



MINUTES
COMMITTEE #1
REVENUES, DISBURSEMENTS, WATER AND WASTEWATER
SEPTEMBER 1, 2015

Committee #1 - Revenues, Disbursements, Water and Wastewater met on Tuesday, September 1, 2015 at 4:45 PM in the Council Chambers, City Hall, 30 West Central Street, Chippewa Falls, WI.

Committee Members present: Rob Kiefer, John Monarski, Brent Ford.

Mayor/Other Council Members present: Mayor Hoffman.

Others presented: Finance Manager/Treasurer Lynne Bauer, Public Works Director/City Engineer/Public Utilities Manager Rick Rubenzer, Street & Utility Maintenance Manager Rick Ruf, Parks & Recreation Director Dick Hebert, Brian Reilly and Patrick Malloy from Ehlers, Rick Flynn.

Call to Order: 4:52 PM

- 1. Discuss department capital improvement plans and equipment requests including funding options. Possible recommendations to the Council.**

Mr. Reilly and Mr. Malloy reviewed the attached documentation entitled "Capital Equipment Financing Discussion". Financing options included borrowing \$570,000 (see attached equipment listing) utilizing short term notes with 2, 3 and 5 year repayment plans. Given the City's current debt obligations, delaying repayment for up to 3 years would increase the interest expense a bit but also allow for a more modest tax impact. Street & Maintenance Manager Rick Ruf indicated buying 2015 models would be cheaper than 2016 models.

Motion by Ford/Monarski to recommend the Council approve borrowing \$570,000 for replacement of capital equipment in the Engineering, Streets and Parks & Recreation Departments utilizing a three-year note. **All present voted aye. Motion carried.**

- 2. Discuss funding for Kennedy Road overpass bridge joint repairs. Possible recommendation to the Council.**

Public Works Director/City Engineer/Public Utilities Manager Rick Rubenzer and Street & Utility Maintenance Manager Rick Ruf discussed Kennedy Road overpass bridge joint repairs that need to be completed as soon as possible. A cost estimate of \$52,812.50 was received from Larson Construction Co., Inc. They also spoke with Chippewa County Highway Department Representatives who estimated they could perform repairs for \$20,000- \$30,000. A temporary fix will also be done now using a steel plate.

Motion by Ford/Monarski to recommend the Council approve utilizing Chippewa County to repair the Kennedy Road overpass bridge joints with the cost not to exceed \$30,000. **All present voted aye. Motion carried.**

3. Discuss funding for floor scrubber. Possible recommendations to the Council.

Public Works Director/City Engineer/Public Utilities Manager Rick Rubenzer presented information to the Committee regarding a floor scrubber to be used mainly at City Hall. The scrubber is a demo model that normally costs around \$4,000 but can be bought by the City for approximately \$3,100. Rick indicated using the machine would lessen the amount of hours spent mopping floors and would allow more time be spent on maintenance issues. Finance Manager/Treasurer Lynne Bauer indicated funding could come from the savings from not replacing a maintenance position earlier in the year or election wages due to only having one election this year. The machine is expected to last approximately 10 years with minimal maintenance costs each year.

Motion by Monarski/Ford to recommend the Council approve funding for a floor scrubber in an amount not to exceed \$3,100 with funding to come from the current 2015 Budget. **All present voted aye. Motion carried.**

4. Adjournment.

Motion by Ford/Monarski to adjourn at 5:48 PM. **All present voting aye, motion carried.**

**Minutes submitted by,
Lynne Bauer, Finance Manager/Treasurer**

Equipment	Dept.	Cost
Plow Truck	Street	\$175,000.00
Skid-loader	Street	\$45,000.00
Bucket Truck	Street/Park & Rec.	\$80,000.00
Snow Blower	Street	\$128,000.00
One Ton Truck	Street/Parks & Rec.	\$30,000.00
Half Ton Pick-up Truck	Street/Parks & Rec.	\$24,000.00
Half Ton Pick-up Truck	Engineering	\$30,000.00
Half Ton Pick-up Truck	Street Manager	\$18,000.00
Gator	Parks & Rec.	\$8,500.00
Exmark Mower	Parks & Rec.	\$11,000.00

