



\*\*\* All present are expected to conduct themselves in accordance with our City's Core Values \*\*\*

## OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of: **FINANCE COMMITTEE**  
Date/Time: **Tuesday, July 8, 2014 at 4:30 PM**  
Location: **City Hall, 2nd Floor Board Room**  
Members: Keene Winters (C), Karen Kellbach, Dave Nutting, David Oberbeck, Bill Nagle

### AGENDA ITEMS FOR CONSIDERATION/ACTION

- 1 Public Comment on matters appearing on the agenda.
- 2 Bond Counsel Interviews - (Maryanne Groat)
  - Foley and Lardner LLP
  - Chapman and Cutler LLP
  - Quarles and Brady LLP
- 3 Recommend Bond Counsel Selection
- 4 Consider Staff Analysis & Conclusions Regarding Prevailing Wage Invoice from Revi Design - (Maryanne Groat)
- 5 Budget Modification Tax Increment District Number Ten - Street Construction Project D - (Maryanne Groat)
- 6 Consider acquisition of properties at 206 N. 6th Avenue and 1212 S. 9th Avenue from Marathon County. (Bill Hebert)
- 7 Consider funding request from Dream Flight advertising Three Year Grant of \$15,000 - (Jim Tipple)
- 8 Budget Modification for CBL development agreement (Maryanne Groat)
- 9 Consider 2015 Budget Process and Calendar - (Maryanne Groat)
- 10 Discussion and possible action on removing the salary and fringe benefits for the Public Works Director from the 2014 Budget (Keene Winters)
- 11 Discussion and possible action on removing the salary and fringe benefits for the Human Resources Director from the 2014 Budget (Keene Winters)
- 12 Review updated Animal Control Revenue and Expenses (Maryanne Groat)  
Adjournment

Keene Winters, Chair

It is possible and likely that members of, and possibly a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau may be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

This notice was posted at City Hall and emailed to the Wausau Daily Herald newsroom on 7/02/14 at 3:30 pm.

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids & services. For information or to request this service, contact the City Clerk at (715) 261-6620.

Other Distribution: Media, (Alderspersons: Wagenr, Neal, Gisselman, Rasmussen, Abitz, Mielke), \*Tipple, \*Jacobson, \*Groat, Rayala, Department Heads



## **STAFF REPORT ON BOND COUNSEL SELECTION**

### **BACK GROUND INFORMATION**

The City of Wausau has engaged Foley and Lardner LLP as bond counsel and tax increment district advisor since 1997. In addition, they have provided other services to the City such as creating the ground lease and development agreements for the mall. The most notable debt issue involved the financing of the Jefferson Street Parking Ramp. Based upon initial determinations it was determined that the city would need to issue taxable debt due to the long term parking agreements tied to the structure. Foley and Lardner assisted the City of Wausau in obtaining a private letter ruling from the IRS which permitted the use of tax exempt debt. This special finding from the IRS saved the City in excess of \$3 million in interest costs over the life of the issue.

The city has been very satisfied with the services provided by Foley and Lardner. While the procurement policy does not require the bidding out of professional services, best practices suggest that these services be evaluated periodically. Attached is the best practices guide from the Government Finance Officers Association on the securing of Bond Counsel services.

The City received four proposals. These proposals were reviewed by the finance director and city attorney and the top three proposers were invited to interview with the Committee. The interview process will allot time for the firms to explain their qualification, technical skills and expertise. In addition, we will have a set of questions to ask..

Included in the packet is a ranking form. Each member of the committee should assign points during the presentation. These ratings will be quickly tabulated at the meeting to assist in the selection of the bond counsel. Copies of the RFP and proposals were distributed to the committee at the June 25th Finance Committee meeting.

Attachments: Bond Counsel Evaluation Tabulation form  
Brief outline of the firms

## **BRIEF OUTLINE OF FIRMS**

### **FOLEY AND LARDNER**

MILWAUKEE WI

Bond Counsel: David Ryan

TID Financing: Ben Levin

Taxation: Mike Bailey

- 900 attorneys worldwide, oldest firm in Wisconsin established in 1842
- Experienced in general obligation, utility revenue obligations and conduit financings
- Vast experience with Redevelopment activities including Tax Increment Financing, Redevelopment and Community Development Authorities, Property Acquisition, Development Agreements
- Other Municipal Clients:
  - City of Green Bay
  - City of Appleton
  - City of Stevens Point
  - Village of Shorewood
  - City of Sturgeon Bay
  - City of Two Rivers
  - State of Wisconsin
- Other Debt Financing Activities
  - Arbitrage Rules
  - Federal Tax Law
  - State of Wisconsin Law
  - Securities Law
- Provided legal analysis for the development of CDA Revenue Bonds and Developer Financed TID Grants

