

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

Wednesday, February 4, 2015

1

1 The Meeting of the Finance & Personnel Committee of the City of Onalaska was called to order
2 at 7:30 p.m. on Wednesday, February 4, 2015. It was noted that the meeting had been
3 announced and a notice posted at City Hall.

4
5 Roll call was taken, with the following members present: Ald. Bob Muth, Ald. Jim Olson, Ald.
6 Jim Bialecki

7
8 Also Present: Mayor Joe Chilsen, Financial Services Director/Treasurer Fred Buehler, Human
9 Resource Specialist Hope Burchell, Brad Viegut of Baird Associates, Land Use and
10 Development Director Brea Grace

11

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

13

14 Motion by Ald. Olson, second by Ald. Muth, 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. Bialecki called three times for anyone wishing to provide public input and closed that
22 portion of the meeting.

23

24 Ald. Bialecki asked that Item 6 be addressed first.

25

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

27

28 **FINANCE**

29

30 **Item 6 – City of Onalaska 2015 Capital Projects – General Obligation Corporate Purpose**
31 **Bonds, Water System and Sewerage System Revenue Refunding Bonds, Note Anticipation**
32 **Notes and State Trust Fund Loan:**

33

34 Brad noted that committee members' packets contain information regarding the financing plan
35 and began his presentation on page 2, which contains four boxes that identify the four separate
36 financing plans that are put together:

37

- 38 • **State Trust Fund Loan (\$992,200):** Brad explained that the purpose of this loan is to
39 fund 2015 Capital Projects of the City of Onalaska that are not eligible for long-term
40 bonding. Brad noted this is consistent with the practice that has been followed for several
41 years. The State Trust Fund Loan provides a low-cost alternative to fund the projects that
42 are not eligible for bonding under State of Wisconsin Statute. The current interest rate on

Reviewed 2/6/15

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

Wednesday, February 4, 2015

2

43 the State Trust Fund Loan is 3 percent. The loan is set up as a five-year repayment. The
44 final payment date would be set up for March 2020.

- 45 • **General Obligation Corporate Purpose Bonds (\$2,785,000):** Brad explained that this
46 bond funds the majority of the 2015 Capital Improvements Projects program. The
47 interest rate estimate is 3.16 percent based on current market conditions. This is
48 structured as a 20-year repayment.
- 49 • **Note Anticipation Notes (\$3,565,000):** Brad explained that this is interim financing that
50 is similar to a construction loan. The purpose of a Note Anticipation Note is to provide
51 financing for the city's Well #9 project. It will be refunded with long-term debt through
52 the Safe Drinking Water Program by the State of Wisconsin. Brad said the long-term
53 take out will occur in 2016. The Note Anticipation Note will provide the construction
54 funds so that the project may commence. Brad said this is structured for one principal
55 payment that will be due in August 2016, and the first interest will be due in February
56 2016. Brad noted there is a call feature and said the first date the city could prepay is
57 February 1, 2016. Brad said the city must close on the Safe Drinking Water Fund Loan
58 between February and August 1, 2016. The proceeds from this loan must be utilized to
59 pay off the short-term Note Anticipation Note. The estimated interest rate is 1.44
60 percent. Brad noted that a replacement Resolution 20-2015 had been distributed this
61 evening and said the initial resolution indicated that the Note Anticipation Note was a
62 negotiated method of sale. However, it is a competitive (public bid) sale, prompting the
63 change in the resolution.

64

65 Fred asked Brad if he agreed that the city would have to budget in 2016 for the interest payment
66 to come out of funds within the Enterprise Fund.

67

68 Brad said the assumption is the interest would come from the Water System revenues. This
69 estimate is \$95,000.

70

- 71 • **Water System & Sewer System Revenue Refunding Bonds (\$2,260,000):** Brad
72 explained that these bonds were issued to fund the Enterprise Projects of the Water and
73 Sewer System. Brad said that due to the interest rate environment it is "economically
74 advantageous" to examine refinancing these bonds. Brad said this is strictly replacing
75 higher-cost debt with lower-cost debt. The payments are not being extended, nor are they
76 being shifted. The estimated interest rate is 2.78 percent, and the present value savings is
77 estimated at \$107,936.

