

FINANCE COMMITTEE

Date and Time: Tuesday, May 14, 2013 @ 5:00 pm., Board Room

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

Members Excused: Nutting

Others Present: Rasmussen, Mielke, Wagner, Tipple, Groat, Jacobson, Marquardt, Loy, Duncanson, Buchberger, Rentmeester, Werth, Deb Ryan, Ted .

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.

Minutes of the previous meeting(s). (3/26/13, 4/09/13)

Motion by Winters, second by Oberbeck to approve the minutes of the meetings on 3/26/13 and 4/09/13. Motion carried 4-0.

Public Comment on matters appearing on the agenda.

Debra Ryan, 702 Elm Street, commented she felt the committee needed more training on procedures and that she noticed there were no signatures on the 2013 bid papers from Riiser which should be corrected before checks are written.

Transfer of Funds - Capital Projects Fund Streets - Engineering

Groat stated when we do our budgeting we typically follow the accounting that is required by the DOT, so when we are doing street projects we have to delineate between the actual street activity and the utility or storm water activity. She explained to prevent us from having to go back and re-accumulate that information, the general ledger is set up so that storm water expenses construction goes to one account and street improvements to another account. Last fall we budgeted for Ken Street, Werle Avenue and Spring Street in the street improvements area, as well as estimates for the storm sewer. She noted this spring they put out the three projects out as two separate bid packs A and B. The bid for storm water was \$303,994, but we only had \$195,000 budgeted in storm water leaving a shortfall of \$108,994. The street improvements budget has \$177,701 excess after bidding. She proposed moving the \$109,000 shortfall in storm water from the street improvements; we're not making modifications to the project itself, we're just reflecting what the bid items came in so we can report in compliance with DOT.

Groat stated the second budget modification had to do with parking ramp improvements. She noted Brad Marquardt had indicated he had no major projects for this year, just the typical maintenance type things. They looked at what was available for maintenance in the operating budget for the parking and believe we have sufficient funds in the 2013 budget to do the parking maintenance. She proposed transferring the money from parking improvement maintenance to asphalt paving because the last construction season was very hard on the streets and an additional \$150,000 would get about five to six blocks of paving.

Motion by Brezinski, second by Winters to approve the 2013 budget modifications as proposed. Motion carried 4-0.

Budget Modification - Motor Pool - Purchase of Ambulance

Chief Buchberger stated they were asking for a modification to the budget to purchase a second ambulance. He explained the original schedule called for a replacement of an ambulance this year, but due to the wear and tear on the vehicles we have a second ambulance that is in worse shape than the one that is going to be replaced. He stated they were spending too much down time with these ambulances in maintenance trying to fix them and losing a lot of revenue when forced to bring in ambulances from Rib Mountain and Weston to handle the calls we can't handle when busy. Nagle questioned how many ambulances the Fire Department currently had. Buchberger stated they have three ambulances on line with a fourth in reserve. He clarified two of the four are no longer safe to run; one is

being replaced this year and he was asking for money to replace the second one. He indicated they saved a lot of money by ordering an ambulance in 2012 because a whole list of mandatory requirements for ambulances came out in 2013. Winters questioned where the money for the ambulance is coming from. Groat explained all of our rolling stock is funded out of the motor pool, in which we charge the individual departments on either a per mile or per hour basis for the use of those vehicles. She stated there is sufficient money in the fund to purchase the ambulance.

Motion by Brezinski, second by Oberbeck to approve the budget modification to purchase an ambulance. Motion carried 4-0.

Consider Initial Resolution Authorizing the Sale and Issuance of Taxable General Obligation Promissory Notes, and Certain Related Details

And

Consider Initial Resolution Authorizing the Sale and Issuance of General Obligation Promissory Notes, and Certain Related Details

Groat explained we are issuing two promissory notes, one is taxable and one is tax exempt. Foley & Lardner, our bond counsel, reviews the developer agreements to determine which are taxable or tax exempt. The debt related to Bull Falls Brewery is considered taxable debt. The preliminary resolutions will go to the Council on May 28, 2013 with the sale taking place on June 11, 2013. She noted promissory notes do not require being taken to Council twice but we have always done it as a matter of practice. She indicated we will be adding approximately \$6 million of new debt and retiring about \$8.3 million of existing debt, decreasing our outstanding debt at the end of 2013. Based on state statutes we would be at about 37.66% of our debt capacity. We no longer have any utility revenue bonds outstanding; those expired in 2012. Any debt that is outstanding for the utility is actually general obligation debt because we receive lower rates for GO debt and because we have plenty of borrowing capacity there was no value in issuing a revenue bond. She indicated the final debt we have outstanding would expire in 2022. Groat stated the new issues are 10 year issues with relatively flat principal payments which results in the lowest amount of interest expense. Good rates are expected; 1.58% for the GO and 1.8% for the taxable issue are anticipated.