Immediate Needs

Half Ton Pick-up	Engineering	\$28,000.00
Half Ton Pick-ups (3)	Park & Rec.	\$72,000.00
Exmark Mowers (3)	Park & Rec.	\$33,000.00
Gator	Park & Rec.	\$8,500.00
Bucket Truck (used)	Street/Parks & Rec.	\$80,000.00
Skid-loader	Street	\$45,000.00
Plow Truck	Street	\$175,000.00
Snow Blower	Street	\$128,000.00

Total \$569,500.00

Items to think about

One Ton Trucks (5)	Street	\$150,000.00
Half Ton Trucks (2)	Parks & Rec./Street	\$48,000.00
Half Ton Trucks (2)	Street Manager	\$18,000.00

Recycled Police Vehicles Coming Soon!!?

We should see 3 or 4 Ford Explorers in the next year or two.

10 Year Replacement plan

2015

2 - Plow/Dump Truck	\$320,000.00
2 - One Ton Truck	\$70,000.00
1 - Skid-steer	\$45,000.00

2016

2 - Plow/Dump Truck	\$320,000.00
1 - Patch Trailer	\$35,000.00
1 - Parts Truck	\$30,000.00
1 - One Ton Truck	\$35,000.00

2017

2 - Plow/Dump Truck	\$320,000.00
1 - One Ton Truck	\$35,000.00
1 - Managers Patrol Truck	\$35,000.00
1 - Hot melt Kettle	\$45,000.00

2018

1 - Motor Grader	\$300,000.00
1 - One Ton Truck	\$40,000.00
1 - Sign Truck	\$40,000.00

2019

2 - Plow/Dump Truck	\$340,000.00
1 - Snow Blower	\$125,000.00

2020

1 - Bucket Truck	\$170,000.00
1 - Track-type Back Hoe	\$225,000.00 ?

2021

1 - Front End Loader	\$170,000.00
1 9 Wheel Roller	\$120,000.00
1 - Skid-Steer	\$55,000.00

2022

1 - Motor Grader	\$300,000.00
1 - Snow Blower	\$135,000.00

2023

1 - Chip Spreader	\$100,000.00
1 - Paint Truck	\$75,000.00
1 - Small Roller	\$60,000.00
1 - Oil Distributor	\$200,000.00

2024

1 - Front End Loader	\$180,000.00
1 - Large Roller	\$100,000.00
1 - Paver	\$150,000.00

Total **\$4,175,000.00**

Possible revenue from sales \$300,000.00

Amount Needed **\$3,875,000.00**

Committee #1 - Capital Items Discussion - August 4, 2015

YEAR	DEPARTMENT	ITEM	ESTIMATED COST	
2015				
	Street Department	(2) Plow/Dump Trucks	\$ 320,000	
	Street Department	(2) One Ton Trucks	\$ 70,000	
	Street Department	(1) Skid Steer	\$ 45,000	
	Parks & Recreation	Option #1: 907HC Caterpillar Loader	\$ 90,000	Replacing Dept. 2001 Caterpillar Loader, Street Dept. given Loader, Purchase new Loader for Parks & Rec
	Parks & Recreation	Option #2: 907HC Caterpillar Loader	OR 82500	Trading in Dept. 2001 Caterpillar Loader
	Parks & Recreation	Option #3: 907HC Caterpillar Loader	OR 12000	Replace Engine (7/29/15 Comm #1 Recommendation)
		Equipment Subtotal	\$ 525,000	
	Fire Department	New Station	\$ 5,000,000	Approved for bonding April 7, 2015
	Chippewa Mall Drive	Road extension behind mall to Alexander Blvd	\$ 700,000	Approved for bonding April 7, 2015
	Downtown Entrance	Phase 1	\$ 3,500,000	(TIF Monies used to repay debt)
	Total 2015		\$ 9,725,000	
2016				
	Street Department	(2) Plow/Dump Truck	\$ 320,000	
	Street Department	(1) Patch Trailer	\$ 35,000	
	Street Department	(1) Parts Truck	\$ 30,000	
	Street Department	(1) One Ton Truck	\$ 35,000	
	Parks & Recreation	Two Ton Truck-Ford 650 cab/chassis	\$ 57,800	Replace 1999 Chevy Two Ton Truck
	Parks & Recreation	Increase axle weight rating to front end - Ford 650	\$ 2,000	
	Parks & Recreation	9 ft. Dump Box, 11 ft. plow, safety lighting package	\$ 33,100	
	Fire Department	Ambulance	\$ 160,000	Replace 2003 F-350 Road Rescue Ambulance
	Fire Department	Cardiac Monitors	\$ 50,000	Replace 2 Phillips Cardiac Monitors (2008)
	Total 2016		\$ 722,900	

