

FINANCE COMMITTEE

Date and Time: Tuesday, June 25, 2013 @ 5:00 pm., Board Room

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

Others Present: Rasmussen, Mielke, Wagner, Kellbach, Abitz, Tipple, Groat, Jacobson, Loy, Werth, Lenz, Buchberger, Duncanson, Giese, Hardel, Klein, Seubert, Goede, Meleesa Johnson and Mike Tolvstad

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.

None

Pay as You Throw Garbage Services Presentation

Meleesa Johnson stated when she began working for Marathon County in 2007 they wanted her to help communities figure out how to recycle more and reduce their waste stream. Managing waste is very expensive and if we use too many resources by not thinking about our waste in an appropriate fashion we are wasting money in general. If we recycle more we can support businesses throughout Wisconsin, the United States and around the world to make new products and use fewer raw materials. She explained Pay as You Throw is a notion that if people pay for the material that they throw away, they might be inclined to produce less waste. It has been demonstrated with great success that if people take more responsibility for the garbage they produce, they tend to produce less waste and tend to recycle more.

Mike Tolvstad, City of Tomahawk, stated about two years ago at a budget meeting the Finance Committee asked the department heads to look at ways of reducing our operating costs. He suggested changing the way they collected their waste which was very inefficient with rear-loader trucks and very little recycling, which only about 8% of their waste stream. He explained they changed over to an automated collection system where everything is in carts set out to the curb each week with recycling every other week. They gave the residents choices of cart sizes based on their needs which determined what they paid for garbage pickup. Built into the cost of the refuse container was the cost of the recycling container and they were given as big of a recycling container as they wished to have at no extra cost. He noted that after the first three months they were at a 387% increase in recycling rate and as of January 1, 2013 they were at 512%, and are now recycling 42% of our waste stream. He felt there was still another 20-25% of that waste stream that could come out and go into recycling. The next step is to figure out how we can create markets for this plastic material that many people still throw out. He indicated they are trying to pull together a group from a five or six county area to try to convince the state legislature to allow them to be a pilot program to accomplish this. He encouraged the City of Wausau to consider a Pay as You Throw program and to participate in this group because they hope to open the door to try new things.

2013 Block Grant Program: Re-allocation of increased funding from U.S. Department of Housing and Urban Development (HUD). - Straatz

Tammy Stratz stated they received additional funds from HUD for the first time in many years. She indicated they had anticipated receiving \$517,000, but will actually be receiving \$580,731. The Citizens Advisory Committee met and allocated the funds as presented on the chart. She noted they were able to give funds to few more public service programs.

Motion by Brezinski, second by Oberbeck to approve the 2013 Block Grant Program re-allocations. Motion carried 5-0.

Hazmat Contract - State of Wisconsin - Buchberger

Gary Buchberger asked for direction as to whether they wanted him to continue to pursue and sign the contract with WEM. He indicated the current contract expires on June 30, 2013 and the draft of the new two year contract has been reviewed by the Attorney's Office. He stated there have been some substantial changes but they were the kind of changes they could deal with. The funding for the contract is decreasing from \$112,000 to \$81,000, so he will need the city to help increase the revenue so they can operate. The reduction in budget is approximately 27% which results in 27% decrease in the stipend paid to personnel to be part of the team. If the city were to agree to the contract and pay the stipend at the current rate, it would cost an additional \$12,000; to increase the operating portion of the budget to current would be another \$19,000, for a total of \$31,000 that he would request from the city. He indicated the money would be taken from a reserve that he has been building in the Hazmat fund. He explained the original purpose for creating the reserve fund was for big ticket items such as rolling stock, which hasn't happened yet so the fund has grown and that is where the money could come from for the first year. Buchberger indicated his recommendation was to move forward and sign the contract.

Rasmussen indicated the Public Health & Safety Committee approved the Hazmat contract 4-1. She commented it would cost more to staff our own team and go it alone and if we go with no team at all our nearest response is approximately 90 miles away. Winters stated he was the no vote at PH&S because he has not seen numbers that convinced him it wouldn't be less for us to have our own Hazmat team that only serves Wausau. We are being asked to do substantially more with a lot less money and more risk.

