



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, January 27, 2015 at 5:00 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 Minutes of the previous meeting(s) (11/25/14, 12/09/14)
- 3 Consider and possible action on the Sole Source purchase of Clarion 415 which is a Alum/Polymer blend used to remove Iron and Magnesium from the water supply - Boers
- 4 Presentation and possible action on the preliminary Report of Agreed Upon Procedures - Schenck CPA's Jon Trautman
- 5 **CLOSED SESSION:** Pursuant to section 19.85(1)(c), of the Wisconsin State Statutes, for considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility, relating to the Report On Agreed Upon Procedures 2014 presented in #4.
- 6 **RECONVENE** into Open Session.
- 7 Consider Approving of Intergovernmental Humane Officer Services Agreement between the City of Wausau and Everest Metropolitan Police Department from January 1, 2015 through December 31, 2015
- 8 Update and discussion on negotiations with Brokaw, Maine and Texas - Mayor Tipple
- 9 Discussion and possible on modification of the procurement policy.
- 10 Discussion and possible action regarding serving as financial sponsor Monk Gardens - Groat
- 11 Receive and Place on File the 2014 claims report - January through December 2014
- 12 Discussion and possible action regarding the sale of the Wausau Club - Winters
- 13 Update on status of the Wausau Center Mall - Mayor Tipple
- 14 Update and Gantt Chart on Citywide revaluation process - Mayor Jim Tipple
- 15 Discussion and possible action on the integration of property inspection with police and fire services - Winters
- 16 Discussion and possible action on reports for monitoring the Animal Control Enterprise Fund - Groat
- 17 Discussion and possible action regarding the Mayor's press release on merit pay - Winters
- 18 Discussion and possible action regarding staff directives for the City of Wausau Strategic Plan process - Jim Tipple
- 19 Discussion and possible action regarding referral of discussion of pending tax litigation to which the city is a party, and directing staff to provide specific information for that discussion.
Adjournment

Keene Winters, Chair

This notice was posted at City Hall and emailed to the Wausau Daily Herald newsroom on 1/22/15 at 4:00 pm.

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.**

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, (Alderpersons: Wagner, Neal, Gisselman, Rasmussen, Abitz, Mielke), *Tipple, *Jacobson, *Groat, Rayala, Department Heads

FINANCE COMMITTEE

Date and Time: Tuesday, November 25, 2014 @ 5:00 pm., Board Room

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

Others Present: Tipple, Groat, Giese, Hite, Kujawa, Erickson, Werth, M. Lawrence, Klein, Rayala, Wagner, Rasmussen, Neal, Mielke

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). (10/15/14, 10/21/14, 10/28/14)

Nagle requested a correction to the minutes of 10/21/14 under the Discussion of the Budget Recommendation, second paragraph, referring to the last line of a comment made by him, to strike the words “or police and fire.”

Motion by Nutting, second by Nagle to approve minutes of the meetings as corrected (10/15/14, 10/21/14, and 10/28/14). Motion carried 5-0.

Discussion and possible action regarding the 2015 tax increment district budgets – Winters

There were no comments or questions regarding this summary report. Winters requested a similar summary be prepared like this for next year’s budget on TIF’s as well as on FTE.

Discussion and possible action approving Assistance to Firefighters Grant application in the amount of \$138,500 for the installation of direct source capture exhaust system for the three fire stations. The City of Wausau match obligation is \$13,850 - Kujawa

Kujawa requested support to apply for the grant for this equipment which is imperative for the safety of the firefighters. She felt it probably should have been installed in the fire departments 15 to 20 years ago. She explained this type of capture exhaust system will provide protection within the stations. She noted it is a 90-10 grant and is about a year long process once it is approved and is a priority for the FEMA grant.

Groat stated options for the \$13,850 were to look at reevaluating the capital equipment budget for the Fire Department for any savings; look for savings in the CIP projects fund; or take it from contingency.

Motion by Nutting, second by Nagle to approve moving forward with the grant application as quickly as possible. Motion carried 5-0.

Discussion and possible action approving sole source purchase of polymer for the sewer utility from Hawkins Inc. in the amount of \$44,975. – Erickson

Dave Erickson explained the treatment plant was built in 1939 and a lot of changes have happened since then. In 1990 there was a big upgrade and at that time there was a bulk storage tank for polymer, but it was found that one polymer was not working for the two processors that we have. Since that time we have been buying one polymer in bulk and another in 250 gallon containers, which is more expensive. He indicated they have been buying a half truck load, but it gets cheaper the more you buy, so they would like to buy a full truck load at a cost of \$45,000.