78

79 Brad referred to the 2015 financing plan timetable on page 3 and said this will go before the
80 Common Council on February 10 once it has been authorized by the Finance and Personnel
81 Committee. Brad said the offering documents have begun to be prepared. A Moody's rating call
82 will be scheduled, an offering document will be distributed to investors, and the obligations will
83 be marketed. Brad said he will present the final results at the March 10 Common Council

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

Wednesday, February 4, 2015

3

84 meeting. The Council then would consider the final award resolutions, and the closing date
85 would be scheduled for April 1.

86

87 Brad referred to the update of the long-term financing plan of the city on page 4. The far left
88 column details the existing principal and interest payments on obligations the city has issued.
89 The boxed-in area includes the three issued discussed earlier, but does not include the refunding
90 of the Water and Sewer revenue debt. Brad noted the shorter repayment on the State Trust Fund
91 Loan is layered in the Note Anticipation Note. Brad also pointed out the long-term bonding of
92 the \$2,785,000. The offsetting revenues represent Enterprise System revenues that are utilized to
93 offset a portion of the General Obligation debt. The combined debt service would represent the
94 total payments within the boxed-in area, with the exception of the Note Anticipation Note
95 interest and any offsetting revenues, plus the existing payments to which the city already has
96 committed. Brad said Baird has “left room” so that as the city continues to fund its Capital
97 Projects it will not see a significant increase in the debt payments. There is ample space to
98 “layer in” the 2016 and 2017 obligations.

99

100 Brad referred to page 5, which contains an analysis of Water System and Sewer System Revenue
101 Refunding Bonds. The left-hand one-third of the page details the remaining payments on the
102 2006 bond issue. The boxed-in principal payments on the left side are eligible to be called
103 (prepaid) on December 1, 2016. With the issuance of the refunding bonds, the city will be
104 locking in rates today and escrowing the proceeds. Come 2016, the proceeds in the escrow will
105 fully pay off the Water System bonds from 2006. The remaining 2006 payments are detailed on
106 the right two-thirds of the page. The payments are reduced on the 2006 bonds, and the new
107 refunding bond issue totals \$2,260,000. The estimated rate under True Interest Cost is 2.78
108 percent. Brad said the city is replacing rates that range from 4 to 4.75 percent to 2.78 percent.
109 Brad referred to the “Potential Debt Service Savings” column and said this is the annual impact
110 to the budget of the enterprises. Brad said potential present value savings total \$107,936.

111

112 Brad said the rates are preliminary as the market can move up or down, adding he has been
113 somewhat conservative in his interest rate projections. Brad said the reason there are several
114 resolutions on the committee’s agenda this evening is because all the purposes for the Corporate
115 Purpose Bond Issue have a separate resolution. Brad the resolution authorizing the issuance of
116 Corporate Purpose Bonds “pulls together” all the other resolutions and states one bond issue may
117 be issued for the \$2,785,000 to fund each individual purposes.

118

119 a. **Resolution 10-2015** – Initial Resolution Authorizing \$155,000 General Obligation Bonds
120 for Storm Sewer Projects

121

122 Motion by Ald. Bialecki, second by Ald. Olson, to approve Resolution 10-2015 – Initial
123 Resolution Authorizing \$155,000 General Obligation Bonds for Storm Sewer Projects.

124

125 On voice vote, motion carried.

Reviewed 2/6/15

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

Wednesday, February 4, 2015

4

126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167

- b. **Resolution 11-2015** – Initial Resolution Authorizing \$205,000 General Obligation Bonds for Sanitary Sewer Projects

Motion by Ald. Bialecki, second by Ald. Muth, to approve Resolution 11-2015 – Initial Resolution Authorizing \$205,000 General Obligation Bonds for Sanitary Sewer Projects.

