

FINANCE COMMITTEE

Date and Time: Tuesday, August 27, 2013 @ 5:00 pm., Board Room

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

Others Present: Rasmussen, Mielke, Wagner, Tipple, Groat, Jacobson, Alfonso, Loy, Werth, Lenz, Duncanson, Giese, Ray, Goede

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

Minutes of a previous meeting. (8/12/2013 Joint with HR)

Motion by Brezinski, second by Winters to approve the minutes of the meeting on 8/12/2013. Motion carried 5-0.

Consider 2014 Funding of Boys and Girls Club Service Contract

Motion by Winters, second by Brezinski that Contracts for Youth & Recreational Services \$25,000 be included as a line item in the budget.

Nagle commented he was in favor of funding the Boys & Girls Club, however, would go one step further in stating that the funding should not come out of tax dollars, rather the \$25,000 should come from the Park & Recreation budget. Oberbeck felt the Park & Rec budget was already strained as it is and is doing a good job of providing recreation through the pool system. He felt this more appropriately belonged in the Community Development Block Grant funding process. He pointed out we haven't even looked at the 2014 budget and have no idea where we are relative to health care costs and staff costs and wage increases. Groat noted there is no increase in health insurance this year. Oberbeck questioned if we can afford to do this before we have looked at the 2014 budget. Brezinski suggested they vote on it as being part of the budget and it will move to discussion as will all aspects of the budget in its entirety. He endorsed the idea of making a commitment through a contractual arrangement with the Boys & Girls Club. Groat commented we wouldn't really be increasing the levy an additional \$25,000; it has somewhat of a neutral impact on the budget because we are funding it at the same level as the 2013 budget.

Winters stated whether this ultimately finds a home under parks, CDBG, or the levy are all great issues that we can debate, but he felt getting it in the proper form in the budget document moves it on so that the entire Council can weigh in on the discussion.

Vote on the motion carried 4-1. (*Oberbeck was the dissenting vote.*)

2012 Audit Report - Presentation

Jon Trautman, Schenck Solutions, presented the results of the 2012 Audit Report, reviewing the Management Communication Letter and the CAFR. He stated the city's audit opinion is a clean opinion and the financial statements have stayed free of material misstatements. He noted they did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness. He pointed out this a good thing and is what the city tries to achieve each year.

Groat commended Richard Whalen for his work on the audit, noting there are very few individuals in the private or in the public sector that do their own financial statements to the quality that he does and it saves a lot of money.

Motion by Brezinski, second by Winters to accept the 2012 Audit Report. Motion carried 5-0.

Consider Resolution Authorizing Proper City Official to Apply for the Wisconsin Ready for Reuse Loan and Grant for Remediation and Redevelopment of Brownfields - Riverfront Property \$150,000

Werth explained the sale of 1010 1st Street from McDevco enabled us to go after another grant. It is a half loan and half grant with a maximum of \$150,000, so our portion would be \$75,000 if we were funded for the entire amount. Brad Lenz stated this is a new or additional source of money that the DNR has and it is basically first come - first serve. He indicated he has been in talks with the administrator of the program and have made her aware of the entire riverfront project and she thinks it is a good candidate and encouraged us to apply. He noted there is a lot of property on the riverfront that is not necessarily covered by our EPA grants and this will fill in some of the other areas. Groat stated the DNR requires a resolution of support from the Council. She stated the local share would come from the Holtz Krause funds that we are expending in that area, which will actually result in a savings.

Motion by Brezinski, second by Winters to authorize staff to apply for the Wisconsin Ready for Reuse Loan and Grant. Motion carried 5-0.

City Departments Operational Discussions

A. ATTORNEY

Anne Jacobson presented a PowerPoint detailing who the City Attorney's Office represents and what they do, as well as reviewing significant court cases pending. She indicated legal trends include increases in: blight related issues; housing related litigation on citations and summons and complaints; issuance of raze orders; and animal ordinance violations and litigation. There are more requests for open records assistance; requests for assistance related to 400 Block issues; as well as increasingly complex and legally specialized legal challenges, such as Walgreen's property tax assessment appeal and the WI Supreme and Appellate Court challenges in I.C. Willy's.

Jacobson stated that looking forward she is considering implementation of tracking system for legal requests and time per subject matter and department. Ongoing work is to continue paralegal cross training and continued work and review to update the Municipal Code. She indicated she would like to explore options for the use of paid interns for research and long term projects.

B. ASSESSMENT

Nan Giese presented a PowerPoint on their mission of finding value and reviewed the departmental tasks, as well as mission expansion and challenges. She noted there are new state mandated reporting requirements and electronic data recordkeeping requirements that our current software is unable to satisfy. The addition of a 3 year contract with the City of Schofield has been successful (\$24,000/yr additional revenue) and they are preparing for a city-wide revaluation for 2015 for both Wausau and Schofield.

Giese reviewed some mission delays such as technology functionality issues; administrative issues due to abundant and lengthy Board of Review hearings; and new and ongoing assessment appeals. Her goals are to implement use of new Computer Assisted Mass Appraisal (CAMA) software; complete citywide revaluations of Wausau and Schofield for 2015; and implement a department succession plan. She stated the capital requirements are the CAMA software and funding for the implementation of the succession plan, which includes the reclassification two property appraisers and the hiring of additional part-time appraisers. She noted this is currently being looked at by HR Director, Michael Loy.

