

CITY OF PRESCOTT, WISCONSIN
MEETING NOTICE
REGULAR CITY COUNCIL MEETING
MONDAY, APRIL 25, 2016 AT 6:30 P.M.
PRESCOTT MUNICIPAL BUILDING, 800 BORNER STREET
PRESCOTT, WI 54021
WEBSITE: PRESCOTTWI.ORG

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS – THE CITY COUNCIL WILL RECEIVE PUBLIC COMMENTS ON ANY ISSUE(S) NOT RELATED TO AGENDA ITEMS. LIMITED DISCUSSION BY THE CITY COUNCIL MAY TAKE PLACE, HOWEVER NO ACTION WILL BE TAKEN ON ANY ITEMS. THIS INCLUDES RECEIVING WRITTEN REQUESTS OR DOCUMENTATION AND POSSIBLE ACTION AT A FUTURE COUNCIL MEETING

1. SCHOOL DISTRICT OF PRESCOTT

5. CONSENT AGENDA

1. APRIL 11, 2016 REGULAR CITY COUNCIL MEETING MINUTES
2. APRIL 19, 2016 ORGANIZATIONAL CITY COUNCIL MEETING MINUTES
3. APRIL 18, 2016 PUBLIC WORKS COMMITTEE MEETING MINUTES

6. REPORTS OF STANDING COMMITTEES

A. FINANCE COMMITTEE

1. 2015 AUDIT REVIEW
2. REQUEST TO PAY OFF SEWER VACTOR LOAN

B. PUBLIC WORKS

1. ESTABLISH METHOD FOR SPECIAL ASSESSMENTS FOR LAKE STREET ASSESSOR PLAT
2. COMPOST SITE – POSSIBLE ATTENDANT

C. LICENSE

1. OPERATOR LICENSE

D. ORDINANCE

1. 3RD READING AND APPROVAL OF ORDINANCE 01-16 "ROOM TAX"

E. PARKS & PUBLIC PROPERTY

F. PERSONNEL

G. HEALTH & SAFETY

H. PLANNING COMMISSION

I. COMMUNICATIONS & NEW BUSINESS

1. PUBLIC COMMENTS
2. APPOINTMENTS TO BOARD OF REVIEW DATES FOR OPEN BOOK – TUESDAY, JUNE 21ST 3-5 PM,
BOARD – TUESDAY, JULY 12TH 6-8 PM
3. WISCONSIN TAXPAYERS ALLIANCE
4. OTHER BUSINESS
5. ADJOURNMENT

NOTICE

ACCESS TO THE MUNICIPAL BUILDING FOR THE DISABLED IS AVAILABLE THROUGH THE REAR PARKING LOT ENTRANCE. ALL THOSE WITH SPECIAL NEEDS SHOULD CALL CITY HALL OFFICES (715-262-5544) IF ASSISTANCE IS NEEDED

APRIL 11, 2016 REGULAR CITY COUNCIL MEETING MINUTES

Pursuant to due call and notice thereof, a regular meeting of the Prescott City Council was held on Monday, April 11, 2016 in the Prescott Municipal Building, 800 Borner St., Prescott, WI 54021.

Call to order/Roll Call: Mayor David Hovel called the meeting to order at 6:30 p.m. Members present were Maureen Otwell, Bill Dravis, Galen Seipel, Joshua Gergen, Jack Hoschette and Rob Daugherty. Public Works Director Hank Zwart and City Administrator Jayne Brand represented staff. Also present Russ Kivienmi of Cedar Corporation, City Engineer.

Pledge of Allegiance was said.

Public Comments: Kelly Geister of Geister Ink asked the Council to give consideration to her request to issue the licenses she needs for reopening Geister Ink at her new building at 214 Front Street. She also informed the Council is will set up a payment plan to pay what is currently due for personal property tax and building inspection fees.

Aldersperson Jack Hoschette asked for updates on the Riverboat property, the informational meeting for the hotel on April 20th, Dollar Store and when the work is going to be done on the boat launch. The work will start on the boat launch on April 18th.

Aldersperson Galen Seipel asked about reconsideration or rescind of the vote regarding the chargeback of the personal property tax for Bake Shop. Mayor Hovel said this can be discussed later in the meeting.

Daugherty/Otwell motion to approve the consent agenda which contains Regular City Council meeting minutes for March 28, 2016, Parks & Public Property committee meeting minutes for April 4, 2016, cash balances, budget year to date, accounts payable, payroll and review of receivables passed without a negative voice vote.

Darrell Zaleski, Insurance Agent for Specturm Insurance presented the resolution for the withdrawal from the Local Government Property Insurance Fund. The city will be moving to the Municipal Property Insurance Corporation. **Otwell/Dravis motion to approve Resolution 04-16 "Resolution declaring withdrawal from the Local Government Property Insurance Fund" passed without a negative voice vote.**

Gergen/Otwell motion to approve body art/piercing establishment license for Geister Ink contingent on approval from Pierce County Public Health, meeting state requirements and signing an agreement with the city for setting up a payment plan for delinquent personal property taxes and building inspection fees passed without a negative voice vote.

Daugherty/Gergen motion to approve body art/piercing operator license as presented passed without a negative voice vote.

Daugherty/Gergen motion to approve operator licenses as presented passed without a negative voice vote.

Gergen/Seipel motion to approve Class "B" beer license for Prescott Chamber of Commerce for May 20, 2016 at Freedom Park passed without a negative voice vote.

City Engineer Russ Kivienmi presented the bids for the addition onto the Public Works building. All of the bids came in high compared to the estimate. The lowest bid was approximately \$80,000 more than

the estimate. Russ stated builders are so busy that they are having trouble getting subcontractors and that is why some of the bids are higher. There was also some increase in site work and soil corrections. Russ offered a couple of options. Award the bid and do change orders to change the firewall from mason to sheetrock, change the electrical panel, reduce the number of heater units to two and look closer at the soil corrections. The second option would be to reject all bids and look at different options. Alderperson Dravis stated he would not want to lose the training manhole for confined space training. The Council was reminded the estimate for the addition was \$140,000. Public Works Director Hank Zwart stated could look at a separate building which could be cold storage. Alderperson Otwell stated she would not want to put this back out for bid right away and would encourage the Public Works Committee to take a closer look at the project. **Gergen/Daugherty motion to reject all bids at this time for the addition to the public work building passed without a negative voice vote.**

City Engineer Russ Kivienmi presented proposal for Lake Street Assessor's plat. Russ reviewed the scope of the project. The cost for the Assessor's Plat is not to exceed \$60,000. **Seipel/Gergen motion to move forward with the assessor plat for Lake Street for an amount not to exceed \$60,000 with the money coming from the fund balance passed unanimously via roll call vote.**

Gergen/Seipel motion to approve the 2nd reading of Ordinance 1-16 "Room Tax" passed without a negative voice vote.

Public Comments: David Peterson stated he did not feel it was right that he received a letter in regards to snow plowing. He was directed to meet with City Administrator Jayne Brand and Public Works Director Hank Zwart to discuss further and if it can't be resolved take to Ordinance Committee

Mayor Hovel asked Jack Hoschette to take the discussion on a quiet zone for the railroad to Public Works.

Otwell motion to ask for a reconsideration of chargeback for the Bake Shop died for a lack of a second.

Gergen/Dravis motion to adjourn passed without a negative voice vote.

Respectfully Submitted,

Jayne M. Brand, City Administrator

APRIL 19, 2016 ORGANIZATIONAL CITY COUNCIL MEETING MINUTES

Pursuant to due call and notice thereof, a regular meeting of the Prescott City Council was held on Tuesday, April 19, 2016 in the Prescott Municipal Building, 800 Borner St., Prescott, WI 54021.

Call to order/Roll Call: Mayor David Hovel called the meeting to order at 6:30 p.m. Members present were Bill Dravis, Galen Seipel, Jack Hoschette and Rob Daugherty. Excused were Joshua Gergen and Maureen Otwell. City Clerk/ Administrator Jayne Brand represented staff. Also present Patrick Eich, Municipal Court Judge.

City Clerk/Administrator Jayne Brand gave the oath of offices to Municipal Court Judge, Patrick Eich, Alderperson At Large, Jack Hoschette and Mayor, David Hovel.

Daugherty/Seipel motion to appoint Cedar Corporation at the city engineer passed without a negative voice vote.

Daugherty/Hoschette motion to appoint the Prescott Journal as the official city newspaper passed without a negative voice vote.

