

FINANCE COMMITTEE

Date and Time: Tuesday, October 8, 2013 @ 5:00 pm., Board Room

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

Others Present: Mielke, Wagner, Kellbach, Rasmussen, Tipple, Groat, Jacobson, Loy, Lenz, Giese, Werth, Goede, Bruce Bohlken, Richard Holster, John Fischer, David Ackerman, Amy Forst, Ty Wistrek, Craig Olafsson, Arden Emmerich, Barb Oakes, Rae Anne Beaudry, 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.

Amy Forst, Director of Operations Forest Park Village, spoke regarding landlord licensing fees and requested that information be provided to landlords and they also be given an opportunity to weigh in through a public hearing.

Minutes of the previous meeting (9/24/2013)

Motion by Nutting, second by Winters to approve minutes of previous meeting on 9/24/13 as submitted. Motion carried 5-0.

Approving the 2014 Community Development Block Grant Program.

Brezinski commented on the hard work of the Advisory Committee and commended them as well as Ann Werth on the process.

Motion by Brezinski, second by Nutting to approve the CDBG Program as recommended by the Citizens Advisory Committee. Motion carried 5-0.

Presentation Horton Group regarding the 2014 employee Medical, Prescription Drug and Dental Plan

Rae Anne Beaudry, Horton Group VP, reviewed a Renewal Review and Recommendations Report. She summarized they did not market this year as the City of Wausau has a new relationship with WPS Health Insurance and have two different health plans for active employees, but four different options for network choices. The choices are: a Health Savings Account (HSA) with a high deductible plan, both through Aspirus and their Statewide Network; a Health Reimbursement Account (HRA) with both of those networks; and a slightly separate Retiree Plan.

Beaudry stated last year they recommended the city remain fully insured when they moved to WPS, however, due to the Affordable Care Act there's a lot more taxes and fees associated with being fully insured. She commented even though the city did everything right in 2013, WPS offered a 2.89% increase on fully insured option, which represents the changes in fees and taxes that are affiliated with the Affordable Care Act. When you are fully insured you have double the reinsurance taxes. She indicated she would be recommending going to self-funded with no increase to the budget and the city maintains the plans they currently have with one exception, the possibility of removing the HRA with the Aspirus Network. She explained very few people selected it and it is costly to maintain two HRAs for two networks.

Beaudry stated they had recently received a 9% increase from Delta Dental; they renegotiated it down to a 6% increase, which she felt was simply dental trend. She indicated they moved the dental to one plan and recommended they accept the Delta Dental renewal.

Beaudry conducted a PowerPoint presentation on the advantages and disadvantages of self-funded versus fully insured. Michael Loy indicated he supported the recommendations of the Horton Group to change to self-insured and to renew with Delta Dental.

Consider 2014 Self Insurance of Employee Medical and Prescription Drug Plan - WPS Wisconsin Physicians Service Inc., as Plan Administrator

Motion by Winters, second by Nutting to approve 2014 self-insurance of employee medical and prescription drug plan with WPS as Plan Administrator. Motion carried 5-0

Consider 2014 Dental Plan with Insurance Provider Delta Dental of Wisconsin

Motion by Winters, second by Oberbeck to approve the renewal with Delta Dental for the 2014 Dental Plan. Motion carried 5-0

Consider 2013 Budget Modification to Reflect Resolution 13-0206 Grant Funded Police Officer

Groat stated Council accepted a grant from the Alexander Foundation and authorized the creation of an additional police officer position, which has now been filled. This modification increases wages and fringe benefits in the police budget, as well as the revenue source.

Motion by Brezinski, second by Winters to approve the budget modification for the grant funded police officer. Motion carried 5-0.

Consider Financing Plan for Swimming Pools

Groat explained the city has been preparing to replace the pools for a number of years and in the 2013 budget there was a provision for design services for the Kaiser Pool project. She indicated the designer has been retained and that work is underway. She stated the discussion was that Kaiser Pool would be constructed in 2014 and the other two pools in 2015 at an estimated cost of \$2.5 - \$3 million per pool. In an effort to retain our bank qualified debt, the city has to issue no more than \$10 million per year. Through the TIF districts and general borrowing we are borrowing approximately \$5million per year, so if we add \$3 million per pool it would put us up into the area of \$8 million. She indicated in order to ensure that we do not exceed the \$10 million our financial advisor is suggesting that we borrow this year to fund Kaiser Pool next year. She noted this would take advantage of the current low interest rates. They further suggest in 2014 we issue for the second pool which wouldn't be constructed until 2015 and in 2015 to borrow for and construct the final pool. She indicated they were looking at two different borrowing scenarios: a 15 year issue and a 20 year issue. She stated we have been successful in not raising our levy at all to retire debt and she felt that would be in jeopardy with the 15 year issue. If we borrow for the 20 years she felt we could live within our current debt retirement plan. She indicated she was working with the financial advisor to see if there would be a hybrid where we could issue 20 years this year while interest rates are low and then look to the next one at 15 years as well as the following one at 15 years.

