualified.
 - 79 • The Bank Qualified test is on a calendar year. The city gets a fresh test of the \$10 million
80 every calendar year. Only new money financings are included in the \$10 million
81 borrowing amount. Brad said this is opposed to refinancings of prior debt. The
82 refundings tie back to the original issuance. Brad said for example if in 2019 the city was
83 going to refund debt issued in 2018 and that debt was Bank Qualified, the refunding debt

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- 84 in 2019 is not included in the \$10 million cap for 2019.
- 85 • In 2018, the city already has issued \$5,195,000 of Bank Qualified Debt. This was in two
- 86 pieces: a NAN of \$1,570,000, and \$3,625,000 in General Obligation Bonds. This means
- 87 there is \$4,805,000 remaining in Bank Qualified capacity.
- 88 • The 2019 estimated projected financing needs are \$3,895,000 for General Obligation
- 89 Debt; \$2,390,000 for Storm Water Debt; and \$9,030,000 for Water/Sewer Debt.
- 90 • If the city were to follow past practice, it would do one financing in the spring, and that
- 91 financing would be non-Bank Qualified. Non-Banked Qualified, based on current
- 92 market, would be approximately \$200,000 more in interest costs to the city. Brad said,
- 93 “By utilizing a plan that gets everything Bank Qualified, you’re estimated to save about
- 94 \$200,000.”
- 95

96 Brad highlighted the following points from page 3:

97

- 98 • In 2018, the city could issue \$4,650,000 as Bank Qualified for 2019 projects. The 2018
- 99 financing would not occur until the city’s Capital Improvements Budget is approved.
- 100 The financing would be locked in in mid-December.
- 101 • In 2019, the city would refund its 2018 NANs, and it does not count toward 2019 Bank
- 102 Qualified as it is tied back to 2018.
- 103 • The aggregate par amount issued at one meeting cannot exceed \$10 million to be Bank
- 104 Qualified.
- 105

106 Ald. Smith asked if the \$10 million for the Bank Qualified limit is a flat \$10 million, if it based

107 on the size of the city’s financial budget or the size of the city, or if it is a blanket number.

108

109 Brad told Ald. Smith that \$10 million is an Internal Revenue Service nationwide figure for every

110 community in the United States. Brad said the figure was \$30 million in 2009 and 2010 as part

111 of the American Recovery and Reinvestment Act (ARRA). However, that amount has sunset

112 and is back to \$10 million.

113

114 Brad highlighted the following points on a chart found on page 4:

115

- 116 • **December 2018:** A Note Anticipation Note of \$4,650,000 would be issued (\$3.5 million
- 117 General Obligation; \$1,150,000 Water/Sewer).
- 118 • **March 2019:** The \$395,000 related to the April 2018 Note Anticipation Note would be
- 119 refinanced, and the \$3.5 million related to the December 2018 Note Anticipation Note
- 120 also would be refinanced. The General Obligation portion would be captured here.
- 121 • **March 2019:** \$2,390,000 related to Storm Revenue Bonds would be issued. This means
- 122 \$230,000 from the April 2018 Note Anticipation Note would be refinanced, and the
- 123 remaining \$1,990,500 would be for new money Storm Water projects.
- 124 • **April 2019:** \$9,030,000 in Water/Sewer Revenue Bonds would be issued. This means

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125 \$945,000 related to the April 2018 Note Anticipation Note would be refinanced, as would
126 \$1,150,000 related to the December 2018 Note Anticipation Note. The remaining
127 \$6,409,000 would be for new money Water/Sewer projects.

128

129 Brad said one of the drawbacks of this program is it is multi-stepped, meaning it will put more of
130 a burden on staff time. However, Brad also reminded committee members the city will enjoy a
131 cost savings of \$200,000.

132

133 Ald. Every asked if the debt from 2018 and part of 2019 will be paid, and he asked if the debt in
134 April 2019 will total \$9,030,000.

135

136 Brad said the debt for Water/Sewer will total \$9,030,000. Brad also said the city might want to
137 do the Water/Sewer in March 2019, and the General Obligation and Storm Sewer in April 2019.
138 Brad said doing so would not change the mathematics. Brad told committee members he is
139 looking to introduce this concept and said he would like to hear any objections the committee
140 might have this evening so that Baird may utilize an alternate plan.

141

142 Ald. Smith asked Brad what an alternate plan might be.

143

144 Brad told Ald. Smith the city could borrow in March 2019 and pay approximately \$200,000
145 more.

146

147 Ald. Smith asked Fred if he is seeking a motion or a consensus.

148

149 Fred said a consensus would be satisfactory.

150

151 Item 6 was addressed next.

152

153 **Item 6 – Update regarding the City’s overall net position**

154

155 Brad noted the city’s Moody’s bond rating still is Aa2 for General Obligation Debt and also for
156 Water/Sewer. Brad also noted he had reviewed the city’s 2017 audited financials. Brad referred
157 to a comment pertaining to the city’s net position and said, “In a general statement, if you see a
158 deterioration in net position and there is a trend in that deterioration, it could signify weakness in
159 the city’s finances and its financial position. The change here in net position is very, very minor.
160 We’re looking at \$132,000, \$133,000 over all of the funds and enterprises. So when we’re
161 looking at this total net position, remember that’s including the city’s general government
162 activities as well as the business-type activities – Water, Sewer, Storm [Water], Omni Center.
163 Your total net position for 2017 is just under \$74 million – \$73.7 million. So when I look at a
164 change of \$132,000, that does not concern me at all. It’s not going to concern Moody’s Investor
165 Service. That’s less than .2 percent of a change. Additionally, as we dig into the numbers and
166 try to drill down on what’s causing that change, about \$1.9 million of that is depreciation

