

CITY OF MERRILL
PERSONNEL AND FINANCE COMMITTEE
Tuesday, September 2, 2014 at 5:00 P.M.
City Hall Basement Conference Room
1004 East First Street

Voting members: Alderman Ryan Schwartzman (Chairperson),
Alderman John Burgener and Alderman Tim Meehean

AGENDA

1. Call to order
2. Vouchers
3. Consider request from Robert Caylor to review and discuss residency requirements for City employees
4. Consider disposal, by sale, of the "old" Wastewater Treatment Plant emergency generator and the "old" Building Inspection truck (agenda item requested by Utility Superintendent Kriewald)
5. Review and discuss potential group health insurance options (agenda item requested by Finance Director Unertl)
6. Consider resolution deferring the remaining repayment of a 2004 advance from the City of Merrill's Landfill Remediation Fund by the City of Merrill's General Fund (agenda item requested by Finance Director Unertl)
7. Review of City equalized valuation and implications for City of Merrill borrowing capacity (agenda item requested by Finance Director Unertl)
8. Monthly Reports:
 - a. Municipal Court
 - b. Finance Director Unertl
 - c. City Attorney Hayden
 - d. City Clerk Heideman
 - e. City Administrator Johnson

- 9. Next Meeting
- 10. Public Comment
- 11. Adjournment

NOTE: It is possible that a quorum of the Common Council will be present at this meeting. However, no Common Council action will be taken.

Agenda prepared by City Clerk Bill Heideman
Agenda reviewed by Alderman Ryan Schwartzman

The Merrill City Hall is accessible to the physically disadvantaged. If special accommodations are needed, please contact the Merrill City Hall at 536-5594.

Date and time agenda was posted: _____ *Posted by:* _____

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Personnel & Finance

Date of Meeting: 9/2/14

Requested by: Jim Friewald



**Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information)**

Request to dispose of old equipment by sale.

Items: Old WWTP Emergency Generator

Old Building Inspector Truck

Signed: [Signature]

Date: 8/20/14

Please return this completed form to the City Clerk's office. Every effort will be made to include your item on the next possible meeting agenda. If you have any questions or concerns, please contact City Clerk Bill Heideman. Thank you.

Received at Clerks' Office by: [Signature] Received Date: 8/21/14

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Personnel & Finance Committee

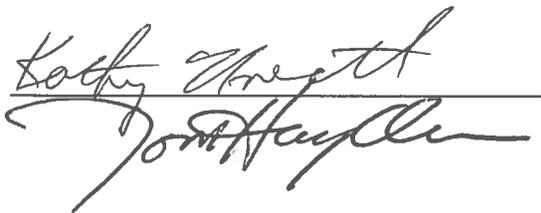
Date of Meeting: September 2nd, 2014

Requested By: Finance Director Kathy Unertl

Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information)

Review and discuss potential group health insurance options
(Follow-up to Alderperson Tim Meehean information request)

The City of Merrill will be conducting formal Request for Proposal process in Fall 2014 for 2015 group health insurance (i.e. renewal date of 1/1/2015). Based upon other public sector RFP processes, we anticipate a proposal from Wisconsin Counties Association Co-Op.



Date: 8/25/2014

Unertl, Kathy

From: Hayden, Tom
Sent: Wednesday, July 30, 2014 10:25 AM
To: Meehan, Tim
Cc: Johnson, David; Unertl, Kathy
Subject: Insurance - Lincoln County Partnership

Tim: I haven't forgotten about your inquiry about the possibility of joining with Lincoln County for health insurance purposes. I've got a call into M3., in the person of Vicki Thoreson, our insurance consultant, for the details. Apparently she's out for a few days. The biggest issue is with Lincoln County's self-insured system. It would, I am sure, require a massive restructuring of the way we handle our insurance to make such an arrangement a reality. When I worked in Superior, theirs was a self-insured program, and it worked well, thanks to a great third party administrator. We'll see if it's something we can consider down the line. I'll be in touch as soon as I have more details. Hope all is well. Tom

From: Vickie Thoreson [<mailto:Vickie.Thoreson@m3ins.com>]
Sent: Monday, August 04, 2014 12:37 PM
To: Hayden, Tom
Cc: Jeff Steckbauer; Wendy Rosenthal
Subject: Public Sector Co-op/Coalition/Trust

Good morning Tom,

As follow-up to our conversation regarding the possibility of the City of Merrill & Lincoln County joining together for the purpose of purchasing insurance, following are a few comments.

In our opinion, the state of WI would more than likely not approve a Trust, Co-op or Coalition involving only two Public Sector entities. The number of lives involved with these types of arrangement need to actuarially "balance the risk" financially. The City claims experience for many years has not been the most desirable and we do not know what the claims experience for the County has been. There needs to be a balance of willing employers to share the "risk" and "reward" of this type of arrangement.

Another key element of joint purchasing is the insurer (if it is a co-op) or the re-insurer (if it is self-funded) needs to agree to cover the risk. Whether it is self-funded or insured, there would need to be a much larger pool of "belly-buttons" to share the risk.

I have also attached a "pro" & "con" piece on cooperatives for your reference. M3 has set up 5 purchasing cooperatives/Trusts around the state for schools but the number of lives involved is much greater than the City and the County combined.

Co-op – If Public Sectors are getting together for the purposes of purchasing health insurance, they would need to form a health purchasing cooperative under Wis. Stat. 185.99. This would allow them to "pool together" for health insurance purposes. A co-op must be fully insured and approved by WI; state must approve geographic location/type of industry of employers who wish to purchase insurance. Legal set-up includes Board/guidelines/carrier selection, etc. Again, the number of lives (employees + dependents) must support the shared risk.

Coalition – a "looser" purchasing option that is typically self-funded. Still needs to be approved by WI and employers must be willing to share the risk.

Trust – a "tighter" self-funded program (approved by WI) that has a governance Board as well as risk sharing by member employers.

If the City is interested in forming a purchasing pool like a co-op, with other public entities M3 would be most happy to explore future purchasing opportunities that might involve more than the City and County.

I hope this helps.