Hoschette/Dravis motion to appoint Heywood Cari as the City Attorney passed without a negative voice vote.

Mayor Hovel appointed the following Council Committees:

Public Works – Daugherty, Gergen, Dravis
Ordinance – Seipel, Otwell, Hoschette
Personnel – Otwell, Gergen, Daugherty
License – Dravis, Otwell, Daugherty
Health & Safety – Gergen, Hoschette, Seipel
Parks & Public Property – Hoschette, Dravis, Seipel

Plan Commission – Hoschette
Freedom Park – Otwell
Library – Seipel
PCR – Dravis
Fire & EMS Association – Daugherty
PIE – Gergen

Seipel/Daugherty motion to approve Joshua Gergen as Council President passed without a negative voice vote.

Consideration to boards and commissions:

David Sterud – Prescott Housing Authority
Kristen Gray – PIE
Mark Jennings, Julie Jilk, Sherri Ptacek – Zoning Board of Appeals
Brenda Huebner – Police Commission
Dallas Eggers – Cable Commission
Lothar Nawrocki – Plan Commission

Other Business: Alderperson Hoschette inquired about the Police Department being able to charge of additional service. Staff was directed to look into this further.

Dravis/Daugherty motion to adjourn passed without a negative voice vote.

Respectfully Submitted,

Jayne M. Brand
City Administrator

CITY OF PRESCOTT, WISCONSIN

APRIL 18, 2016 PUBLIC WORKS COMMITTEE

Pursuant to due call and notice thereof, a meeting of the Public Works Committee was held Monday, April 18, 2016, 800 Borner St., Prescott, WI 54021.

Call to order/Roll Call: Committee Chair Rob Daugherty called the meeting to order at 5:30 p.m. Members present were Rob Daugherty, Bill Dravis and Joshua Gergen. Public Works Director Hank Zwart and City Administration Jayne Brand represented staff. Also present from Cedar Corporation City Engineer Greg Adams and Surveyor Jim Swanson.

Greg Adams began the discussion on the assessor plat for Lake Street. The plat is used to reestablish the public right of way. Greg explained there will be a public hearing held as part of the process as the assessor plat is going to be special assessed back to the property owners.

Resident Jim Johnson asked why there is a need for an assessor plat. He was told Lake Street has been on the city's capital improvement plan for a number of years. In order for the city to reconstruct Lake Street and the utilities it first needs to be determined where the public right of way lies on the current traveled way.

Surveyor Jim Swanson stated with the assessor plat all discrepancies for all of the parcel will be cleaned up.

Resident Roger Santelman stated the right of way currently has sidewalks and retaining walls sitting in them. The traveled way is pretty much defined as the way it is currently traveled. He said there are areas of the road which are what he described as pinch points where there may be a retaining wall on one side and a house on the other and questioned how this might be handled if the right of way is to be 66 feet wide. It was explained this will need to be worked out as part of the design process for the right of way.

It was explained the assessor plat has been agreed on a price not to exceed \$60,000. If the cost of the project comes in less the lesser amount will be special assessed. It was also discussed if any resident has a current survey whether it has been filed at the courthouse or not it would be good to have a copy of the survey.

It was also explained that water and sewer utilities would be done as part of the project. Residents should be thinking about if their laterals should be replaced as part of the project. It was also discussed even if the assessor plat is being worked on in 2016 the actual reconstruction of Lake Street could be out 3 to 5 years.

There was question if creating the assessor plat would impede on any real estate sales. It was explained it should not impede any sales but the buyer would need to be informed there will be special assessments on the property.

Jim Johnson stated he would like information regarding the costs for special assessments for the street construction. It was agreed the city would provide what the costs were for special assessments for the Court Street project in 2015 with the understanding the costs will probably increase.

The committee reviewed the map to determine which parcels should be included in the assessor plat. The plan commission will do a review of these parcels to make sure they are the appropriate parcels for the assessors plat. The committee also discussed further the ways in which special assessments could be determined. The cost could be equally divided between each parcel, the assessment value of the improvements could be another way to determine or front footage. The committee was reminded that

each of the cross streets would be considered a parcel. **Gergen/Dravis motion to recommend the cost be equally divided between each parcel passed without a negative voice vote.**

Other Business: The committee discussed if there should be an attendant at the compost site. There are a number of items being dropped off at the site which are not appropriate for the site. The committee understands there are no funds in the budget for the attendant. This item was asked to be moved to council for further discussions.

Gergen/Dravis motion to adjourn passed without a negative voice vote.

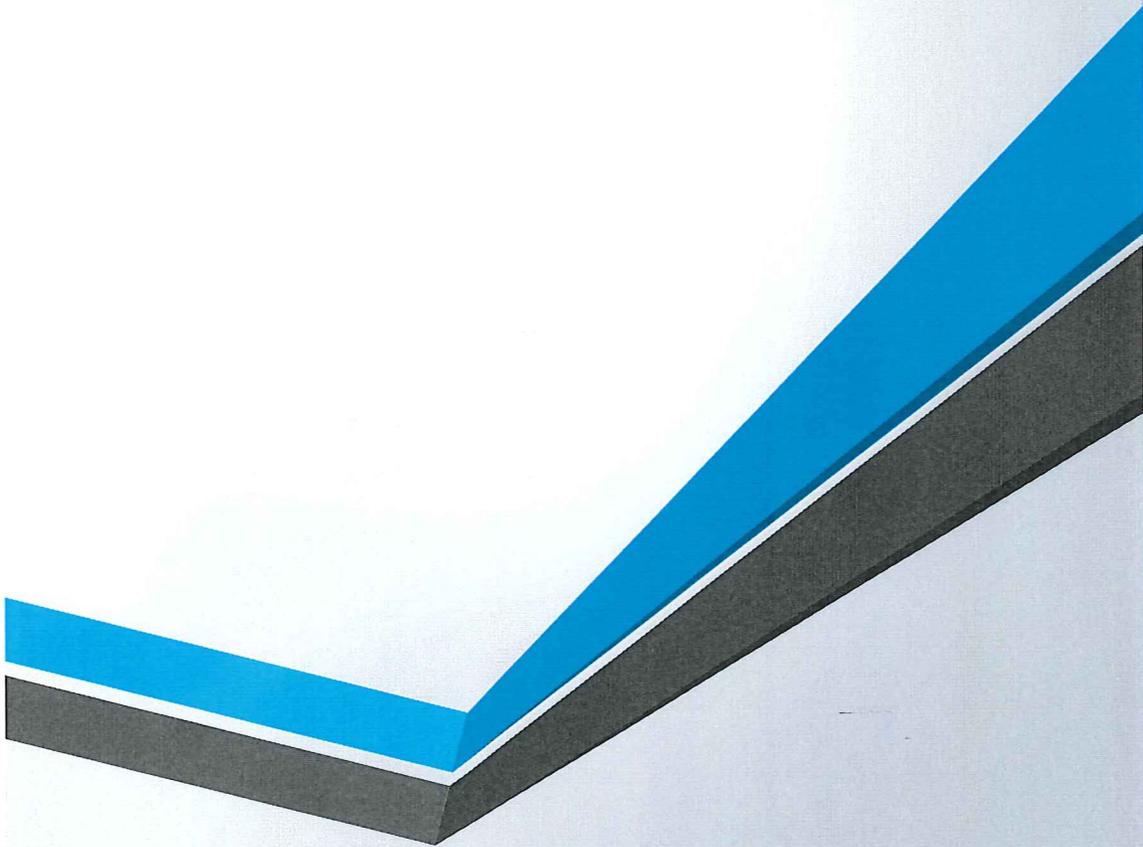
Respectfully Submitted,

Jayne M. Brand, City Administrator

City of Prescott

Financial Statement Overview

2015 Audited Financial Statements



Content of Audit Report

- Independent Auditor's Report – our report is unmodified
- MD&A – Managements Discussion and Analysis
 - More detailed narrative
- Government-Wide Financial Statements
 - Report Governmental and Business-Type Activities
 - Full-accrual basis of accounting.
 - Governmental Fund Financial Statement identified below are converted

Content of Audit Report, Continued

- Fund Financial Statements
 - Contains financial statements on individual funds
 - Difference in fund types
 - Governmental Funds – Measure resources available for current use. Funds include Major Funds: General Fund, Debt Service Fund, TIF #4, TIF #5, Capital Improvements Fund and Non-Major Funds.
 - Business-Type Funds – Accounted for similar to businesses. Includes Water, Sewer and Storm Water funds.
 - Major differences in accounting
 - Debt (Proceed and Expenditure in governmental funds)
 - Capital Assets (Long-term Asset vs. Expenditure) Depreciation on utilities.