### **CHAPMAN AND CUTLER LLP**

CHICAGO IL

Bond Counsel: Charles L Jarik

Public Finance Partner: Andrea Bacon

Tax: David Cholst and Anthony Rosso

- 238 attorneys US based, 50 Public Finance Attorneys
- Ranked number one in number of government debt issues
- Experienced in general obligation, utility revenue obligations and conduit financings
- Other Municipal Clients:
  - City of Eau Claire
  - City of La Crosse
  - City of Oshkosh
  - Milwaukee County
  - City of Delafield

- Other Debt Financing Activities
  - Provides Arbitrage Calculation Services
  - Federal Tax Law
  - Securities Law

## **QUARLES AND BRADY LLP**

MILWAUKEE WI

Bond Counsel: Rebecca Speckhard

Bond Counsel: Bridgette DeToro

Tax: David Cholst and Anthony Rosso

- 450 attorneys US based, established in 1892
- 171 attorneys in Milwaukee, 11 Public Finance Attorneys
- Ranked number one in number of government debt issues in Wisconsin
- Experienced in general obligation, utility revenue obligations and conduit financings
- Other Municipal Clients:
  - City of Fond du Lac
  - City of Sheboygan
  - City of Beloit
  - City of Racine
  - City of Franklin
  - City of Sun Prairie
- Familiar with Wisconsin Statutes Chapter 62 and 66 regularly confer with clients on specialized state law and tax law. Extensive experience with TID districts.

Fee Comparison:

	<b>FOLEY AND LARDNER</b>		<b>CHAMPMAN AND CUTLER</b>		<b>QUARLES AND BR</b>
	<b>Fee per \$1,000 of Principal Issued</b>		<b>Fee per \$1,000 of Principal Issued</b>		<b>Fee per \$1,000 of Principal Issued</b>
		<b>Minimum Fee</b>		<b>Minimum Fee</b>	
New General Obligation Debt	\$1.00	\$5,000	\$1.00	\$4,000	\$1.35 Up to \$5 Million \$0.75 >\$5M < \$10 M \$0.50 >\$10M<\$20M
New Revenue Bonds	\$1.25	\$6,500	\$1.25	\$4,000	120% of GO
Current GO Refinancings	\$1.25	\$6,500	\$1.25	\$4,000	120% of GO
Utility Revenue Current Refinancings	\$1.25	\$7,000	\$1.25	\$4,000	120% of GO
All Advance Refundings	\$1.50	\$8,500	\$1.25	\$4,000	120% of GO
Clean Water Loans		\$5,000			120% of GO

Hourly Rates                      **\$230 to \$865**                      **\$235 to \$635**                      **Blended Hourly Rate of \$275**  
 Also will work on fixed fee or other fee arrangements

## **GFOA Recommended Practice**

### Selecting Bond Counsel (January 2004)

**Background.** An essential member of the bond financing team of governmental issuers is bond counsel. Bond counsel renders an opinion on the validity of the bond offering, the security for the offering, and whether and to what extent interest on the bonds is exempt from income and other taxation.

The opinion of bond counsel provides assurance both to issuers and to investors who purchase the bonds that all legal requirements are met. An issuer should assure itself that its bond counsel has the necessary expertise to provide an opinion that can be relied on and will be able to assist the issuer in completing the transaction in a timely manner.

**Recommendation.** The Government Finance Officers Association (GFOA) recommends that issuers select bond counsel on the basis of merit. A competitive process using a request for proposals (RFP) or request for qualifications (RFQ) process permits issuers to compare qualifications of firms and select a firm or firms that best meets their needs. An RFP or RFQ process should be considered where market conditions are such that this process can add value. If an RFP or RFQ process is used, the RFP or RFQ should clearly describe the scope of services desired, the length of the engagement, evaluation criteria, and the selection process. The GFOA has developed a recommended practice on selecting financial advisors and underwriters that provide advice on setting up an objective RFP process, advice which is also generally applicable to the selection of bond counsel.

An RFP or RFQ should require firms proposing to serve as bond counsel to submit information that permits the issuer to evaluate the following factors:

1. The experience of the firm with financings of the issuer or comparable issuers, and financings of similar size, types and structures, including financings in the same jurisdiction.
2. The experience of the firm with related legislation, including tax matters.
3. The experience of the firm with and its approach to applicable federal securities laws and regulations.
4. The knowledge and experience of the attorneys that would be assigned to the transaction, particularly the individual with day-to-day responsibility for the issuer's account.
5. The ability of the firm and assigned personnel to evaluate legal issues, prepare documents, and complete other tasks of a bond transaction in a timely manner.
6. Relationships or activities that might present a conflict of interest for the issuer, including financial relationships with other firms providing services that the issuer will procure for a bond issue.

In making the final selection of bond counsel, issuers should consider the following factors:

1. Issuers should consider the use of oral interviews of candidates, in which the attorney who would have day-to-day responsibility for the issuer's account should be asked to assume the lead role in presenting the qualifications of the firm.
2. The selection should not be driven solely by proposed fees. The experience of the firm with the type of transactions contemplated by the issuer is the most important factor in the selection of bond counsel.
3. For issuers that have ongoing needs of a similar nature, continuity is an important factor.
4. While in the U.S., bond counsel fees typically have been contingent on the sale of bonds, fees based on this arrangement may create an incentive to provide opinions that would allow the inappropriate issuance of bonds. Fees based on an hourly, retainer or fixed fee arrangement may more appropriately reflect the complexity and scope of the services provided.
5. Before making a final selection, the issuer should check the references furnished by the prospective bond counsel.