Vickie Thoreson, GBDS
Senior Account Executive / Partner
505 South 24th Ave, Suite 204
Wausau, WI 54401
vickie.thoreson@m3ins.com
O - 715-849-5527
F - 715-849-9401

Pro's	Con's
<ul style="list-style-type: none"> • Additional purchasing power by being part of the large buying group • Attractive to insurance carriers • Should create more renewal stability as buying group gets larger; As one large group, creditability is increased exponentially. This provides future health insurance rate stabilization. This translates into lower, overall premium costs on a long-term basis • Can be established to set each group with its own initial rate. At renewal, each group will get the same increase applied to their rates (based on how the entire pool performed). • If the pool becomes large enough, the threat of competition among carriers for the pool can help force rate stability • Can purchase other lines of coverage together as a pool. • Can purchase other services together as a pool (Onsite clinics, wellness services, etc) • Through bylaw creation, identifies policies and procedures for membership. This protects the long-term viability of the purchasing group. • Ability for members to understand better the changes other school districts are making as it relates to their benefit programs. 	<ul style="list-style-type: none"> • Must have bylaws that force a minimum initial commitment from each member moving forward with co-op (typically 3 year initial commitment with an early termination surcharge of 2 months premium). There has to be some stability so groups don't bounce back and forth each year. • Insurer also bound for 3 years • Working to get that many school officers and school boards on the same page takes a lot of effort. • On a member-by-member basis, long-term commitment needed in order to have impact on premium costs. Sometimes schools are reluctant to make this commitment. • Making decisions in the best interest of all members. • Trying to come up with a product portfolio to meet everyone's needs, can be challenging • Potentially upfront costs associated with establishing a cooperative, i.e., attorney fees; state filing fees, D&O insurance, etc. • Ongoing board perpetuation which can sometimes present a challenge. • On a member-by-member basis, long-term commitment needed in order to have impact on premium costs. Sometimes schools are reluctant to make this commitment.

6

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Personnel & Finance Committee

Date of Meeting: September 2nd, 2014

Requested By: Finance Director Kathy Unertl

Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information)

Consider a resolution deferring the remaining repayment of an 2004 advance from the City of Merrill's Landfill Remediation Fund by the City of Merrill's General Fund (Follow-up from July 24th, 2014 Committee of Whole meeting)

Fiscal Note: The proposed resolution results in \$32,650 lower 2015 through 2020 tax-levy debt service.



Date: 8/25/2014

RESOLUTION NO. _____

**A RESOLUTION DEFERRING THE REMAINING REPAYMENT OF AN 2004
ADVANCE FROM THE CITY OF MERRILL'S LANDFILL REMEDIATION FUND
BY THE CITY OF MERRILL'S GENERAL FUND**

WHEREAS, Merrill Common Council Resolution No. 1855, adopted on January 13th, 2004, authorized a \$325,000.00 advance from the Landfill Remediation Fund for prepayment of the City's Unfunded Pension Liability to the State of Wisconsin; and

WHEREAS, borrowing related to the construction of a new fire station in 2013 has resulted in an increase to the City of Merrill tax-levy supported debt service through 2021; and

WHEREAS, the Common Council's objective is to minimize property tax increases and this advance is an internal City accounting mechanism;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 9th day of September, 2014, that the Common Council does hereby authorize deferring the \$269,449.65 remaining advance balance without interest until 2021 when the City's debt service payment decreases.

Recommended by: Personnel & Finance
Committee

CITY OF MERRILL, WISCONSIN

Moved: _____

William R. Bialecki
Mayor

Passed: _____

William N. Heideman
City Clerk

0401262



RESOLUTION NO. 1855

A RESOLUTION AUTHORIZING AN ADVANCE FROM THE CITY OF MERRILL'S LANDFILL REMEDIATION ACCOUNT FOR PREPAYMENT OF THE CITY OF MERRILL'S UNFUNDED PENSION LIABILITY IN JANUARY 2004

WHEREAS, it is in the best interest of the City of Merrill to repay the Unfunded Pension Liability as discussed at various Council, Personnel & Finance Committee and Committee of the Whole meetings;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 13th day of January, 2004, that the Common Council does hereby authorize an advance from the Landfill Remediation Account for prepayment of the Unfunded Pension Liability in January 2004.

BE IT FURTHER RESOLVED, that three percent interest per year shall be paid from the City's General Fund Balance to the Landfill Remediation Account per the attached schedule.

In the City's discretion it may choose to make additional repayments and reduce the amount of interest owed for repayment of the advance from the Landfill Remediation Account.

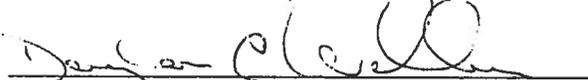
BE IT FURTHER RESOLVED, that if there are any unanticipated Landfill Remediation Expenses due and payable from the Landfill Remediation Account through January, 2024, the City of Merrill will immediately repay this advance from the City General Fund or additional borrowing from the State of Wisconsin.

Recommended by: Personnel and Finance Committee

Moved: Alderwoman Hatz

Passed: January 13, 2004 7-0

CITY OF MERRILL, WISCONSIN


Douglas C. Williams
Mayor


William N. Heideman
City Clerk

City of Merrill, WI

Repayment of \$325,000 Advance from Landfill Remediation Account

Prepayment of Unfunded Pension Liability

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
01/01/2004	-	-	-	-
01/01/2005	-	-	-	-
01/01/2006	-	-	9,750.00	9,750.00
01/01/2007	-	-	9,750.00	9,750.00
01/01/2008	-	-	9,750.00	9,750.00
01/01/2009	-	-	9,750.00	9,750.00
01/01/2010	-	-	9,750.00	9,750.00
01/01/2011	-	-	9,750.00	9,750.00
01/01/2012	-	-	9,750.00	9,750.00
01/01/2013	22,900.18	3.000%	9,750.00	9,750.00
01/01/2014	23,587.18	3.000%	9,062.99	32,650.18
01/01/2015	24,294.80	3.000%	8,355.38	32,650.18
01/01/2016	25,023.64	3.000%	7,626.54	32,650.18
01/01/2017	25,774.35	3.000%	6,875.83	32,650.18
01/01/2018	26,547.58	3.000%	6,102.60	32,650.18
01/01/2019	27,344.01	3.000%	5,306.17	32,650.18
01/01/2020	28,164.33	3.000%	4,485.85	32,650.18
01/01/2021	29,009.26	3.000%	3,640.92	32,650.18
01/01/2022	29,879.54	3.000%	2,770.64	32,650.18
01/01/2023	30,775.93	3.000%	1,874.25	32,650.18
01/01/2024	31,699.20	3.000%	950.98	32,650.18
Total	\$325,000.00	-	\$144,802.15	\$469,802.15