Committee #1 - Capital Items Discussion - August 4, 2015

2017						
	Street Department	(2) Plow/Dump Truck		\$	320,000	
	Street Department	(1) One Ton Truck		\$	35,000	
	Street Department	(1) Managers Patrol Truck		\$	35,000	
	Street Department	(1) Hot melt Kettle		\$	45,000	
	Parks & Recreation	Bobcat Toolcat 5600		\$	82,300	Replace 1996 John Deere Compact Tractor
	Parks & Recreation	X MARK MOWER (Casper Park) 72"		\$	10,900	Replace Dept. 2000 Xmark 72" Mower which is used at Casper Park
	Parks & Recreation	1/2 Ton Pick Up Truck		\$	23,200	Replace 2000 Dodge 3/4 Ton Truck.
	Fire Department	Cardiac Monitors		\$	50,000	Replace 2 Phillips Cardiac Monitors (2008)
	Total 2017			\$	601,400	
2018						
	Street Department	(1) Motor Grader		\$	300,000	
	Street Department	(1) One Ton Truck		\$	40,000	
	Street Department	(1) Sign Truck		\$	40,000	
	Parks & Recreation	1/2 Ton Pick Up Truck		\$	25,400	Replace 1996 Chevy 1/2 Ton Truck
	Parks & Recreation	1/2 Ton Pick Up Truck		\$	25,400	Replace 1998 Chevy 1/2 Ton Truck
	Parks & Recreation	X MARK MOWER (Casper Park) 72"		\$	11,900	Replace Dept 2000 Xmark 72" Mower at Casper Park
	Parks & Recreation	X MARK MOWER (Casper Park) 72"		\$	11,100	Replace Dept 2006 Xmark 60" Mower at Irvine Park
	Fire Department	Ambulance		\$	180,000	
	Total 2018			\$	633,800	
2019						
	Street Department	(2) Plow/Dump Truck		\$	340,000	
	Street Department	(1) Snow Blower		\$	125,000	
	Total 2019			\$	465,000	

2014-2024 Street Dept. Equipment Replacement

The last time new tax money was used for equipment replacement was 2002. In the last 12 years the revenue used for equipment replaced was generated from the sale of scrap, sale of old equipment or from monies from the Storm Water Utility account. The lack of equipment replacement in the last 12 years has created a serious problem.

The Wisconsin Department of Transportation recommends replacement of equipment as follows.

Trucks Rear Drive 23,000lbs through 49,000 lbs	10 years
Trucks Rear Drive 15,000lbs and less	6 years
Motor Graders Six Wheel Drive	10 years
End Loaders	10 years
Skid Steers	10 years
Snow Blowers	10 years
Track - type Back Hoe	10 years
Parts Truck	10 years

Because of a very good maintenance program the Street Dept is comfortable using a 1.5 multiplier to the Department of Transportation replacement schedule.

At this time the current equipment past normal replacement age are as follows.