Content of Audit Report, Continued

- Notes to the Financial statements
 - Contains Summary of Significant Accounting Policies
 - Footnotes related to Significant Financial Statement Accounts (Cash, Plant, Debt)
- Required Supplementary Information (RSI) and Supplementary Information (SI)
 - Budget and Actual Comparison Schedules (General Fund)
 - Combining Non-Major Fund Statements

Required Audit Communications to the City Council

- Audit Matters Requiring Communication to the Governing Body
 - Standard communication that includes the list of audit adjustments proposed
- Significant Deficiencies
 - Internal Control – Preparation of Financial Statements
 - Having auditors prepare financial statements and required notes is a “non audit service”
 - Standard communication for small municipalities
- Appendix: Proposed audit adjustments reflected in financial statements

2015 Financial Statement Highlights

| | 2015 | 2014 |
|---|---------------------|---------------------|
| General Fund | | |
| Assets | | |
| Cash | \$ 2,612,203 | \$ 2,223,355 |
| Taxes Receivable | 1,393,503 | 1,302,246 |
| Interfund Receivables and Advances (page 33 - 34) | 1,521,736 | 1,610,938 |
| Other Assets | 309,144 | 270,824 |
| Total Assets | \$ 5,836,586 | \$ 5,407,363 |
| Liabilities, Deferred Inflows and Fund Balance | | |
| Current Liabilities | \$ 105,352 | \$ 114,548 |
| Deferred Inflows (page 28) | 2,876,311 | 2,610,320 |
| Total Liabilities and Deferred Inflows | 2,981,663 | 2,724,868 |
| Total Fund Balance | 2,854,923 | 2,682,495 |
| Total Liabilities, Deferred Inflows and Fund Balance | \$ 5,836,586 | \$ 5,407,363 |

2015 Financial Statement Highlights

Continued

| Breakdown of General Fund Balance | | 2015 |
|------------------------------------|----|------------------|
| Nonspendable Fund Balance | | |
| Delinquent Personal Property Taxes | \$ | 2,875 |
| Advances to Other Funds | | 272,082 |
| Advance to Component Unit | | 20,227 |
| Total | \$ | 295,184 |
| Assigned Fund Balance | | |
| Vacation and Sick Leave | \$ | 84,683 |
| HVAC Project | | 50,000 |
| City Hall Remodel Project | | 30,000 |
| Public Works | | 200,000 |
| Total | \$ | 364,683 |
| Unassigned Fund Balance | | |
| | \$ | 2,195,056 |
| Total General Fund Balance | \$ | 2,854,923 |

2015 Financial Statement Highlights

Continued

| Fund Balances (Deficits) | | 2015 | 2014 |
|-------------------------------------|--------------|------------|------|
| Special Revenue Funds | | | |
| Public Parks Impact Fees | \$ 8,400 | \$ 7,000 | |
| Cable TV Fund | 74,353 | 63,123 | |
| Library Fund | 37,951 | 34,094 | |
| Freedom Park Fund | 18,286 | 14,875 | |
| Total Special Revenue Fund Balances | \$ 138,990 | \$ 119,092 | |
| Capital Project Funds | | | |
| TIF #3 Capital Projects Fund | \$ 345,737 | \$ 206,926 | |
| TIF #4 Capital Projects Fund | (279,295) | (117,082) | |
| TIF #5 Capital Projects Fund | (92,817) | (289,945) | |
| Capital Improvements Fund | 1,241,519 | 1,003,079 | |
| Total Capital Project Fund Balances | \$ 1,215,144 | \$ 802,978 | |
| Debt Service Fund | | | |
| Debt Service Fund | \$ 238,478 | \$ 248,651 | |
| Total Debt Service Fund Balance | \$ 238,478 | \$ 248,651 | |

2015 Financial Statement Highlights

Continued

| Utility Operations | | 2015 | 2014 |
|---|------------|------------|------|
| Page 9 | | | |
| Water | | | |
| Operating Revenues | \$ 462,562 | \$ 470,137 | |
| Operating Expenses | 357,585 | 413,925 | |
| Tax Equivalent (Net of Amount Forgiven) | 38,453 | 35,890 | |
| Water Operating Income (Loss) - With Tax Equivalent | \$ 66,524 | \$ 20,322 | |
| Sewer | | | |
| Operating Revenues | \$ 773,802 | \$ 778,569 | |
| Operating Expenses | 638,556 | 639,831 | |
| Sewer Operating Income (Loss) | \$ 135,246 | \$ 138,738 | |
| Storm Water | | | |
| Operating Revenues | \$ 112,718 | \$ 88,170 | |
| Operating Expenses | 68,757 | 55,909 | |
| Storm Water Operating Income (Loss) | \$ 43,961 | \$ 32,261 | |

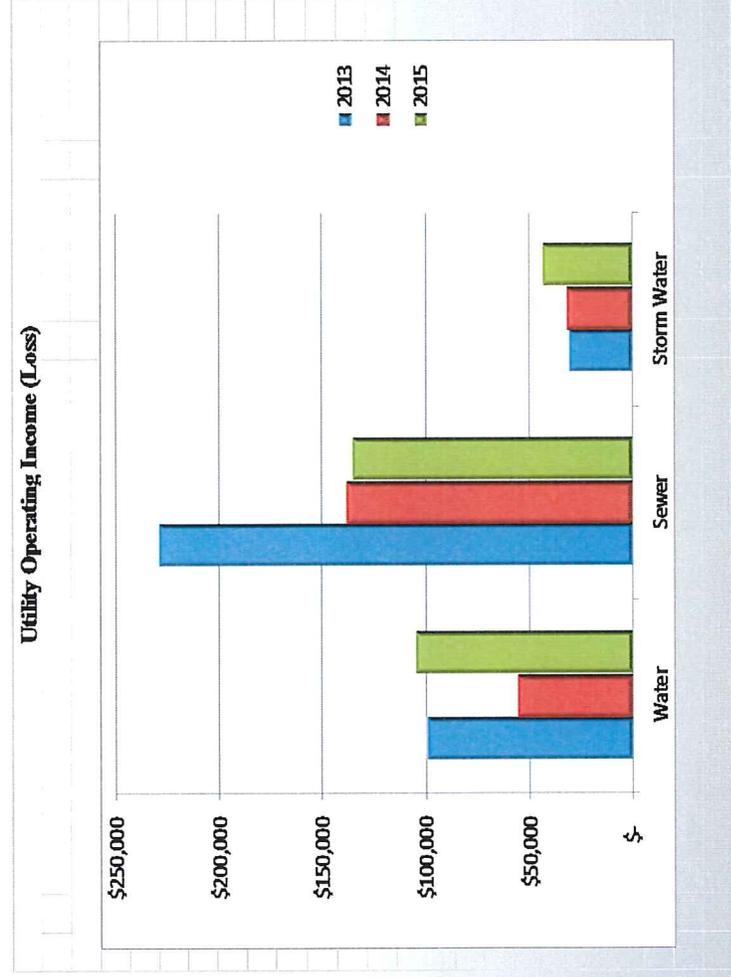
2015 Financial Statement Highlights

Continued

| | 2015 | 2014 |
|---|-------------------|--------------------|
| Utility Cash Flow | | |
| Page 10 - 11 | | |
| Water | | |
| Net cash flows from Operating Activities | \$ 271,448 | \$ 231,870 |
| Net cash flows from Capital and Related Financing | (199,523) | (240,688) |
| Net cash flows from Investing Activities | 1,532 | 8,886 |
| Total Net Cash Flows | \$ 73,457 | \$ 68 |
| Sewer | | |
| Net cash flows from Operating Activities | \$ 337,161 | \$ 315,930 |
| Net cash flows from Capital and Related Financing | 162,917 | (372,855) |
| Net cash flows from Investing Activities | 6,874 | 14,052 |
| Total Net Cash Flows | \$ 506,952 | \$ (42,873) |
| Storm Water | | |
| Net cash flows from Operating Activities | \$ 59,801 | \$ 39,857 |
| Net cash flows from Capital and Related Financing | (6,098) | (20,315) |
| Net cash flows from Investing Activities | 264 | 281 |
| Total Net Cash Flows | \$ 53,967 | \$ 19,823 |