Yield Statistics

Bond Year Dollars	
Average Life	\$4,826.74
Average Coupon	14.852 Years
	3.0000003%
Net Interest Cost (NIC)	
True Interest Cost (TIC)	3.0000003%
Bond Yield for Arbitrage Purposes	2.9778316%
All Inclusive Cost (AIC)	2.9778316%
	2.9778316%
IRS Form 8038	
Net Interest Cost	
Weighted Average Maturity	3.0000003%
	14.852 Years

\$325,000 Advance | SINGLE PURPOSE | 12/15/2003 | 11:21 AM



Account 🔍

Fiscal Year ▾

Account Name

General | Balance | Budget | Budget Adjustments | History | Detail |

Grid Graph



Year	Beginning Balance	Activity	Ending Balance	Original Budget	Adjustments	Ending Budget
2002	0.00	0.00	0.00	0.00	0.00	0.00
2003	0.00	0.00	0.00	0.00	0.00	0.00
2004	0.00	325,000.00	325,000.00	0.00	0.00	0.00
2005	325,000.00	0.00	325,000.00	0.00	0.00	0.00
2006	325,000.00	0.00	325,000.00	0.00	0.00	0.00
2007	325,000.00	0.00	325,000.00	0.00	0.00	0.00
2008	325,000.00	0.00	325,000.00	0.00	0.00	0.00
2009	325,000.00	0.00	325,000.00	0.00	0.00	0.00
2010	325,000.00	0.00	325,000.00	0.00	0.00	0.00
2011	325,000.00	0.00	325,000.00	0.00	0.00	0.00
2012	325,000.00	0.00	325,000.00	0.00	0.00	0.00
2013	325,000.00	22,900.18CR	302,099.82	0.00	0.00	0.00
2014	302,099.82	32,650.17CR	269,449.65	0.00	0.00	0.00

Edit This Record

Clear

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Personnel & Finance Committee

Date of Meeting: September 2nd, 2014

Requested By: Finance Director Kathy Unertl

Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information)

Review of City equalized valuation and implications for City of Merrill borrowing capacity (Follow-up from July 24th, 2014 Committee of Whole meeting)

Attached is information on 2014 equalized valuation by class and historical summary since the 2000 revaluation.

City Charter Ordinance No. 2002-C1 emphasizes that the debt management policy is a guideline for the development of new debt issues.

As shown by the following spreadsheet summary information, almost 10% of the City's borrowing capacity is being used for revenue-supported General Obligation (GO) debt service. Section 3 (i) potentially should be amended/broadened to exclude these revenue-supported borrowing amounts

Kathy Unertl

Date: 8/25/2014

Statement of Changes in Equalized Values by Class and Item

Wisconsin Department of Revenue

Year: 2014 ▾ Select year if not displayed AREA: NORTH CENTRAL COUNTY: LINCOLN CITY: MERRILL 80-35-251

REAL ESTATE	2013 R.E. EQUALIZED VALUE	\$ AMOUNT OF ECONOMIC CHG	% CHG	\$ AMOUNT OF NEW CONSTR	% CHG	\$ AMOUNT OF ALL OTHER CHG	% CHG	2014 R.E. EQUALIZED VALUE	TOTAL \$ CHANGE IN R.E. VALUE	%	
RESIDENTIAL											
LAND	43,148,800	-4,310,600	-10	19,600	0	-145,700	0	38,712,100	-4,436,700	-10	
IMP	195,891,400	-19,573,600	-10	687,200	0	-504,600	0	176,500,400	-19,391,000	-10	
TOTAL	239,040,200	-23,884,200	-10	706,800	0	-650,300	0	215,212,500	-23,827,700	-10	
COMMERCIAL											
LAND	21,681,800	-434,500	-2	7,000	0	142,700	1	21,397,000	-284,800	-1	
IMP	70,585,700	-1,414,900	-2	10,157,800	14	414,000	1	79,742,600	9,156,900	13	
TOTAL	92,267,500	-1,849,400	-2	10,164,800	11	556,700	1	101,139,600	8,872,100	10	
MANUFACTURING											
LAND	1,658,700	48,700	3	0	0	-8,800	-1	1,698,600	39,900	2	
IMP	26,094,400	0	0	694,900	3	-263,300	-1	26,526,000	431,600	2	
TOTAL	27,753,100	48,700	0	694,900	3	-272,100	-1	28,224,600	471,500	2	
AGRICULTURAL											
LAND/TOTAL	31,000	-500	-2	0	0	0	0	30,500	-500	-2	
UNDEVELOPED											
LAND/TOTAL	43,700	2,300	5	0	0	-2,000	-5	44,000	300	1	
AG FOREST											
LAND/TOTAL	0	0	0	0	0	0	0	0	0	0	
FOREST											
LAND/TOTAL	0	0	0	0	0	0	0	0	0	0	
OTHER											
LAND	0	0	0	0	0	0	0	0	0	0	
IMP	0	0	0	0	0	0	0	0	0	0	
TOTAL	0	0	0	0	0	0	0	0	0	0	
TOTAL REAL ESTATE											
LAND	66,564,000	-4,694,600	-7	26,600	0	-13,800	0	61,882,200	-4,681,800	-7	
IMP	292,571,500	-20,988,500	-7	11,539,900	4	-353,900	0	282,769,000	-9,802,500	-3	
TOTAL	359,135,500	-25,683,100	-7	11,566,500	3	-367,700	0	344,651,200	-14,484,300	-4	
TOTAL \$ CHANGE											
PERSONAL PROPERTY	2013 MERGED P.P.	2014 EVA P.P.	% CHG	2014 MFG P.P.	% CHG	2014 MERGED P.P.	TOTAL \$ CHANGE IN P.P. VALUE	% CHG			
WATERCRAFT	0	0		0		0	0	0			
MACH TOOL & PAT	4,118,700	3,624,800		1,485,800		5,110,600	991,900	24			
FUR FTX & EQUIP	8,559,000	7,067,700		857,600		7,925,300	-633,700	-7			
ALL OTHER	2,716,900	1,731,100		1,383,700		3,114,800	397,900	15			
COMPENSATION	0	-100		0		-100	-100				
TOTAL PERSONALTY	15,394,600	12,423,500		3,727,100		16,150,600	756,000	5			
	2013 TOTAL EQUALIZED VALUE							2014 TOTAL EQUALIZED VALUE	TOTAL \$ CHANGE IN EQUAL VALUE	% CHG	
	374,530,100							360,801,800	-13,728,300	-4	

