

CITY OF WATERLOO FINANCE, INSURANCE & PERSONNEL COMMITTEE: MEETING MINUTES
August 16, 2018

1. CALL TO ORDER AND ROLL CALL. Alderperson Springer called the meeting to order at 5:30 p.m. Members present: Springer, Quimby and Griffin. Absent: none. Also attending: Alderperson Tim Thomas; Police Chief Denis Sorenson; Public Works Director Chad Yerges; Library Director Kelli Mountford; Parks Director Gabe Haberkorn; Utility Superintendent Barry Sorenson; Joy Bisco Utility Accountant; Clerk/Treasurer Office Staff Raynelle Butzine; Deputy Clerk/Treasurer Mike Kawula and Clerk/Treasurer Hansen.
2. MEETING MINUTES APPROVAL: June 21, 2018. MOTION: Moved by Quimby, seconded by Springer to table meeting minute approval. VOICE VOTE: Motion carried.
3. PUBLIC COMMENT. None.
4. UNFINISHED BUSINESS
 - a. Utility Commission Recommendation, Modifying The Formula For Calculating Future Utility Payments In Lieu Of Taxes (PILOT). Barry Sorenson said he had reviewed several different options for calculating the fee in lieu of payment (PILOT) with Mike Kawula and Barry was OK with the proposal. He said a sewer rate increase of 32% likely would be coming forward, a \$130,000 increase. Sorenson said the sewer and water PILOT are not related. In reply to the Quimby question, Bisco said 14% of the future sewer rate increase would be for the collection system and 85% would be to address treatment plant phosphorus issues. Sorenson said the City has been working hard to not take out loans, but didn't want the Utility to take on the brunt of debt. Barry said he had no problem with the PILOT as Mike has proposed; and said he would have to borrow to fund water projects. In comparison to Marshall, Bisco said Waterloo's rates were less, but with the future proposed sewer increase we would be above Marshall. Barry said a concern was debt load. Bisco said both sewer and water road projects would have to be rolled into future rates. Bisco said borrowing would be needed for 2020 treatment plant upgrades. How sewer projects are funded was discussed. Barry said the Utility Commissioners would need to vote on the proposal. Thompson said the City had been swimming in debt and had taken steps over time to reduce borrowing. Sorenson mentioned replacement costs for a vactor truck and dollars collected in prior years, saying \$800,000 is on account, but would not be enough. Sorenson said he would like to increase the collection of dollars for sewer infrastructure. Barry suggested three options for the PILOT. Mike Kawula said the Utility will earn a rate of return (4.5%) on the \$1,000,000 contributed. Sorenson said he needs to borrow for future road projects. Hansen complimented Sorenson, Bisco and Kawula for the work on the proposals. Griffin said he liked the \$107,000 proposal. Mayor Thompson said \$127,000. Springer said \$127,000. Sorenson said the matter could be revised at a later date. Kawula said a future property revaluation could result in a major change in figures used to calculate PILOT. Thompson said the \$127,000 option can be adjusted in the future. MOTION: Moved by Quimby, seconded by Griffin to approve the \$127,000 figure as detailed in the handouts. ROLL CALL VOTE: Ayes: Quimby, Springer and Griffin. Noes: none. Motion carried.
5. NEW BUSINESS
 - a. General Disbursements, July 2018 - \$423,873.79. MOTION: Moved by Quimby, seconded by Griffin to recommend Council approval of disbursements. ROLL CALL VOTE: Ayes: Quimby, Springer and Griffin. Noes: none. Motion carried.
 - b. Payroll, July 2018 - \$68,993.20. MOTION: Moved by Quimby, seconded by Griffin to recommend Council approval of payroll. ROLL CALL VOTE: Ayes: Quimby, Springer and Griffin. Noes: none. Motion carried.
 - c. Treasurer's Report & Budget Reports For July 2018. MOTION: Moved by Quimby, seconded by Griffin to recommend Council approval of reports. VOICE VOTE. Motion carried.
6. 2019 BUDGET CONSIDERATION
 - a. Historic Trends 1987-2011: Waterloo vs. Cities Population 5,000 Or Less. Hansen reviewed handouts. No action taken.
 - b. What Are Desired Budget Outcomes – 2019 And Long Term. The Committee spoke generally about desired objectives. Springer said borrowing for roads may be needed. He called for needs and not wants. He said raises were needed to retain employees. No action taken.
 - i. Identifying Issues And Needs
 - ii. Setting Goals

- iii. Determining Strategies And Setting Priorities
- c. Department Of Revenue Net New Construction Figures & Levy Limit Constraint Summary. Noted.
- d. Debt Service [Fund 300]. Hansen reviewed budget submittal information.
- e. CATV / WLOO [Fund 200]. Springer asked that all remaining items be revisited at the next meeting. August 30th at 5:30 pm. Griffin said he would not be able to attend.
- f. Parks Department [Fund 225]. No action taken.
- g. Special Assessments [Funds 402]. No action taken.
- h. Impact Fees [Fund 201-205]. No action taken.

7. FUTURE AGENDA ITEMS AND ANNOUNCEMENTS

- a. Scheduling A Next Meeting For 2019 Budget Consideration. The next budget meeting was scheduled for August 30th at 5:30 pm. Griffin said he would not be able to attend.
- b. Tracking Insurance Claims
- c. Committee Calendar

8. ADJOURNMENT. MOTION: Moved by Quimby, seconded by Griffin to adjourn. VOICE VOTE: Motion carried. Approximate time: 6:49 p.m.

Attest:



Mo Hansen
Clerk/Treasurer