2015 Financial Statement Highlights

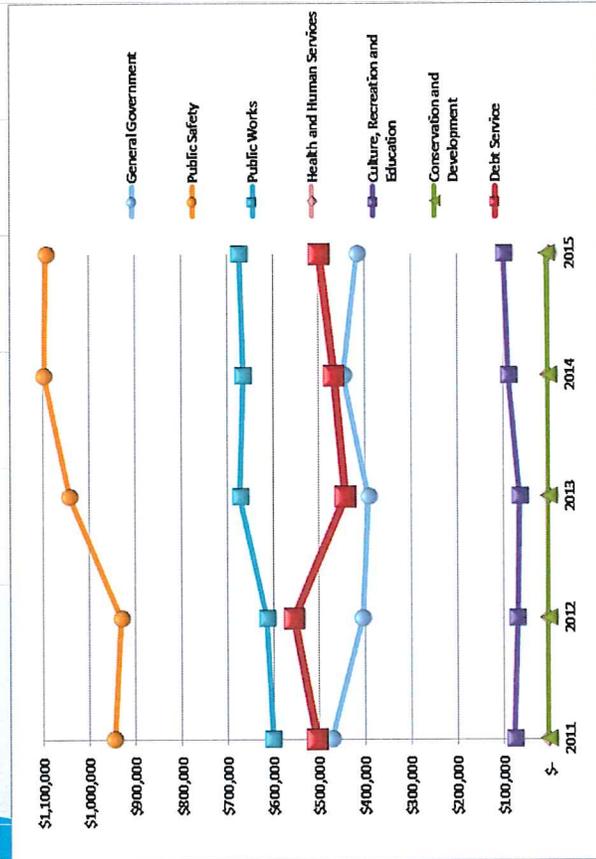
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2015 Financial Statement Highlights

Continued

General Fund and Debt Service Expenditures
2011-2015



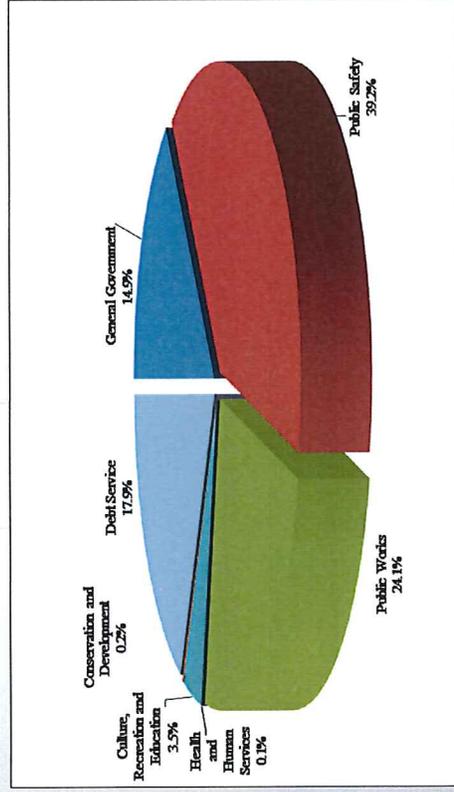
| | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Government | \$ 471,693 | \$ 405,188 | \$ 391,554 | \$ 446,005 | \$ 416,057 |
| Public Safety | 946,481 | 931,505 | 1,042,106 | 1,098,200 | 1,093,211 |
| Public Works | 600,706 | 613,290 | 671,283 | 664,999 | 672,223 |
| Health and Human Services | 3,680 | 3,440 | 2,177 | 3,402 | 2,890 |
| Culture, Recreation and Education | 76,122 | 69,927 | 64,827 | 88,403 | 98,724 |
| Conservation and Development | 2,542 | 2,771 | 1,030 | 2,530 | 6,780 |
| Debt Service | 503,999 | 552,772 | 440,604 | 465,575 | 498,028 |
| Totals | \$ 2,605,223 | \$ 2,578,893 | \$ 2,613,581 | \$ 2,769,114 | \$ 2,787,913 |

2015 Financial Statement Highlights

Continued

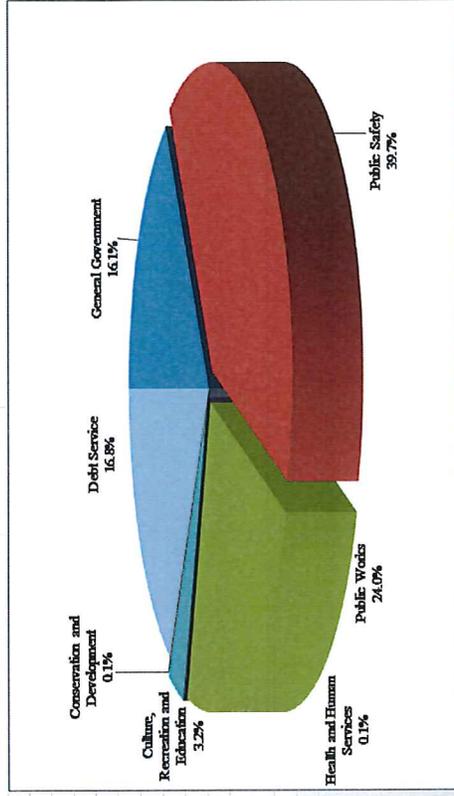
2015 General Fund and Debt Service Expenditures

Total Expenditures: \$2,787,913



2014 General Fund and Debt Service Expenditures

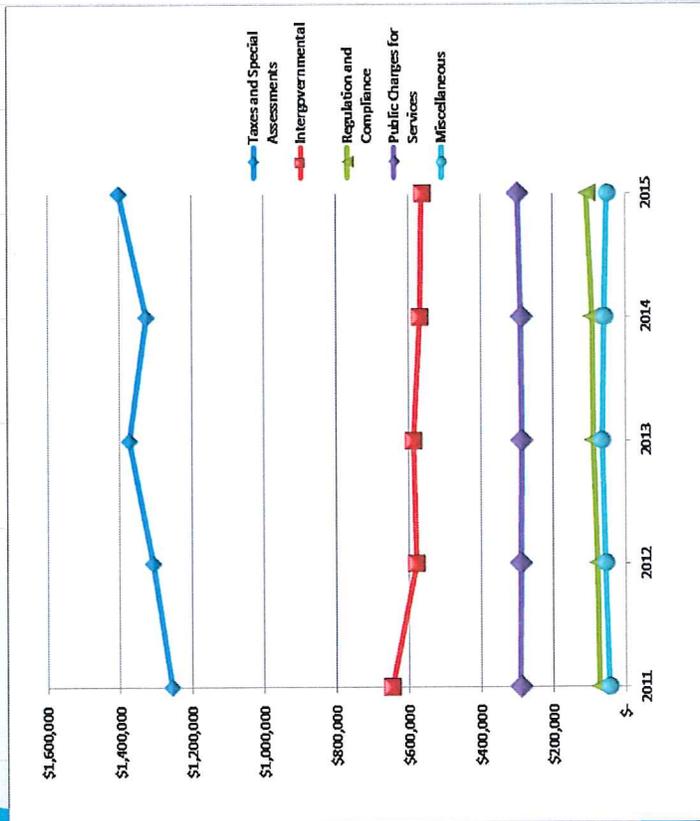
Total Expenditures: \$2,769,114



2015 Financial Statement Highlights

Continued

General Fund Revenues
Actual 2011-2015

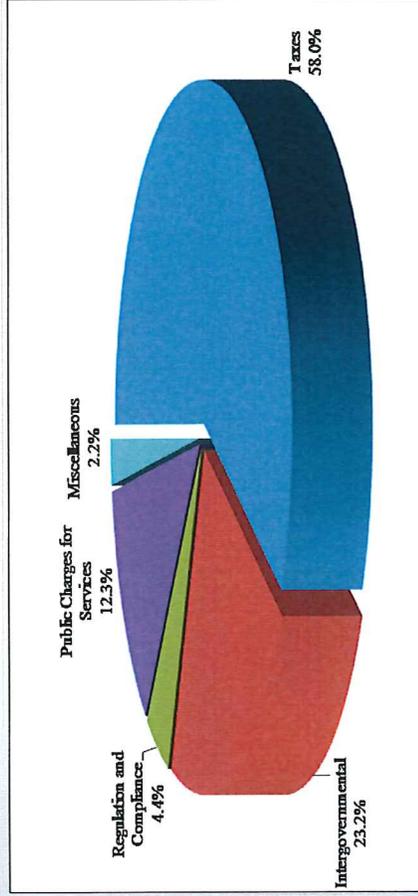


| | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Taxes and Special Assessments | \$ 1,257,122 | \$ 1,310,009 | \$ 1,374,120 | \$ 1,327,513 | \$ 1,403,323 |
| Intergovernmental | 646,957 | 579,054 | 586,987 | 568,282 | 561,193 |
| Regulation and Compliance | 72,501 | 77,676 | 90,054 | 92,534 | 106,242 |
| Public Charges for Services | 291,595 | 290,333 | 287,957 | 288,871 | 297,603 |
| Miscellaneous | 46,755 | 57,002 | 66,873 | 59,175 | 52,499 |
| Totals | \$ 2,314,930 | \$ 2,314,074 | \$ 2,405,991 | \$ 2,336,375 | \$ 2,420,860 |