Trucks Rear Wheel Drive 23,000 through 49,000; 1 - 1993 (21) 1 - 1995 (19) 2 - 1996 (18) 1 - 1997 (17) 2 - 1999 (15) 2 - 2000 (14)
Trucks Rear Wheel Drive 15,000 and less; 4 - 1997 (17)
Motor Graders Six Wheel Drive; 1 - 1987 (27) 1 - 2002 (12)
End Loaders; 1 - 2001 (13)
Skid - Steers; 1 - 2000 (14)
Snow Blowers; 1 - 1970 (44) 1 - 1987 (27)
Track-type Back Hoe; 1 - 1990 (24)

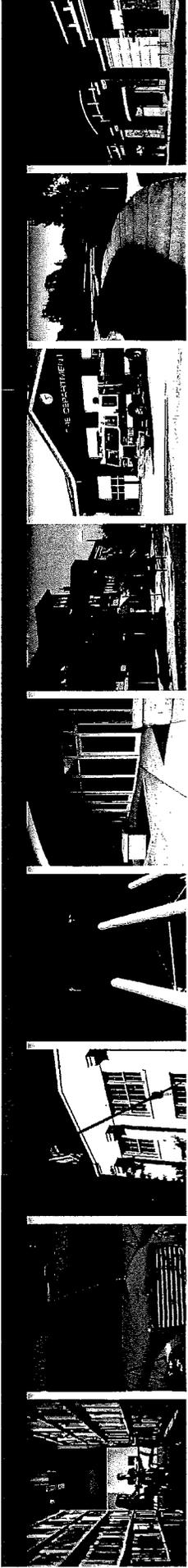
Most of the equipment list above exceeds the 1.5 multiplier.

2014-2024 Street Dept. Equipment Replacement

Today's Replacement costs are as follows.

Trucks Rear Wheel Drive 23,000 through 49,000	\$130,000.00 - \$150,000.00
Trucks Rear Wheel Drive 15,000 and less	\$35,000.00
Parts Truck	\$30,000.00
Motor Grader	\$275,000.00 - \$325,000.00
End Loader	\$150,000.00
Skid-Steer	\$35,000.00
Snow Blower	\$125,000.00
Track-Type Back Hoe	\$250,000.00

All current equipment would have some trade in or resale value. This is not a complete list of equipment needed to be replaced. This is a priority list of equipment needed.



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City of Chippewa Falls, WI

Capital Equipment Financing Discussion

Committee No. 1

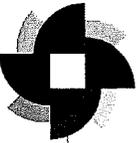


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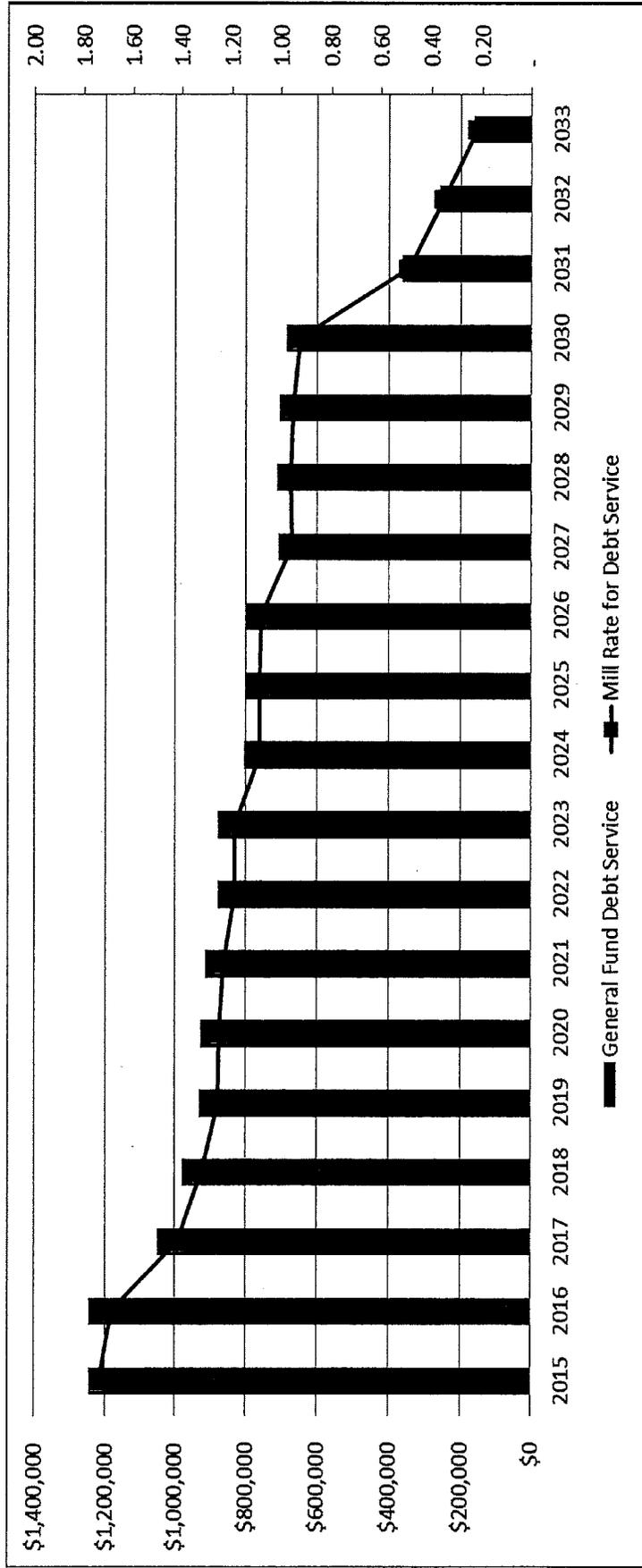


