

FINANCE COMMITTEE

Date and Time: Tuesday, July 8, 2014 @ 4:30 pm., Board Room

Members Present: Nagle, Oberbeck, Winters, Kellbach, Nutting

Others Present: Tipple, Groat, Giese, Hite, Bohn, Jacobson, Kujawa, Mohelnitzky, Stratz, Werth, Wagner, Neal, Gisselman, Mielke, Chris Barr, 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 Winters.

Public Comment on matters appearing on the agenda.

None

Consider acquisition of properties at 206 N. 6th Avenue and 1212 S. 9th Avenue from Marathon County.

(Bill Hebert)

Tammy Stratz stated the county took 206 N. 6th Avenue and 1212 S. 9th Avenue back on tax deed. She explained the county typically asks the municipality if they are interested in purchasing tax deed properties before putting them out to the general public. An appraisal was done on each of the properties indicating that the parcels were worth approximately \$9,000 and \$9,900; since they were so low the County Board approved selling them to the city for the appraised value. She indicated both properties are in the approved census track to use funds from the Neighborhood Stabilization Program for the purchase. They would either be demolished or rehabbed pending inspections. Winters did not feel he had enough information to do due diligence on whether it is a good buy or not and would prefer to see it deferred.

Motion by Nagle, second by Kellbach to approve the acquisition of 206 N. 6th Avenue and 1212 S. 9th Avenue. Motion carried 4-1. (*Winters was the dissenting vote*)

Bond Counsel Interviews - (Maryanne Groat)

Representatives from the firms of Foley and Lardner LLP, Chapman and Cutler LLP, and Quarles and Brady LLP presented their background, experience and qualifications to the Finance Committee.

Recommend Bond Counsel Selection

The committee ranked each of the firms.

Motion by Nutting, second by Nagle to select the firm of Quarles and Brady LLP as the city's bond counsel. Motion carried 5-0.

Consider Staff Analysis & Conclusions Regarding Prevailing Wage Invoice from Revi Design - (Maryanne Groat)

The committee reviewed and discussed the invoices included in the committee packet, as well as a handout regarding a schedule of positions and hours worked for those positions. Groat read the prevailing wage rate law and stated that she, along with the City Attorney, interpreted it to mean that the city's obligation was to pay Revi Design the difference of \$18,999.79. She stated there was some confusion at the DWD as to whether we were obligated to reimburse Revi for the social security on those additional wages. She indicated DWD subsequently called her and stated the taxes were only discretionary, but recommended that we reimburse these additional expenses. Oberbeck still had questions on the actual costs and did not believe the numbers were matching up to the contract.

Jeff Nowak, owner of Revi Design, stated the determination of the state is what the submitted bill is based off of and nothing else. He provided the state with the time documents, pay stubs, an analysis of each person's week and overtime associated with it. He indicated he signed the affidavit and has paid his employees, as well as the social security and Medicare taxes. He believed the state is the one that should ultimately be doing the audit, not the City of Wausau. He recommended an audit be presented to the state to be compiled to determine if he was in compliance with the affidavit that he signed.

Winters indicated he needed some more information before making a decision and wanted it tabled until the next meeting.

Motion by Kellbach, second by Nutting to table. Motion carried 5-0.

Budget Modification Tax Increment District Number Ten - Street Construction Project D - (Maryanne Groat)

Groat stated we recently put out bids for Street Construction Project D in Tax Increment District Number Ten to realign 80th Avenue. The budget was \$240,000; however the low bid was \$299,000, putting us over budget. There was another component in the budget that envisioned doing some stormwater work, but that work is not going to be done. The budget modification proposed would increase the 80th Avenue realignment and 77th Avenue vacation to cover the total costs of bid and it would eliminate the stormwater improvements of \$75,000 and decrease our debt proceeds \$15,000.

Motion by Nagle, second by Oberbeck to approve the budget modification to TID #10 for Street Construction Project D. Motion carried 5-0.