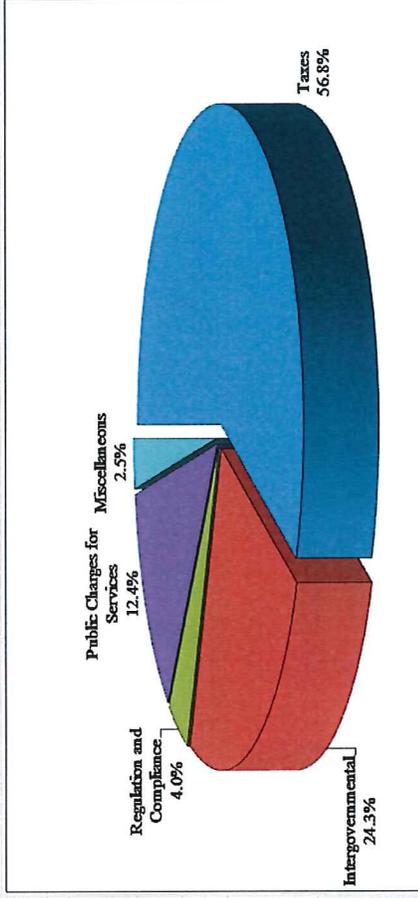
2015 Financial Statement Highlights

Continued

2015 General Fund Revenues
Total Revenues: \$2,420,860



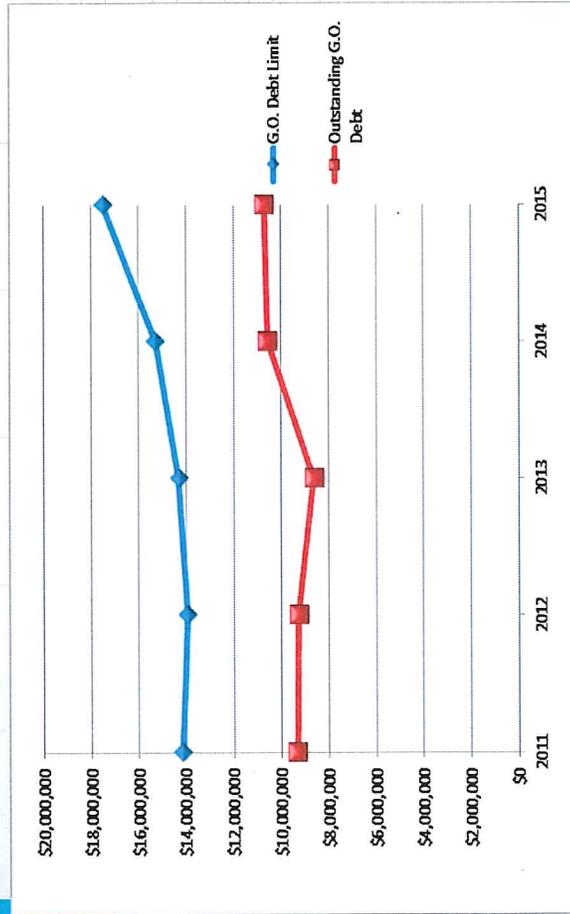
2014 General Fund Revenues
Total Revenues: \$2,586,375



2015 Financial Statement Highlights

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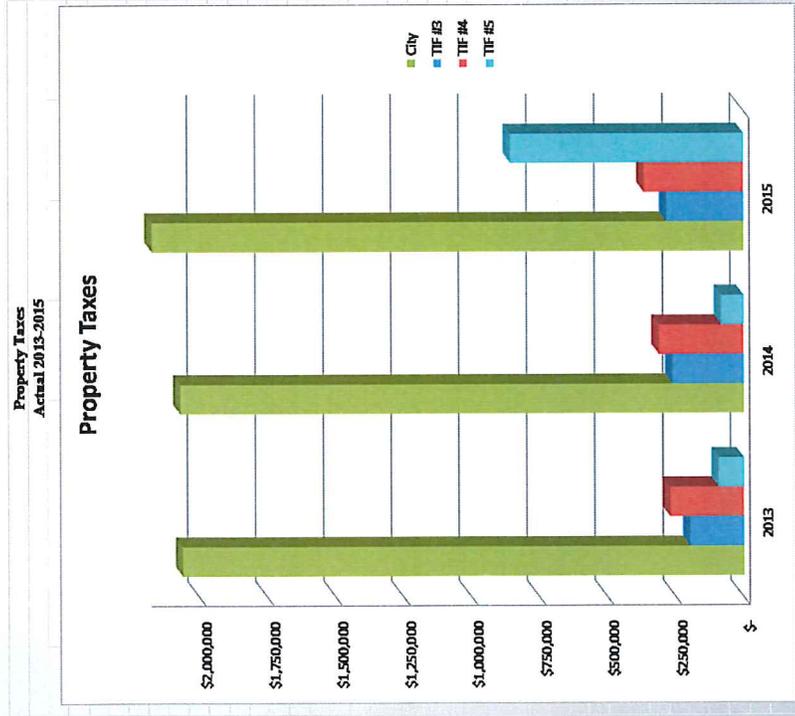
G. O. Debt vs. Capacity
Actual 2011-2015



| | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| G.O. Debt Limit | \$ 14,151,190 | \$ 13,944,505 | \$ 14,318,640 | \$ 15,297,850 | \$ 17,517,550 |
| Outstanding G.O. Debt | \$ 9,333,595 | \$ 9,282,476 | \$ 8,625,748 | \$ 10,567,951 | \$ 10,709,033 |
| Difference | \$ 4,817,595 | \$ 4,662,029 | \$ 5,692,892 | \$ 4,729,899 | \$ 6,808,517 |
| % Available | 34.04% | 33.43% | 39.76% | 30.92% | 38.87% |
| Equalized Value | \$ 283,023,800 | \$ 278,890,100 | \$ 286,372,800 | \$ 305,957,000 | \$ 350,351,000 |
| Growth (Decline) | \$ 25,800 | \$ (4,133,700) | \$ 7,482,700 | \$ 19,584,200 | \$ 44,394,000 |
| % Growth (Decline) | 0.01% | -1.46% | 2.68% | 6.84% | 14.51% |

2015 Financial Statement Highlights

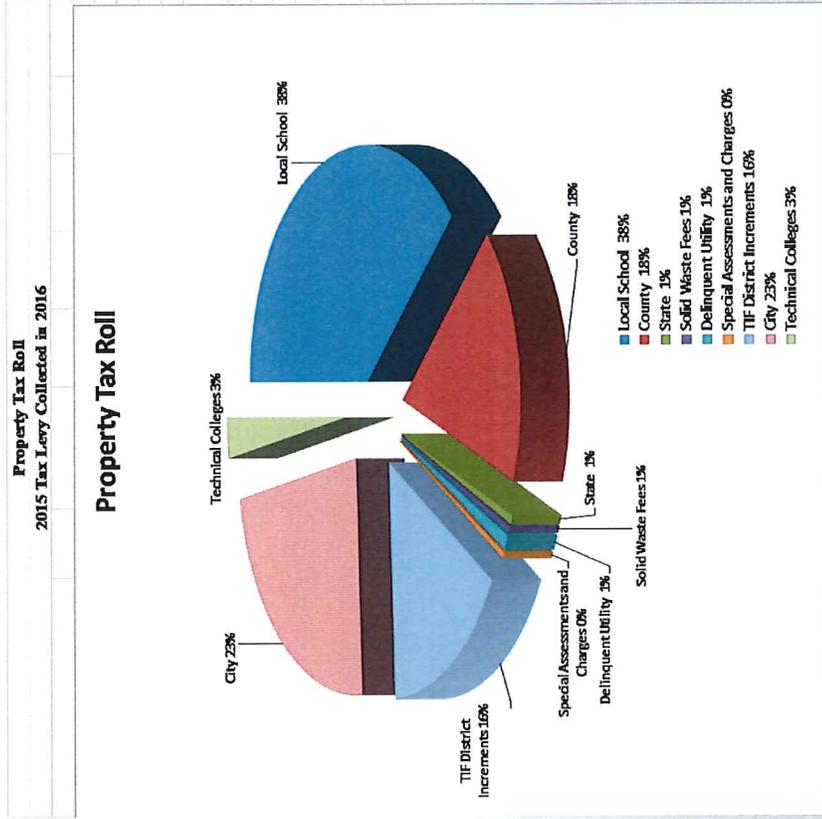
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| | 2013 | 2014 | 2015 |
|--------|--------------|--------------|--------------|
| City | \$ 2,065,044 | \$ 2,073,303 | \$ 2,175,875 |
| TIF #3 | 197,881 | 263,199 | 283,820 |
| TIF #4 | 273,002 | 312,619 | 367,108 |
| TIF #5 | 91,456 | 80,833 | 858,191 |
| Total | \$ 2,627,383 | \$ 2,729,954 | \$ 3,684,994 |