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167 expense from the Sewer, Water, and Storm [Water], which is a non-cash expense. That's an
168 accounting entry, but it's not a cash payment to anyone. Further, I've been following the
169 presentation that was given on the rate changes. The changes you're considering are going to
170 further improve the revenues of the system. You've also had some capital expenditures in those
171 systems. All of those have an impact on the net position. But in general, you're essentially
172 unchanged."

173
174 Brad addressed the city's overall rating, noting Moody's characterizes the city's finances as
175 "sound financial operations." Brad said Moody's also notes the trend of operating surplus and
176 healthy reserves, noting all of it plays into the net position of the general government funds.
177 Brad told committee members Moody's has the expectation that the city's financial position will
178 remain strong because it has had a historical trend of operating surpluses. Brad said this is due to
179 conservative budgeting. Brad also noted Moody's has not raised any concerns about business-
180 type enterprises (Water, Sewer, Storm Water). Brad said he has reviewed the financials there
181 and is not concerned. Brad said the city will need to be "very precise" in how it structures the
182 debt he has discussed this evening, adding, "Overall, I see the city's financial position as very
183 positive."

184
185 Ald. Every noted the city's net position had decreased \$132,000 in 2017, and he asked Brad if it
186 would be the same.

187
188 Brad said he had not forecasted where it is for 2018, and he told Ald. Every he had reviewed the
189 audited financials.

190
191 Ald. Every said another factor that is examined is the city's ability to tax, if necessary. Ald.
192 Every said, "If you get too extended, you're not going to be able to tax."

193
194 Brad told Ald. Every he is correct and said the city has done well with balancing that. Brad said
195 being able to set its Sewer and Storm Water rates gives the city considerable flexibility.

196
197 **Item 4 – Omni Center financials for 2018**

198
199 Fred reported that the financials dated September 14, 2018 represent the financials through
200 August. Revenues totaled \$360,346.52, and expenditures totaled \$402,441.39 for a deficit of
201 \$42,094.87. Fred noted the revenues on page 1 of 5 represent the revenues through August, and
202 the bills that were paid in September represent the August bills.

203
204 Motion by Ald. Every, second by Ald. Olson, to approve the Omni Center financials for 2018
205 and place them on file.

206
207 On voice vote, motion carried.

208
Reviewed 10/5/18 by Hope Burchell & Fred Buehler

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209 **Item 5 – General Fund Financials 2018**

210

211 Fred said the revenues total \$7,790,331.50, and expenditures total \$5,956,477.62.

212

213 Motion by Ald. Olson, second by Ald. Every, to approve the General Fund Financials 2018.

214

215 On voice vote, motion carried.

216

217 **Item 7 – Recommendations/Revisions to the Tax Incremental Financing Policy**

218

219 Ald. Smith noted the committee had discussed this item at its September 5 meeting and said a
220 revised copy has been included in committee members' packets.

221

222 Motion by Ald. Every, second by Ald. Olson, to approve the Tax Incremental Financing Policy.

223

224 On voice vote, motion carried.

225

226 **Item 10 – Authorization to participate in a non-matching Safe Routes to Schools Grant in
227 the amount of \$800.00**

228

229 Motion by Ald. Every, second by Ald. Olson, to approve authorization to participate in a non-
230 matching Safe Routes to Schools Grant in the amount of \$800.00.

231

232 On voice vote, motion carried.

233

234 **Item 11 – Authorization to approve the life cycle of a parking citation**

235

236 Ald. Smith noted a diagram showing the life cycle of a parking citation has been included in
237 committee members' packets.

238

239 Fred said he included this item on tonight's agenda for the cash management aspect as well as
240 the handling of parking citations and how they would be filed. Fred noted that after day 30, there
241 will be an added court fee of \$38 for unpaid parking tickets that need to be adjudicated to the
242 Joint Municipal Court system. The primary reason for this action is the judicial court system is
243 being utilized to handle the citations. The diagram also shows the following:

244

- 245 • After 50 days, tickets are sent to the Department of Motor Vehicles, and registration
246 and/or the driver's license is suspended. The citation is increased \$5. Both the Joint
247 Municipal Court and the DMV send letters to the defendant.
- 248 • At 80 days, the JMC sends a letter of intent to submit to State Debt Collection or TRIP,
249 and registration suspension.

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- 250 • At 110 days, tickets are submitted to TRIP or SDC, registration is suspended, and a \$5
251 fee is added to the citations.