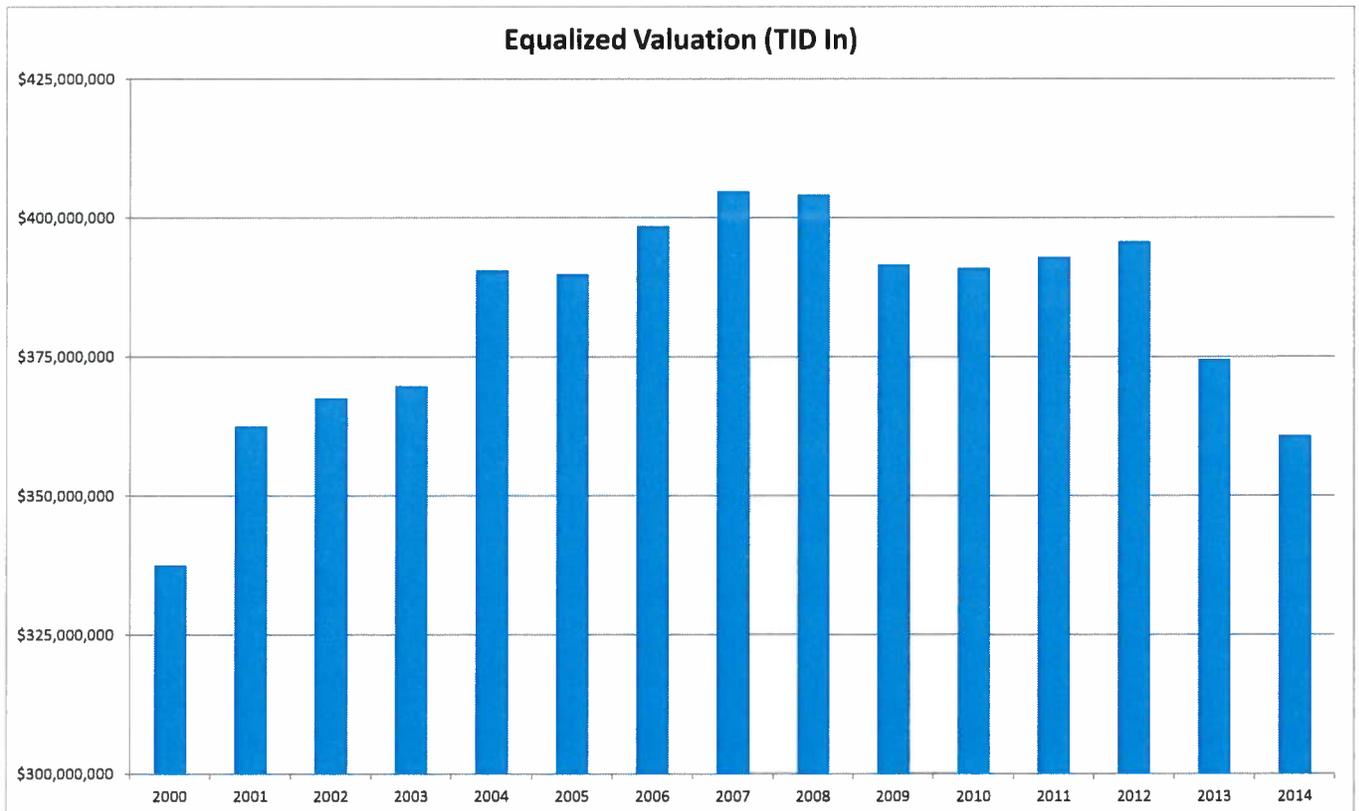
City of Merrill

Assessed and Equalized Valuations

Levy Year	Assessed Valuation	% Change	Equalized Valuation TID In	% Change	Equalized Valuation TID Out	% Change	TID Value Increment	% Change	Ratio of Assessed to Equalized Value
2000	\$351,837,900	28.5%	\$337,474,600	2.7%	\$325,735,200	2.0%	\$11,739,400	27.0%	104.26%
2001	\$354,830,500	0.9%	\$362,443,800	7.4%	\$348,699,900	7.1%	\$13,743,900	17.1%	97.90%
2002	\$359,114,300	1.2%	\$367,544,800	1.4%	\$353,312,300	1.3%	\$14,232,500	3.6%	97.71%
2003	\$362,941,900	1.1%	\$369,727,200	0.6%	\$355,235,400	0.5%	\$14,491,800	1.8%	98.20%
2004	\$368,876,400	1.6%	\$390,524,700	5.6%	\$390,524,700	9.9%	\$0	-100.0%	94.43%
2005	\$371,496,700	0.7%	\$389,885,100	-0.2%	\$389,885,100	-0.2%	\$0		95.35%
2006	\$375,339,700	1.0%	\$398,547,900	2.2%	\$395,691,400	1.5%	\$2,856,500		93.67%
2007	\$379,466,000	1.1%	\$404,809,100	1.6%	\$398,948,900	0.8%	\$5,860,200	105.2%	93.74%
2008	\$387,130,900	2.0%	\$404,161,700	-0.2%	\$396,868,900	-0.5%	\$7,292,800	24.4%	95.82%
2009	\$387,613,100	0.1%	\$391,590,700	-3.1%	\$384,545,100	-3.1%	\$7,045,600	-3.4%	98.98%
2010	\$389,251,200	0.4%	\$390,935,400	-0.2%	\$382,255,600	-0.6%	\$8,679,800	23.2%	99.57%
2011	\$391,370,000	0.5%	\$392,919,700	0.5%	\$382,748,200	0.1%	\$10,171,500	17.2%	99.61%
2012	\$389,937,400	-0.4%	\$395,700,100	0.7%	\$385,099,400	0.6%	\$10,140,000	-0.3%	99.67%
2013	\$394,235,310	0.7%	\$374,530,100	-5.4%	\$364,710,300	-5.3%	\$9,819,800	-3.2%	105.26%
2014	Pending		\$360,801,800	-3.7%	\$342,911,400	-6.0%	\$17,890,400	82.2%	Pending
Change			(\$13,728,300)	1.7%	(\$21,798,900)	-0.7%	\$8,070,600	85.3%	