2015 Financial Statement Highlights

Continued



2015 Financial Statement Highlights

Continued

| CITY OF PRESCOTT | | NET COST |
|--|--|----------------|
| December 31, 2015 | | \$ (349,016) |
| Expenses Net of Program Revenues | | (1,031,441) |
| Per the Statement of Activities - Page 2 | | (567,459) |
| Net (Expense) Revenue by Function | | (1,642) |
| General Government | | (314,553) |
| Public Safety | | (54,883) |
| Public Works | | (369,880) |
| Health and Human Services | | |
| Culture and Recreation | | |
| Conservation and Development | | |
| Interest on Long-Term Debt | | |
| Total Government Activities Funded by General Revenues | | \$ (2,688,874) |
| | | |
| General Revenues | | |
| Property Taxes and Other Taxes | | \$ 2,863,547 |
| Intergovernmental Revenues | | 347,838 |
| Other | | 60,887 |
| Special Items | | 73,292 |
| Transfers | | (90,081) |
| Total General Revenues | | \$ 3,255,483 |

Represents total costs less fees/charges directly generated from those activities.

The net cost reflects the cost of each function funded by tax dollars and other general revenues.



Date: April 21, 2016

To: Prescott City Council & Mayor

From: Vanessa Norby, Finance Director

Re: Sewer Vactor Loan Payoff

We would like the Council to consider paying off the remaining principal balance on the 2008 Sewer Vactor Loan from BMO Harris Bank. The total principal balance of the loan is \$53,949.39. Of the total; \$50,631.53 is principal balance of the Sewer fund and \$3,317.86 is principal balance of the Storm Sewer fund. If the City pays the loan off early it will save the Sewer fund approximately \$3,530 in interest over the next two years and save the Storm Sewer Fund approximately \$230 in interest. There is no penalty for paying it off early, only the accumulated interest since the last principal payment at the end of March. It is estimated that the Sewer and Storm funds have sufficient reserve cash balances to pay off these balances. The interest rate on the loan is 4.85% and is scheduled to be paid off in 2018.

Jayne Brand

From: Philip Helgeson <phelgeson@heywoodandcari.com>
Sent: Wednesday, April 20, 2016 1:26 PM
To: Jayne Brand
Subject: Special Assessment on Assessor's Plat

Jayne,

This is a follow up on how the special assessment on an assessor's plat is determined. As you stated, Wis. Stat. section 70.27(1) governs the special assessment on an assessor's plat. That section states that the City has to initially pay for the plat. The collection procedures of Wis. Stat. section 66.0703 only applies to the extent that the collection procedures in that section must be used to collect the cost. Wis. Stat. 70.27(1) allows the City to collect all or any part of the cost of the plat, which will be up to the council to decide what portion of the cost to collect. Once the amount of cost that will be subject to the special assessment is determined, then each parcel of land would be allocated a cost in proportion to that parcel's last assessed valuation to the total assessed valuation of all land included in the assessor's plat. No improvements should be included in each parcel value or the total assessed valuation. While I understand that the City owns land that is in the assessor's plat area the statute does not carve out an exception for that and I did not see any cases that carve out an exception for land that is not assessed as is the case with this City land.

A simple example would be that the total value of land that is being platted (without improvements) is \$100,000.00 and a parcel (without improvements) is worth \$10,000.00, then that parcel would pay 10% of the cost of the assessor's plat.

Let me know if you have any additional questions or want more clarification.

Very Truly Yours,
Phil Helgeson
Attorney at Law
Heywood, Cari & Anderson, S.C.
144 North Broad Street
Prescott, WI 54021
P: 715-262-5551
F: 715-262-5531

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CITY OF PRESCOTT

800 Boner Street North • Prescott, Wisconsin 54021-2012
(715) 262-5544

53 -

OPERATOR'S LICENSE APPLICATION

Instructions:

1. Submit signed and completed application.
2. Pay \$15.00 renewal license or temporary license fee, \$40.00 new license fee (\$25.00 of this fee is for the background check).
3. All licenses are subject to City Council approval. Allow two weeks for processing.

Full Name (first, middle, last) Christine Joan Bitterman

Address 520 Burton Circle

City Ellsworth State WI Zip Code 54011

Telephone # 612-483-6552 Social Security # 474-92-4116

Date of Birth 12/3/1963 Place of Birth St. Paul, MN

New License Renewal

Establishment where license will be used Prescott WI Starting Date March 2016

Have you ever been convicted of a felony? Yes No

If yes, date of conviction _____ Court _____
Nature of Offense _____

Have you ever been convicted of violating any laws of the State of Wisconsin or the United States? Yes No

If yes, date of conviction _____ Court _____
Nature of Offense _____

Have you ever been convicted of violating any license law or ordinance regulating the sale of alcohol beverages or intoxicating liquors? Yes No

The applicant hereby applies for a license to serve fermented malt beverages and intoxicating liquors and agrees to comply with the following:

- A. All federal, state, and local laws, resolutions, ordinance statues and regulations effecting the sale of fermented malt beverages and intoxicating liquors.
- B. Wisconsin Statutes 125.32(2) and 125.68(2).

Applicant Signature Christine J. Bitterman Date 3/14/16

City Use Only:

Date Filed _____ Fee Paid _____ Receipt # _____ Application # _____

Chief of Police Approval G. Knecht Date 4-13-16

City Council Approval _____ Date _____

CITY OF PRESCOTT, WISCONSIN

ORDINANCE 1-16

Section 1. The City Council of the City of Prescott, Wisconsin, Do Ordain as Follows:

The following ordinance is hereby enacted and made a part of the City Code of Ordinances:

Room Tax
Exhibit "A" Below

Section 2. A copy of Room Tax within the City of Prescott, Wisconsin" shall be kept on file in the Office of the City Administrator, preserved in loose-leaf form or in such a for as designated by the City Administrator or person authorized by the City Administrator, and said person shall insert in their designated places all amendments, ordinances or resolutions, which indicate the intention of the Common Council to make the same a part of the Municipal code when the same have been printed or reprinted in page form, and to extract from the Municipal code all provisions, which may be repealed from time to time by the Common Council. This copy of the Code shall be available for all persons desiring to examine it.

Section 3. If this ordinance conflicts with any other ordinances or parts of ordinances, to the extent of such conflict, this ordinance shall control in all matters related to "Room Tax" within the City of Prescott, Wisconsin.

Section 4. This ordinance shall become effective upon due notice and publication as required by law.

Passed, Approved and Adopted by the Prescott City Council on this _____ day of _____, 2016.

Pursuant to Section 66.035, Wis. Stats.

David B. Hovel, Mayor

ATTEST:

Jayne M. Brand
City Administrator/Clerk

Introduced:
Adopted:
Published:
Effective:

Exhibit "A"
ROOM TAX

A. Definitions. In this section, the following definitions shall apply:

HOTEL or MOTEL

A building or group of buildings in which the public may obtain accommodations for a consideration, including, without limitation, such establishments as inns, motels, tourist homes, tourist houses or courts, bed-and-breakfast establishments, lodging houses, rooming houses, summer camps, apartment hotels, resort lodges and cabins and any other building or group of buildings in which accommodations are available to the public, except accommodations rented for a continuous period of more than one month and accommodations furnished by any hospital, sanitariums or nursing homes or by corporations or associations organized and operated exclusively for religious, charitable or educational purposes, provided that no part of the net earnings of such corporations and associations inures to the benefit of any private shareholder or individual.