On voice vote, motion carried.

- c. **Resolution 12-2015** – Initial Resolution Authorizing \$140,000 General Obligation Bonds for Parks and Public Grounds Projects

Motion by Ald. Bialecki, second by Ald. Olson, to approve Resolution 12-2015 – Initial Resolution Authorizing \$140,000 General Obligation Bonds for Parks and Public Grounds Projects.

On voice vote, motion carried.

- d. **Resolution 13-2015** – Initial Resolution Authorizing \$1,505,000 General Obligation Bonds for Street Improvement Projects

Motion by Ald. Bialecki, second by Ald. Muth, to approve Resolution 13-2015 – Initial Resolution Authorizing \$1,505,000 General Obligation Bonds for Street Improvement Projects.

On voice vote, motion carried.

- e. **Resolution 14-2015** – Initial Resolution Authorizing \$345,000 General Obligation Bonds for Water System Projects

Motion by Ald. Bialecki, second by Ald. Muth, to approve Resolution 14-2015 – Initial Resolution Authorizing \$345,000 General Obligation Bonds for Water System Projects.

On voice vote, motion carried.

- f. **Resolution 15-2015** – Initial Resolution Authorizing \$205,000 General Obligation Bonds for Fire Department Equipment

Motion by Ald. Bialecki, second by Ald. Muth, to approve Resolution 15-2015 – Initial Resolution Authorizing \$205,000 General Obligation Bonds for Fire Department Equipment.

On voice vote, motion carried.

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

Wednesday, February 4, 2015

5

168 g. **Resolution 16-2015** – Initial Resolution Authorizing \$230,000 General Obligation Bonds
169 for Community Development Projects in Tax Incremental Districts

170

171 Ald. Bialecki said this resolution speaks to a TIF district within a TIF district and asked if this
172 will be a TIF expenditure.

173

174 Fred said these are projects that were approved through the TIF district that was in the plan
175 document.

176

177 Ald. Bialecki asked if there will be a separate add-on for a TIF district.

178

179 Fred said no and explained that the General Fund is “somewhat carrying it” as there is no actual
180 revenue coming in from the TIF district. Fred said the General Fund eventually will be
181 reimbursed once there is an increment in the TIF district.

182

183 Motion by Ald. Bialecki, second by Ald. Muth, to approve Resolution 16-2015 – Initial
184 Resolution Authorizing \$230,000 General Obligation Bonds for Community Development
185 Projects in Tax Incremental Districts.

186

187 On voice vote, motion carried.

188

189 h. **Resolution 17-2015** – Resolution directing publication of Notice to Electors

190

191 Motion by Ald. Bialecki, second by Ald. Olson, to approve Resolution 17-2015 – Resolution
192 directing publication of Notice to Electors.

193

194 On voice vote, motion carried.

195

196 i. **Resolution 18-2015** – Resolution providing for the sale of approximately \$2,785,000
197 General Obligation Corporate Purpose Bonds

198

199 Motion by Ald. Bialecki, second by Ald. Muth, to approve Resolution 18-2015 – Resolution
200 providing for the sale of approximately \$2,785,000 General Obligation Corporate Purpose
201 Bonds.

202

203 On voice vote, motion carried.

204

205 j. **Resolution 19-2015** – Resolution providing for the sale of approximately \$2,260,000
206 Water System and Sewerage System Revenue Funding Bonds

207

208 Motion by Ald. Bialecki, second by Ald. Olson, to approve Resolution 19-2015 – Resolution
209 providing for the sale of approximately \$2,260,000 Water System and Sewerage System

Reviewed 2/6/15

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

Wednesday, February 4, 2015

6

210 Revenue Funding Bonds.

211

212 On voice vote, motion carried.

213

214 k. **Resolution 20-2015** – Resolution providing for the sale of approximately \$3,565,000
215 Note Anticipation Notes

216

217 Motion by Ald. Bialecki, second by Ald. Muth, to approve Resolution 20-2015 – Resolution
218 providing for the sale of approximately \$3,565,000 Note Anticipation Notes.