Brezinski indicated he would vote for it but requested that we send another letter to our elected representatives and the agency pointing out statistically what has happened to that fund and the increased burden which has been placed on municipalities that choose to continue this service.

Motion by Oberbeck, second by Brezinski to approve the Hazmat Contract. Motion carried 4-1. (*Winters was the dissenting vote.*)

City Departments Operational Discussions:

A. City County Information Technology Commission

Gerald Klein provided a PowerPoint overview, noting the main issues are: the constant growth in the amount of devices that they support, requiring a lot of investments in infrastructure to support tablets and smart phones; the Land Records system that maintains all of the property information for the Marathon and Lincoln Counties needs to be replaced within the next five years; difficulty finding talented staff to hire; and more projects than we can handle.

B. Community Development

Ann Werth stated the realities in Community Development are reductions; we have gone through about seven to eight years of cuts from both federal and state. She stated we have not filled on a permanent basis our three quarter time front desk clerical support position and are currently filling in with some part time people. She felt for 2014 our neighborhoods have to be a priority and we need to truly take a look at overhauling how we work together with our neighborhoods from every aspect. Her strategy was to consider having Planning, Inspections and Community Development as one unit. She stated a fulltime person is needed in the department for economic development in 2013 as soon as possible. She explained objectives for Community Development Authority, block grant funding and programs.

C. Human Resources

Michael Loy presented the strategic plan for 2013-2015. He identified five challenges on the horizon, the first of which is the city significant fiscal challenge with the new levy limits and increasing operational costs related

to wages and benefits. He suggested working with local municipalities to increase efficiency, effectiveness and reduce cost; development of a strategic departmental review process; and technology continues to be evaluated in helping us be more efficient. Another challenge is labor and benefit costs and we are currently evaluating our classification and compensation systems. Escalating costs in benefits is driven by health insurance. Strategy is to invest in wellness to change the utilization curve. He indicated they were exploring a relationship with the county and Northcentral Health Care on providing an onsite clinic for employees. We need to begin strategic talent management efforts, as we are facing 60% turnover in management to retirement. Training and development will be a priority for 2014, as well as performance evaluation systems. Lastly, managing complex employment laws is an issue; especially critical is health care reform over the next four or five years.

D. MetroRide

Greg Seubert stated their biggest challenge in the next two years is the same challenge the last couple years, which is funding uncertainty. It is a diverse revenue stream funding the operating budget, through not only federal and state, but also through partnering with local municipalities, school district and the county. The users also pay a significant portion of the cost, 13% - 15%. He stated in 2012 they had the "perfect storm" by losing our partnership with Marathon County and the revenue sharing that went with it, and partners Schofield and Rothschild, who we've served for more than 100 years, dropped out due to levy limits. To try to arrive at the city's budget target we had to make significant cuts; we no longer have any service on the weekend, we shortened Monday and Friday service days and lost all the geography south of Lakeview Drive when our partners left. There is a lot of service confusion among customers due to inconsistent schedules. He felt the problem we are having now with public transportation is it has become a partisan political issue. Discussion took place regarding ways to re-invent the bus system to take it to the next level. A possible Regional Transit Authority was discussed for generating revenue.

E. Parks

Bill Duncanson stated on the city side of staffing they will be using 18.69 full time equivalents in 2013; also 14.84 FTEs for seasonal positions. He provided and reviewed budget documents, noting the biggest expenses which are tough to control are fuel, chemicals, plumbing and heating supplies, vehicle and equipment maintenance materials, as well as utilities. He pointed out over a ten year period there has only been 1.83% annual increase. He reviewed projects that are being worked on or are in the future and need to be done. He explained the work required to maintain The 400 Block. He felt pay for performance would allow them to encourage the quality of work and productivity and more management training will be a good thing. There are multiple large projects going on with the help of donated funds and grants. Progress is being made on the River Edge Trail. Ability to design and do planning and administer construction projects is maxed out. Emerald Ash Boer tree issues are possible and they are trying to be proactive. He touched on technology plans, social media and the county website.

City of Wausau animal control fund, budget and funding sources.