Once a bond counsel has been selected, issuers should enter into an engagement letter or other agreement with the firm as required by law or procurement codes. Issuers may want to consider using the form of the model engagement letter for governmental bonds suggested by the National Association of Bond Lawyers of the U.S.

If co-bond counsel are being engaged, the issuer should

- ... delineate in the RFP or engagement letter the roles and responsibilities of each firm;
- ... assign discrete tasks to each firm in order to minimize cost duplication; and
- ... exercise appropriate oversight to ensure coordination of tasks undertaken by the firms.

If co-bond counsel are engaged or if bond counsel firms are rotated, the issuer should

- ... evaluate whether higher costs for legal services will result because of the need for two or more firms to familiarize themselves with the issuer; and
- ... consider the possible need to resolve differing viewpoints of each bond counsel.

Throughout the term of the engagement, the performance of bond counsel should be evaluated in relation to the stated scope of services and any areas where service needs to be improved should be communicated to the lead attorney. Ongoing contracts should be reviewed regularly and, if applicable, resubjected to competitive selection periodically.

#### References

- ... "Selection and Evaluation of Bond Counsel," National Association of Bond Lawyers, 1988.
- ... "Preparing RFPs to Select Financial Advisors and Underwriters," GFOA Recommended Practice, 1997.

... Model Engagement Letter for Governmental Bonds, National Association of Bond Lawyers.

A Guide to Selecting Financial Advisors and Underwriters: Writing RFPs and Evaluating Proposals, Patricia A. Tigue, GFOA, 1997.

## BOND COUNSEL EVALUATION

	Points Possible	FOLEY & LARDNER	CHAPMAN & CUTLER	QUARLES & BRADY
General Quality of the Firm	10			
Experience of Firm with Debt Financings and Other Service	30			
Qualifications of Attorneys	30			
Understanding of Services to be Provided	10			
Depth and Strength of Firm	<u>20</u>	_____	_____	_____
Total Possible Points	100			



## **STAFF REPORT ON PREVAILING WAGE INVOICE REVI DESIGN MEDIAN PROJECT**

### **BACK GROUND INFORMATION**

The Finance Committee requested the City obtain additional information regarding the costs associated with the implementation of prevailing wage rates for the Revi Design median project and tabled a budget modification necessary to finance the city's obligation to Revi Design for prevailing wage rates.

I obtained a copy of the wage determination issued by the State of Wisconsin Department of Workforce Development dated February 4, 2014. The department provides for a 30 day period to contest the determination. The City did not file an opposition. The State determined the wage rate for Landscapers to be:

Hourly Basic Rate	\$29.04
Hourly Fringe Benefits	\$14.63
Total	\$43.67

Additional information provided by the State DWD regarding the utilization of prevailing wages included:

- 1.5 times the hourly basic rate must be paid over 10 hours per day /40 hours per week
- Prevailing wage rates only impact workers wearing a "tool belt". Thus employees performing in purely supervisory, project oversight, general administration and design roles are exempt from prevailing wages.
- Fringe benefits provided by Revi Design including holiday and vacation pay along with health insurance should be converted to an hourly benefit and added to the hourly rate paid by the employer prior to calculating the amount due for prevailing wage rates.
- The employer is obligated to pay social security benefits, unemployment compensation, and payroll processing costs which are considered other liquidated damages and are eligible for reimbursement from the city. These amounts have been itemized on the new/ revised invoices. I verified the eligibility of these expenses for reimbursement with WDW staff.

Revi Design provided sufficient documentation to evaluate the computation of the wage rate invoice:

- Pay check stubs for employees working on the project which included hourly and overtime rates.
- Number of hours each employee worked on the project.
- Fringe benefits provided to employees converted to an hourly rate.

I initially evaluated the reasonableness of the invoice received from Revi Design by computing the wage rate disparity of \$29.42 times the 670 total project hours which computes to an amount due of \$19,711. The wage disparity was determined based upon the average hourly rate of \$14.25 paid to the workers as compared to the prevailing wage rate of \$43.67. This reasonableness test compared well to the \$18,893.30 invoiced by Revi Design in May.

In addition, I computed the rate by re-calculating the amount owed to each employee. In this instance, I found adjustments necessary for the overtime compensation when staff worked over 10 hours per day or 40 hours per week. This resulted in a small minor change reflected in the revised invoice.

A summary of the charges is as follows:

Prevailing wage adjustment	\$18,999.79
FICA	1,453.48
Fed Unemployment	211.07
State Unemployment	1,348.99
Payroll Processing	801.25
TOTAL	\$22,814.58

Through discussions, Revi Design provided a general outline of other project costs attributed to the project such as foreman and office staff who are exempt from prevailing wage rates. These individuals are responsible for organization of the job, materials and staffing. In addition, the job utilized approximately 120 hours of equipment time.