Motion by Oberbeck, second by Nagle to approve the sole source purchase for the product as outlined. Motion carried 5-0.

Discussion and possible action on the establishment of a procurement policy for legal services

Jacobson proposed some amendments to the existing procurement policy, specifically on page four referring to a list of centralized purchases, adding the procurement of legal services to be coordinated by the City Attorney’s Office. She explained this would not preclude anyone from obtaining outside legal services, but it would require them to do it in coordination and at the request of our office. This way we can know what the scope of representation is; we can identify conflicts easier; the basis for the cost of the service and we can engage the attorney. She noted this is

the practice of other city attorney offices throughout the state. The other change on the same page was an exception would be made for attorney professional services and that an RFP would not be required unless it applied to a particular class of representation. She noted if there is a particular matter that will cost a substantial amount of money it would be brought to them in closed session for approval.

Oberbeck felt it would be good idea to have large expenditures brought back to Finance for review. Neal questioned, in the absence of an RFP, if there was some comparison of fee structures of potential firms that might be contracted for a particular project. Jacobson stated there were a number of factors that would go into a decision, such as the level of experience, area of expertise and their cost.

Jacobson stated they could exclude the HR Department from this as they have their own line item for legal service; some cities do and some do not. Hite indicated she would consult with the Attorney's Office and confer together on any outside services. Groat stated she spoke with the auditors and John Trautman approved of this change to the policy as well, as in his opinion, they should keep them in the line items that they belong in; if you put them in a central place you will have to reallocate them, which is not as efficient.

Winters suggested a sentence be added that: The City Attorney will consult with the Finance Committee before expenses anticipated to be more than a certain amount (to be determined by Jacobson).

Motion by Oberbeck, second by Nagle to table action of the policy to the December 9, 2014 meeting with the number to be added to the sentence suggested by Winters. Motion carried 5-0.

Discussion regarding the 2006 Ehlers Financial Planning Process - Groat

Groat stated Ehlers put on a workshop for the Council, mostly relating to our debt issues, as a complimentary service in 2006. She did not feel there was a lot of applicability to today with all the changes that have taken place with Act 10. Winters offered to send an email on behalf of Finance to the Council to ask them to submit their questions and/or concerns regarding TIFs to use to put together an educational seminar. Oberbeck felt TIF's are becoming a crutch to developers and discussion should center on what we really want out of TIF's and to find out how to transition. Tipple commented it is more of a philosophy or policy issue.

Update on the City of Wausau Strategic Planning process - Tipple, Groat

Tipple stated they started the process in 2013 and partnered with the GFOA. One of the things we talked about early on is that we want a five-year plan. Rasmussen pointed out there was a Steering Committee in that process to lead and to figure out what needed to be attacked by the focus groups. Wagner agreed the Steering Committee was very effective and should be reactivated. Winters suggested Finance Committee take over the Steering Committee role and continue this process. Groat stated another option would be for Coordinating Committee to do it because the Steering Committee was originally set up with the idea of being represented by several different fronts. It had the committee chairs of HR, Finance and ED as well as the Council President with a goal of each of those individuals to come to the meeting wearing that hat. Wagner pointed out the Coordinating Committee's function is to decide where to send it. Rasmussen stated whoever takes it over should see it through and get it done. Discussion followed.

Motion by Oberbeck, second by Kellbach for Finance Committee to take over the strategic planning process. (Groat will put this on the January agenda with the GFOA proposal.) Motion carried 5-0.

Discussion regarding the list of properties owned by the city but not used for parks or government services - Community Development Staff

Werth presented a list properties owned by the city (does not include remnant or right-of-way properties) of developable property that can be developed or sold. Neal indicated he would like to know which were prime properties and which were subprime properties and asked if this information could be incorporated into her list, such as an A list and a B list. Rasmussen suggested instead of a spreadsheet, put the properties on a map and color code it for the goals/uses of them.

Discussion and possible action regarding five year financial projections – Groat

Groat noted this is related to the strategic plan. She indicated she has been working with the consultant who had taken the historical data for the city to put into the five year plan to look for trends. The process that we have been working on was to try to isolate and identify those things that are not trends and take them out; for example, isolate out the implications of Act 10 because those serve to reduce our expenses and would alter what the trend line looks like. She stated their goal was to see if the trend line was applicable for the future. The final step is to overlay the impact of the Council initiatives. Oberbeck commented this should be added into the financial plan and we need to see overlays of the effects starting from the 2008 recession.