Discussion Topics

- Current tax levy for debt service and mill rate projection
- Capital equipment financing
 - Assumptions
 - Impacts & sensitivity
- Discussion
- Execution calendar



Current Situation – Debt Levy/General Fund Debt Service



2015 levy for G.O. debt service = \$1,247,086 (1.74 equalized mills)

Likely that a portion of 2012 Bonds will be reallocated to TID 12, resulting in slight decrease in general fund debt service and millage

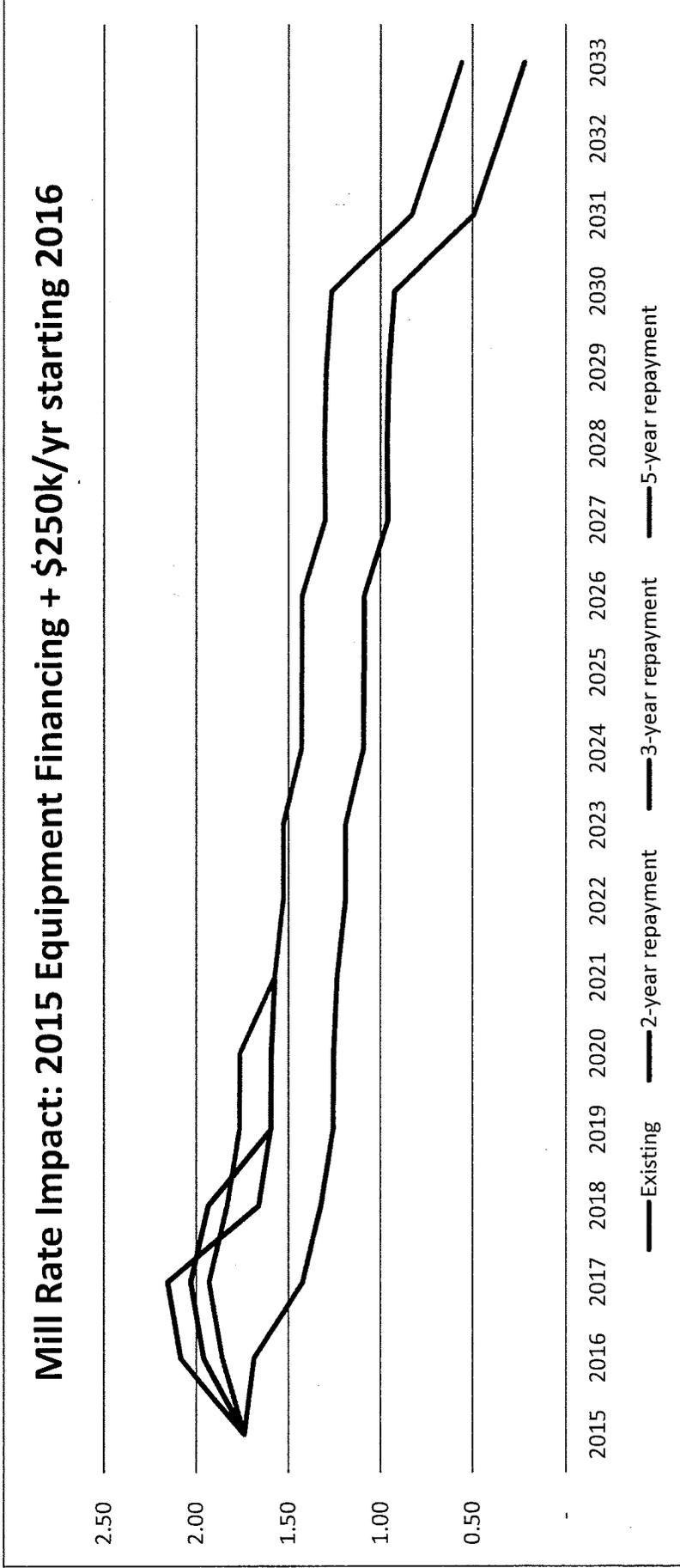


Capital Equipment Financing Assumptions

- 2015 = ~\$570,000
- 2016 & beyond = \$250,000 throughout forecast period
 - Also scenario for \$300,000/yr.
- 2015 capital equipment financing options:
 - 2-year repayment (2.50%)
 - 3-year repayment (3.00%)
 - 5-year repayment (3.50%)



Levy Impact



- Various options will alter immediate impact, but all converge to same long-term result
- No other financing is included in the forecast



Sensitivity

- Increasing capital financing amount to \$350,000/yr = increase of 0.07 mills (\$0.07/\$1,000 of value)
- Estimated interest cost differential of financing options:
 - 2-year repayment --
 - 3-year repayment +\$13,000
 - 5-year repayment +\$39,000
- Structuring considerations to take advantage of decline in levy in 2017
 - *Negated by any equipment financing in 2016 (1st pmt. in 2017) and would require amortization > 5 years*



Execution Requirements

- Capital equipment financing to take form of General Obligation Promissory Note
 - Minimal procedural requirements
- Recommend bank placement to minimize costs, unless combined with larger offering
- Can likely move from authorization to closing in approximately 4 – 6 weeks
- Closing should occur prior to budget adoption and certification of levy





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MEGAN K. MacLAUGHLIN-BARCK, J.D.
TIMOTHY J. MacLAUGHLIN-BARCK

President
Vice President of Operations