Motion by Brezinski, second by Nutting to approve the financing schedule for the swimming pools. Motion carried 5-0.

Consider Initial Resolution Authorizing the Sale and Issuance of General Obligation Swimming Pool Bonds: and Certain Related Details

Motion by Brezinski, second by Nutting to approve the Initial Resolution authorizing the sale and issuance of General Obligation Swimming Pool Bonds. Motion carried 5-0.

Consider Memo from Keene Winters Regarding Year End Expenditures and Related 2013 Budget Modifications

Winters stated at the last meeting Groat presented the 2013 modified budget and the 2013 estimated actual, which showed about nine departments planning to come in over budget, a total of \$73,000 over. He questioned if some budgets needed to be modified and if there were some explanations as to why they were coming in over budget.

Groat indicated they went through those departments that were estimating that they were going to be over budget and looked at every line item. She indicated the majority of them would not be encountering shortfalls. She provided and reviewed a handout regarding the shortfalls and a revised estimated actual. Winters requested working on the budget modifications next meeting, if possible.

Grant Application for Local Road Improvement Program (LRIP)

Brad Lenz explained this item is to submit an application to the State Local Road Improvement Program which occurs every two years and provides funds for street improvements. It is an entitlement program but an application is still required and the amount is approximately \$95,000. He indicated the projects they are looking at are McClellan Street, 1st and 7th for reconstruction.

Motion by Oberbeck, second by Winters to authorize the grant application for LRIP. Motion carried 5-0.

Establish 2014 Budget Meeting Calendar

Groat indicated she anticipated sending the budget to the printer's on Monday and requested the members check their schedules in order to set up the budget sessions. Groat stated she would email the committee with a calendar of possible dates and conflicts.

Discussion and consideration regarding creating a Subcommittee or Other Structure to Establish a Long Term Funding Plan for Public Access

Nagle stated he created a subcommittee which was originally to include Keene Winters and Romey Wagner to study the public access funding. He indicated it was subsequently brought to his attention that only Finance members can be on the subcommittee, so he was recreating the subcommittee to include only Keene Winters. Nagle requested that Winters allow any other alderpersons that wish to assist him be included in his research.

Discussion of possible revenue source landlord licensing fee

Nagle invited citizens present to address the issue if they wished. John Fischer, landlord member of the Housing Task Force, acknowledged there are problem properties, but felt the city already has a lot of tools to go after them. He indicated they were concerned the city would create a program that would actually punish the good property owners more than the bad.

Rasmussen stated she has been on the Housing Task Force for two and a half years, which tasked the staff with developing a licensing program that included input from all stakeholders: homeowners, landlords, attorneys, and inspectors. She indicated they have completed that plan and it is coming before the Public Health & Safety Committee on October 21, 2013 for review. She explained the plan has an education component whereby landlords will be required to attend training from a number of various disciplines in terms of landlord/tenant law, eviction process, fire safety, housing code enforcement and community development. She pointed out it is not just a revenue tool; there is actually different methods by which one needs to deal with different types of landlord issues.

Oberbeck felt they needed to clarify what the differences are between the ordinances that are already in place and what this ordinance is going to provide additionally. Winters commented there are a lot of good things that can come from it, including inspections that provide protections for landlords.

Rasmussen indicated they anticipated implementation for mid-2014. Winters stated he would like a Committee of the Whole to take up the issue right after it has been considered at PH&S Committee in October, from which he would like an outcome of the numbers that are going to go into the 2014 budget and allow the entire Council's input. John Fischer suggested they also consider holding a public hearing for input.

2014 Budget

Groat stated she has received the Transportation Aids number which came in higher than last year, so we are looking at approximately \$87,000 more than our revenue for 2013. She indicated she is continuing to go through departmental budgets to look for additional savings. Currently we are at a \$391,000 change in the levy to balance the budget, and that does not include any of the new positions. The levy limit is \$306,000, leaving approximately \$85,000 that needs to be cut out of the budget yet. The impact of the levy limit increase is about 11 cents per thousand, assuming we have no increase of assessed value.

Adjourn

Motion by Nutting, second by Oberbeck to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:50 p.m.