September 2014 General Fund Financial Report – Groat

No discussion.

October 2014 General Fund Financial Report - Groat

Groat presented the October report. Financial reports and narratives can be accessed online:

<http://www.ci.wausau.wi.us/Departments/Finance/FinancialDocuments.aspx>

Adjournment

Motion by Nutting, second by Oberbeck to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:32 p.m.

FINANCE COMMITTEE

Date and Time: Tuesday, December 9, 2014 @ 5:00 pm., Board Room

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

Others Present: Tipple, Groat, Giese, Hardel, Jacobson, Hite, Kujawa, Werth, Stratz, Wagner, Rasmussen, Gisselman, Mielke, Abitz, Goede, Phil Valitchka, Mark Goffin, Cory Thorson.

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) Phil Valitchka spoke on behalf of Joe Mella, the President of the River District Main Street Program, in support and encouragement for the proposal for the Wausau Club redevelopment project.
- 2) Mark Goffin, Elk Creek Architectural LLC, stated it was important step in the process to apply for the grants/tax credits and until he receives at least a contingent green light from the city he cannot move forward with those applications.

Discussion and possible action on 2015 Municipality Held for Cause Services Agreement with the Humane Society of Marathon County, Inc. – Jacobson

Jacobson stated this contract is very close to the previous contract except for some language she added at the top of page 2 at the request of the Animal Control Officer.

Motion by Kellbach, second by Nutting to approve the 2015 Municipality Held for Cause Services Agreement with the Humane Society. Motion carried 5-0.

Discussion and possible action on 2015 Purchase of Animal Impound Services Agreement between the Humane Society of Marathon County, Inc. – Jacobson

Jacobson indicated there were several changes to this contract, pointing out the fiscal impact in an initial upfront payment of \$55,000 due January 31, 2015. She indicated we asked them to give us a credit for less than 300 animals brought in. The negotiated price is \$185 per animal and any brought in over 300 will be \$200 per animal. She noted in the event the agreement is terminated they will reimburse us. Oberbeck felt there should be a clause that if the owner comes in to pick up their stray that they would be responsible for the cost.

Motion by Oberbeck, second by Nutting to approve the 2015 Purchase of Animal Impound Services Agreement with the Humane Society contingent upon recovery costs from the owner for the city's costs. Motion carried 5-0.

Review of cost-recovery calculations for Town of Wausau fire inspection services. – Kujawa

Kujawa commented one of the things the fire service does is creates automatic aid agreements and mutual aid box alarm system agreements with area fire departments, because there is nobody that has enough resources to actually respond appropriately to a lot of the calls that we go to. These agreements enable other departments to come into the city to assist us on events as well as us going to assist them. She stated our call volume is very high compared to the surrounding communities and if we try to operate like a business with charges we may ultimately pay out more.

Discussion and possible action on terms of development agreement with Elk Creek Architectural LLC (Wausau Club) – Lawrence

Megan Lawrence summarized this project is called The Mercantile and it would incorporate a wine bar, a destination spa, a bakery, design center, and restore the banquet hall. It is an approximate \$1.9 million project and Mr. Goffin is combining some traditional financing sources along with applying for state and federal historic tax credits. She indicated they were working with him to apply for a grant for up to \$500,000 through Wisconsin Economic Development Corporation (WEDC) which is due at the end of January. She stated he is also seeking a \$150,000 grant from the City of Wausau through TID #3. Lawrence stated the City of Wausau currently owns the Wausau Club property, which the Council accepted as a donation about a year ago. An RFP process was conducted and Mr. Goffin's project was the only one submitted. The ED Committee has discussed the project twice and approved the grant with a 3-1 vote.

Oberbeck questioned how they came up with the value of \$874,000 for the property and felt the assessed value needs to be incorporated into the plan financially. Winters had some questions regarding the financial documents provided. Following with discussion with Goffin, Winters felt they needed to see cash flow projections year by year for 10 ten years to determine if the business will make it or run out of cash along the way.

Motion by Kellbach, second by Oberbeck to table the item to a January 6th Finance Committee meeting to review 10 year cash flow projections. Motion carried 5-0.