Based upon my review of the calculations, the wage determination and my discussions with DWD staff, I believe the invoice presented is an obligation of the City's.



## **STAFF REPORT ON BUDGET MODIFICATION STREET CONSTRUCTION PROJECT D**

### **BACK GROUND INFORMATION**

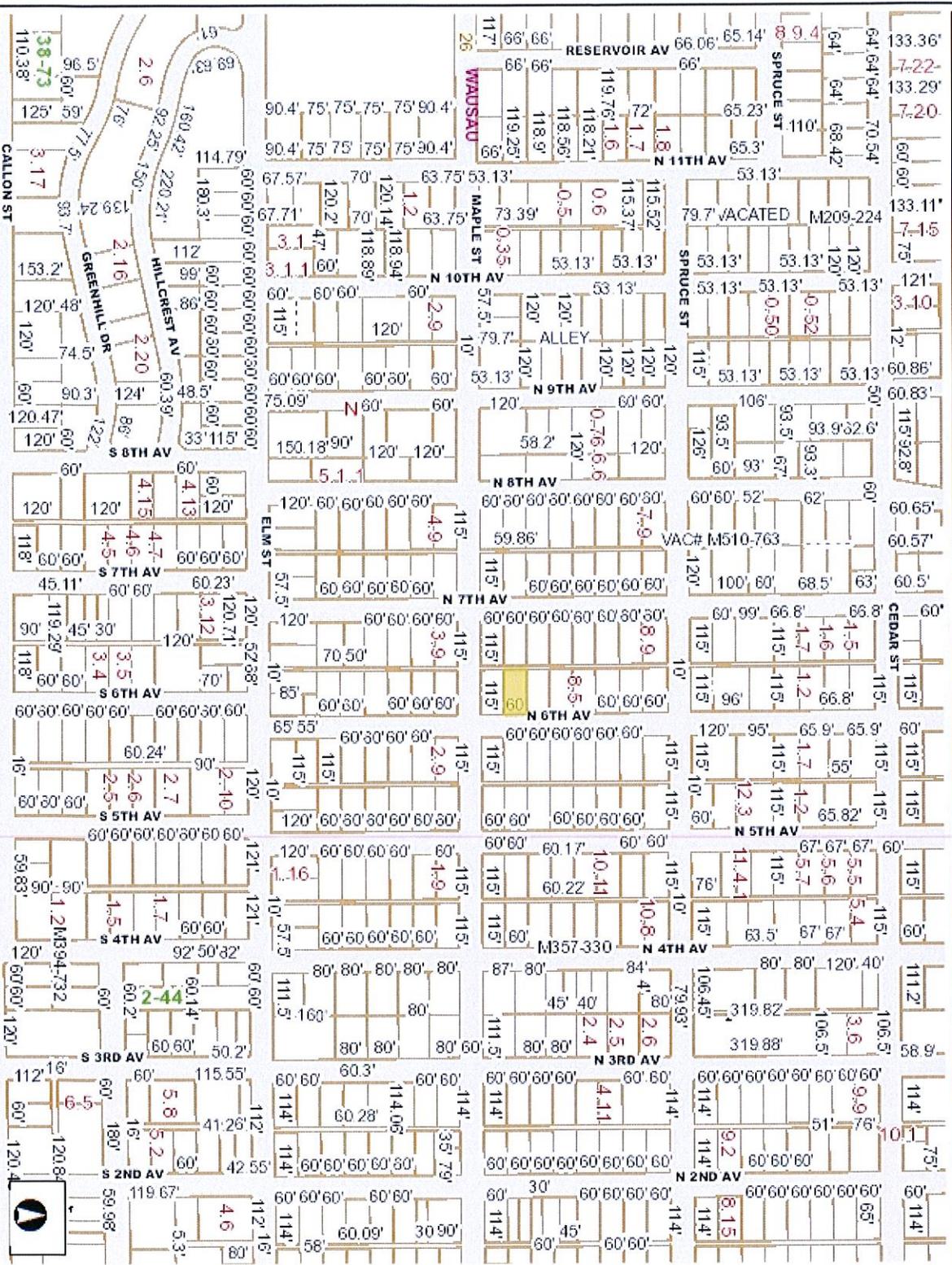
The 2014 budget for Tax Increment District Number Ten provided for the vacation of 77<sup>th</sup> Avenue and realignment of 80<sup>th</sup> Avenue in the amount of \$240,000. The City received bids for this project with the project awarded to the low bid of \$299,930.78. A budget is necessary if the construction is desired. A stormwater project budgeted within the district for 2014 budgeted in the amount of \$75,000 will not occur.

