

FINANCE COMMITTEE

Date and Time: Tuesday, April 23, 2013 @ 5:00 pm., Board Room

Members Present: Nagle (C), Brezinski, Nutting, Oberbeck, Winters.

Others Present: Rasmussen, Wagner, Kellbach, Mielke, Abitz, Tipple, Groat, Jacobson, Loy, Marquardt, Giese, Stratz, Werth, Buchberger, Finke, Debra Ryan, Jim Kemmerling & Tim - Riiser

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by Chairperson Nagle.

Public Comment on matters appearing on the agenda.

Debra Ryan, 702 Elm St, commented that she felt they could be sued by other gas stations if they went with the sole source for gasoline purchase from Riiser. She hoped they would think this through in detail and consider going to all parties. Nagle responded we have a fiduciary obligation to the taxpayers which we take seriously and any irregularity in any process that we undertake would be addressed by the City Attorney.

Sole Source Purchase - Fire Department - LUCAS Devices

Josh Finke, EMS Division Chief, explained the equipment is an automatic chest compression device, so that instead of doing manual CPR on a patient this device does mechanical compressions. He stated reports on cardiac arrest survival shows that automatic devices do much better than any human possibly can, especially over a period of time. They had one of these in demo use last year resulting in a 6% better outcome for patients that had this device on them compared to manual CPR. He noted there is one other type of device out there which works completely different and after using it on a trial basis on two patients our medical director ordered that it be taken off the ambulance because he believed it was causing further damage. The LUCAS device is state of the art equipment at a competitive price.

Motion by Nutting, second by Winters to approve the purchase of the LUCAS device. Motion carried 5-0.

Sole Source Purchase DPW - Fuel and Fuel Purchase Management Program Riiser Energy

Marquardt stated Riiser can offer monitoring of the prices in our fuel tanks and while other companies could do that, they are the only ones that are local and can provide split loads to us. He explained currently we have to wait until our tanks go empty and then order full loads at whatever price it is.

Jim Kemmerling, Riiser, explained typically when you need fuel you would send out a request in the afternoon and the bid would be turned in the next morning and whatever price was quoted had to be delivered that day. He commented there are price movements every day, but you are locked into that bid and unable to take advantage of that movement. He explained they monitor the markets continually all day; they are local, can do split loads, manage the inventory and whatever is not needed from the tanker they bring in can go to their other stores. He indicated they would sell it to the city at the published price with no markup; they make a little money by purchasing in volume and can verify and audit every load.

Marquardt recommended trying it for one year and revisit to see where we are at. Nagle pointed out the one year contract gives either party the right to terminate without cause on 60 day notice.

Winters questioned if we had insurance regarding environmental contamination in place already, if we were prepared to name Riiser as an additional insured and what the cost was. Marquardt indicated he had not had a chance to discuss it with Anne Jacobson yet, but suggested that part of the motion be to work out those details. Winters noted Jacobson had also proposed some language changes regarding the errors and omissions in the contract which she felt was too broad.

Motion by Brezinski, second by Nutting to approve the contract contingent upon legal review and the recommended changes by the City Attorney. Motion carried 5-0.

Review and approve Wausau Area Access Channels Public, Educational & Governmental Television Policies, Procedures and Communication Guidelines and Cablecast Application and Agreement.

Mayor Tipple stated the Committee of the Whole unanimously approved this agreement and it was also brought before the Coordinating Committee.

Winters referred to Section 3R, page 9, regarding a “community producer” which apparently would be charged a fee and be required to certify. He questioned what the definition was or who would be considered a community producer. Tipple explained a community producer is someone who would give us a disc to insert on the public access channels; they do the programming themselves and do not use any of our staff. He stated the churches produce their own stuff, but if we go to a football or basketball game, we are the producers and charge per hour for out time plus air time. Winters questioned if the churches would have to pay the \$50 annual community producer fee. Tipple stated churches would be charged \$20 a week, which would provided three airings of the church service each week. Winters questioned if the ladies doing the garden show will be charged a fee to air their program. Tipple indicated they would fall under the community producer definition; they would have five volunteer hours a week and pay the \$50 annual fee.

Winters indicated he was going to vote no because this was a media business and what you need is content. He felt charging fees is penalizing producers which will result in less content which is a recipe for extinction. He also disagreed from an administrative point because the program is staffed by two people which has no department head or committee home. Tipple stated they are knowledgeable city employees and he was the department head.

Motion by Brezinski, second by Nutting to approve the WAAC Agreement. Motion carried 4-1, Winters was the dissenting vote.

CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session for negotiating the purchase of properties.

Motion by Brezinski, second by Nutting to move into closed session. Roll Call Vote: Ayes: Nagle, Brezinski, Winters, Oberbeck, Nutting. Noes: 0. Motion carried 5-0.

RECONVENE into Open Session to take action on closed session item, if necessary.

