

## **FINANCE COMMITTEE**

Date and Time: Tuesday, October 14, 2014 @ 5:00 pm., Board Room

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

Others Present: Tipple, Groat, Giese, Werth, Duncanson, Jacobson, Hardel, Kujawa, Finke, M. Lawrence, Geier, S. Gehin, Wesolowski, Mohelnitzky, Hanson, Wagner, Rasmussen, Neal, Goede, Kari Rasmussen, Deb Ryan

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.**

- 1) Kari Rasmussen, Director of Wausau Area Events, spoke in opposition to the proposed fee schedule by the Park Department for The 400 Block, noting that not all costs of the block are related to events.
- 2) Bill Greenwood spoke regarding WOW, the Family Entertainment Center he was proposing on the riverfront.
- 3) Deb Ryan, 702 Elm St, commented on the garbage and recycling contract and suggested there be more public education regarding recycling.
- 4) Mr. Waldron, Wausau Window & Wall, stated they would like to propose a method to pay off the back taxes over the next 10 years.

### **Minutes of the previous meeting(s). (8/26/14 & 9/09/14)**

Motion by Nagle, second by Kellbach to approve the minutes of previous meetings on 8/26/14 & 9/09/14. Motion carried 5-0.

### **Discussion and possible action on extension or renewal of city cellphone contract – Jacobson**

Anne Jacobson stated we have a two year contract with Cellcom and from all appearances the staff is completely happy with the service, however, our purchasing policy doesn't allow us to just automatically renew when the cost exceeds \$25,000 per year and this one is approximately \$36,000 per year without equipment purchases. She noted we are now more than a year beyond the expiration of the last contract and there have been numerous requests from various departments who are in need of replacement phones and upgraded technology.

Jacobson stated the options are: 1) approve a one-year renewal and direct staff to prepare an RFP for next year's contract and/or amend the current purchasing policy to allow for one or more renewals of contracts up to one or more years; 2) approve a two-year contract, which carries a significant cost savings; or 3) don't renew and follow the process of putting out an RFP, which would put a strain on departments and staff.

Winters commented the contract expired 14 months ago in July 2013 and questioned who was in charge of the cellphone contract. Mayor Tipple stated our previous HR Director, Michael Loy, was monitoring the contract and instituted a policy on who could have them and at what level of approval. He (Loy) had intended to take over the contract responsibilities. Tipple noted the Finance Committee approved a two-year contract in January, but after the HR Director left it was found that the contract was not executed. He stated if we don't have a contract and we add new phones it creates multiple contracts, so we would like to move this forward.

Nagle pointed out there is substantial savings on the purchase of phones with a two-year contract; an iPhone 5C costs \$450 with a one-year contract versus 95 cents with a two-year contract. Discussion took place regarding the cost differences in the service plans. Winters felt this should wait for more information was needed on actual costs.

Motion by Nutting, second by Nagle to approve a two year contract with Cellcom. Motion carried 4-1. (*Winters was the dissenting vote.*)

### **Discussion and possible action regarding approving a six year service contract for maintenance and preventative care of emergency service cots – Finke**

Josh Finke stated our current provider services all the cots four times a year. They purchased power load systems for ambulances to load the cots about eight months ago to help reduce back injuries of the firefighters. These

systems can't be serviced by our current provider, so they looked into combining the cot service and power load service into one company called Stryker.

Motion by Oberbeck, second by Nagle to approve the six year contract for the maintenance and preventative care of emergency service cots. Motion carried 5-0.

**Discussion and possible action regarding sole source purchase of 4 Street Smart plows at \$14,285 each**

Mark Hanson, DPW, stated they currently have 13 of these plows in their fleet which are going on 22 years old. Since reevaluating the Motor Pool budget he found that these plows were never in a replacement plan, so now it is time to replace some old equipment. He noted the Wausau/Everest Company is the only company that manufactures this plow, which we have been buying since 1992. They are the only ones that have a multi section trip edge plow which do an excellent job of clearing the streets without damaging the infrastructure. He proposed purchasing four plows for a total cost of \$57,140.

Motion by Nagle, second by Oberbeck to approve the purchase of four Street Smart plows. Motion carried 5-0.

**Discussion and possible action regarding Wausau Window and Wall request – Lawrence**

Megan Lawrence explained the City of Wausau entered into three development agreements with Wausau Window and Wall since 2007 and this proposal would modify the 2007 agreement. She stated we contributed funds to help them build a facility and move out of the 17<sup>th</sup> Avenue corridor to 7800 International Drive. Part of the contingency for this contribution was for them to meet a minimum assessed value of \$19 million, which did not occur. Approximately \$312,000 is past due as well as some interest. She indicated the ED Committee met and considered a request from Wausau Window and Wall for assistance to pay this off over the next 10 years. They propose to start immediately paying real estate taxes on the minimum value of \$19 million, which is approximately \$450,000 and then divide that \$312,000 over the next 10 years to make an additional payment of \$31,200 along with their tax bill. She stated they are also asking the city to waive the \$143,000 of interest that is currently due.