Discussion and possible action on terms of development agreement with Composite Envisions – Lawrence

Lawrence stated this is a relocation project for Composite Envisions, which is currently located in the Business Campus on 86th Avenue. The business is only a couple years old but is expanding quickly so a larger facility is required. She indicated the owner is requesting the donation of approximately 4.2 acres of land on Development Court, just south of Wausau Window and Wall and north of Planet Label. Owner, Cory Thorson's plan is to construct a new 7,500 square foot building next spring to be up and operational next year. He will be adding on an additional four employees and he also requested a \$100,000 grant. Lawrence indicated the ED Committee recommended a ten year forgivable loan for a \$100,000; each year they stay in business in Wausau, \$10,000 would be forgiven. She noted the business is in TID #5 and we sold them their current parcel for \$7,000 in 2012. Cory Thorson explained to the committee what his company produces.

Motion by Nagle, second by Kellbach to approve the terms of the development agreement with Composite Envisions. Motion carried 4-1.

Discussion and possible action on the purchase of 525 McClellan Street – Stratz

Tammy Stratz explained Marathon Savings has owned this property for many years and rented it out to a nonprofit for several years; however, due to its condition and the repairs required, they are looking to get it off their inventory. She stated they are offering it to the city for \$39,500; it is assessed at \$120,400. She indicated she walked through it and there are quite a few issues with the property that would have to be resolved to make it livable. This property is next to the municipal parking lots where all employees are currently parking and there are not enough stalls because the city no longer has the use of the Presbyterian Church parking lot across the street from City Hall. Acquisition of the property for additional parking would help alleviate that problem. She noted the building on the corner of 6th and McClellan is also a nonprofit and has had parking issues as well and may be interested in leasing some stalls.

Winters questioned where the money would come from for acquisition. Groat stated it could come from the Parking Fund if we use it for parking. She noted there have been a couple of businesses approach the city looking for less expensive employee parking. The IT Data Center pays for parking to the Unitarian Church which is also over parked, so we could charge them; we could charge ourselves for parking; and lease it out to other employers in the community for a revenue source.

Oberbeck commented he did not like to see more surface parking done because it creates holes within the city making it hard to maintain the fabric of an urban neighborhood. He did not feel it was the best use of land. Nutting questioned what the bank would do with it if we did not purchase it. Werth responded that there was another buyer lined up to use it as a rental. She noted a number of years ago the city approached the bank to purchase it because of parking in the area, but they wouldn't sell it at that time. Now it is vacant and available. Oberbeck felt it should be used for an infill project and not taken off the tax roll. He pointed out the mall ramps have available parking. Tipple commented we have a current need for parking for our employees and he didn't feel they should have to walk six blocks.

Motion by Nagle, second by Kellbach to approve the acquisition of 525 McClellan Street for \$39,500 from the Parking Fund. Motion carried 3-2.

Discussion and possible action regarding the authorization to accept the donation of property 717 Park Avenue – Stratz

Withdrawn

Discussion & possible action on an education program for the April referendum on city administrator – Winters

and

Discussion & possible action on wording for an April 2015 referendum on city administrator – Jacobson

Wagner stated the Council is scheduled to be educated on the different forms of government responsibilities in a meeting in January. He thought these things would be determined as a Committee of the Whole because in talking with Steve Hintz, he was convinced the wording is the most important thing.

Discussion & possible action on wording for an April 2015 referendum on establishing a stormwater sewer utility – Nagle

Nagle stated he was looking at the staff survey results and clearly there is an understanding out there that a lot of money is being spent on stormwater utility issues, the handling, disposal and routing of clear water and stormwater. He felt the city needs to create a utility and if the Council won't take the initiative, maybe the people will. Winters stated there was draft wording in their packets and questioned if they wanted to go forward with a referendum. Nagle questioned how much was currently being spent on stormwater and Groat replied the estimate was approximately \$1.8 million per year for capital and maintenance, which would include leaf pickup.

Winters read the proposed draft wording and an explanation of what a utility is from the packet. Groat noted in October the City of Middleton approved a stormwater utility as part of a referendum and perhaps we could look at that wording. Oberbeck questioned how the public will be educated about this with only a couple months left. He had thought we were going to roll this out with the garbage collection because they are somewhat related. Nagle stated this was a way to take \$1.8 million off the levy and make it fair.

Motion by Nagle, second by Nutting to put a referendum question for establishing a stormwater utility on the April 2015 Spring Election ballot. Motion carried 4-1.