Motion by Nutting, second by Oberbeck to reconvene into open session. Motion carried unanimously.

Consider Revenue Policy

Groat stated one of the things that was brought up in the strategic plan is that we had issues regarding our tax rate and how it was perceived by the community. We looked at comparability with the City of Wausau and other communities because we have some services, such as garbage collection and stormwater, which are paid through our property taxes, where in other communities these are separate charges. Groat indicated she developed a revenue policy and reviewed the revenue principles on page 1. The city shall limit the use of one-time revenues for purposes other than to maintain continuing operations. She stated regarding unpredictable and volatile revenues, we should try to do our revenue predictions based on long term trends rather than short term yield peaks. The city shall develop and maintain a Comprehensive Fee Schedule and review revenues annually. Invoicing shall be performed through the automated accounts receivable systems and the city will follow an aggressive policy of collecting revenues, including using the State of Wisconsin Tax Intercept Program. She stated the city will consider

the utilization of user charges in lieu of property taxes for services that can be individually identified, access to the service can be restricted and where the costs are directly related to the level of service. Groat reviewed the considerations for the establishment of user fees on page 2. She concluded with statements regarding property taxes and grant revenue on page 3.

Groat indicated if Council approves the policy, she would meet with individual departments to go through the services that they provide and come up with a listing of them as well as the method that we are currently paying for them, whether it is property taxes or user fees. They would look at whether it is consistent with the recovery policies outlined in the Revenue Policy in spring and summer to be ready at budget time. She stated consideration may be given to shifting the garbage collection off the taxes to an individual charge as well as looking at a stormwater utility. She noted garbage collection will be up for bid on January 1, 2015.

Motion by Brezinski, second by Winters to approve the Revenue Policy as presented. Motion carried 5-0.

Consider 2013 Debt Issuance Calendar and Related Matters Pertaining to Debt Issuance

Groat stated as part of the budget process we adopted our Capital Projects Plan which expected the city would issue debt to finance a portion of those projects. We also use a variety of other revenue sources, including special assessments, grants, user fees and the property tax levy. She indicated the \$450,000 budgeted for Thomas Street and acquisition, which was removed because that project is currently on hold. The Thomas Street engineering services has been included in order to look at a corridor study and a plan for that corridor that would entice economic development. We had budgeted to improve 2nd Avenue and Clark Street in TID #8, however business owners want more time to consider the design so the project has been deferred to 2014. The budget had anticipated \$6.4 million in borrowing which has been revised to \$5,036,500. Groat indicated she was working the financial advisors regarding Bull Falls to determine the best way to fund it, as well as Briq's and Thunder Lube. The initial resolutions and refinancing opportunities will be brought to the May 14, 2013 Finance Committee and Council meetings, with the sale to take place on June 11, 2013.

Motion by Winters, second by Nutting to approve the debt issuance calendar. Motion carried 5-0.

Resolution Agreeing to Explore Cooperative Ventures - To Be Introduced at Meetings of the Governing Bodies of Wausau, Schofield, Weston, Rothschild and Rib Mountain

Nagle stated he would like to have something at some point in the future at a Council meeting leading the way or taking the first step to have cooperative ventures. He noted this doesn't necessarily mean we are going to give away any services or take any services. Oberbeck felt elements in the Revenue Policy move in that direction.

Winters commented he hears from other communities that they don't appreciate when we adopt something, such as the Social Host ordinance, and then just mail it to them rather than asking them what they think. He stated they indicated they are tired of the "take it or leave it" approach and he felt that sometimes we are not sensitive to the perceptions and the needs of others around us.

Brezinski felt the resolution has three points that really hone in on what is going on. The first speaks to the historical and emotional attachment that people have; the second asks if hanging onto this mythical identity is worth the cost; and finally to have a group or commission that is empowered to fulfill the charge.

Nagle asked that one paragraph be added: "Be It Further Resolved, the Mayor is hereby authorized and directed to present this resolution to the other units referred to in this resolution for their consideration and possible adoption."

Motion by Brezinski, second by Winters to approve the resolution as presented with the additional paragraph.
Motion carried 5-0.

Insurance Claims Report - February & March 2013

Place on file.

Funding request - Wausau Labor Day Parade 2013 (Marathon County Labor Council)

Groat stated historically we have been paying for the insurance for the parade out of the city's promotion budget each year. Oberbeck questioned why we would spend the money if we are not supporting unions. Brezinski pointed out the parade is a community event and the issue regarding who gets included was settled definitively last year by the Mayor. Winters was not convinced the Labor Council agreed with that and wanted assurance that they believe it is a community event and not a political rally because he didn't feel they should put money behind a political event. Groat stated since Labor Day wasn't until September, we could bring this item back and she would invite Randy Radtke from the Labor Council.

Financial Reports

2014 Budget Planning

Time expired prior to these items; moved to next meeting.

Adjournment

Motion by Brezinski, second by Winters to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:00 p.m.