September 1, 2015

Rob Krejci
City of Chippewa Falls
Chippewa Falls, Wisconsin

RE: Structure B-9-109 Bridge Repair
Commerce Way, Chippewa Falls WI

Rob,

Please accept our quotation for the above referenced project. We propose to supply the labor, equipment, and materials to remove and replace the expansion joint on Structure B-9-109 for the lump sum of \$52,812.50 (fifty-two-thousand, eight-hundred-twelve-dollars and fifty cents).

Our quote includes the mobilizing all necessary equipment and tools to:

- Sawcut the end of the bridge deck to a depth of 2"
- Jackhammer out the damaged deck, diaphragms, and end block around the expansion joint, and salvage the existing reinforcing steel as needed to tie into the repaired areas
- Install a new galvanized expansion joint and rubber seal through the deck and sidewalks, and adjust it as per original design specifications
- Install falsework to repair the deck, and pour a deck patch using a WisDOT approved 4,000 PSI mix design
- Replace damaged rebar as needed with epoxy coated, Grade 60 rebar
- Strip falsework
- Re-seal the deck with protective surface treatment

Our quote does NOT include the following:

- Traffic control
- Pavement marking after the repair is complete
- Asphalt patching as needed
- Utility and railroad conflict resolutions, and/or insurance

Our quote is predicated on the following conditions:

- The road will be closed for the duration of the project- expected to be about 2 weeks
- All materials will be supplied and installed to WisDOT specifications, including "Buy America" provisions
- Due to lead times and work schedules, the earliest this work can be performed is in November, 2015 or spring of 2016.

If we can be of further assistance, or offer any clarifications on this proposal, please do not hesitate to contact us immediately at 715.456.5301. Thank you again for the opportunity to quote this project.

Sincerely,

Tim MacLaughlin