GROSS RECEIPTS

Has the meaning as defined in s. 76.48(d), Wis. Stats., insofar as applicable.

TRANSIENT

Any person residing for a continuous period of less than one month in a hotel, motel or other furnished accommodation available to the public.

BED-AND-BREAKFAST ESTABLISHMENT

Any place of temporary lodging that provides four or fewer rooms for rent, which is open for rental more than 10 nights in a twelve-month period, is the owner's personal residence and is occupied by the owner at the time of rental, and in which the only meal served is breakfast.

B. Imposition of tax.

(1) Pursuant to s. 66.0615, Wis. Stats., a tax is hereby imposed on the privilege and services of furnishing, at retail, rooms or lodging to transients by hotel keepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for the use of the accommodations. Such tax shall be at the rate of 5.5% of the gross receipts from such retail furnishing of rooms or lodgings. Such tax shall not be subject to the selective sales tax imposed by S 77.52(2)(a)1, Wis. Stats. The City shall distribute the room tax as provided by the Wisconsin Statutes.

(2) Exemptions. The following room sales are exempt from this tax:

(a) Sales to the federal government;

(b) Sales to persons listed under s. 77.54(9a), Wis. Stats.

(3) Exemption conditions. The following conditions must occur for a sale to be exempt from the room tax:

(a) The lodging establishment must issue the billing or invoice for the lodging in the name of the exempt entity; and

(b) The lodging establishment must receive from the exempt entity:

[1] In the case of federal and Wisconsin state or local governmental units, a purchase order, written document (such as a letter of authorization), or other acceptable authorization; or

[2] In the case of nonprofit religious, charitable, scientific or educational organization, the organization's certificate of exempt status number.

(c) The exemption still applies if the employee pays with his or her own funds, as long as the above conditions are met.

C. Collection of tax.

(1) Administration by City Finance Director. This tax shall be administered by the City Finance Director who shall, at City expense, provide the necessary application and reporting forms at no cost to the taxpayer.

(2) Reporting periods. The tax imposed for the months of January, February and March, and for each calendar quarter thereafter, is due and payable on the last day of the month next succeeding the calendar quarter for which imposed. A return shall be filed with the City Finance Director, by those furnishing at retail such rooms and lodging, on or before the same date on which such tax is due and payable. Such returns shall show the gross receipts of the preceding calendar quarter from such retail furnishing of room or lodging, the amount of taxes imposed for such period, and such other information as the City Finance Director deems necessary. Every person required to file such quarterly return shall, with their first return, elect to file an annual calendar year or fiscal year return. Such annual return shall be filed within 90 days of the close of each such calendar or fiscal year. The annual return shall summarize the quarterly returns, reconcile and adjust for errors in the quarterly returns, and shall contain certain such additional information as the City Finance Director requires. Such annual returns shall be made on forms as prescribed by the City Finance Director. All such returns shall be signed by the person required to file a return or duly authorized agent, but need not be verified by oath. The City Finance Director may, for good cause, extend the time for filing any return, but in no event longer than one month from the filing date.

(3) Sale or conveyance of business. If any person liable for any amount of tax under this section sells out his business or stock of goods or quits the business, his successors or assigns shall withhold sufficient

portion of the purchase price to cover such amount until the former owner produces a receipt from the City Finance Director that it has been paid or a certificate stating that no amount is due. If a person subject to the tax imposed by this section fails to withhold such amount of tax from the purchase price as required, he shall become personally liable for payment of the amount required to be withheld by him to the extent of the price of the accommodations valued in money.

(4) Determination of tax by audit. The City Finance Director may, by office audit, determine the tax required to be paid to the City or the refund due to any person under this section. This determination may be made upon the basis of the facts contained in the return being audited or on the basis of any other information within the City Finance Director's possession. Whenever the City Finance Director has cause to believe that the correct amount of room tax has not been assessed or that the room tax return is not correct, the City Finance Director is authorized to examine and inspect the financial records pertaining to the furnishing of accommodations in question in order to verify the tax liability of that person or establishment. One or more such office audit determination may be made of the amount due for any or for more than one period.

(5) Failure to file return. If any person fails to file a return as required by this chapter, the City Finance Director shall make an estimate of the amount of the gross receipts under Subsection **C(2)** and **(3)**. Such estimates shall be made for the period for which such person failed to make a return and shall be based upon any information which is in the City Finance Director's possession or may come into the City Finance Director's possession. On the basis of this estimate, the City Finance Director shall compute and determine the amount required to be paid to the City, adding to the sum thus arrived at a penalty equal to 10% thereof. One or more such determinations may be made for one or more than one period.

(6) Interest on unpaid taxes. All unpaid taxes under this chapter shall bear interest at the rate of 12% per year from the due date of the return until the first day of the month following the month in which the tax is paid or deposited with the City Finance Director. An extension of time within which to file a return shall operate to extend the due date of the return for the purposes of interest computations. If the City Finance Director determines that any overpayment of tax has been made intentionally or by reason of carelessness or neglect, or if the tax which was overpaid was not accompanied by a complete return, he/she shall not allow any interest thereon.

(7) Delinquent returns; late fees; penalty.

(a) Delinquent tax returns shall be subject to a late filing fee of \$100. The tax imposed by this chapter shall become delinquent if not paid:

[1] In the case of a timely filed return, within 30 days after the due date of the return, or within 30 days after the expiration of an extension period, if one is granted.

(b) If due to negligence no return is filed, or a return is filed late, or an incorrect return is filed, the entire tax finally determined shall be subject to a forfeiture established herein as follows:

[1] A forfeiture of 25% or \$5,000, whichever is less, of the tax imposed and is due and owing within 30 days after the due date of said return.

[2] If a person fails to file a return when due or files a false or fraudulent return with the intent in either case to defeat or evade a tax imposed by this section, a forfeiture of 50% of the entire tax finally determined shall be added to the tax required to be paid exclusive of interest and other penalties.

D. Security required. In order to protect the revenue of the City, the City Finance Director may require any person liable for the tax imposed by this chapter to place with her before or after a permit is issued such security not in excess of \$100 as the City Finance Director shall determine. If any taxpayer fails or refuses to place security, the City Finance Director may revoke or refuse to issue such permit. If any taxpayer is delinquent in the payment of the taxes imposed by this section, the City Finance Director may, upon 10 days' notice, recover the taxes, interest and penalties from the security placed with the said City Finance Director by such taxpayer. No interest shall be paid or allowed by the City to any persons for the deposit of such security.

E. Records to be maintained. Every person liable for the tax imposed by this section shall keep or cause to be kept such records, receipts, invoices and other pertinent papers in such form as the City Finance Director and this chapter shall require. Such records shall be retained and made available for a period of five years from the date of a filing period.

F. Confidentiality maintained.

(1) All tax returns, schedules, exhibits, writings or audit reports relating to such returns on file with the City Finance Director are deemed to be confidential, except the City Finance Director may divulge their contents to the following and no others:

(a) The person who filed the return.

(b) Officers, agents or employees of the Federal Internal Revenue Service or the State Department of Revenue.

(c) Officers, employees or agents of the City Auditors.

(d) Such other public officers of the City of Prescott when deemed necessary.

(2) No person having an administrative duty under this section shall make known in any manner the business affairs, operations or information obtained by an investigation of records of any person on whom a tax is imposed by this section or the amount or source of income, profits, losses, expenditures or any particulars thereof, set forth or disclosed in any return, or to permit any return or copy thereof to be seen or examined by any person, except as provided above.

G. Violations and penalties. Any person who is subject to the tax imposed by this chapter who fails or refuses to permit the inspection of records by the City Finance Director after such inspection has been duly requested by such City Finance Director, or who fails to file a return as provided in this chapter, or who violates any other provision of this chapter, shall be subject to:

(1) A forfeiture, not to exceed 5% of the room tax, may be imposed for a failure to comply with a request to inspect and audit required financial records.

(2) Require the amount of taxes due to be paid plus interest at the rate of 1% per month on the unpaid balance. No refund or modification of the payment may be granted until the person files a correct room tax return, and permits the municipality to inspect and audit the financial records.

(3) Forfeiture, not to exceed 25% of the room tax due for the previous year or \$3,000, whichever is less, of the tax imposed, in the event the room tax is not paid.

