The Meeting of the Finance & Personnel Committee of the City of Onalaska was called to order at 7:30 p.m. on Wednesday, May 6, 2015. It was noted that the meeting had been announced and a notice posted at City Hall.

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

Also Present: Financial Services Director/Treasurer Fred Buehler, Human Resource Specialist Hope Burchell

Item 2 – Approval of minutes from the previous meeting

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

On voice vote, motion carried.

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

Ald. Muth called three times for anyone wishing to provide public input and closed that portion of the meeting.

Consideration and possible action on the following items:

FINANCE

Item 4 – 2014 Audit presentation from Hawkins, Ash, CDPs, LLP

Fred noted there is a typographical error in Item 4, pointing out that CDPs instead should be CPAs. Fred then welcomed Monica Hauser from Hawkins Ash CPAs.

Monica said each committee member should have received a summary financial report, which she will be utilizing during the presentation. Monica referred to the second paragraph on page 2 of the report and noted that the summary financial reports do not contain all the disclosures. Monica referred to page 3, which contains the complete balance sheet of all the City of Onalaska's funds, and highlighted the following:

- Restricted cash decreased from $1,607,197 in 2013 to $1,438,359 in 2014. Restricted cash was utilized for the Theater Road Project as well as various utility fund restrictions for bonds.
- Intergovernmental receivables decreased from $547,178 in 2013 to $258,421 in 2014.

There had been a large receivable for the Safe Routes to School program in 2013, and it was received in 2014.

- Capital assets decreased from $50,206,255 in 2013 to $49,547,044 in 2014. Much of this decrease is due to routine depreciation.
- Total assets and deferred outflows of resources decreased from $112,854,198 in 2013 to $111,721,600 in 2014.
- Total liabilities and deferred inflows of resources went from $56,568,378 in 2013 to $57,087,093 in 2014.
- The equity net position went from $44,931,444 in 2013 to $44,133,544 in 2014.
- The city's General Fund Balance increased by $166,041 in 2014 and totaled $7,050,113.
- Approximately $43,000 fell under the non-spendable category under the General Fund Balance. The assigned fund balance was approximately $463,000. The unassigned fund balance at the end of 2014 was $6,543,057. Hawkins Ash compared that balance as a percentage of the city's overall expenditures for the year in the General Fund, and this was 75 percent in 2014.
- Other fund balances decreased from $4,470,304 in 2013 to $3,450,850 in 2014. This decrease was due to large capital projects such as Marcou Road ,Theater Road and a water check-valve project.

Monica highlighted the following on page 4 (Revenue for General Fund):

- There were increases in property taxes ($5,384,238 in 2014 vs. $5,114,491 in 2013), special assessments ($66,006 in 2014 vs. $31,286 in 2013), building permits and inspection fees ($291,929 in 2014 vs. $220,202 in 2013).
- Overall total revenue was $8,780,475 in 2014, compared to $8,384,230 in 2013.
- Sixty-seven percent of revenue is derived from taxes and special assessments; 18 percent is intergovernmental; 7 percent comes from licenses and permits; and 5 percent comes from charges for services.

Monica highlighted the following on page 5 (Expenses for General Fund):

- Assessor expenses increased from $279,227 in 2013 to $321,698 in 2014. This is due to entering into a new assessor contract.
- Other general government expenses increased from $208,181 in 2014 to $545,221 in 2014. This is due to illegal assessments with various businesses.
- There were no operating transfers in 2014. Operating transfers totaled $143,000 in 2013, and this transfer was for the Omni Center.
- Actual expenditures for 2014 were $8,614,434, while budgeted expenditures were $8,387,181. The city was $227,253 over budget. Actual expenditures for 2013 were $8,257,340.
- Fifty-four percent of expenditures is directed toward public safety; 20 percent is directed

toward general government; 13 percent is directed toward Public Works; and 10 percent is directed toward culture, recreation and education.

Monica highlighted the following from page 6 (water, sewer and storm water utility):

- There was a decrease in water charges for services from $1,961,255 in 2013 to $1,824,089 in 2014.
- Water maintenance increased from $119,311 in 2013 to $379,246 in 2014. This was due to a substantial roof project, and there also were expenses related to the Public Service Commission rate application. The PSC told the city there was "a fair amount of expenses" the city needed to expend rather than capitalize.
- Water decreased from $16,202,831 in 2013 to $15,618,302 in 2014.
- Water had a negative rate of return of 3.55 percent in 2014.
- Sewer had a negative rate of return of .46 percent in 2014.
- Storm water had a negative rate of return of 1.4 percent in 2014.

Monica highlighted the following from page 7 (other funds):

- There were negative fund balances with both the Gundersen parking ramp ($439,750) and the Omni Center ($47,403) in 2014.

