

FINANCE COMMITTEE

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

Members Present: Nagle (C), Brezinski, Oberbeck, Winters (*arrived at 5:07 pm*), Nutting

Others Present: Rasmussen, Mielke, Wagner, Kellbach, Abitz, Tipple, Groat, Jacobson, Loy, Werth, Lenz, Buchberger, Duncanson, Giese, Hardel, Seubert, Rayala, Debra Ryan

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 Street Wausau 54401, spoke about recycling information in Spanish and Hmong. Ryan said there aren't any newsletters for 2013 on the Boys and Girls website; there are no annual reports for 2011 or 2012. With regard to the funding from the city, Ryan said that the city should only be funding Boys & Girls Club members that are served in Wausau. Other villages or towns should be funding their services outside that are non-Wausau residents.

Minutes of previous meetings (5/14/13, 5/28/13, 6/11/13)

Motion by Nutting, second by Oberbeck to approve all minutes as written. Motion carried 4-0.

Oberbeck brought up that many minutes are missing from the website. He feels it would be helpful to have all minutes on the website before the next meeting. Rayala said she would look into this.

Boys and Girls Club Presentation

Brian Stezenski-Williams, Executive Director of the Boys and Girls Club (B&GC) gave a presentation sharing the success of the last year that the club had: record participation, record membership, record meals served. He said that he will present a full report of numbers at the August council meeting. He did request to extend the additional funding to 2014 to enhance the programs they have in place to offer life skills and additional services. B&G Club would like to get in to the budgeting process on the front end. They will be making a request for funding from the city of \$25,000, same as last year.

Brezinski stated that he is a fan of the B&GC and reported that the B&GC was awarded the Non-Profit of the Year Award, the Maytag Award; the list of benefits that the community receives from the club goes on and on. Brezinski offered a specific amendment to the budget to be appropriately agendaized. He asked Chairman Nagle to place this amendment on the appropriate budget agenda. He wants to participate in their funding as was done last year.

Winters said that he very much supports a better process. The city does not have a personal checkbook. We do not donate to charities for the sake of donating to charities like you would donate to church. We do however, pay for services. If this is going to be organized, there needs to be: a contract for specific services; quarterly installments; deliverables that are recorded back to us. None of that materialized last year. There is some room for compromise. Services provided have to be specific. They have to be measureable, verified and the payment needs to go out in quarterly installments.

Oberbeck commented that other agencies receive funds through the community development block grant giving out to the community in that process. The contribution should be established into a fund that should be managed like Winters described; an application, a process, a funding mechanism. He felt that we are singling out one extension of the city. It should go through a similar type process as the community development block grants. It was funded through that community in the past and that community chose not to fund at that point.

Brezinski said that those funds have virtually disappeared. He perceives this is an investment in the community. Whatever the mechanism the council arrives at as a means of tracking the money and identifying what benefits are received. We all want to make sure the process has integrity. This organization is unique to our community and its contribution is in fact measurable, significant and ongoing.

Nagle said that last fall there was a lot of criticism when he voted for this funding. He feels that our city parks department doesn't do enough for recreation. Duncanson said that 19% of the park's budget is for recreation. He feels that we don't do enough for our youth. We need to do a better job in the city of providing programs. If we don't do it as a city park's department, they we have to rely on someone like the B&GC.

Rasmussen wanted to go on record by stating as local government she does not want the city in the business of funding nonprofits, using tax payers' money and putting our tax payers in a position where they are donating to nonprofits that they may or may not be already supporting personally and without measured standards and without accountability. If we want better recreational opportunities for kids in the area our parks department is capable of producing those if we fund them so they can do so. This process puts one nonprofit in front of the other. She voted against it last year and will again if it comes up.

Brezinski feels that standards and accountability will not be an issue.

Stezinski-Williams said that the B&GC Learning and Succeeding initiative report is based on the school year, late June and it is available now. He will present this report when this issue goes to council. He reported a few key statistics: 598 went through one or more different parts of the program; 64% low income; 246 kids doing homework; about 400 kids software and internet training; 375 doing service projects in the community.

Nutting asked for more information about the mentoring program. Stezinski-Williams said that they have received funding from B&GC of America over the past two years to go to the mentoring program. B&GC uses staff based mentoring program and high school kids for peer mentoring.

Motion by Brezinski, second by Nutting to place the request for \$25,000 donation to the B&GC on the next finance agenda for budget discussion. Passed 3-2 (Winters and Oberbeck were the dissenting votes).

