

## **FINANCE COMMITTEE – BUDGET SESSION**

Date and Time: Monday, October 28, 2013 @ 5:00 pm., Board Room

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

Members Absent: Nutting

Others Present: Mielke, Wagner, Kellbach, Abitz, Bliven, Marquardt, Tipple, Groat, Jacobson, Loy, Giese, Werth, 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.

### **Discussion and action on Budget Modification to fund monetary request of \$160,000 (Southern Stretch Forming & Fabrication)**

Ann Werth introduced Rick Marshall, President of Linetec and Chris Menard, Vice President of Finance for Linetec. She explained our development team from the City of Wausau met with David Arthur, Southern Stretch Form Company, and Rick Marshall at Linetec regarding a potential alliance of the two companies. Linetec is a growing business in our business campus and went out and sought a company with architectural and manufacturing capabilities that is able to form arches with metal for windows. She indicated Linetec has formed an alliance agreement with Southern Stretch and Mr. Arthur has put a conditional offer to purchase for 7555 Stewart Avenue in the business campus. The offer is contingent upon assistance from the City of Wausau.

Chris Menard stated Southern Stretch will come here and immediately have three to four jobs starting in January-February, with a plan of expanding to 10 to 12 jobs. He explained they take long 28' to 30' lineal extrusions and their machinery stretches them to a pliable point, like taffy, and then they pull it around a form to create an arch for a window or a sun shade. He pointed out The 400 Block canopy over the stage as an example. He stated Linetec has a number of customers in the area and out of the area that would need this service. This will be an attraction for our current customers and new customers to come here use the service and then we would finish the service so it all matches. He projected Linetec would need one to two additional people per employee at Southern Stretch for our additional workflow needs. He commented there are also a number of benefits to area companies because it will be available to any company in the central Wisconsin Midwest area. He noted currently the closest stretch former is in St. Louis, so it has to be sent there to be formed and sent back to a finisher, like Linetec. A future attraction as we consolidate more and more manufacturing metal fabrication services in the area creates a positive environment for anyone else looking to potentially locate here. Menard stated Southern Stretch has been owned by David Arthur for 23 years, is highly successful, is very clean without environmental risk, and he has entered into a 10 year agreement for supplying services.

Rick Marshall commented there are only three or four companies in the United States that do stretch forming; it has a high craftsman element to it and is more of an art than a science. He indicated this was the number one thing Linetec's customers wanted provided for them. He clarified that Southern Stretch is free to contract to any window vendor; the exclusivity with Linetec is as a finisher.

Groat stated this would be an eligible cost to TID #5 because the district was amended to allow for expenditure within a half mile boundary specifically for developer payments.

Motion by Brezinski, second by Oberbeck to approve the \$160,000 for Southern Stretch Forming & Fabrication. Motion carried 4-0.

**Consider Budget Modification - City Attorney's Office to Increase Other Professional Services.**

Groat stated this is for expenses incurred from the appraisal charges for Sears which had filed an objection to their taxes. This will cover all of the costs that the Attorney's Office has encountered to date.

Motion by Brezinski, second by Winters to approve the budget modification for the City Attorney' Office to increase Other Professional Services. Motion carried 4-0.

**Consider Budget Modification – Wausau Superfund Remediation**

Groat stated previously the Londsorf Law firm was managing the Superfund site, so all invoices on the payment to monitor it were coming to them and they were dividing up the bills and sending the City of Wausau and the other two parties an invoice to recover those costs. She explained when Jim Londsorf retired he asked the city if they would be willing to take that over and we have been doing that billing practice for him. She indicated when we put together the 2013 budget we did not really have a good understanding of what the total cost would be and what our revenues from these other two parties would be. Now we have a better picture and this adjustment would increase the Superfund expenses by \$32,000 and increase the revenue that we receive from the other parties by \$19,000, leaving a net cost of \$13,000. She proposed that we transfer that from the Elections budget rather than Contingency because we over estimated for elections for 2013.

Motion by Winters, second by Brezinski to approve the budget modification regarding the Wausau Superfund. Motion carried 4-0.

**Public Comment on matters appearing on the agenda.**

None.

**Consider 2014 Budget**

A) Capital Projects Budget

Groat explained departmental capital funding requests are reviewed by the CIP Committee and ranked by set criteria. Funding begins with those that have garnered the most points and goes until we run out of funds; however there are occasions where projects that rank higher are not funded for a variety of reasons. She reviewed the projects on the list, as well as the street and other infrastructure projects reviewed by CiSM. She noted they look for alternate or special funding sources as well, not just levy or debt. She indicated we have been levying approximately \$4,088,000 per year for debt retirement and our goal has been not to exceed that. She noted we will be trying to fit in the pools and another project on the horizon is the west side fire station. She stated there is a levy of \$371,000 proposed for this year. One of the solutions for eliminating that levy for capital is to look to our TIF districts for support when redeveloping infrastructure in an area.