Monica highlighted the following from page 8 (overall summary):

- An unmodified, "clean" auditors' opinion was issued on the City of Onalaska's financial statements.
- The city added $3,596,098 of general capital assets during 2014, of which $2,696,595 was infrastructure, $254,482 was for vehicles, $53,891 was for a dump truck, and $163,235 was for building improvements.
- The city added $1,266,205 of water, sewer and storm water fixed assets during 2014, of which $96,241 was contributed by developers.
- General obligation long-term debt increased $149,824 to an outstanding general obligation debt balance of $39,151,175 on December 31, 2014. The city was well below its debt limit of $86,697,345.
- The only issue noted in the auditors' report on compliance and internal control over financial reporting was the fact the city's expenditures were over budget. This is a compliance violation that must be reported.

Monica welcomed questions or comments.

Ald. Bialecki complimented the report and inquired about GASB (Governmental Accounting Standards Board) regulations.

Monica noted GASB has issued No. 68, which refers to the pension plan and will be effective for 2015. Monica noted the City of Onalaska participates in the WRS (Wisconsin Retirement System) and said the new standard will require the city to report its proportionate share of the entire WRS liability on its books. Monica said that while she has yet to see statistics from the WRS, it is her understanding the State of Wisconsin is a well-funded retirement plan. Therefore, the liabilities will be minimal on municipalities and school districts.

Motion by Ald. Bialecki, second by Ald. Olson, to accept the 2014 Audit from Hawkins Ash CPAs, LLP.

On voice vote, motion carried.

Item 5 – Omni Center financials for 2015

Fred noted that the Omni Center's first-quarter revenues totaled $203,263.98, while expenditures totaled $150,547.66. The first-quarter surplus totaled $52,716.32.

Motion by Ald. Bialecki, second by Ald. Olson, to accept the Omni Center financials for 2015.

On voice vote, motion carried.

Item 6 – City General Fund Financials for 2015

Motion by Ald. Bialecki, second by Ald. Olson, to approve the City General Fund Financials for 2015.

On voice vote, motion carried.

Item 7 – Review and consideration to allow elected officials to:

a. Usage of private vehicle for elected officials at full federal rate
b. Private passenger usage waiver for elected officials while using city vehicle

Ald. Muth noted that both 7a and 7b have been removed from the agenda.

Item 8 – Reconsideration for a waiver to the YMCA regarding a Development Agreement dated 4-12-2005, Section 6d

Motion by Ald. Bialecki, second by Ald. Olson, to deny a request for a waiver to the YMCA regarding a Development Agreement dated 4-12-2005, Section 6d.

Ald. Bialecki pointed out that there is an agreement already in place and said he assumes it should stay intact.

On voice vote, motion carried.

Item 9 – Gundersen Health System parking ramp financials for 1st quarter 2015

Fred noted committee members' packets include the Gundersen parking ramp financials through the end of March. Fred also noted that the city contributes $1,250 per quarter, or $5,000 per year, as required under the bond covenants.

Ald. Bialecki suggested possibly giving newly elected Alderpersons Barry Blomquist and Jim Binash a copy of the city's initial agreement with Gundersen.

Fred suggested that the newly elected Alderpersons examine the Gundersen Lutheran Parking Ramp tab within the budget book. Fred said a shortfall expected in 2016 will be picked up by Gundersen.

Ald. Bialecki noted the ramp eventually will belong to the City of Onalaska for the price of $1.

Motion by Ald. Muth, second by Ald. Bialecki, to accept the Gundersen Health System parking ramp financials for 1st quarter 2015.

On voice vote, motion carried.

PERSONNEL

Item 1 – Review and consideration of 2015-2016 Onalaska School Resource Officer Agreement

Hope noted this is a program that includes a 50-50 match with the Onalaska School District and said Police Chief Jeff Trotnic is proposing that this agreement continue for the 2015-16 school year.

Motion by Ald. Olson, second by Ald. Bialecki, to approve the 2015-2016 Onalaska School Resource Officer Agreement.

On voice vote, motion carried.

Item 2 – Discussion of City job descriptions being put in the Americans with Disability Act format – FIO

Hope noted the city will welcome an intern in late May and said the intern's primary project will be to convert all the city's job descriptions into the ADA format.

Ald. Bialecki asked Hope to keep the committee apprised of proposed federal changes related to which employees receive comp time and overtime.

Closed Session

To consider a motion to convene in Closed Session under Section 19.85(1)(c) for considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility:

- OPPA, Onalaska Professional Police Association

And a motion to convene in Closed Session under Section 19.85(1)(g) of the Wisconsin Statutes for the purpose of 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 become involved:

- Claims against the City regarding cracked windshield at 415 Main Street

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

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

Ald. Muth said the Finance and Personnel Committee would now convene in Closed Session.

Recorded by:

Kirk Bey