219

220 On voice vote, motion carried.

221

222 l. Authorization requesting State Trust Fund 5-year Loan of \$992,200 to purchase police
223 cars, City Hall repairs/audio and Equipment Replacement Fund for the Omni Center

224

225 Motion by Ald. Bialecki, second by Ald. Olson, to approve authorization requesting State Trust
226 Fund 5-year Loan of \$992,200 to purchase police cars, City Hall repairs/audio and Equipment
227 Replacement Fund for the Omni Center.

228

229 On voice vote, motion carried.

230

231 **Item 4 – Omni Center financials for 2014**

232

233 Fred noted that a near-final financial report has been included in committee members' packets.
234 Fred said the approximate deficit will be \$54,000.

235

236 Motion by Ald. Bialecki, second by Ald. Olson, to approve the Omni Center financials.

237

238 On voice vote, motion carried.

239

240 **Item 5 – City General Fund Financials for 2014**

241

242 Fred noted that a near-final balance sheet and expenditures have been included in committee
243 members' packets. Fred said he does not anticipate a significant change to the report that is
244 before the committee this evening. Fred reported there is an approximate surplus of \$225,000 on
245 an \$8.6 million budget.

246

247 Motion by Ald. Bialecki, second by Ald. Muth, to accept the City General Fund Financials.

248

249 On voice vote, motion carried.

250

251

Reviewed 2/6/15

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

Wednesday, February 4, 2015

7

252 **Item 7 – Transfer of Departmental Funds within each department – 2014 General Fund**
253 **Budget**

254
255 Fred said any department within itself where there might be over budget exceeding a \$500
256 shortage within an account within each department needs to be within GASB GAAP compliance.
257 Fred said this will allow the transfer of funds within each department independently to achieve
258 compliance.

259
260 Motion by Ald. Bialecki, second by Ald. Muth, to approve the transfer of departmental funds
261 within each department – 2014 General Fund.

262
263 On voice vote, motion carried.

264
265 **Item 8 – Resolution 9-2015 – To transfer funds to/from various departments – 2014**
266 **General Fund Budget**

267
268 Motion by Ald. Bialecki, second by Ald. Olson, to approve Resolution 9-2015 – To transfer
269 funds to/from various departments – 2014 General Fund Budget.

270
271 On voice vote, motion carried.

272
273 **Item 9 – Designated Fund Balance (DSFB) – General Fund or Special Revenue Funds 2014**

274
275 a. Adjust existing DSFB – 2014

276
277 Fred noted that the city had received a \$720 check for modifications made to elections
278 equipment and said he is requesting that these funds be restricted and placed in the Equipment
279 Replacement Fund should City Clerk Cari Burmaster need to utilize them in the future.

280
281 Motion by Ald. Bialecki, second by Ald. Muth, to approve adjusting existing DSFB – 2014.

282
283 On voice vote, motion carried.

284
285 b. Establish new DSFB – 2014

286
287 Fred noted that in 2014 the Engineering Department had not had the opportunity to purchase a
288 \$14,000 piece of equipment. Fred noted these funds had been restricted in 2013's listing and
289 said that when he completed the Equipment Replacement review between the time the agenda
290 was released and tonight, he discovered that the \$14,000 had been spent. Fred noted the balance
291 on Account No. 207-34219 ("Engineering Equipment") as of December 31, 2013 was \$14,000.
292 The balance as of December 31, 2014 was zero after the adjustment.

293

Reviewed 2/6/15

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

Wednesday, February 4, 2015

8

294 Motion by Ald. Bialecki, second by Ald. Olson, to approve establishing new DSFB – 2014.

295

296 On voice vote, motion carried.

297

298 **Item 10 – Designated Fund Balances (DSFB) – Tourism 2014**

299

300 a. Adjust existing DSFB – 2014

301

302 Fred noted the Common Council consistently has set aside \$5,000 to add to the Building Fund
303 and said this motion would approve doing this again.