252

253 Motion by Ald. Every, second by Ald. Olson, to approve the life cycle of a parking citation.

254

255 On voice vote, motion carried.

256

257 **PERSONNEL**

258

259 **Item 12 – Review and consideration of changes to the following job descriptions:**

260

261 a. Buildings Manager

262

263 Hope said she wanted to change some of the language to the job description, noting that the
264 Great River Landing has replaced Tourism as Tourism no longer is in the city. Under “Related
265 Job Functions,” the Buildings Manager is now required to assist in all ice making and
266 maintaining operations at the Omni Center.

267

268 Motion by Ald. Olson, second by Ald. Every, to approve the changes to the Buildings Manager
269 job description.

270

271 On voice vote, motion carried.

272

273 b. Buildings Supervisor – Omni Center & City Hall to Buildings Supervisor

274

275 Hope noted the city has two separate Buildings Supervisor positions – one at the Omni Center,
276 and one at City Hall. Hope said, “We felt we really wanted to have more transparency and the
277 ability for these two positions to be able to help each other if somebody is short or to come [to
278 City Hall] if we’re short here or vice-versa at the Omni Center. What we did was cleaned this
279 language up. One of the changes is the location. We’ll have somebody here at City Hall and
280 still somebody at the Omni Center. It’s just creating one job description for two positions.”
281 Hope noted the Great River Landing had replaced Tourism in the job description and said that
282 while the two job descriptions were very similar, “there were pieces in one that weren’t in the
283 other, or vice-versa. I took one and cleaned all the language up.” Hope pointed out letter “R”
284 under “Essential Job Functions” and noted she had outlined the items involved with performing
285 or assisting in the performance of Omni Center duties. Hope also referred to letter “S” under
286 “Essential Job Functions,” which states the Buildings Supervisor will perform on-call duties for
287 after-hour emergencies.

288

289 Ald. Every asked Dan Wick if the Parks and Recreation Board had examined this item at its
290 September 24 meeting.

291

Reviewed 10/5/18 by Hope Burchell & Fred Buehler

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292 Dan told Ald. Every the Parks and Recreation Board had approved the changes at its September
293 24 meeting. Dan also said, “We had both of those job descriptions separate for the Buildings
294 Supervisor. But when Hope and I sat down, we were trying to mirror them together and we
295 thought it would be better to put them in one.”

296
297 Motion by Ald. Every, second by Ald. Olson, to approve the changes to the Buildings Supervisor
298 position.

299
300 On voice vote, motion carried.

301
302 **Item 13 – Review and consideration of authorization to replace the Buildings Supervisor**
303 **position**

304
305 Hope noted the Buildings Supervisor at City Hall had resigned and said she is seeking
306 authorization to replace that position.

307
308 Ald. Smith asked Hope if the position will be posted internally.

309
310 Hope said the position will be posted internally.

311
312 Ald. Smith asked Hope if the position will remain a Grade 15.

313
314 Hope said yes.

315
316 Motion by Ald. Olson, second by Ald. Every, to approve authorization to replace the Buildings
317 Supervisor position.

318
319 Ald. Every asked Hope if she has been more successful advertising for candidates in the La
320 Crosse Tribune.

321
322 Hope said she tends to have more success posting part-time positions in the La Crosse Tribune
323 because more individuals are reading the classified ads. Hope noted the Tribune also posts
324 online information for full-time positions, and she said the city is more successful when those
325 full-time positions are posted in trade publications. Hope told Ald. Every she had taken
326 advantage of specials the Tribune was running as multiple departments had needed to advertise
327 positions.

328
329 On voice vote, motion carried.

330
331 **Item 14 – Review and consideration of changes to the 6.02 Social Media Policy**

332
333 Ald. Smith noted the committee had looked at this item at its September 5 meeting but had not
Reviewed 10/5/18 by Hope Burchell & Fred Buehler

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9

334 acted on it as Hope still was waiting for input.

335

336 Hope told Ald. Smith the most significant concern City Administrator Rindfleisch had covered at
337 the September 25 Technology Advisory Committee meeting was the fact much of the content in
338 the policy referred to employees. It did not address how the city would address external
339 comments and posts. Hope said city legal counsel had reviewed the information and submitted
340 language. Hope noted there had been updates to some of the language in the policy that focuses
341 on separating some terminology. Some of the definitions also have changed. Hope said other
342 changes pertain to records management, being able to retain information, and adding information
343 to the setup of the city's Social Media Policy. Hope added, "I think the majority of the content
344 and post comments section really is just to address, how are we going to address potentially
345 inappropriate or inflammatory things on any of our external things for our citizens?"

346

347 Ald. Every asked Ald. Wulf if the Technology Committee had examined this item.

348

349 Ald. Wulf, who chairs the Technology Committee, said yes.

350

351 Motion by Ald. Every, second by Ald. Olson, to approve changes to the 6.02 Social Media
352 Policy.

353

354 On voice vote, motion carried.

355

356 **Adjournment**

357

358 Motion by Ald. Olson, second by Ald. Every, to adjourn at 8:30 p.m.

359

360 On voice vote, motion carried.

361

362

363 Recorded by:

364

365 Kirk Bey