Consider two year commitment to CVMIC for the years 2015 and 2016 and establish the SIR level

Groat explained CVMIC is asking us to commit to them for the policy years 2015 and 2016. They have given us two options, one is to have our SIR at \$50,000 which is what we are currently at, or raise it to \$75,000. The price savings by increasing it to the \$75,000 is approximately \$7,000 per year. She stated we have been every few years needing that \$50,000 and she recommended we keep it at the current SIR. We have recently increased our exposure through self-insurance of worker's comp, so this is a conservative approach but there is not a lot of reward for increasing that exposure. She commented we continue to be very satisfied with CVMIC which has outstanding training and gives us great support.

Motion by Brezinski, second by Oberbeck to approve the two year commitment for 2015 and 2016 with CVMIC and retain a \$50,000 SIR. Motion carried 5-0.

July Financial Report - General Fund and Animal Control Fund

Groat stated there were not a lot of changes since the last report; expenditures continue to remain in line. She noted they have seen somewhat of an increase in overtime in both police and fire. She stated fire had a lot of vacancies in the beginning of the year and were trying to offset for those vacancies. Loy indicated the police training at time and a half at the beginning of the year should level off by the end of the year.

Insurance Report

Place on file.

Land Acquisition of 407 E. Kent Street for Park purposes.

Bill Duncanson explained this property is on the south side of Kent Street just as you get to Curling Way. It is located at entrance to what is going to be our new activity area for the city consisting of the curling complex, the sports complex, the county's building, and the 68 acre Eau Claire river conservancy area. He indicated Park & Recreation Committee directed him to proceed ahead in looking at acquisition. The property is 1.82 acres and is currently zoned B3, which is the most wide open zoning that we have or in other words, anything could go there. It is a split zoning because 40% of it is high land and 60% is low land. The owner of the property has used it to store materials and has had an excavating and construction business, moving stuff in and out over the years. The land that is in the floodplain is not usable.

Duncanson stated they were interested in this property because in the development of the Eau Claire River Conservancy there is an opportunity this might serve as a possible parking lot, particularly for winter access. It also has a possible future role in additional parking for the sports complex. If it turns out long term that it doesn't serve the conservancy or the sports complex, it is developable property; however, we are concerned that if the city doesn't buy it and we get the wrong owner in there, it could be a negative to the entrance of this area.

Duncanson indicated the owner approached the city over a year ago willing to sell. They have had discussions with him and have started on the process of assessing the land. The price is \$10,000 and funding is available through the Parkland Dedication fund. He indicated they had a Phase I environmental done on the property and it came up with a low level potential. They found a couple oil filters and shingles dumped by other people, being that the site is on the edge of town. The way we can find out for sure if there is an issue is to do Phase II, but if something is found in the Phase II the owner is required to remediate it. The landowner does not want to get into a Phase II on a \$10,000 property. He felt this property was of interest and valuable to the city, particularly valuable if we control its future. He stated cities are uniquely poised to handle potential brownfield, potential pollution situations. We have funding available through grants and the regulations are different and a little more lenient. He recommended the purchase of the property and accept it as is. We may have to pick up some construction materials and take it out to the landfill.

He noted there is a timing issue because the road reconstruction has already started. He requested permission to make an offer to purchase contingent upon Council approval.

Motion by Brezinski, second by Nutting to authorize staff to pursue purchase of 407 E. Kent Street for park purposes. Motion carried 5-0.

Sponsorships

Nagle reiterated that he felt with the crisis that we are going to face with continuing increasing costs that we were remiss in not generating money through sponsorships from private sources. Winters suggested setting aside some revenue in the budget for the purpose of pursuing sponsorships. He also felt it would be a good idea to have an enterprise fund set up for The 400 Block. If we gather all our costs and our expenses in one place, the block is a popular place that we can market for sponsorships.

Groat stated in the 2013 budget we had a CIP project to bring Wi-Fi to The 400 Block and that it would be paid for through a sponsorship. She indicated she has reached out to several corporations she thought might be interested and has received several no's, but is working with a corporation that has shown some interest. They want a lot of information and she is working with the IT Department to try to provide them with some of that information. The idea would be that every time someone opened their laptop or went online with their phone that company would be the first advertisement they see. She also did some Internet surfing and found a couple of companies that do a similar project to busses and found some that do advertising in parking garages and lots and is waiting for a response from them. She felt oftentimes communities struggle with too much advertising on public property and questioned if they wanted a lot of that on The 400 Block.

Oberbeck suggested a pilot project for a dog park through sponsorships from companies such as PetCo and Pet Smart, as well as help from the dog owners of the community.

Brezinski requested that staff bring back information to the October committee meeting that might consist of a list of companies that do this, that market this kind of thing and/or Internet exploration that has been done, or reaching out to other communities that do a lot of marketing.

Adjournment

Motion by Brezinski, second by Nutting to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:30 p.m.