The budget modification is as follows:

Increase 80 <sup>TH</sup> Avenue Realignment and 77 <sup>th</sup> Avenue Vacation	148-351198230.....	\$59,930.78
Decrease Stormwater Improvements Project	148-351098230.....	\$75,000.00
Decrease Debt Proceeds	148-35189120 .....	\$15,069.22



# Land Information Mapping System



- HAUSEY
- BENJAMINE
- EXCHAMPT
- HOLDEN
- STEELE
- WESTON
- HULLWICK
- STERNBERG
- BRIDGEMAN
- REID
- PAULMUS
- BEVETT
- SPENCER
- FRANZEN

- Legend**
- Parcel Annotations
  - Parcels
  - Land Hooks
  - Section Lines/Numbers
  - Right Of Ways
  - Municipalities

*206 N. Oak Ave  
(center)*

191.15 0 191.15 Feet



User\_Defined\_Lambert\_Conformal\_Conic

**DISCLAIMER:** The information and depictions herein are for informational purposes and Marathon County-City of Wausau specifically disclaims accuracy in this reproduction and specifically admitts and advises that if specific and precise accuracy is required, the same should be determined by procurement of certified maps, surveys, plats, Flood Insurance Studies, or other official means. Marathon County-City of Wausau will not be responsible for any damages which result from third party use of the information and depictions herein or for use which ignores this warning.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

**Notes**



206



206







1212





1212

1212



## **STAFF REPORT ON DREAM FLIGHT FUNDING REQUEST**

### **BACK GROUND INFORMATION**

Dream Flight USA Foundation, Inc. is a non-profit organization with the mission to motivate and excite elementary age children to learn. The Spirit of Education is a bus filled with hands on work stations that “transport” children into the world of space exploration. The City of Wausau has partnered with the Dream Flight for the past few years by purchasing advertising on the bus. The City contributed a total of \$15,000 over a three year period. These dollars funded Wausau logo on the bus and astronaut suits. The organization is proposing a similar arrangement which would provide an opportunity for the City’s new logo with the same financial consideration. 2014 funding could be provided through room tax funding or the City promotion budget.



500 First St Ste 2300  
Wausau, WI 54403

# Invoice

Date	Invoice #
6/30/2014	1242

Bill To
City of Wausau 407 Grant St Wausau WI 54403

For

P.O. No.	Terms	Due Date
		6/30/2014

Description	Qty	Rate	Amount
Corporate partnership fee for the period July 2013 - July 2014		5,000.00	5,000.00



Thank you!	<b>Total</b>	\$5,000.00
	<b>Payments/Credits</b>	\$0.00
	<b>Balance Due</b>	\$5,000.00

UW Stevens Point,- June 30, 2014 (New Corporate Sponsor)

•Delta Dental of Wisconsin - June 30, 2014 (Premiere Corporate Sponsor)

- Edgar Fire Department Parade - June 29, 2014
- John Marshall - Wausau - June 5, 2014
- Abbotsford Elementary - May 23, 2014
- Woodland Elementary - Barron, WI May 22, 2014
- Grantsburg, WI - Elementary School - May 21, 2014
- Grantsburg, WI - Middle School - May 20, 2014
- Winter, WI - May 19, 2014
- Milwaukee Parkside School of the Arts - May 16, 2014
- Milwaukee Parkside School of the Arts - May 15, 2014
- Universal Academy for the College Bound - May 14, 2014
- Universal Academy for the College Bound, Milwaukee - May 13, 2014
- Wedgewood Park, Milwaukee - May 12, 2014
- Pittsville Elementary - May 8, 2014
- Operation Military Kids - Eau Claire, WI May 3, 2014
- Ashland Middle School - April 30 & May 2, 2014
- South Shore in Port Wing, WI - May 1, 2014
- Ashland Primary School - April 29, 2014
- Lady of the Lake - Ashland, WI - April 28, 2014
- Weyauwega, WI - April 25, 2014
- Manawa, WI Elementary - April 4, 2014
- Shiocton Elementary - April 3, 2014
- Coleman Elementary - March 17, 2014
- Weston Elementary - February 12, 2014
- Rothschild Elementary - February 11, 2014
- Mountain Bay Elementary - February 10, 2014
- WinterFest in Wausau - February 8, 2014
- Mountain Bay Elementary - February 6, 2014
- Rothschild Elementary - February 5, 2014
- Riverside - February 5, 2014
- Riverside Elementary Morning and Afternoon classes - February 4, 2014
- Riverside Elementary - February 3, 2014
- Evergreen Elementary - January 31, 2014
- Evergreen Elementary - January 30, 2014
- Hatley Elementary - January 30, 2014
- Weston Elementary - January 29, 2014
- Retired Astronaut Mark Lee Visits Everest 4th graders - Jan 3, 2014
- McKinley Center - Stevens Point, WI - December 10, 2013
- Walt Whitman School - Milwaukee, WI -December 3, 2013
- Elm Dale - Greenfield, WI - December 4, 2013
- Chilton, WI Elementary School - October 23, 2013
- Learning to Fly - UWMC - Wausau, WI - October 19, 2013
- Wild Rose Elementary School - October 9, 2013
- DCE Launch Program - October 8, 2013
- Gwent T Jackson-Milwaukee-September 26&27, 2013