State General Obligation Borrowing Capacity (2014)
5% of Equalized \$18,040,090

City Charter Ordinance
70% of State Limit \$12,628,063





Memo

To: David Johnson, Administrator
Kathy Unertl, Finance Director
Thomas Hayden, City Attorney

From: Sean Lentz, Ehlers
Patrick Malloy, Ehlers

Cc: Personnel and Finance Committee

Date: August 27, 2014

Subject: Charter Ordinance regarding General Obligation Debt

The City has a charter ordinance that limits the issuance of General Obligation (G.O) debt to 70% of its legal debt limit. The total G.O. Borrowing Capacity for the City is **\$18,040,090**. Per the charter ordinance that amount is reduced to **\$12,628,063**. As of January 1, 2015, the G.O. debt outstanding will be **\$11,049,229**. This will leave the City with **\$1,578,834** in available G.O. Borrowing Capacity for financing the projects forecasted in the City's capital improvement plan and for any economic development initiatives.

The G.O. debt limit is calculated by multiplying the City's total equalized valuation by 5%. The City's total equalized valuation is currently **\$360,801,800**. This amount is approximately equal to what the City's equalized valuation was in 2001. The City's equalized value was at its highest point (\$404,809,100) in 2007 and has been on a downward trend since that time. This downward trend in equalized valuation coupled with the charter ordinance has reduced the City's ability to use its lowest cost and most flexible tool (G.O. debt) for financing capital improvement plan and economic development related projects.

The City may wish to consider adjusting its charter ordinance to eliminate from the calculation of available G.O. Borrowing Capacity (per the charter ordinance) any self-supporting debt. Self-supporting debt means any G.O. debt issued by the City that is paid from funds other than general property tax funds. An example of self-supporting debt would be debt repaid by the water system, sewer system, or tax increment revenues. This change would allow for more use of the City's lowest cost borrowing option while still maintaining a limitation which is more stringent than the State law.

City of Merrill - Revenue-Supported GO Debt Service

Outstanding Principal as of 12/31/2014:

Water				
SIB 2005	Hwy 64 Projects	Water	\$158,382	\$158,382
Sewer				
SIB 2005	Hwy 64 Projects	Sewer	\$106,666	
GO 2006B	WWT Building	Sewer	\$65,000	
STF 2010	Phosphorus	Sewer	\$57,530	
		Sewer		\$229,196
TIDs - Tax Increment Districts				
GO 2006B	Hwy 64 - East Side	TID 3	\$110,000	
GO 2008B	N. Pine Ridge/Thielman	TID 4	\$320,000	
STF 2011.01	Hwy 64/Downtown Streets	TID 6	\$66,342	
GO 2013A	Streetlights - Airport	TID 5	\$33,511	
GO 2013A	Courtview/2014 Projects	TID 6	\$191,489	
		TIDs		\$721,342

Total Principal - Revenue-Supported	\$1,108,920
--	--------------------

City of Merrill Borrowing Capacity

State General Obligation Borrowing Capacity (2014)		
	5% of Equalized	\$18,040,090
City Charter Ordinance		
	70% of State Limit	\$12,628,063

Revenue-Supported	\$1,108,920
	8.8%

0208252

CITY OF MERRILL



1004 EAST FIRST STREET
MERRILL, WI 54452-2586

AN ORDINANCE: By Personnel and Finance
Committee
Re: A Charter Ordinance Establishing A Debt
Management Policy for the City of Merrill

CITY CHARTER

ORDINANCE NO. 2002-C1

Introduced: August 13, 2002

1st Reading: August 13, 2002

2nd Reading: August 13, 2002

3rd Reading: August 13, 2002

Committee/Commission Action:

A CHARTER ORDINANCE

A Charter Ordinance Establishing a Debt Management Policy for the City of Merrill

The Common Council of the City of Merrill, Wisconsin, does ordain as follows:

Section 1. Authority and Purpose: The City of Merrill pursuant to Article XI, Section 3 of the Constitution and Wis. Stats. §66.0101, hereby elects to adopt a Debt Management Policy consistent with the determination of its local affairs, and elects to be governed by borrowing restrictions set forth herein greater than those provided for under Wis. Stats. §67.03.

Section 2. Policy Objective: The City of Merrill recognizes that it is very difficult for public officials to accurately evaluate the long-term consequences of funding decisions in the absence of sound debt issuance and management policies. The consistent application of a carefully developed debt management policy will benefit the City of Merrill by enhancing credit quality and improving access to credit markets, resulting in the City's ability to incur debt at favorable interest rates.

The City's debt management policy is intended to maintain a balanced relationship between debt service requirements and current operating costs, encourage growth of the tax base, actively seek alternative funding sources, minimize interest costs and maximize investment returns.

The policy is designed to work within state statutory requirements that limit City debt to 5% of the total equalized value of property within the City. This policy serves as a guideline for the development of new debt issues. Any debt that exceeds these limits shall require alteration by a subsequent charter ordinance.