Winters questioned how much interest we would be forgoing in the future. Groat stated currently if a person is delinquent on their taxes we collect 12% interest and 6% of penalty; if we assessed that, it would be \$382,252.

Motion by Nagle, second by Nutting to approve the amendment to the TID #5 development agreement with Scannell Properties. Motion carried 4-1. (*Winters was the dissenting vote.*)

**Discussion and possible action regarding financial assistance and executing a development agreement for riverfront redevelopment - Wausau on the Water (WOW) - Lawrence, Werth, Tipple**

Nagle commented the ED Committee felt this was a very worthwhile agreement to enter into and approved it unanimously. Winters summarized it provides for a loan of \$521,000 over 15 years which doesn't start for the first 18 months and also includes a \$54,000 grant.

Motion by Nagle, second by Nutting to approve the financial assistance for the Wausau on the Water development. Approved 5-0.

**Discussion and possible action regarding budget modification to transfer funds to the Animal Control Fund**

*Winters requested this item be deferred.*

**Discussion and possible action to approve the 2015 Animal Control fund budget - Hardel, Groat**

Groat presented the animal control budget based on the current staffing levels; costs for other maintenance supplies type activity; license fees received this year; includes the new pet fancier permits; maintains our contract with Weston; and \$57,750 for our contract with the Humane Society.

Oberbeck felt we should charge back owners for holding of cats and/or micro chipping; owners should be required to microchip for identification. Rasmussen indicated Public Health & Safety Committee has four items regarding pets on their next agenda for discussion.

**Consider modification of Chapter 6.44 of Wausau Municipal Code to restrict refuse and recycling curbside collection to residential properties containing no more than three residential units and establish the special charge for 2015 - Jacobson and Groat**

Groat stated she calculated the costs of the program based on the 2015 budget; obtained a list of all of the living units and calculated what we would need for a special charge, which is \$129.14. She indicated if they choose to go in this direction she would recommend a rate of \$130. She noted the Village of Weston is paying \$150, Town of Rib Mountain - \$155, Village of Kronenwetter - \$142, and the City of Schofield and Rothschild still have theirs in their property tax levy. She explained by doing this each homeowner is paying the same for that service. She noted an apartment building with three or more units would not be eligible for the program and would have to hire a dumpster service. Groat stated one of the benefits is there are a number of communities in the surrounding area that are using a special charge so it makes us more comparable to them. The special charge would be increased in the future based on any inflationary costs forwarded to us by our contractors. If we eventually went to a fully carted system, where people could choose the size of the cart, people would pay less for a smaller cart and more for a larger cart. Right now the large apartment buildings are paying for the service through their taxes but are not using it, as is every other business in the city. A disadvantage is that it could be burdensome to our low income households; it is not tax deductible for the homeowner.

Jacobson pointed out the imposition of this fee may be one that is currently prohibited by the Chapter 3.10 provision until it is repealed, which was on the Council agenda for tonight's consideration. Oberbeck questioned if it required a binding referendum or just advisory. Jacobson stated it would be a binding referendum. Winters indicated they could defer the item pending the outcome of the Council vote; they could put forth a motion contingent upon the passage of repeal; or motion to go forward with a binding referendum.

Motion by Oberbeck, second by Nutting to move forward with a binding referendum as to the question of whether to impose a special charge for refuse and recycling and the charge for both would be removed from the tax levy.

Neal commented there have been concerns from citizens expressed about repealing the ordinance which was very popular and he felt this was an important thing to weigh. He questioned if there were some time sensitive implications of waiting until an April referendum and gearing up for the service. Groat clarified there are two issues; one issue is the way garbage is going to be picked up and a separate issue of how we pay for the service. Chapter 3.10 applies to how we pay for it, so they would have to repeal that ordinance if they want a special charge. The service itself, whether it stays with the current method or if they go to a fully carted automated system, both can live in either one of the revenue sources of tax bill or special charge. The type of service has nothing to do with the charge.

Oberbeck commented what we are talking about repealing though, is an overall umbrella type ordinance and people are very concerned about that. Jacobson pointed out it lists a number of municipal services and refuse and recycling is included. Oberbeck questioned if they could amend the ordinance to exclude refuse and recycling rather than repeal the whole thing. Jacobson agreed that would be an option. Winters pointed out the motion on the floor is for a referendum in April and that squares with the ordinance. He stated they can still go ahead with the RFP work on the service, not knowing whether it is going to be paid for by general revenue or a special charge.

A vote was taken on the motion on the floor for the April referendum. Motion carried 5-0.