Discussion & possible action on a procurement policy for legal services – Jacobson

Jacobson summarized her research and noted with the exception of one or two opinions that totaled \$10,000, all were under that or under \$5,000. The only thing that would exceed \$10,000 would be tax litigation, which is the one area we significantly spend well over \$10,000 - \$20,000. Winters questioned the committee as to how big they felt a legal bill can get before the Finance Committee is alerted.

Motion by Nutting, second by Kellbach to set a \$25,000 threshold per issue for legal services. Motion carried 5-0.

Establishment of a Gantt Chart for the citywide revaluation process – Winters

Nan Giese stated the Assessment Department uses Gantt charts, timelines and schedules that they go by every year. She reviewed charts provided to the committee in advance. Winters requested a chart to summarize the activities for the revaluation that includes some of the software installation.

Discussion and possible action on sole source purchase self-contained breathing apparatus.

Kujawa explained the price is going up after the 1st of the year so she was looking for approval in advance of that so she can reserve them and avoid the price jump. The reason for the request is for continuity, familiarity and financial savings. She noted they anticipate purchasing a total of 30, which would be approximately \$240,000 for a capital request along with it testing equipment for an additional \$20,000.

Motion by Oberbeck, second by Kellbach to approve the sole source purchase for self-contained breathing apparatus. Motion carried 5-0.

Distribution of survey results from the GFOA process - Groat

Winters indicated the document was in their packets and since we have been tasked with kick starting the strategic planning process he wanted them to keep this survey for that.

Adjournment

Motion by Nutting, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:50 p.m.



CITY OF WAUSAU

SOLE SOURCE PURCHASE JUSTIFICATION

REQUIRED FORM PURCHASE OF GOODS OR SERVICES EXCEEDING \$5,000

Purchase of goods or services for no more than \$25,000 may be made without competition when it is agreed in advance between the Department Head and the Finance Director. Sole source purchasing should be avoided unless it is clearly necessary and justifiable. The justification must withstand public and legislative scrutiny. The Department Head is responsible for providing written documentation justifying the valid reason to purchase from one source or that only one source is available. Sole source purchasing criteria include: urgency due to public safety, serious injury financial or other, other unusual and compelling reasons, goods or service is available from only one source and no other good or service will satisfy the City's requirements, legal services provided by an attorney, lack of acceptable bids or quotes, an alternate product or manufacturer would not be compatible with current products resulting in additional operating or maintenance costs, standardization of a specific product or manufacturer will result in a more efficient or economical operation or aesthetics, or compatibility is an overriding consideration, the purchase is from another governmental body, continuity is achieved in a phased project, the supplier or service demonstrates a unique capability not found elsewhere, the purchase is more economical to the city on the basis of time and money of proposal development.

1. Sole source purchase under \$5,000 shall be evaluated and determined by the Department Head.
2. Sole source purchase of \$5,000 to \$25,000 a formal written justification shall be forwarded to the Finance Director who will concur with the sole source or assist in locating additional competitive sources.
3. Sole source purchase exceeding \$25,000 must be approved by the Finance Committee.

1. Provide a detailed explanation of the good or service to be purchased and vendor.

The utility previously used Alum to treat the water for Iron and magnesium, we were using twice the product with poor results. A chemist from ChemTrade came to our plant and came up with a recipe of an Alum/polymer blend that uses less product and handles the Iron/magnesium better.

2. Provide a brief description of the intended application for the service or goods to be purchased.

We add Clarion 415 to water in our clarifier to tie up the Iron and Magnesium to be removed in our treatment process.

3. State why other products or services that compete in the market will not or do not meet your needs or comply with your specifications.

ChemTrade created this recipe and would not be willing to share with other chemical companies.

4. Describe your efforts to identify other vendors to furnish the product or services.

We talked to other companies about this product and we use to send out quote sheets to other companies with no respond.

5. How did you determine that the sole source vendor's price was reasonable?

We have used this product over 15 years with normal increases over the years compared to other chemicals we use.

6. Which of the following best describes this sole source procurement? Select all that apply.

- Product or vendor is uniquely qualified with capability not found elsewhere.
- Urgency due to public safety, serious financial injury or other. (explain)
- The procurement is of such a specialized nature that by virtue of experience, expertise, proximity or ownership of intellectual property
- Lack of acceptable quotes or bids.
- Product compatibility or the standardization of a product.
- Continuation of a phased project.
- Proposal development is uneconomical.

