



156 East First Street
New Richmond, WI 54017
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www.newrichmondwi.gov

January 28, 2016

FINANCE COMMITTEE MEETING

**Fred Horne
Jim Zajkowski
Jane Hansen**

This is to inform you that there will be a Finance Committee Meeting on Monday, February 1, 2016 at 5:00 p.m. in the Administrator's Conference Room of the Civic Center, 156 East First Street, New Richmond.

AGENDA:

- 1. Roll Call**
- 2. Adoption of Agenda**
- 3. Approval of the minutes of the previous meeting, November 2, 2015**
- 4. New Richmond Golf Course 2015 Season Review and 2016 Projections**
- 5. Tax Exempt Property Discussion and Direct Protection Charges**
- 6. Communications and Miscellaneous**
- 7. Adjournment**

**Mike Darrow
City Administrator/Utility Manager**

cc:

**The News
Northwest Community Communications
City of New Richmond Website**

A majority of the members of the New Richmond City Council may be present at the above meeting.

Pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W. 2nd 408 (1993) such attendance may be considered a meeting of the City Council and must be noticed as such, although the Council will not take action at this meeting.

FINANCE COMMITTEE MEETING
NOVEMBER 2, 2015 – 5:00 P.M.

The Finance Committee was called to order by Fred Horne at 5:00 p.m.

Roll call was taken.

Members Present: Fred Horne, Jim Zajkowski and Jane Hansen

Others Present: Mike Darrow, Noah Wiedenfeld, Bev Langenback and Ray Rivard.

Jim Zajkowski moved to adopt the agenda, seconded by Jane Hansen and carried.

Jane Hansen moved to approve the minutes of the October 5, 2015 meeting, seconded by Jim Zajkowski and carried.

Financial Advisor Interviews

The Finance Committee interviewed Sean Lentz and Brian Reilly from Elhers & Associates. They also interviewed Joe Murray and Patty Kettles from Springsted Financial Services. Discussion followed. Both companies will be asked to do an analysis of our TIF Districts and come back with their recommendations.

City-Owned/Non-Taxable Parcels

Alderman Hansen suggested collecting a fee for fire and ambulance services from tax exempt properties. This could be accomplished by adding a fee to the utility bill or through PILOT payments from these entities. This will be discussed at the next Finance Committee meeting.

City Fire Call Revenue

This item was not discussed.

2016 Property Insurance

Mike Darrow reviewed the property insurance. The Local Government Property Insurance Fund has increased their premium for 2016 to \$73,746 which is an increase of 85.5%. Municipal Property Insurance Company, which was newly established in early 2015, has given us a quote of \$50,201 for 2016 for property insurance only. The policy is the same as the policy with LGPIF. Staff recommended moving forward with Municipal Property Insurance Company for our property insurance for 2016. Alderman Zajkowski moved to accept this recommendation, seconded by Alderman Hansen and carried.

Third Quarter Budget Review

Mike Darrow gave a review of the third quarter budget.

2016 Budget Update

Mike Darrow reviewed the 2016 budget and potential levy increase. To maintain a 0% increase in the levy, as mentioned at the Council work session, we would need to cut approximately \$100,000 from the budget. Discussion followed.

Communications and Miscellaneous

None

Alderman Hansen moved to adjourn the meeting, seconded by Alderman Zajkowski and carried.

Meeting adjourned at 6:38 p.m.

Tanya Reigel,
City Clerk



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MEMORANDUM

TO: Finance Committee

FROM: Mike Darrow, City Administrator

DATE: January 28, 2016

SUBJECT: New Richmond Golf Course Presentation

Members of the New Richmond Golf Course will attend the Finance Committee meeting to provide an overview of the 2015 season and discuss financial projections for 2016. During this discussion, the NRGC will provide information on overall budgets as well as information on short and long-term financing and financing options for consideration.



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MEMORANDUM

TO: Finance Committee

FROM: Noah Wiedenfeld, Management Analyst

DATE: January 27, 2016

SUBJECT: Tax-Exempt Properties & Direct Protection Charges

BACKGROUND

Many cities across the United States have seen an increase in the amount of property that is exempt from local property taxes. Nonprofits such as hospitals, universities, churches, and veteran organizations provide many benefits to communities and thus do not pay property taxes, which has hurt some cities that rely heavily on property taxes for their revenue. With this in mind, City staff were asked to research how many tax exempt properties are located in the City of New Richmond, and whether there are other ways for tax exempt entities to contribute towards costs related to emergency response services.

ANALYSIS

The State of Wisconsin's Public Service Commission regulates a public fire protection (PFP) charge. This is a cost collected for the purpose of recovering costs to supply proper volume and pressure of water for fighting fires. Municipalities can choose to pay the PFP charge and recover it through property taxes, or include the PFP on the water bills of utility customers. Since July 2014, New Richmond Utilities water customers have paid a public fire protection charge. About 40% of water utilities in the state recover some or all of the cost through direct charges. Thus, tax exempt entities in the City of New Richmond that are customers of New Richmond Utilities pay the PFP charge, even though they do not pay property taxes.

Staff will provide a presentation about tax-exempt properties and direct protection charges.