

FINANCE COMMITTEE

Date and Time: Tuesday, November 12, 2013 @ 5:00 pm., Board Room

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

Members Absent: Winters

Others Present: Mielke, Wagner, Kellbach, Abitz, Rasmussen, Gisselman, Bliven, Marquardt, Tipple, Groat, Jacobson, Loy, Giese, Werth, Stratz, Hebert, Goede, Jim Mann- Ehlers

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.

Deb Ryan, 702 Elm St, stated there should be some consideration in the 2014 budget for using eminent domain on some properties that have not been used for 10 years or more.

Minutes of the previous meetings. (10/08/13, 10/22/13, & 10/28/13)

Motion by Nutting, second by Brezinski to approve the minutes of the previous meetings on 10/08/13, 10/22/13 and 10/28/13. Motion carried 4-0.

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

Jim Mann of Ehlers stated they conducted the sale on the city's behalf today and received four bids; the winning bidder was R.W. Baird out of Milwaukee. He noted they worked with 19 other underwriters to prepare the bid. The rates came in at 2% to 4%; the blended rate of the sale was 3.15% including an \$82,000 premium.

Mann noted that Moody's Investor Service still maintains a very positive outlook on the city, in particular its stable financial operations. An area of caution is the fact there has been some declining values over the last several years in terms of equalized value. The state has been experiencing those same declines, but the cautionary is that if it continues it may cause them to look more strongly at the city in terms of the rating. Overall the report is relatively positive, showing stable and positive reserves, continuing to manage the budget under levy limit and having more than adequate reserves.

Groat noted they will need to amend the budget to reflect 2014 debt payment, but there is more than sufficient money in the debt service fund to finance the additional payment so there is no impact to the levy

Motion by Brezinski, second by Nutting to approve the sale and issuance of general obligation swimming pool bonds. Motion carried 4-0.

Consider approval of Community Development Loan Repayment

Ann Werth explained that years ago the City of Wausau had program income funds from the Section 17 Rental Rehab Program which is now defunct. The Community Development Authority purchased 25 houses and renovated and sold them. The funds for these houses were then used for the frail, elderly, which is now an assisted living with state licensing for 35 tenants. At the time they were short of funds so the Community Development Department lent the CDA \$400,000. It was recently discovered that through the course of time and change of personnel that it got missed and had not been paid back. She indicated the CDA is requesting that the interest of approximately \$128,000 be forgiven and that the \$400,000 would be repaid back over a period of 2014 and 2015, with a \$200,000 payment for each of those years. David Piehler, CDA Chairman, stated it is more of an equitable appeal than a legal appeal because of the oversight and also pointed out that their budget was very tight. Werth noted the money will go

directly into the Community Development Department and becomes part of the revolving loan fund to be used towards administration costs and potential future projects.

Motion by Brezinski, second by Oberbeck to approve the loan repayment proposal. Motion carried 4-0.

Approval of the 2014 BID Operating Plan

Groat explained statutorily for the BID to assess the property owners the Common Council has to approve the plan, which is typically done at the first meeting in November in order to allow for time to get it processed showing up on the tax bills in early December. She noted they have not changed the plan and it still calls for an assessment of \$60,000, which has been the same level of assessment they have had since inception of the BID. Therefore, any commercial property will be assessed the BID tax of no more than \$2,500 and no less than \$250; it is based on value with those maximum and minimum amounts. The entire \$60,000 plus \$30,000 supplemented by the city goes to manage Main Street operations, programs and activities. She noted the BID Board approved the plan in October.

Motion by Nutting, second by Nagle to approve the 2014 BID Operating Plan. Motion carried 4-0.

Consider 2014 Budget

- a. Consider Police Position to be funded by the Alexander Foundation.

Groat stated at the last meeting we amended the police budget for \$63,000 to fund one officer, so now it would go up to \$126,000 and the revenue source for that additional \$63,000 would be donations from the foundation. She noted she received an email confirmation from the Alexander Foundation and their main stipulation is that this be another officer in the organization that is dedicated to drug prevention or activities. Oberbeck questioned if there would be efforts to secure future funding of the officers. Bliven indicated they are always looking for potential grants.

Motion by Brezinski, second by Nutting to amend the budget for a second police position to be funded \$126,000 by the Alexander Foundation. Motion carried 4-0.

- b. Consider 2014 Building Permit Fees

Bill Hebert, Inspections Department, stated they typically have a 3% increase to the fees annually and their research shows they in line with other municipalities around the state our size. Abitz questioned satellite dish installation fees and Hebert responded they no longer apply and most likely will be stricken. Abitz questioned when the city started requiring permits for fences. Hebert explained it is something the department gets quite a few questions on and many other communities also require permits. He indicated there will be a waiver on which you will have to verify your property line prior to placing a fence and if it is ever discovered that the fence was placed over the property line it will have to be removed. He indicated there is so much staff time devoted to answering questions regarding fences or dealing with complaints about fences that we felt it was a service being provided and we need to recoup the staff cost.

Motion by Brezinski, second by Oberbeck to approve the 2014 Building Permit Fees. Motion carried 4-0.

- c. Other budget items

Groat stated we received our tentative manufacturing numbers from the state and they came in higher than she had predicted. She indicated she had predicted a total increase in assessed value at \$6 million, but it came in at approximately \$15 million. This will change the tax rate increase from \$0.13 to \$0.10, or \$10 on a \$100,000 house. She noted the only other outstanding issue was the question of a landlord licensing program.

Consider initiating preliminary acquisition procedures for 1108 McDonald Street

Brad Marquardt explained this was discussed and approved at CISM last week and the plan was to acquire this property to realign Curling Way through to Junction Street, which would then be renamed Curling Way. He noted they will also have to purchase property from the cemetery. Currently the property on McDonald Street has two buildings, one of which is vacant and the other is being used as a storage building. He asked Finance to approve starting the acquisition process, which would result in getting appraisals and negotiations and then it would be brought back to Finance for final acceptance.

Motion by Brezinski, second by Nutting to approve initiating preliminary acquisition procedures for 1108 McDonald Street. Motion carried 4-0.

Transfer of Funds/Change of Purpose Request - Fire Department

Groat stated this is a modification of the budget to reflect a grant that the Fire Department received from the Greenheck Foundation to purchase some defibrillation equipment. The modification increases the expense and the grant revenue making it levy neutral.

Motion by Nutting, second by Brezinski to approve the transfer of fund request. Motion carried 4-0.

Carryover request - Police Department

Cpt Ben Bliven explained they have about 60 body armor vests to replace, half of which were budgeted for 2013 and half for 2014. He indicated they replaced 60 vests because of a warranty issue in 2009. They have a grant that will pay for half of the vests but they have to be a full five years old before they will replace them. In order to take advantage of that they will need the carryover the money from this year to next year and replace all the vests next year. Groat noted we do the carryover now in advance and it would be revenue neutral.

Motion by Oberbeck, second by Nutting approve the carryover request b the Police Department. Motion carried 4-0.

Adjourn

Motion by Oberbeck, second by Nutting to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 5:43 p.m.