304

305 Motion by Ald. Bialecki, second by Ald. Muth, to approve adjusting existing DSFB – 2014.

306

307 On voice vote, motion carried.

308

309 **Item 11 – Resolution 8-2015 – Authorization to Transfer from General Fund to Special**
310 **Projects Fund Dare in the amount of \$3,500**

311

312 Motion by Ald. Bialecki, second by Ald. Olson, to approve Resolution 8-2015 – Authorization to
313 Transfer from General Fund to Special Projects Fund Dare in the amount of \$3,500.

314

315 On voice vote, motion carried.

316

317 **Item 12 – Consideration of transfer to General Fund Account payable for anticipated**
318 **expenditures**

319

320 Fred referred to the city's approximately \$225,000 surplus and said he wants to direct some of
321 those funds to an accounts payable. Fred noted that the City of Onalaska has been served for
322 three excessive assessments and said funds would be set aside in advance should the city be
323 required to make payments as part of a settlement.

324

325 Motion by Ald. Bialecki, second by Ald. Olson, to approve transfer to General Fund Account
326 payable for anticipated expenditures.

327

328 On voice vote, motion carried.

329

330 **Item 13 – Update regarding City of Onalaska Municipal Courts accounts receivable**

331

332 Fred reported that City of Onalaska Joint Municipal Court portion of outstanding debt has
333 reached a favorable sequence. Fred noted that the judge has the option of removing the oldest
334 (2008) year from the city's outstanding debt. Fred referred to the graph included in committee
335 members' packets that details the city's accounts receivable, noting that the city's outstanding

Reviewed 2/6/15

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

Wednesday, February 4, 2015

9

336 debt was nearly \$750,000 in 2012. Fred said that while one year has been written off, the city
337 also is being more aggressive in pursuing outstanding debt through the TRIP program. Fred also
338 pointed out there was a slight decrease in cases not dismissed in 2014 (2,221) compared to 2013
339 (2,258).

340

341 **Item 14 – Update regarding credit card usage/cost and e-box usage for 2014**

342

343 Fred reported that credit card sales in 2014 totaled \$146,148.20, and the ETS charges were
344 \$3,258.63. Fred noted the Common Council had approved a 2 percent convenience fee either in
345 2012 or 2013 and said he brings this report before the committee on a quarterly basis to
346 determine if there needs to be a modification. Fred reported that there were 3,765 e-box
347 transactions in 2014 for a total of \$612,408.56. Fred noted that this process, which is daily, takes
348 approximately 5 minutes.

349

350 **PERSONNEL**

351

352 **Item 1 – Review and consideration of proposed wage change for paid on-call firefighters**
353 **based on residency**

354

355 Hope said Fire Chief Don Dominick “feels strongly” about after negotiating the contract with the
356 firefighters and having a different pay scale for those who live within the city fire district and
357 those who live outside the fire district. Hope said that while it is difficult to recruit for these
358 positions, she believes it is important that these individuals live within the City of Onalaska.
359 Hope said Fire Chief Dominick is asking for a \$1 per hour increase for the individuals who stay
360 within the city. Hope noted that the paid on-call firefighters have not received a pay increase in
361 at least five years and said this will stay in budget.

362

363 Motion by Ald. Bialecki, second by Ald. Olson, to approve proposed wage change for paid on-
364 call firefighters based on residency.

365

366 Ald. Muth said he favors encouraging firefighters to reside in the city and be part of the
367 community.

368

369 On voice vote, motion carried.

370

371 **Item 2 – Review and consideration of renewal of Gundersen Occupational Health Service**
372 **Agreement**

373

374 Motion by Ald. Bialecki, second by Ald. Muth, to approve renewal of Gundersen Occupational
375 Health Service Agreement.