Discussion followed regarding software costs and issues and property value inequities. Winters commented at one time the city had a commitment to revalue every three years but hasn't followed through, so we need to come back to it because over time it does produce inequities and unfairness. We can't solve it right now, but should put it on a list of things that Finance Committee is going to look into as well as what kind of policy we will have for revaluations going forward. He also wanted a better understanding of how City/County IT works, how the organization is designed, how it grows or doesn't grow, and how it picks priorities. Oberbeck made a motion that no tax increases be allowed until after a revaluation has been conducted. Motion died for lack of a second.

B) TID Budgets

Groat reviewed the list of 2014 projects for TID #3, noting it still has one outstanding obligation for Collaborative Consulting for \$10,000. A plan amendment was done in 2012 for TID #5 to provide for walkway and streetscape improvements or establishing a Revolving Loan Fund at McDevco because this district will be closing in the next

few years. There are a number of outstanding developer payments in TID #6, the majority of which either the developer agreement was signed and the project is not completely underway or it is a pay as you go TIF. She indicated TID #7 which follows Highway 29 still has an outstanding obligation to the DOT for the improvements that we are waiting to be billed for. The near west side is TID #8 which entails the Clark Street and 2<sup>nd</sup> Avenue project deferred to 2014. She stated TID #10 is our new district and there are two street projects for stormwater and for 77<sup>th</sup> Avenue.

#### C) Police Staffing Request

Groat stated the Alexander Foundation has offered to match a police officer position if the city will fund a position. She indicated the State of Wisconsin has recently authorized an increase to the court fees that we add onto all of the fines that are issued for any municipal citations. This \$10 would bring in approximately \$35,000 in 2014 and the balance could be taken from the levy we are currently applying to our parking fund and transferred to fund the police officer. She felt we would have sufficient funds in the parking based upon the additional inventory that we have for parking and the revenues that would be generated and the additional enforcement efforts and revenues generated. Cpt Bliven commented on the need for the police officers.

Winters commented a comprehensive study of parking fees downtown should be a project for next year with the idea that we could pull funding for one more officer out of it. He stated the system we have right now is that it is free to park right in front of the store and it costs you to park in the ramp far away. He felt that was backwards and the most convenient parking should be the most expensive, because it is not encouraging the use of the ramps as it should. Abitz agreed and commented a lot of the employees of the businesses are parking all day in those free spots instead of the ramps or parking lots.

Groat summarized if they want to fund that additional position they will need to amend the budget to increase the revenues for municipal fines, increase the police budget for that salary and move some of the levy money from the parking fund into the general fund to finance it. She noted the last time the court fees went up we included in our ordinance that we would reflect whatever the state statutes provide, so as soon as that statute is published we will automatically increase that rate and not need to take it to Council. Winters suggested writing up the recommendation for the next meeting.

#### D) Other budget items.

Brezinski commented the budget proposed is well constructed and well thought out and felt it should be passed as is. Winters wanted to know how the formulas work relative to both the IT Department and the Parks Department. Nagle stated they have to decide whether they want to pass it as presented or if not, look at the operational budget and start cutting things out. He suggested the committee bring options for consideration to the next budget session.

#### **Consider spring referendum in April 2014, regarding garbage collection method and garbage charges**

Brezinski commented he has been involved in lots of school referendums and they are an incredible amount of work. What you are trying to do is inform the public on something that is not easily understood and he strongly disagreed with holding a referendum. He felt they should make this decision and move forward with it as quickly as possible and in addition move forward with a stormwater utility. Tipple agreed and commented if they go forward with a referendum and it gets voted down, even though it is advisory it would be very difficult to go ahead with the plan. They have the power to make the decision; we are trying to compete with the other communities on the tax rate and not doing a good job, but if we remove both of those things from our tax rate we will be doing a better job.

Abitz questioned how we can get the information out to the residents so we can make sure they understand why we want to do this. She was concerned that the media would put out misinformation. Oberbeck believed this was a good thing for Wausau and did not think we should go to referendum; put information in the newsletter and explain

the city is moving to this which is going to lower costs and reduce our tax rate. He agreed that referendums are a lot of work and if you don't get the message across all you do is create confusion. Brezinski suggested hiring a consultant who can write the draft up and keep up with misinformation through the media.

Winters felt a referendum was an opportunity to engage constituents to positive change because the way we are going to be doing government in the future is with fees. He stated they should put together a war room and do it. He preferred to engage people and win the battle rather than have them feel it was stuffed down their throats. Oberbeck stated he was tired of fees and is cautious about government going in that direction; he considered fees to be taxes.

Nagle questioned if they could find a way to engage the people without having a referendum. Oberbeck suggested having testimonials from Tomahawk as they presented to us. Abitz stated the Police Department has Sector Meetings that could be used, as well as the Neighborhood Groups. Brezinski added video conferences and press conferences were another avenue. Oberbeck agreed we need a well written document that states what it will cost, the sizes, etc., and composed properly so people know what to expect. He reiterated that testimonials from Tomahawk residents would be compelling.

**Consider the purchase of 1108 McDonald Street to facilitate the realignment of Curling Way.**

Withdrawn.

**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. (1108 McDonald Street)**

Withdrawn.

**Adjourn**

Motion by Brezinski, second by Winters to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:17 p.m.