Motion by Brezinski, second by Winters to adopt the initial resolutions related to the sale and issuance of promissory notes. Motion carried 4-0.

Discussion and possible action on PILOT agreement between Riverview Towers LLC and City of Wausau.

Ann Werth explained Riverview Towers is going through a major renovation project and in order to do that we applied for tax credit funds. She stated Riverview Towers will still be serving elderly and disabled people and is under public housing and HUD regulations. The ownership has changed to Riverview Towers LLC from the tax credit project and NEF (National Equity Fund) is the investor that owns those tax credits for the next 15 years, after which time it comes back to the Community Development Authority. In order to satisfy the investor we had to submit a package to the City Assessor as to whether we could continue with our tax exempt status. She indicated they will continue to pay a PILOT payment to the city.

Motion by Brezinski, second by Oberbeck to approve the PILOT agreement between Riverview Towers LLC and the city. Motion carried 4-0.

Authorizing acquisition of 504 East Wausau Avenue and 2213 North 5th Street.

Bill Duncanson, Parks Director, explained the Council will be considering two agreements: the Athletic Park Use Agreement, which is inside the park; and a development agreement which describes activities that will occur outside Athletic Park. Among those activities outside of the park is a proposed neighborhood park. In order to have this happen, the owner of the Wausau Woodchucks has acquired two properties which he is proposing to donate to the city. Duncanson indicated demolition needs to occur as part of the development agreement; the city would take

ownership of these properties and we would want that to happen prior to the Woodchuck's season. He explained there is not enough gaps that are big enough during the season to have the houses demolished and the basements filled in so that area can be used as staging for the construction that starts at the end of the season. He asked the Finance Committee to approve accepting the properties, demolish them, and cover the costs contingent upon the Council approving the development agreement.

Motion by Oberbeck, second by Winters to approve acceptance of 504 E Wausau Avenue and 2213 North 5th Street for the project as presented. Motion carried 4-0.

Accept Greenheck Grant of \$10,000 for Animal Control Vehicle Acquisition

Winters commented this was part of the money and he was working on obtaining the rest. Oberbeck questioned if there were any conditions on the grant such as when it has to be expended. Winters stated the condition is that we have to go forward and fund the Animal Control Program.

Motion by Winters, second by Brezinski to accept the grant. Motion carried 4-0.

2014 Budget Planning

Groat conducted a PowerPoint presentation to update the committee on the status of the TIF Districts. She indicated based on her evaluation, we don't have any districts that we could close that would provide any budget relief because they each have outstanding debt. She stated during the finance budget meetings the state has introduced legislation that would add to the levy limit component any fees that the city charges. If we implement new fees after December 31, 2012, then we have to reduce our levy dollar for dollar for those new fees. The state is trying to prevent municipalities from shifting our activity off of the levy onto fees as a way of circumventing the levy limit. Nagle felt a stormwater utility should be given some serious consideration.

Groat indicated she attended a seminar put on by the DNR at which the Public Works Director from the City of Tomahawk, spoke regarding "pay as you throw" for garbage collection. They found that industry wide the recycling will go up and after Tomahawk went with "pay as you throw" they experienced a recycling increase of 500%. She noted he would be willing to come and speak to the committee about their experience with this service.

Motion by Brezinski, second by Winters to authorize staff to explore what would be necessary to move to a fee base for a creation of a stormwater utility and/or garbage collection. Motion carried 4-0.

Discussion followed regarding additional revenue ideas and the possibility of a transit sales tax

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.

And

CLOSED SESSION Pursuant to 19.85(1)(e) deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session for the purpose of formulating a proposal to the County to keep cats in their sheltering contract.

Motion by Brezinski, second by Winters to move into closed session. Roll Call Vote: Ayes: Brezinski, Oberbeck, Winters, Nagle. Noes: 0. Motion carried 4-0.

Authorizing acquisition of 710 Jefferson Street

Discussed in closed session. Motion by Oberbeck, second by Winters to authorize acquisition of 710 Jefferson Street for \$18,000. Motion carried 4-0.

Insurance Claims Report - April 2013

Place on file.

Financial Reports

No discussion.

Adjournment

Motion by Brezinski, second by Oberbeck to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:55 p.m.