376

377 Hope noted that the rates for the Hepatitis B test have increased significantly. Hope said she has
Reviewed 2/6/15

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

Wednesday, February 4, 2015

10

378 discovered that La Crosse County can perform these tests at a more cost-efficient rate and added
379 the city might turn to other sources for certain services if Gundersen's rates increase
380 significantly.

381
382 Motion by Ald. Bialecki, second by Ald. Muth, to amend the previous motion to state Human
383 Resource Specialist Hope Burchell may seek out other vendors for certain services if the city
384 may obtain these services at a more cost-efficient rate than the one provided by Gundersen in the
385 Occupational Health Service Agreement.

386
387 Vote on the amendment:

388
389 On voice vote, motion carried.

390
391 Original motion restated:

392
393 To approve renewal of Gundersen Occupational Health Service Agreement, with Human
394 Resource Specialist Hope Burchell being allowed to seek out other vendors for certain services if
395 the city may obtain these services at a more cost-efficient rate than the one provided by
396 Gundersen.

397
398 On voice vote, motion carried.

399
400 **Item 3 – Review and consideration of renewal of Gundersen Industrial Eyewear Agreement**

401
402 Hope noted there is no cost to the city for employees to obtain safety glasses that have
403 prescription in them at a reduced cost. Hope said a coupon for professional glasses for all city
404 employees is included.

405
406 Motion by Ald. Bialecki, second by Ald. Olson, to approve renewal of Gundersen Industrial
407 Eyewear Agreement.

408
409 On voice vote, motion carried.

410
411 **Item 4 – Review and consideration of Gundersen Lutheran Hospital Agreement**

412
413 Hope said this was developed so assessments could be done for new employees or individuals
414 who were out for restricted duty and needed to find out if they still could physically perform
415 their duties. Hope noted that while Gundersen had increased its rates for pre-work screens, a 15-
416 and 45-minute had been added.

417
418 Motion by Ald. Bialecki, second by Ald. Muth, to approve Gundersen Lutheran Hospital
419 Agreement.

420
421 On voice vote, motion carried.

Reviewed 2/6/15

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

Wednesday, February 4, 2015

11

422

423 **Closed Session**

424

425 To consider a motion to convene in Closed Session under Section 19.85(1)(e) of the Wisconsin
426 Statutes for the purpose of deliberating or negotiating the purchasing of public properties, the
427 investing of public funds or conducting other specified public business, whenever competitive or
428 bargaining reasons require a closed session:

429

- 430 • Consideration and approval of negotiating and Contract between the City and OPPA,
431 Onalaska Professional Police Association
- 432 • Consideration and approval of negotiating and Contract between the City and SORD,
433 Supervisory Officers Relations Division

434

435 And a motion to convene in Closed Session under Section 19.85(1)(g) of the Wisconsin Statutes
436 for the purpose of conferring with legal counsel for the governmental body who is rendering oral
437 or written advice concerning strategy to be adopted by the body with respect to litigation in
438 which it is or is likely to become involved:

439

- 440 • Gander Mountain property tax assessment challenge
- 441 • Comfort Inn property tax assessment challenge

442

443 If any action is required in Open Session, as the result of the Closed Session, the Committee will
444 reconvene in Open Session to take the necessary action and/or continue on with the printed
445 agenda.

446

447 Motion by Ald. Bialecki, second by Ald. Muth, to convene in Closed Session.

448

449 On roll call vote: Ald. Bob Muth – aye, Ald. Jim Olson – aye, Ald. Jim Bialecki – aye. In
450 Closed Session.

451

452 Motion by Ald. Bialecki, second by Ald. Muth, to adjourn from Closed Session at 8:11 p.m.

453

454 On roll call vote: Ald. Bob Muth – aye, Ald. Jim Olson – aye, Ald. Jim Bialecki – aye.

455

456

457 Recorded by:

458

459 Kirk Bey