Section 3. Statement of Policy: The City of Merrill shall engage in a debt management policy consistent with the following:

- (a) The City shall issue debt with terms no longer than the economic life of the project or equipment and strive to keep the average maturity of General Obligation Bonds at or below 20 years.
- (b) The City shall schedule maturities not to exceed projected revenue streams in the case of self-supporting debt.
- (c) The City shall confine long-term borrowing to capital improvements or equipment that cannot be financed from current revenues, grants or subsidized state or federal programs.
- (d) The City shall not use long-term debt to finance operating expenditures.
- (e) The City shall use special assessment, revenue or other self-supporting bonds instead of general obligation bonds to more equitably distribute the costs of services to the beneficiaries served.
- (f) The City shall retire any tax anticipation debt annually.
- (g) The City shall obtain secured guarantees for self-supporting and tax increment support debt to the extent possible.
- (h) The City shall maintain good communications with bond rating agencies about its financial condition and follow a practice of full disclosure on every financial report and bond prospectus and respond to any reasonable request by financial advisors and/or underwriters for ongoing disclosure.
- (i) The City shall maintain a level of General Obligation not more than 70% of its legal debt limit.
- (j) The City shall minimize financing costs by consolidating issues.
- (k) The City shall institute and maintain a five-year capital improvement plan.

Section 4. Policy Implementation Procedure: The City Finance Director shall be responsible for ensuring that this policy is properly administered. If revisions to the policy are required, the Finance Director shall identify the required revisions and report them to the Personnel and Finance Committee for consideration.

The City Finance Director shall develop and implement an ongoing management program, which ensures that the City is in a fiscal position which allows the effective repayment of all existing debt.

Section 5. Repeal: Any charter provision or any previously enacted ordinance or charter ordinance inconsistent or in conflict herewith is hereby expressly repealed.

Section 6. Severability: If any section, subsection, clause, phrase or portion of this charter ordinance is for any reason held illegal, invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remainder of this ordinance. It is the legislative

intent of the Common Council that this Charter Ordinance would have been adopted if such illegal provision had not been included or any illegal application had not been made.

Section 7. Effective Date: This Charter Ordinance shall take effect sixty (60) days after it's passage and publication pursuant to Wis. Stats. §66.01

Moved by: Alderman Peterson
Adopted: August 13, 2002 8-0
Approved: August 15, 2002
Published: August 20, 2002

Approved:



Douglas C. Williams,
Mayor

Attest:



William N. Heideman,
City Clerk

**City of Merrill General Obligation (GO)
Borrowing Capacity - Potential Options**

State General Obligation Borrowing Capacity (2014)
5% of Equalized \$18,040,090

City Charter Ordinance
70% of State Limit \$12,628,063

Revenue-Supported \$1,108,920
As of 8/31/2014

Proposed Amendment \$13,736,983
70% PLUS GO Revenue-Supported

Potential Future Revenue Bonds?

Likely would be higher interest rate than GO debt.
Could be in addition to GO borrowing.

Ja

2014 MERRILL and TOMAHAWK MUNICIPAL COURT

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	YTD
INITIAL APPEARANCES-Merrill (Docket)								
1. Total Citations	167	83	150	179	46	216	115	956
2. Adult Citations	154	83	142	175	44	208	114	920
3. Juveniles Citations	13	0	8	4	2	8	1	36
4. Not Guilty Pleas (potential trials)	19	11	10	24	16	6	4	90

INITIAL APPEARANCES-Tomahawk								
1. Total Citations							12	12
2. Not Guilty Pleas (potential trials)							3	3

TRIALS								
1. Scheduled	0	0	1	0	0	2	0	0
2. Held	0	0	0	0	0	0	0	0
3. Rescheduled	0	0	0	0	0	1	0	0
4. Settled	0	0	1	0	0	1	0	0

CASES DISPOSED								
1. # Citations	149	76	138	176	42	210	122	913

GOOD CAUSE/INDIGENCY HEARINGS								
1. # Days Hearings Held	2	2	2	2	2	4	3	17
2. # Citations Summoned	48	45	38	11	0	72	62	276
3. # Citations Scheduled for Status Hearings or Payment Plans	55	51	78	42	26	23	52	327

WRITS ISSUED								
1. # Citations	8	9	6	6	10	36	29	104

FINANCIALS								
1. Amount Collected (Reported to State)	\$12,066.43	\$23,246.48	\$16,309.23	\$20,505.17	\$11,433.42	\$12,304.57	\$16,163.85	\$112,029.15
2. Amount Paid to County & State	(\$4,347.45)	(\$8,633.87)	(\$6,429.12)	(\$7,254.02)	(\$4,037.40)	(\$4,197.09)	(\$5,606.62)	(\$40,505.57)
3. Forf & Cost Retained by City	\$7,718.98	\$14,612.61	\$9,880.11	\$13,251.15	\$7,396.02	\$8,107.48	\$10,557.23	\$71,523.58
4. Add. Misc. fees collected	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Add. Forf. Receipts from LCCC	\$0.00	\$0.00	\$25.84	\$60.20	\$56.26	\$261.25	\$31.60	\$435.15
6. Total Revenue to the City	\$7,718.98	\$14,612.61	\$9,905.95	\$13,311.35	\$7,452.28	\$8,368.73	\$10,588.83	\$71,958.73
7. Municipal Court Expenses	(\$8,229.72)	(\$3,668.13)	(\$3,768.13)	(\$4,884.18)	(\$6,072.48)	(\$6,770.65)	(\$7,105.06)	(\$40,498.35)
8. Net Revenue to the City of Tomahawk							(\$112.00)	(\$112.00)
9. Net Revenue to the City of Merrill	(\$510.74)	\$10,944.48	\$6,137.82	\$8,427.17	\$1,379.80	\$1,598.08	\$3,371.77	\$31,460.38
10. Restitution Collected	\$212.87	\$948.46	\$235.37	\$612.99	\$244.98	\$511.03	\$217.95	\$2,983.65

Adj Forf rec'ts Adj for rec'ts Adj for rec'ts
 fm LCCC fm LCCC fm LCCC



8b

CITY OF MERRILL

Finance Director/City Treasurer

Kathy Unertl, Finance Director

1004 East First Street • Merrill, Wisconsin • 54452

Phone (715) 536-5594 • FAX (715) 539-2668

e-mail: Kathy.Unertl@ci.merrill.wi.us

Date: August 25th, 2014

To: Personnel and Finance Committee

From: Kathy Unertl, Finance Director *Kathy Unertl*

RE: **July/August Activities**

Capital Plan Development: Continued updating of the draft plan covering 2015 through 2024. Focus has been on 2015 Capital and future borrowing requirements.