CITY DEPARTMENTS OPERATIONAL DISCUSSIONS:

A. AIRPORT

Chimel said that his company, Wausau Flying Services, provides services at the airport and manages the airport for the city. Operations budget planning is taken to the airport committee. Our budgeting process has changed a bit that we are now using an enterprise fund. The revenue sources are mainly earned from leasing the hanger, fuel flow; rent of the hangers will be increased in 2014. The biggest trend now in aviation, corporations are not using aviation travel, a downward trend in the last 3-4 years, but recently has gone up. Recreational activity is down a bit. Medic-Vac in the last couple of years has been a huge help to the airport.

Groat mentioned with regard to the airport budget they are very much dependent on their facilities and infrastructure to provide that service, so in all of those facilities; except for corporate hangers are old facilities. Breakdowns in the infrastructure or weather related breakdowns; this is what causes pressures on the airport budget. Managing FAA and federal dollars are really a key component of the airport capital projects.

B. FIRE

Rentmeester gave a presentation on behalf of the Wausau Fire Department. There were five vacancies that were recently filled and that has helped tremendously. He mentioned several challenges for the fire department, specifically staffing for the special events within the city and concerns about staffing these events in the future. There are national standards (472: National Fire Protection Association Standard for Competence of Responders to Hazardous Materials/Weapons of Mass Destruction Incidents and 1710: National Fire Protection Association Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments) that deal with fire department operations and have been adopted by the State of Wisconsin that are challenging. For instance response times, NFPA 1710 according to this requirement they have to have an engine on scene within four minute and the rest of the team within eight minutes. This is a can be a big challenge. The department would like to do nonemergency transports, critical care transports, charging for a vehicle crash response, and charges for fire calls.

Operational issues, the fire stations are in need of renovations.

Buchberger mentioned they are consolidating some items in the budget this year to do away with some specifics, for example copy paper, stamps and put them in a single line item such as office supplies.

C. POLICE

Hardel mentioned the first challenge of the police department is clerical staff. It's a dire need for more clerical staff. Additionally, IT staff is needed. Cheryl, a clerical employee is pulled away from her duties to do IT work, fixing things in the squads. Detectives' case load is quite high. Right now each detective is carrying about 20 cases. The industry norm is 4-5 cases. Problem/nuisance premises has grown to about 70. This could be a fulltime job itself. Drug activity is at an all-time high. The 400 Block alcoholics are really giving Wausau a bad image. They are very visible and they are very intoxicated. It is an ugly sight. We need to address it.

Hardel said he was very happy with his staff and complimented his officers: specifically Hagenbucher and Bliven, the night shift staff and the detective bureau. Animal control is a step in the right direction and happy with having someone to handle the animal issues.

If we had appropriate staffing we could cut down on overtime.

The question was raised if Wausau should have more videos cameras. Hardel answered yes. More videos would help with issues at the 400 Block. Strategically placed cameras at all major intersections would help with any major incidences.

(Nutting left the meeting at 6:20pm)

D. PUBLIC WORKS

Marquardt started by mentioning storm water regulations will be coming back and we'll wait and see how that impacts the city. Old metal culverts that empty into the river and storm water pipes in general are going to be a problem for the city. Asphalt prices keep climbing, which mean we can't do all of the patching projects that need to be done. Special events take staff time, labor and materials.

Waste water equipment is being repaired every year. The infrastructure that is buried in the ground (storm sewers) are old and in need of replacement. We are replacing as much as we can with the street projects.

Department of Public Works has taken a big hit from EPA regulations. About four –five years ago the city would have been able to buy a diesel engine truck for \$48,000. This year it is about \$92,000, this increase has been going up about \$6000 to \$10,000 every year or two.

McClellan ramp it is nearing its life. There was a claim of a piece of concrete falling on a car. This was fixed previously, but the ramp is just falling apart.

Brezinski brought up the success of Prospect Avenue and he believes that people have spruced up their houses along the new street.

SPONSORSHIPS

Seubert explained the program of selling advertising on the sides of the bus fleet started in 1993. He shared a handout of Metro Ride Ad Revenue Program (online in the clerk's office). Now the City is contracted with Houck Motor Coach Advertising. The revenue is split 50/50 between Houck and Metro Ride. Seubert would be interested in bumping up that 50/50 split in the future; however, 50/50 is the norm. In 2006 the city started using bus wraps and the revenue jumped considerably. One of the drawbacks is a loss of identity. The front of the bus is reserved for WATS advertising and logo.

Nagle said that the idea of sponsorship is huge and he really feels that Wausau should start marketing stuff in a lot of areas. It's good to talk about. Winters agreed with Nagle that we should really look into this. Seubert cautioned that advertisers can really put restrictions on the advertising and that can be difficult to uphold a contract.