Consider funding request from Dream Flight advertising Three Year Grant of \$15,000 - (Jim Tipple)

Mayor Tipple stated we have been funding the Dream Flight the past several years as it provides publicity for Wausau with the city logo on the vehicle. He felt it was an inexpensive way to get the city's name out around the State of Wisconsin. He noted they will be putting our new logo and the funds would come from either room tax funding or the city promotion fund.

Motion by Nutting, second by Kellbach to approve the funding request for Dream Flight. Motion carried 5-0.

Budget Modification for CBL development agreement (Maryanne Groat)

Groat explained this budget modification recognizes the development agreement that the city has put forth to CBL for consideration and would increase the expenses in the Economic Development fund by \$375,000; and decrease the lease mall property revenue by \$31,000 in 2014. She noted in future years it would be the full year of lease revenue which is \$76,000.

Oberbeck questioned if we have an agreement from CBL. Tipple indicated CBL is reviewing the situation but have not yet responded to the offer. Oberbeck felt this this modification was premature if they have not yet agreed. Tipple stated if they don't agree, we just don't appropriate the funds. Oberbeck stated he would like to see the actual agreement before moving forward with the budget modification.

Motion by Oberbeck, second by Kellbach to table until an agreement comes forth from CBL. Motion carried 5-0.

Consider 2015 Budget Process and Calendar - (Maryanne Groat)

Winters stated the departments are working on their budgets for a 1% reduction and will have their proposals ready on August 4th. Groat noted the Wisconsin Retirement System rates are decreasing for 2015, which will save money for both the city and the employees.

Review updated Animal Control Revenue and Expenses (Maryanne Groat)

Winters presented a report on the Animal Control program, noting cats are costing us considerably more than dogs and dogs are contributing considerable more revenue than cats do and the fund is almost broke. He felt it should be referred to the Public Health & Safety Committee for brainstorming on what else we can do to improve compliance in the cat area and/or consider raising fees.

Motion by Nagle, second by Oberbeck to refer to Public Health & Safety Committee. Motion carried 4-1.
(Kellbach was the dissenting vote)

Rasmussen indicated she would place it on the August PH&S agenda.

Discussion and possible action on removing the salary and fringe benefits for the Public Works Director from the 2014 Budget (Keene Winters)

Winters stated action by this committee will change nothing but it does advance it to the Council which can actually change the budget. He was looking for an actual discussion with the Council on whether we should pause and think about how our organization is structured before we start filling those positions or should we just fill them and keep the status quo. He stated we haven't had that discussion and this would be a way to essentially force that discussion.

Wagner felt this discussion should go to the Coordinating Committee at best. He indicated the discussion on this specific job opening will be addressed at the HR Committee meeting next week. He believed the Finance Committee taking any action on it was premature and out of line. He did not feel it was a good solution to go a long time with the Mayor having the responsibility of this large department. He also did not feel hiring a temporary trial administrator and giving him or a cart that has one wheel off completely already was smart either.

Nagle commented the City of Wausau is at a crossroads as an old city with old infrastructure competing with new cities with new infrastructure. The last couple years we have been running in the red and we are without solutions. He suggested that it was time we hire someone, an outside expert without a political agenda, to come in and look at the all of our city operations.

Winters reiterated the issue is that we have not had a full Council discussion about the strategic implications of filling it or not or restructuring the city. Rasmussen felt it was highly inappropriate for this committee to use itself to force a discussion on the Council floor rather than call a Committee of the Whole or send it to Coordinating Committee. Winters questioned if Wagner would agree to call a Committee of the Whole to discuss strategic planning before work starts on the hiring of this position. Wagner agreed to call a Committee of the Whole to open this discussion to determine where we go from there.

Discussion and possible action on removing the salary and fringe benefits for the Human Resources Director from the 2014 Budget (Keene Winters)

Withdrawn.

Review & Possible Change in Scope of Work for the 2013 Audit.

No discussion or action.

Adjourn

Motion by Nagle, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:00 pm.