2015 Budget: Along with debt service review, I continue preliminary personnel service projections. Using the following from Police/Fire Union contracts:

- 1% wage increase as of 12/29/14 and another 1.0% wage increase as of 6/29/15
- WRS – Retirement. Reduced from 7.0% to 6.8% for Employer (General), as well as larger % reductions for public safety.
- Health Insurance – preliminary budgeting information shown on following 2014-2015 comparison. City will be providing Employee Census information as of 8/31/2014 to facilitate 2015 health insurance request for proposal process.

Economic Development, RDA, and TIF Issues: Continued economic team involvement in responding to numerous inquiries related to development, redevelopment, and potential TIF assistance.

Statewide Voter Registration System – Expanded Use:

With assistance from IT Manager Ron Turner in purchase/installation of new label printer, Jill Bostrom took the lead in implementing SVRS's electronic new voter registration and absentee voter capabilities. All Clerk-Treasurer staff will continue training to ensure everyone can assist for the November General Election.

This is preliminary information for 2015 City Group Health Insurance.
 There will be a formal Request for Proposal (RFP) process in Fall 2014.

City of Merrill - Security Health Plan (SHP) - 2015

With 6.5% Rate Increase

For 2015 - No City HSA Seeding

**HMO - High Deductible Health Plan
 - HSA Eligible Option**

The 2014 SHP - NO Change

	Monthly Premium		Annual Premium		Employee %
	Single	Family	Single	Family	
Deductible \$1,250/\$2,500 - then 80%/20% up to Maximum Out-of-Pocket \$1,650/\$3,300					
Security Health Plan - HMO - HSA Eligible	\$757.04	\$1,514.08	\$9,084.48	\$18,168.96	8.98%
Employee Co-Payment	(\$67.98)	(\$135.96)	(\$815.76)	(\$1,631.52)	
Net City Expense	\$689.06	\$1,378.12	\$8,268.72	\$16,537.44	
Employee Co-Payment	(\$33.99)	(\$67.98)	Pay Period		
Health Savings Account - City Seeding			\$760.83	\$1,521.66	
Total - City 2014			\$9,029.55	\$18,059.10	

The 2015 SHP - With 6.5% Increase

	Monthly Premium		Annual Premium		Employee %
	Single	Family	Single	Family	
Deductible \$1,250/\$2,500 - then 80%/20% up to Maximum Out-of-Pocket \$1,650/\$3,300					
Security Health Plan - HMO - HSA Eligible	\$806.25	\$1,612.50	\$9,674.97	\$19,349.94	10.00%
Employee Co-Payment	(\$80.62)	(\$161.24)	(\$967.44)	(\$1,934.88)	
Net City Expense	\$725.63	\$1,451.26	\$8,707.53	\$17,415.06	
Employee Co-Payment	(\$40.31)	(\$80.62)	Pay Period		
Change in Premium	\$49.21	\$98.42	\$590.52	\$1,181.04	
Change in City Expense for 2015	\$36.57	\$73.14	\$438.81	\$877.68	

Employee Co-Pay Difference	
Monthly Premium	
Single	Family
\$12.64	\$25.28

Employee Co-Pay Difference	
Annual Premium	
Single	Family
\$151.71	\$303.36

Employee % Change
1.020%



8c

CITY ATTORNEY - REPORT FOR AUGUST 27, 2014

PARKS & RECREATION: Continuing working with Dan on various and sundry issues.

CITY STAFF: Busy with property inspections, economic development matters, court docket, various policy changes.

AIRPORT: Working with the Airport Commission in their search for a new manager and a new contract for the new manager. Worked on several T-Hangar contracts with people moving out and moving in. Collected a past due T-Hangar rent account in the amount of \$791.00.

PERSONAL PROPERTY TAX COLLECTION: On April 3rd sent out 27 letters for unpaid personal property taxes. Total outstanding at that time was \$13,389.35. ALL Personal Property taxes have now been collected. Outstanding job by Diane.

RIGHT-OF-LEASES: Completed one new right-of-way lease and the transfer of a lease. As a result of the transfer of the lease, we collected \$1,095.81 in past due rent.

STREET DEPARTMENT: For the past few weeks we have been assisting the Street Commissioner by sending out 118 certified letters in June, 26 certified letters in July and 7 certified letters in August for grass cutting and weed removal.

DEVELOPMENT PROJECTS: We currently are working on development projects in virtually every part of the City.

BUILDING INSPECTION/ZONING: Working with Darin on several matters. These include court proceedings, possible demolitions along with various other issues on East side of City, West side and the Downtown area in regard to blighted/abandoned buildings. Progress is visible. One contested matter in Circuit Court and one in Municipal Court. I see more litigation coming. Assisting Fire Chief and Building Inspector on various open matters.

COMMON COUNCIL: Business as usual.

SEMINARS: None

MUNICIPAL COURT: Many matters in progress. New Court schedule working well.

CITY OF TOMAHAWK. Business as usual, busy court docket. Met with officials after court to iron out minor issues. Joint Court was a good move!

LINCOLN COUNTY: Looking forward to working with Lincoln County on interesting projects of mutual interest.

CITY HALL: Worked with all Department Heads on issues and answered questions.

Other tasks as assigned.

