

## **FINANCE COMMITTEE**

Date and Time: Tuesday, June 10, 2014 @ 5:15 pm., Board Room

Members Present: Nagle, Oberbeck, Winters, Kellbach

Members Excused: Nutting

Others Present: Tipple, Groat, Jacobson, Giese, Marquardt, Rasmussen, Gisselman, Mielke, Abitz, Kujawa, Mark Hanson, Deb Ryan, Goede, and media.

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 Winters.

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

None.

### **Minutes of the previous meeting(s). (4/22/14 & 5/13/14)**

Motion by Nagel, second by Oberbeck to approve the minutes of the previous meetings (4/22/14 and 5/13/14).

Motion carried 4-0.

### **Request for waiver of fireworks display fee (Man of Honor Society)**

Tim Mueller, Man of Honor Society, asked for a waiver of the \$100 fee for a fireworks display permit for their fund raising Anniversary Celebration event on June 13-15, 2014. He stated the \$100 just goes into the pocket of a vet in Marathon County that needs it. He noted none of the officers are on a payroll; the money raised, less advertising costs, all goes backs to vets.

Motion by Nagle, second by Kellbach to waive the \$100 fee for a fireworks permit for the Man of Honor Society.

Motion carried 4-0.

### **Consider ordinance amending Section 3.40.010 Fees and licenses schedule.**

Groat stated in fall of 2013 we took all of the fees that were sprinkled throughout the Municipal Code and put them all into a Comprehensive Fee Schedule. She explained when the ordinance was written the rule was that fees would be introduced at the first Council meeting and then put to a vote at a subsequent meeting, but we have not actually been following that and to date fee amendments have not been entertained by Council twice. She suggested removing that dual contemplation from the ordinance.

Motion by Nagle, second by Kellbach to approve the amendment to Section 3.40.010 Fees and license schedule.

Motion carried 4-0.

### **Update on the annual audit**

Groat stated the auditors were here last week and were auditing the city as part of a five year contract of 2010-2014. She indicated the financial reports will be all ready by June 30, 2014 and the auditors will be able to present at the Finance Committee meeting in July. She noted next year's audit will be the last year of the contract, so in May of 2015 they can consider the scope of work and put out RFP's for the next contract. Groat stated we prepare our own financial statements which saves the city quite a bit of money.

### **Discussion and possible action on the Affidavit of Compliance Revi Design**

Oberbeck indicated he requested a complete listing of how Revi justified an additional nearly \$19,000 on a \$24,125 bill which seems high. He did not feel the data provided was totally complete because it does not include fringe benefits and was basically just check stubs. He felt there should have been an accounting for the number of hours, the base rate, as well as fringe benefits and then compared that to the state prevailing wage rates. He did not feel they could approve the project modification as it currently stands.

Winters calculated the original invoice of 670 hours of labor at \$28.20 per hour; the second invoice is for an additional \$36.00 per hour, for a total billing of \$64.20 per hour. He commented there is no category in the prevailing wage rates that makes this much. Oberbeck stated the closest category would be for landscape on streets, which is \$43.67 per hour. Winters questioned if the committee wanted to reconsider the previous action approving

this bill, which was on the Council agenda tonight. Oberbeck stated we need to obtain the justification first to make sure that we are not over billed.

Motion by Nagle, second by Oberbeck to reconsider the previous Finance Committee action approving the budget modification to TID #6 regarding the landscaping of Hwy 52 median (Revi Design). Motion carried 4-0.

Motion by Oberbeck, second by Nagle to table the budget modification to TID #6 regarding landscaping of Hwy 52 median (Revi Design), until additional information is provided. Motion carried 4-0.

#### **Presentation on the Motor Pool Fund – Groat**

Groat stated the Motor Pool Fund is considered an internal service fund which is designed to account for transactions that are billed to departments for the services that they provide. The Motor Pool Fund is providing services to the Department of Public Works, which includes all of the street maintenance, engineers, inspections; to the Parks Department for fueling; to the Police Department for all of their fleet, including maintenance, fueling and insurance; to the Fire Department for maintenance and fuel; and most recently for the purchase of the fleet. She noted Police and Public Works are totally using the motor pool for all aspects.

Groat indicated there have been recent discussions regarding the expansion of the Motor Pool Fund to be motor pool and equipment, so that it can help us replace equipment, particularly those pieces that are being replaced on a recurring and regular basis. She explained for instance, PC replacement fund is in the budget every year to replace computers and one of the ways to finance that would be to bill a depreciation component to the individual departments so that their budget had expense every year for replacement; that expense would then fund a revenue to that internal service fund and then we would replace PCs, printers, copiers, etc., out of that equipment fund. The Fire Department also has a need for a lot of replacement of their turn out gear, hoses, and self-breathing apparatus.

Groat introduced Mark Hanson, Department of Public Works, who operates the motor pool. He indicated it has been challenging the last couple years because of escalating costs for diesel fuel, supplies and parts. He commented equipment is also changing, for example, cars today are made up of components that are basically like driving a computer. He provided a 10 year fleet replacement summary, noting he has built in a 5% increase for each year, however, they are finding out now that 5% isn't even enough to be able to keep up with the demands of the equipment. He indicated they have been exploring the option of renting some equipment in the summer for the seasonal temporary workers and so far it has been working well. They have also explored leasing of vehicles for the Police Department for unmarked undercover cars.

#### **Consider General Fund Financial Reports April 2014**

Groat reviewed the summary statement of revenues and expenditures for April 2014. The document can be accessed online: <http://www.ci.wausau.wi.us/Departments/Finance/FinancialDocuments.aspx>

Discussion took place regarding trends and deficit budgeting and the committee consensus was to consider midyear budget correction options in August.

#### **Adjourn**

Motion by Kellbach, second by Nagle to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:52 p.m.