(4) Each day, or portion thereof, that such violation continues is hereby deemed to constitute a separate offense.

FOCUS

03.29.2016 • No. 5

State income tax story: Lessons about rates, wants, and inflation

Wisconsin created the first state income tax in 1911. After 50 years, collections topped \$150 million; today, they exceed \$7 billion. Collections surged during the 1960-2000 period. Revenue wants grew, marginal tax rates increased, first at high-income levels, then at all levels. And aggressive inflation with “bracket creep” meant the highest tax rates applied to filers at lower and lower income levels.

Wisconsin has had an income tax since Gov. Francis McGovern (R) signed the nation’s first law in 1911.

To be sure, the proliferation of tax credits, deductions, and exemptions makes today’s tax far more complex than the first (see March issue of *Wisconsin Taxpayer* magazine). But, in terms of basics—collections, rates, and income brackets—is today’s law that different from the original one? The answer provides insight into the original tax and how it compares with later versions.

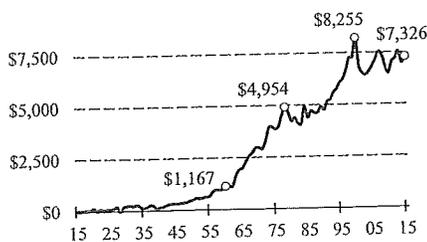
A century of tax collections

It is no surprise that \$7.33 billion (b) in 2015 collections dwarfs those of early years. In 1920, they were \$15.1 million (m); 40 years later, they were \$151.2m, a major jump but still a relatively small total. However, with baby-boomer demands, the advent of two-party politics, and changed ideas of government’s role, collection amounts soared (see below).

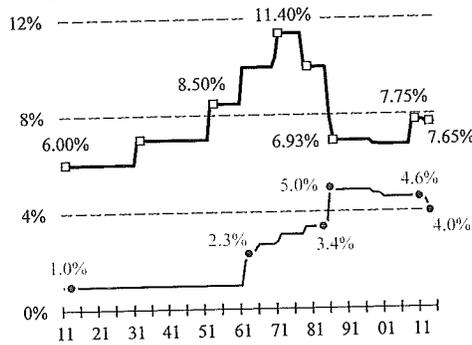
By 1971, they surpassed \$500m, and by 1977, \$1b. After that, collections grew by \$1b, on average, every six years. True, there were repeated rate increases, especially in the 1960s and 1970s, as

Wis. Income Tax Collections, 1911-2015

Dollars in Inflation-Adjusted Millions



“Top” and “Bottom” Tax Rates, 1911 - Marginal Rates for Highest/Lowest Inc. Brackets



history shows (chart above). However, another major factor driving income tax collections during much of the 1980s and 1990s was a tax law that was not adjusted for inflation (or, “indexed”). There was no indexing from 1983 to 1999.

The combined effects of tax hikes, inflation, and lack of indexing are apparent when collections are restated in inflation-adjusted 2015 dollars. The graph (below, left) documents the boom in collections from the 60s through the 90s. It is also clear that return of indexing, two recessions, and more recent tax cuts have flattened the growth trend over the past decade.

Raise the roof . . . and the floor

Focusing on the history of tax rates that applied to the highest and lowest income brackets (graph, above) reflects changing fiscal attitudes and state government developments.

■ **Top rate.** In the early years of the tax, there were 12 tax brackets rising in \$1,000 increments to \$12,000, each subject to a higher “marginal” rate. The

bottom rate was 1% and the top, 6%. The five-point spread between the two rates reflects initial interest in a “progressive” tax, i.e., one whose rates rise with income.

As the state sought revenue over the next 50 years, legislators imposed various surcharges and repeatedly increased rates on those with the highest incomes. The top rate went to 7% (1932), 8.5% (1953), 10% (1962), 10.4% (1972), and, finally, to 11.4% (1972). There’s more to the story, however.

■ **Bottom rate.** As desire for more money accelerated during the 60s and 70s, it was clear that a “high-end” strategy was not enough. To generate more revenue, other tax rates grew. The lowest rate climbed quickly: from 1% to 2% (1962), 2.3% (1963), 2.5% (1965), 2.7% (1966), 2.8% (1971), 3.1% (1972), 3.4% (1979), and finally to 5.0% in 1986. With this expansion came the growth in collection totals (below, left).

■ **Tax-rate epiphany?** The latter 80s is somewhat deceptive and reflected an emerging bipartisan consensus that tax rates, if too high, could be counterproductive. It was a “have-your-cake-and-eat-it-too” moment across the political spectrum.

Nationally, it was facilitated by Pres. Reagan (R) and some congressional Democrats; the state followed their lead. All noticed it was possible to lower tax rates and maintain “tax fairness” by eliminating narrow tax breaks, “broadening the base” of what was taxed, and using rifle-shot credits and deductions to aid the most needy.

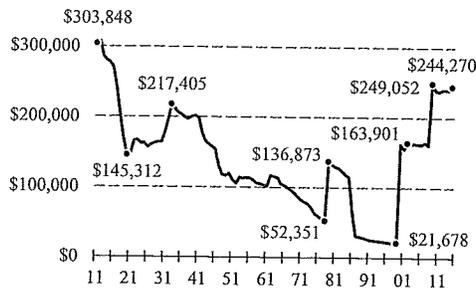
Inflation: The hidden tax

Another painful lesson learned at that time was the adverse tax effects of aggressive inflation. As earnings and consumer prices rose during the 70s and 80s, all taxpayers, except those in the highest tax bracket, were pushed into higher brackets and paid more taxes, even as their earning power, after inflation, often grew little, or even fell.

One way to understand this is to reexamine Wisconsin's income-tax structure, which has always had a system of multiple tax brackets and rates that rise with income. When these brackets are not increased and expanded with inflation,

Income Level at Which Top Rate Applies

Inflation-Adjusted, 2015 Dollars, for Single Filers.



taxpayers move into higher brackets. The chart above illustrates this, by showing the inflation-adjusted income at which the state's highest income tax rate applied for single filers. To illustrate, authors of the first income tax specified that the top tax rate (then 6%) apply only to single filers

with incomes of \$303,848 or more (in 2015 dollars). Yet, over the next 90 years, with inflation and law changes moving taxpayers into higher brackets, the top tax rate applied to filers with incomes as low as \$21,678 (2015 dollars) by 1998.

The restoration of indexing the next year and tax reforms and cuts in 2000-01 and 2013-14 pushed the top-rate threshold up to \$244,270 by 2015. However, in current dollars, that is still almost \$60,000 lower than planned in 1911. Clearly, examining tax law in current context without considering the past is misleading. History has lessons for those contemplating future tax changes. □



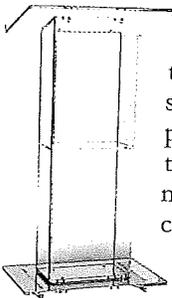
Wisconsin Taxpayers Alliance

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WISTAX experts are often asked by civic groups, service clubs, schools, and professional associations to share insights with their members. It's part of our citizen-education mission; all we ask is that you ask early.

12166 Focus #05-16 7/31/2016

CITY OF PRESCOTT
800 BORNER ST N
PRESCOTT WI 54021-2011

Capital Notes

■ *The Wisconsin Department of Revenue (DOR) reminds taxpayers that there are over 200 sites that provide free tax help to lower income individuals, seniors, and military personnel. Free assistance sites can be located by dialing 2-1-1.*

■ *After three decades, Rep. Al Ott (R) is not seeking reelection. His third district seat runs from the Appleton area into Calumet County. Likewise, Rep. Andy Jorgensen (D-Milton) says*

he will leave the lower house to run for Rock County Register of Deeds.

■ *State Sen. Mary Lazich (R-New Berlin) has also announced this term is her last. Current Senate President, Lazich was elected to the assembly in 1992 and the senate in 1998.*

■ *In another move, Deputy Revenue Secretary Jack Jablonski is leaving the tax agency for the governor's office. He will serve as Deputy Chief of Staff*

for Communications. DOR Secretary Rick Chandler has not named a successor.

■ *The state Injured Patients and Families Compensation Fund had a net balance of \$734 million (m) through June 2015, up from \$445m in 2012. Part of the increase was due to "reductions in the actuarial estimates for loss liabilities and improvements in investment markets." The fund insures health care providers against high malpractice claims (Source: Legis. Audit Bureau)*