- Milwaukee Parkside School For the Arts - September 25, 2013
- Merrill Airport Day - September 7, 2013
- Tomahawk Airport Fly-in - August 18, 2013
- AirVenture 2013 - July 29 - August 4, 2013
- Mosinee July 4 Parade - July 4, 2013



## **STAFF REPORT ON BUDGET MODIFICATION CBL DEVELOPMENT AGREEMENT**

### **BACK GROUND INFORMATION**

The Common Council authorized certain development incentives to CBL for the redevelopment/revitalization of the mall. The budget modification reflects the components of the agreement:

Increase Developer Payments Economic Development Fund 125-225497200.....	\$375,000.00
Decrease Lease of Mall Property Revenue .....	\$31,666.65



To: City Department Heads

From: Mayor Jim Tipple

Date: June 30, 2014

RE: 2015 Operating Budget

As in prior years, each year continues to be a fiscal challenge as expenditure increases outpace revenue sources. To ensure fiscal sustainability, I encourage each department to seek out operating and budget solutions that will enhance revenues and control spending. Department budgets should be created with an emphasis on retaining service levels while minimizing financial impacts. Attached to this memo is the 2015 budget prediction presented in April to the Finance Committee indicating a \$1.1M deficit.

In an effort to improve the accuracy of budgeting and legislative review, additional reporting requirements have been added to the 2015 process. Please make every effort to comply with these requirements.

Departmental budget submissions should include the following:

- Submit an affordable budget that reflects the current fiscal challenges. Consider your **2013 actual expenses** for non-personnel items your 2015 budget base. Any increases or decreases proposed to this number for your 2015 budget must be itemized and explained.
- Update your departmental schedule of service fees, permits, licenses and other departmental charges.
- Completion of your budget narrative.
- Provide supplementary staffing information including: overtime and seasonal help justification and projected 2014 and 2015 retirements.
- 1% budget reduction plan. If budget challenges require reductions in budgets please outline specific line item reductions that would provide for a 1% budget reduction and the implications of these changes.

Budget documents due to the Finance Department by August 4<sup>th</sup>, 2014

I appreciate the great job everyone does for the City of Wausau and thank you in advance for your commitment and dedication to the successful outcome of our financial plan for 2015.

cc: Council

CITY OF WAUSAU 2015 BUDGET CALENDAR

MAYOR AND FINANCE					
MONTH	STAFF	DEPARTMENTS	CIP COMMITTEE	FINANCE COMMITTEE	COMMON COUNCIL
June -July			July 2nd - CIP RANKINGS DUE		
		<b>June 30th- Departments Begin Budget Preparation</b>	July 18 and July 22 CIP Committee Prioritization Meetings		
	July 21 Create Payroll Budget in TM1 Software			July 8th Budget Memo and Calendar submitted to Finance Committee	
August	August 1st Draft Equalized Values Released by the Wisconsin DOR				
	August 5th -August 8th Department Budgets Uploaded to TM1 Software	<b>August 4th Department Budgets Due</b>	August 12th - CIP Plan Recommendations are presented to the Finance Committee	2015 CIP Plan and Revised 2015 Budget Forecast presented to the Finance Committee August 12th Finance Meeting	
	<b>August 11th - September 5th Mayoral Departmental Budget Reviews</b>				
	August 15th Net New Construction and Final Equalized Values Released by the Wisconsin DOR				
	August 30th Room Tax Applications Due				
September	<b>September 5th - September 19th Mayoral Budget Recommendation Development</b>			September 9th 2014 Room Tax Budget Considered by the Finance Committee	
	September 5-26th 2015 Budget Document Produced			September 23th 2015 Debt Service, TID District budgets Considered by the Finance Committee Revised 2015 Budget Forecast presented to the	
	September 26th - Mayor's Budget published on the web and distributed to Common Council				
October				October 2-9th Finance Committee Budget Meetings	
	October 26th Begin to receive levy notice's from Schools and Tech				
	October 28th Public Hearing Notice Published in the Newspaper				
November	Sometime between November 1-28th Obtain Manufacturing Values from the State and calculate the City Assessed Value and Assessed Tax Rate.				November 13th Budget Public Hearing
	Receive Levy notice from the County and Lottery Credit, 1st Dollar Credit and School Credit from the DOR				November 27th Budget Approval

Maryanne Groat, CPA  
Finance Director and Treasurer  
[mgroat@ci.wausau.wi.us](mailto:mgroat@ci.wausau.wi.us)  
(715)261-6645 Phone  
(715)261-0319 Fax



Richard Whalen, CPA  
Assistant Finance Director  
[Richard.whelen@ci.wausau.wi.us](mailto:Richard.whelen@ci.wausau.wi.us)  
(715)261-6642 Phone  
(715)261-6626 Fax

CUSTOMER SERVICE DEPARTMENT  
OFFICE OF THE FINANCE DIRECTOR

To: Finance Committee

From: Maryanne Groat

Date: May 5, 2014

RE: 2015 Budget

Attached is a preliminary budget projection for 2015. This prediction indicates a possible budget deficit of \$750,000. The deficit reflects the ongoing struggle of absorbing inflationary increases with limited increases or even declining other revenues.