Winters stated we wanted animal control to have its own separate enterprise fund so we could tell the people that all the money they pay for licenses and fines goes for animal control. He provided a breakdown of the revenue and how it comes in, noting that when a license fee of \$10 is collected for a spayed or neutered dog, \$5 goes to the county, \$3.90 to Petdata and \$1.10 to the city. If the license fee is paid late, it goes up to \$30 and after the other two entities are paid the city received \$21.10. He indicated we are currently at 18% compliance and want to get to 21%.

Oberbeck questioned what the estimate was for the 2014 budget; he thought it would take \$15,000 - \$20,000 to fully fund the program at this level. He felt it should be taken on as a public health and safety initiative versus a license initiative. Brezinski agreed it was a public safety issue and did not oppose increasing fees and fines. Groat

indicated she would support raising fees and/or fines next year. She noted we have been averaging a 50% collection rate on fines.

Motion by Oberbeck, second by Brezinski to approve the 2013 budget for an animal control officer and review the costs at the end of the year. Motion carried 5-0.

Consider Transit Sales Tax

Winters provided information on regional transit authorities in which a district is created for buses to have its own taxing authority. Municipalities would have to join by referendum and once you are in it would be hard to get out. He commented right now politically this is going nowhere because no one wants to create an extra layer of government and endow it with a new taxing authority. He suggested doing something a little less than this step, such as granting some sales tax authority to some municipalities to use to fund buses. The sales tax would be minimal, such as a tenth of a cent or less to fund transit. This would work for Rothschild, Schofield and Rib Mountain to get buses to the commercial areas. He indicated he was advised to approach Senator Petrowski, who is chairman of the Senate Transportation Committee, as well as Assembly Representative John Spiros. He stated we should ask for a pilot project for Marathon County, Outagamie County and one or two other counties that would be allowed to go forward on this system and see how it works for a few years. We can position it as property tax relief and take \$750,000 off the property taxes. Groat questioned if there was a concern that the state may approve it but then not provide transportation aids. Winters commented we are basically swapping property tax for sales tax with the idea that sales tax is more regionally derived revenue for an expense which is more regionally derived.

Oberbeck stated he would like to hear the Transit Commission speak to the future of bus transit within the City of Wausau and through this pilot program we fund studies to look at the master plan. He stated the current system was not working and it needs to be reconfigured; use is way down, funding is down. Winters commented we have to make it better so more people use it or it will collapse under its own weight.

Motion by Winters, second by Oberbeck to forward to Council for a resolution to be sent to our elected representatives. Motion carried 5-0.

Metropolitan Swimming Pool Commission

Nagle stated District #1 uses our pool a lot but there are people that use the Rothschild pool a lot too, for water aerobics and Zumba. He felt it would be nice to have some kind of entity that would manage and oversee all five pools as far as services, such as who does the Zumba and the Kids Swimming, etc. Winters commented there are cost savings with economies of scale. He suggested a Director of Pools in which the pools become a part of a larger pool system with different features. Oberbeck agreed it would simplify things for the whole community. Groat felt timing is an important component and since Wausau's pools are older than the other communities, when we have new pools we will be on more equal ground with them. She did not feel the timing was right at this moment.

Motion by Winters, second by Brezinski to direct the Mayo to send a letter to Weston regarding a possible discussion. Motion carried 5-0.

Sponsorships

Nagle did not feel we do enough with sponsorships. Winters suggested inviting Greg Seubert to a meeting to explain how the sponsorships/ads work on the MetroRide buses.

May 2013 Financial Report Form

Groat noted we saw substantial savings last year when the insurance plans changed but we will not see that this year.

2014 Budget Planning

Groat stated all of departments are currently working on their budgets which is about a month ahead of schedule. There was an estimated \$500,000 shortfall for this year. We received the Wisconsin Retirement contribution rates for 2014 which has gone from 6.85% to 7%. She noted we have been paying about 4% on our public safety employees for duty disability and it has gone down to .5% which will provide us with a huge savings. She stated if new revenues were implemented in 2014 the budget would have to be reduced accordingly. She explained because they anticipated that a lot of communities would implement those revenues in 2013, they changed the language to state that if you levied for it in 2013 then you have to reduce your levy in 2014. This eliminates anyone from shifting to fees versus levy.

Adjournment

Motion by Brezinski, second by Winters to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 8:30 p.m.