



City of Verona

Finance Committee
City Hall – 111 Lincoln Street
Verona, WI 53593-1520

MINUTES
FINANCE COMMITTEE
July 23, 2018

The meeting was called to order by Chairperson Chad Kemp at 6:00 p.m. in Conference Room D110

Roll Call: Chairperson Chad Kemp and Alder Kate Cronin were present.

Also present: City Administrator Jeff Mikorski, Finance Director Brian Lamers, Police Chief Bernie Coughlin, Fire Chief Joe Giver and Jodi Dobson from Baker Tilly Virchow Krause LLP.

Discussion and Possible Action regarding approval of July 9, 2018 Finance Committee minutes: Motion was made by Cronin, seconded by Kemp to approve the July 9, 2018 Finance Committee minutes with no amendments. Motion carried 2-0.

Discussion and Possible Action regarding the Rate Study for the Water and Storm Water Utilities: Jodi Dobson passed out summaries on the Storm Sewer and Water rate increases. She started explaining the Storm water was last increased in 2011 based on 2010 cost. The study is based on three areas including operating, capital and debt, which all three have increases. The study suggests that there is a 20% increase needed. The growth of the city is not keeping up to the cost. There would be an increase from \$53 to \$60 a year which would be split over quarterly. No action was taken at the Public Works Committee and there will be future action taken on this. Dobson went through the Water Study and explained this would have to get approved by the PSC (Public Service Commission). The last full study was done in 2011 using 2010 data with an increase and since then there was a 3% simplified increase. The PSC allows the study based on operation cost, taxes, depreciation and return on investments which covers things like debt. Dobson explained that infrastructure since last study increase from \$9 million to \$20 million. The PSC usually allows for a 5% rate of return which would equate to a \$757,000 increase needed which is a 41% increase in water bills. This would be approximately a \$19 per quarter increase for an average residence. The Public Works Committee discussed approving the 41% increase and no action was taken at the Finance Committee.

Discussion and Possible Action regarding 2019 Capital Budget and 5 Year Capital Plan: Chief Coughlin went over his 2019 Capital Budget and explained each item which the majority was replacement except for an additional squad car with a cost of \$75,450 with the car being \$40,450 and the additional equipment and installation being \$35,000. Lamers explained that all the Police capital will fall under equipment replacement except for the \$75,450 we would look at that utilizing levy. Chief Giver went through the Fire Department Capital explaining the need for replacement of the 1997 ladder truck. The new replacement would be for \$1,523,750 and would include an aerial platform with an articulating boom. He explained the one reason they

are looking at this if ever the need at the EPIC campus along with other purposes it could be used for. He also stated that if we order before November 1st there may be a potential 3% savings. Lamers stated that the budget doesn't get approved until towards the end of November and we cannot commit funds until the Common Council approves it. The committee asked Chief Giver to contact private entities regarding funding and also the company to find out if they will extend the discount until after approval. The question was asked how much more with this boom compared to a standard one and Chief Giver stated the truck would be about \$1.2 million. Chief giver went through the remaining capital items. The thermal imaging cameras for \$25,576 will be submitted for an EPIC grant. No other actions taken by the Committee.

Discussion and Possible Action regarding a 5 Year Contract for Assessor Services: Lamers stated that it is actually a 4 year contract through 2022. Lamers explained that with the Assessment ratio being at .89 that there needs to be a full evaluation and within the contract that would be done over the first two year. Discussion took place regarding maintenance versus full value program. With maintenance there are just changes to any additions or deletions compared to the full value which adjust all properties to the market so there is not a drop in assessment ratio. It was asked about other appraisal companies and Lamers explained there are two companies in this area that are mostly contracted with. Back in March this was brought to Finance Committee and the direction was to stay with Musser Appraisals because he knows the City and to ask for an updated contract. After further discussion a motion was made by Kemp and seconded by Cronin to recommend that the 4 year contract be presented to Council for approval. Motion carried 2-0.

Discussion and Possible Action regarding the City Investment Report for June 2018: Lamers reported that there was nothing unusual for June 2018.

Discussion and Possible Action regarding the payment of bills:

Motion was made by Kemp, seconded by Cronin to approve the payment of bills totaling \$457,341.69. Motion carried 2-0.

Adjournment: Motion was made by Kemp, seconded by Cronin, to adjourn the Finance Committee Meeting at 6:55 p.m. Motion carried 2-0.

Respectfully submitted,
Brian Lamers CPA
Finance Director