Page 1 of the analysis provides an historical overview and budget projections of the General Fund. The expense budget is expected to increase \$756,421 and the revenue budget could decline by \$262,469. These budget variances result in a demand for additional levy of \$1,018,890.

General Fund Expenses

Personnel cost represent the largest budget increase due largely to salary increases. The Wisconsin Retirement System has indicated that the retirement rates could decline for the 2015 contribution year which would provide savings in the prediction provided. No increase is provided for health insurance based upon the advice of human resources.

Contractual service expenses reflect an increase for the new refuse contract and additional funding for motor pool charges and utility inflation.

General Fund Revenues

A number of revenue categories anticipate reductions in 2015. Public charges anticipates a decrease due to the uncertainties of the impact of the new health care insurance system to our ambulance revenues. This number will become more reliable as the year progresses. Intergovernmental Charges for Services anticipates a decrease of \$159,623 this is a correction in the 2014 budget due to the change of accounting for street repairs to the utility. In the past, street restoration due to utility work was recorded as a revenue in the General Fund. This practice was changed and the expenses were allocated directly to the Utility. Unfortunately the revenue was not removed from the budget. Miscellaneous revenue reflects a reduction in ground lease payments.

Page 2 of the analysis provides an overview of the levy of all funds along with the impact of the levy limit. Additional levy of \$127,631 is expected in other funds as presented. These additions reflect ongoing cost increases or funding obligations. These levy demands, along with the General Fund of \$1,018,890 result in a total increase of \$1,337,723.

Levy limits restrict levy increases to approximately \$400,000 resulting in a \$746,521 unresolved deficit.

# CITY OF WAUSAU

## GENERAL FUND

2015 BUDGET PREDICTION - DATED APRIL 1, 2014

	2011 Actual	2012 Actual	2013 Adopted Budget	2013 Actual	2014 Adopted Budget	2015 Estimated Budget	Budget Increase (Decrease)
<b><u>EXPENDITURES</u></b>							
PERSONNEL SERVICES							
Salaries and Wages	14,313,571	14,793,920	15,060,815	15,135,468	15,644,651	16,189,085	544,434
FICA	808,647	825,523	905,997	863,604	954,066	987,267	33,201
WRS - Employer	1,568,556	1,632,233	1,811,956	1,841,305	1,516,046	1,568,804	52,758
WRS - Employee	674,378	263,336	136,746	135,533	-	-	-
HEALTH	3,706,177	3,601,246	3,506,986	3,437,541	3,573,270	3,580,000	6,730
Dental	229,263	144,574	118,415	113,231	123,719	133,617	9,898
Other Employer Contributions	92,888	39,876	24,796	16,498	6,904	25,000	18,096
Workers Compensation	429,265	416,818	350,545	345,116	431,940	395,000	(36,940)
TOTAL PERSONNEL SERVICES	<u>21,822,744</u>	<u>21,717,527</u>	<u>21,916,255</u>	<u>21,888,296</u>	<u>22,250,596</u>	<u>22,878,773</u>	<u>628,177</u>
CONTRACTUAL SERVICES	7,031,116	6,557,317	6,501,516	6,686,323	6,800,359	6,900,000	99,641
SUPPLIES AND EXPENSE	972,039	1,062,103	1,036,097	1,030,901	1,072,645	1,073,000	355
BUILDING MATERIALS	512,918	435,905	651,591	582,091	693,785	695,000	1,215
FIXED CHARGES	356,851	363,752	345,075	338,219	343,221	345,000	1,779
GRANTS, CONTRIBUTIONS & OTHER	68,099	248,247	109,075	159,950	87,275	110,000	22,725
CAPITAL OUTLAY	103,009	137,017	133,700	206,996	127,471	130,000	2,529
TRANSFERS OUT	-	70,000	-	-	-	-	-
TOTAL OTHER CATEGORIES	<u>9,044,033</u>	<u>8,874,340</u>	<u>8,777,054</u>	<u>9,004,480</u>	<u>9,124,756</u>	<u>9,253,000</u>	<u>128,244</u>
TOTAL EXPENDITURES	<u>30,866,777</u>	<u>30,591,867</u>	<u>30,693,309</u>	<u>30,892,776</u>	<u>31,375,352</u>	<u>32,131,773</u>	<u>756,421</u>
<b><u>REVENUES</u></b>							
OTHER TAXES	246,437	217,925	223,743	253,082	230,536	240,000	9,464
INTERGOVTL GRANTS AND AIDS	9,023,031	8,192,085	7,979,941	8,019,450	8,053,492	8,055,000	1,508
LICENSES & PERMITS	668,740	743,971	644,199	715,251	723,349	730,000	6,651
FINES & FORFEITURES	371,580	387,646	370,800	353,662	405,000	405,000	-
PUBLIC CHARGES FOR SERVICES	1,900,605	1,844,874	1,710,752	1,807,857	1,805,465	1,760,000	(45,465)
INTERGOVTL CHARGES FOR SERVICES	1,199,461	1,539,716	1,617,308	1,391,260	1,559,623	1,400,000	(159,623)
MISCELLANEOUS REVENUE	793,095	524,824	596,960	688,366	685,510	609,000	(76,510)
OTHER FINANCING SOURCES	1,841,746	1,931,725	1,979,000	1,931,792	2,068,494	2,070,000	1,506
TOTAL REVENUES	<u>16,044,696</u>	<u>15,382,767</u>	<u>15,122,703</u>	<u>15,160,720</u>	<u>15,531,469</u>	<u>15,269,000</u>	<u>(262,469)</u>
<b>GENERAL PROPERTY TAX LEVY</b>	<b>15,277,702</b>	<b>15,470,374</b>	<b>15,570,606</b>	<b>15,570,606</b>	<b>15,843,883</b>	<b>16,862,773</b>	<b>1,018,890</b>
TOTAL REVENUES	<u>31,322,397</u>	<u>30,853,141</u>	<u>30,693,309</u>	<u>30,731,326</u>	<u>31,375,352</u>	<u>32,131,773</u>	<u>756,421</u>