**Discussion and possible action regarding the impact of storm water utility fees to non-profit entities - Gehin and Groat**

Sean Gehin stated in 2005 a storm water study was prepared and included an aerial photograph of the City of Wausau to determine pervious areas for residential, commercial, industrial, and tax exempt properties. It also determined an annual ERU rate or equivalent runoff unit, which is defined as the average impervious area of a single family home. The ERU rate was determined for non-residential property in 2005 and 2006. In 2006 there were approximately 1,371 tax exempt properties that included schools, churches, and institutional properties. Those tax exempt properties made up 9% of all properties in the city, however, the tax exempt properties represented 16% of all of the ERUs. The annual ERU rate of \$77 was determined to support the total program and future needs.

Winters questioned if there was a way to update the information since 2005. Groat explained there has not been a lot of growth in the community since that time and we didn't anticipate a huge change in the total cost; therefore, we did not feel there would be a lot of value to spend the time to update until we were closer to possibly going forward with it. She suggested looking at other communities for what they are charging.

Neal was concerned whether adding the stormwater utility question to the referendum which has the garbage & recycling question because it might muddy the issue. Oberbeck commented it is going to be an education process.

Gehin stated if they are going to move forward with a stormwater utility they will need to update the study that was done in 2005-2006 as well as the program needs and budget. There would also need to be another high resolution aerial of the city done.

Motion by Nagle, second by Oberbeck to approve going forward with the creation of a stormwater utility contingent upon the Council amending the portion of the Chapter 3.10 to remove stormwater utility or repeal of the ordinance. Motion carried 3-1, with one abstention. (*Winters was the dissenting vote. Kellbach abstained due to her employment with a church*)

**Discussion and possible action on the development of a list of city-owned properties that are not used for park or city business – Werth**

Discussion took place regarding spreadsheets provided and assessed value and direction given for additional information to be brought back to a future meeting.

**Discussion and possible action on sale of Rick Coe, Mike Witzeling and William Holm hangar to Glenn Burt III (including approval of new ground lease to Burt and approval of termination of current ground lease with Coe, Witzeling and Holm) – Jacobson**

Jacobson stated Coe, Witzeling, and Holm are seeking approval to transfer ownership to Mr. Burt. Nagle stated a transfer of the lease was problematic so they decided to do a new lease and the Airport Committee approved it.

Motion by Nagle, second by Nutting to approve the ground lease to Burt and terminate the current ground lease with Coe, Witzeling and Holm. Motion carried 5-0.

**RECESS**

Winters suggested they recess the meeting to tomorrow at the start of the scheduled budget session.

Motion by Nagle, second by Kellbach to recess the meeting to 2:00 p.m. tomorrow (October 15, 2014). Motion carried unanimously. Meeting recessed at 6:50 p.m.

-----  
***Wednesday, October 15, 2014, at 2:00 p.m., meeting reconvened.***

Members Present: Winters, Nagle, Kellbach, Oberbeck

Not Present: Nutting

Others Present: Groat, Tipple, Wagner, Jacobson, Geier, Seubert, Duncanson, Hanson, Mohelnitzky, Hardel, Klein, Hebert, Giese, Hite, Goede

**List of Development Agreements Issued Since 1/1/2006 with a Summary of Agreement Terms and Tracking System - Werth, Tipple**

Winters requested additional information for the list. He questioned what the remedy was for the Wausau Mine Company agreement which contained a guaranteed fair market value of \$985,000, but ended up at \$837,400. Groat stated Ann Werth had spoken with Wausau Mine, but she did not know the status. Tipple stated they weren't prepared to discuss it today at Finance, but it would be brought to the ED Committee. Winters requested the rest of the data for agreements back to 1999. Tipple indicated the work would be prioritized and brought back as soon as possible.

**Discussion and possible action on creating the 400 Block Fund - Duncanson**

Bill Duncanson stated creating a 400 Block Fund isn't necessarily a recommendation from the Parks & Rec Committee; the committee has had discussion on how to handle the impacts that improving the 400 Block and all the subsequent special events which have been supported through our existing budget have had on our ability to do our overall parks and recreation program. He explained they don't have a 400 Block budget, rather they do cost accounting out of their park & rec budget for maintenance of the block and support for special events. He indicated in 2013 the total allocated cost to the block was \$80,871. He estimated approximately \$33,000 of that is generated directly in support of events. He commented events have been supported out of departmental budgets and it impacts not only parks, but DPW, police, fire and electrical as well. He stated if a fund were to be created they could create it just to cover event costs, which are not really a park & recreation activity. He suggested that additional monies be in the fund and be available for all of the city departments that expend time, materials and energy on supporting events. He would leave what they consider to be our regular park maintenance dollars in the parks budget for the general everyday maintenance and the ice rink.

Winters suggested using room tax funds and have Parks Department budget contribute to come up with \$35,000 for the fund. Wagner suggested selling sponsorships to raise money for the fund.

Motion by Nagle, second by Oberbeck to approve creation of a 400 Block Special Events Fund with \$35,000; \$20,000 from Room Tax and \$15,000 from Parks Department. Motion carried 5-0.

**Adjournment**

Motion by Nagle, second by Winters to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 2:30 p.m.