*If you don't know where you are going, you might wind up someplace else.
Yogi Berra*

City Attorney		CURRENT MONTH	LAST MONTH		
MONTHLY REPORT					
August 27, 2014					
		8/27/2014	7/16/2014		
MUNICIPAL COURT		4 weeks	4 weeks		
TOTAL ADULT		172	139		
Adult Ordinance		51	28		
Adult Traffic		121	111		
Total Adult Defendants		117	110		
Adult Closed		54	32		
Other Jurisdictions - Wausau (cases)		0	0		
TOTAL JUVENILE		2	6		
Juvenile Ordinance		2	6		
Juvenile Traffic		0	0		
Total Juvenile Defendants		2	6		
Juvenile Closed		0	2		
TRIALS		9	7		
Pending Municipal Trials		5	3		
Pending Circuit Court Trials		4	4		
Tomahawk Trials		1	1		
Other Court Matters		Beginning	New	Closed	Ending
Deferred Prosecution Agree.	July	24	0	3	21
(Includes Tomahawk's Totals)	August	21	4	1	24
	September	24			
TOMAHAWK DPA's	August	6	0	2	4
TOMAHAWK			August	July	June
Total Tomahawk			13	13	30
Juveniles			0	0	1
Ordinances			1	1	1
Traffic			12	12	28
Total Adult Defendants			10	10	26
Not Guilty Plea			0	2	0
Closed Since Last Report			2	2	0





**MERRILL
WISCONSIN**
City Of Parks

CITY OF MERRILL

Office of the City Clerk

William N. Heideman, City Clerk

1004 East First Street • Merrill, Wisconsin • 54452

Phone (715) 536-5594 • FAX (715) 539-2668

e-mail address: bill.heideman@ci.merrill.wi.us

City Clerk Report – September 2nd, 2014

1. All work associated with the August 12th, 2014 Fall Primary Election has been completed. Work related to the November 4th, 2014 Fall General Election has begun.
2. On July 29th, attended election training at the Lincoln County Service Center.
3. Working with Department Heads with ongoing project to ensure that all buildings, equipment and vehicles are covered by insurance.
4. Working with Ron Turner on making changes, additions and deletions to City website as requested/necessary. "Older" data on the website has been deleted, to speed up processing time. Older data will be deleted on an ongoing basis, after ensuring that any data deleted will still be available elsewhere.
5. Other duties as assigned and/or requested

A handwritten signature in blue ink that reads "Bill".

City Clerk Bill Heideman, CMC, WCMC

"Focusing on the Future"

An equal opportunity/affirmative action employer.

8e

Administrator's Monthly Report 8/29/14

New Fire Station Project

The roof continues to leak, a Butler approved contractor has been contracted by Ellis-Stone and will be performing the roof repairs.

Walmart Project

We continue to have a problem with water on Pine Ridge Ave. that sheets down the Walmart entrance into and across Pine Ridge Ave, as well as standing in the center of the street. This will cause potential safety issues and require the Street Department to expend more manpower, equipment and materials (sand and salt) to keep this intersection cleared of ice. Walmart and MICCO have been apprised of this issue and put on notice that it must be corrected.

Walmart and McDonald's still have not settled the issue of a few square feet of property on the northeast corner of Highway 64 and Pine Ridge Ave. needed to complete the sidewalk.

The Street Dept. has removed the old wood and wire fence along the north side of Highway 64 east of McDonald's to the south bound ramp and cut the brush and scrub trees that lined the fence. This has opened up this area and vastly improved how it looks.

We will be placing a new WELCOME TO MERRILL sign at the eastern end of the Walmart property in the highway right-of-way to replace the old welcome sign currently in front of Wisconsin Public Service. We will also be placing a new welcome sign near the turn-around at Glen Dr. at the west approach to the city. On August 13 I requested funding from the Bierman Family Foundation and on August 21 I received a check for \$15,000. The total cost of both signs is \$15,680.

New Development and Blight elimination

Prior to bidding the old Anson-Gilkey property for demolition we found that three buildings had not been evaluated for asbestos and lead paint. This testing was done the week of August 11 by Northstar Environmental and two of the buildings were found to have asbestos that has to be abated before demolition can proceed. This has delayed the demolition bidding and removal of the steel building that Three Chimney, Inc. of Viroqua is buying for scrap and demolishing at no cost to the City. Asbestos abatement concluded on August 29. I sent out the bid specifications to 8 demolition contractors, posted it in the paper and placed it on our website.

We have secured the deed/title change to reflect a 33 foot street right-of-way for the north half of a future 10th St. extension west of Center Ave. allowing the City to advertise the old ranger station for sale. We have had three serious bidders looking at the property, all of whom want to use the building and property for a new business or expansion of an existing business.

The new Arby's is currently under construction on the northwest corner of Pine Ridge and Highway 64 and renovation of the attached Mobil station continues with new canopies and gas pumps installed. The Arby's is expected to be completed in October.

Work is well on its way at the new KwikTrip on Pine Ridge Ave.

The new Pine Ridge Restaurant on the old Champ's site has been completed and it opened for business on August 28.

Merrill Area Community Enrichment Center

Our new director, Tammie Mrachek, started employment August 18.

River Bend Trail

Work is moving forward to pave the first section of the trail this fall. The contractor has begun work now that we have received the signed license to cross WPS property.

Lincoln County Fairgrounds

The County's contractor is performing the feasibility study for the fairgrounds and will be meeting with all concerned parties as part of the study process.

Merrill Videos

Merrill CGI videos have been completed and are now on our website and on relocation sites on the web. They turned out very well and present a positive image of Merrill.

Old Fire Station

On August 14, the Mayor, myself, Dan Wendorf, Dick Lupton, Rich Grenfell and Corey Bennett met to discuss garage and storage needs for departments. The PD needs space for secure evidence storage, they are being put out of the Sheriff Department's building next to the county garage. Dick needs additional storage space for his equipment and materials. Rich needs to renovate his garage for the buses or move to the old fire station apparatus bay and Dan needs space if Dick takes over P&R's space at the city garage.

After receiving the estimated cost (\$235,000) to renovate the old fire station apparatus bay (replace flashing, move radiant heaters, build restroom, separate power, clean and seal interior walls, install plymovent exhaust system, seal electrical panel, etc.) it was determined that it is more cost effective to renovate the existing bus barn and utilize the apparatus bay for the Parks Dept. The Street Dept. could then occupy the P&R space at the city garage. The PD can occupy the small pole barn next to the bus barn (needs new roof, door and some siding work). Too many of our buildings have been let go for too long. When the apparatus bay was emptied the long-term lack of maintenance became apparent.

To utilize the 1917, and 1961 addition, fire station for anything other than storage would cost in excess of \$225,000, not including the upstairs. We can take the 1917 and 1961 portions of the building down for an estimated \$25-30,000, whereas the roof replacement alone will run \$30-40,000. The Historical Society isn't interested in the building because of the cost of repairs.