**CITY OF WAUSAU**  
**PROPERTY TAX LEVY**  
2015 BUDGET PREDICTION - DATED APRIL 1, 2014

	2011 Actual	2012 Actual	2013 Adopted Budget	2013 Actual	2014 Adopted Budget	2015 Estimated Budget	Change
GENERAL FUND	15,277,702	15,470,374	15,570,606	15,570,606	15,843,883	16,862,773	1,018,890
SPECIAL REVENUE FUNDS							
Recycling Fund	470,000	522,629	473,462	473,462	497,750	497,750	-
Economic Development Fund					50,000	52,000	2,000
DEBT SERVICE FUND	4,156,866	4,088,000	4,088,000	4,088,000	4,088,000	4,088,000	-
CAPITAL PROJECTS FUND	658,960	320,426	337,345	337,345	371,080	410,000	38,920
ENTERPRISE FUNDS							
MetroRide Fund	598,786	715,289	679,289	679,289	679,289	725,000	45,711
Parking Fund	300,000	300,000	300,000	300,000	224,000	225,000	1,000
Wausau Downtown Airport Fund		75,661	68,677	68,677	70,000	80,000	10,000
Animal Control Fund						30,000	30,000
<b>SUBTOTAL</b>	<b>21,462,314</b>	<b>21,492,379</b>	<b>21,517,379</b>	<b>21,517,379</b>	<b>21,824,002</b>	<b>22,970,523</b>	<b>1,146,521</b>
TAX INCREMENT	1,724,290	1,741,642	1,658,961	1,658,961	1,758,798	1,750,000	(8,798)
<b>TOTAL LEVY</b>	<b>\$23,186,604</b>	<b>\$23,234,021</b>	<b>\$23,176,340</b>	<b>\$23,176,340</b>	<b>23,582,800</b>	<b>24,720,523</b>	<b>1,137,723</b>
INCREASE OVER PRIOR YEAR	<u>\$383,525</u>	<u>\$47,417</u>		<u>(\$57,681)</u>	<u>\$406,460</u>	<u>\$1,137,723</u>	
Increase Subject to Levy Limit						1,146,521	
Estimated Allowable Levy Limit based upon Net New Construction of 1.344% and TID #2 Closure						<u>\$400,000</u>	
<b>Budget Deficit</b>						<b><u>\$746,521</u></b>	

**BUDGET RISKS**

Insurance  
Union Settlements  
Wisconsin Retirement System (Reduction)  
Refuse and Recycling Contract  
Fuel and Utility Costs  
Ambulance Revenues  
Municipal Court Revenues  
State Aids

**ANIMAL LICENSE REVENUE COMPARISON**

	Licensing Year				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Dog licenses -</b>					
Gross license fees	\$ 8,365.00	\$ 8,675.00	\$ 10,630.00	\$ 41,510.00	\$ 40,520.00
Paid to Marathon County	<u>(6,898.50)</u>	<u>(7,131.00)</u>	<u>(8,184.00)</u>	<u>(18,918.50)</u>	<u>(18,453.00) *</u>
Net City revenue	1,466.50	1,544.00	2,446.00	22,591.50	22,067.00
<b>Cat licenses</b>	1,515.00	1,705.00	2,095.00	16,630.00	16,010.00
Paid to Humane Society of Marathon County (Animal Impoundment Service Agreement)					(32,400.00)
Grant proceeds from Marathon Cty					17,455.00
<b>Late fees</b>	880.00	975.00	775.00	6,660.00	2,100.00
<b>Other fines paid</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,245.20</u>	<u>-</u>
Total City revenues	<u>\$ 3,861.50</u>	<u>\$ 4,224.00</u>	<u>\$ 5,316.00</u>	<u>\$ 51,126.70</u>	<u>\$ 25,232.00</u>

\* Current balance due; to be paid at end of license year