There was general discussion on the benefits of sponsorship. The overall voiced consensus is that it is a worthwhile idea for Wausau during tough budget cuts. Nagle requested that this item comes back on the agenda.

CONSIDER DEVELOPMENT AGREEMENT AND RELATED BUDGET MODIFICATION – GHIDORZI

Marquardt summarized the development agreement being proposed. With the U/K project there is excess fill the contractor wants to get rid of and Ghidorzi would like to fill his site, which is tied to the city's site. It would make sense to fill them both at the same time to promote a larger development site. Ghidorzi would do the work, which is basically the retaining wall to hold back the fill; in 2013 the city would reimburse Ghidorzi \$100,000 for the wall. The majority of the work will take place and be completed in 2014 at the cost of \$299,175. The contractor is bringing in about three-quarters of a million dollars in fill and compacting so he doesn't have to truck it too far off of site. Our investment is the retaining wall.

Oberbeck asked if there would be any benefit to bidding this out. Marquardt said that they did discuss this and the problem is the coordination of two or three contractors. If we bid this out we are increasing it to more contractors and it adds another layer of complication and raises the price.

Rasmussen spoke of a discussion that occurred in ED. This helps to prepare this site for development now instead of waiting for a project and then scrambling to make the site marketable. Nagle said that the city has first right of refusal of a buyer. Marquardt said that it is about 80 acres that will be leveled off.

Oberbeck asked how is the value of this property to be assessed after it is filled. Giese said that right now one of the pieces of property is assessed as agricultural land. If that use doesn't change, that value would stay the same. Oberbeck asked if the city would rezone this property so that it would be ready to go. The committee agreed that they would rezone the property as necessary.

Motion by Brezinski, second by Nagle to approve the development agreement and related budget modification – Ghidorizi. Motion passed 4-0.

Consider Purchase of 1010 N. 1st Street – McDevco and Related Budget Modification and Authorize Promissory Note

Werth said that ED has already approved the purchase of the property. The Alexander Foundation would give us a five year loan.

Motion by Brezinski, second by Oberbeck to approve the purchase of 1010 N. 1st Street – McDevco and related Budget Modification and Authorize Promissory Note. Motion passed 4-0.

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.

Adjournment

Motion by Brezinski, second by Oberbeck to move into closed session pursuant to 19.85(1)(e) of the Wisconsin Statutes. Roll call vote: Brezinski yes, Oberbeck yes, Winters yes, Nagle yes. Motion passed unanimously.

Motion by Brezinski, second by Oberbeck to reconvene into open session at 7:35 pm. Motion passed 4-0.

Motion by Brezinski, second by Oberbeck to purchase 1331 W. Thomas Street for \$35,000 as per the resolution. Motion passed 4-0.

Approving Reprogramming of Community Development Block Grant funds, 2012 program year and program income commercial Rehabilitation Loan activity into Economic Development activity.

Werth stated the block grant program has had a commercial rehabilitation program. It has worked out very well because when we have had major projects we have been able to use the city block grant. Over the last six months we have signed up commercial properties (Voss' Studio, New Counseling and others that haven't been brought forward yet) in the city we have been using this funding for this because these are smaller projects. We have \$17,000 from 2012 and \$54,675 as program income. We have held public hearings as required, and we are asking to reprogram those funds into economic development. We would take the entire amount over to McDevco because we have three different loan programs at McDevco and we are in need of funds. Brezinski shared that there was no objection from the public at the hearing.

Motioned by Brezinski, second by Oberbeck to approve reprogramming of Community Development Block Grant Funds, 2012 program year and program income commercial Rehabilitation loan activity into economic development activity. Motion carried 4-0.

Claims report May 2013

To be revisited if necessary. No report was submitted.

June Financial Report – General fund and Animal Control Fund

Groat summarized the June comparisons of individual departments of the general fund as compared to budget. No problems were noted. Groat compared 2012 to current and explained what was causing any increase in costs or changes. Most changes are related to timing or payroll patterns. For example, a retirement in Human Resources caused higher payroll costs, now in 2013 the additional retirement costs are not incurred. In contrast, the assistant attorney's position was vacant in 2012, now it is filled fulltime.

Also, there are no major concerns with revenue. Again, timing of payments is the variance on the comparison. The finance committee was asked to take over the revenue of the pet licensing program. She summarized the revenue and expenses of the program. The net revenue is roughly at \$16,600. Grant money of \$10,000 for the animal control vehicle as well as the \$5,000 from the Walter Alexander foundation was received.

Adjourn

Motion by Brezinski, second by Oberbeck to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:52 pm.

Respectfully submitted,

Toni Rayala
City Clerk