Department: Drinking Water

Preparer: Rolando Bolla

Vendor Name: Chem Trade

Expected amount of purchase or contract: \$ 11,000 per truck load 6-7 loads per year

Department Head Signature: James E. Tappala Date: 1/20/15

Finance Director Signoture: [Signature] Date: 1/22/15



WAUSAU WATERWORKS

FOR YOU!

DRINKING WATER DIVISION ♦ WASTEWATER DIVISION

Clarion 415 can only be purchased at Chemtrade Chemicals US LLC it is a special recipe created just for Wausau Water Works.

The Utility previous used Alum to treat the water for Iron and Magnesium, we were using twice the product with poor results. A chemist from General Chemical came to our plant and came up with a recipe of an Alum/Polymer blend that uses less product and handles the Iron and Magnesium better.

General Chemical created this recipe and would not be willing to share it with other chemical companies.



Dick Boers
Water Plant Superintendent

The request is for 7 loads, this is based on our experience from previous years which reflects 6-7 loads per year. The usual delivery is between 44,500 - 45,200 lbs per truck load. The unit price is .2485 per lb.

Based on 7 loads averaging \$11,300.00 including surcharge fees would make the total \$79,100.00 for the year.

A handwritten signature in cursive script that reads "Dick Boers".

Dick Boers
Water Plant Superintendent

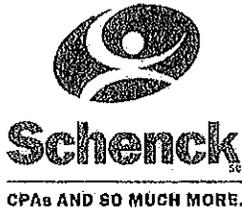
DRAFT

**CITY OF WAUSAU, WISCONSIN
REPORT ON AGREED UPON PROCEDURES
DECEMBER 2014**

CITY OF WAUSAU, WISCONSIN
REPORT ON AGREED UPON PROCEDURES

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CITY OF WAUSAU, WISCONSIN
REPORT ON AGREED UPON PROCEDURES

To the City Council
 Wausau, Wisconsin

BACKGROUND

In October of 2014, the City of Wausau, Wisconsin ("the City") entered into an agreed upon procedures engagement with Schenck SC outlining procedures relating to specific internal controls over City operations. This report contains the specific items as outlined in the agreed upon procedures agreement, the description and scope of the work we conducted and the results and recommendations. The following items were included in the agreed upon procedures:

- Serial payments to vendors used to evade the \$25,000 bid threshold
- Duplicate payments to vendors
- Internal controls over sole source purchases
- Development agreements
- Internal controls over legal services

PURPOSE AND SCOPE

The objective of this report is solely to assist the City in evaluating the items above and make recommendations for improving the internal controls over City operations. The intent of the specific procedures conducted was to provide the City with data to support appropriate recommendations on improving the systems and internal controls along with ensuring material compliance with City policies and procedures.

APPROACH

During the initial phase of this project, Schenck SC requested an electronic copy of the City of Wausau accounting records from the period January 1, 2011 to October 21, 2014 and developer agreements from January 1, 2008 to October 21, 2014. The City accounting records consisted of a database of all recorded transactions in the City's financial records. We processed that source data using our data extraction software which processes the raw data and selects appropriate samples using specific parameters. The end result is an "intelligent" summary of the data grouped in a manner that allows us to use it specifically for addressing areas included in the engagement.

Next, we interviewed a select group of employees to gather information on the background and the environment of certain controls within the City. While most of the information gathered during this phase did not directly change our testing approach, it did give valuable background and highlighted some strengths/weaknesses of various controls within the City which ultimately assisted us in making recommendations.



CITY OF WAUSAU, WISCONSIN
REPORT ON AGREED UPON PROCEDURES

Once the transaction samples were processed and selected, the project moved to onsite fieldwork which involved going through hundreds of transactions and pulling "samples of interest" for further detailed analysis.

The review of developer agreements was more of a manual process which involved reviewing a number of files and agreements and testing the controls over them.

Additional detail of the process for each agreed upon procedure is contained in the "Comments and Recommendations" section on pages 3 through 7. Each comment also contains our observations and recommendations.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the City of Wausau. Consequently, we make no representation regarding the sufficiency of the procedures described above for the purpose for which this report has been requested or for any other purpose.

Our limited inspection of the records provided to us did not constitute an audit in accordance with generally accepted auditing standards, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Had we completed additional procedures or inspected additional records we may have identified additional observations. Our inspection focused primarily on the items identified in the agreed upon procedures engagement letter.

We appreciate the assistance of City staff in completing these procedures. All City employees that we interviewed and worked with exhibited a high degree of professionalism and an interest in improving City internal controls.

This report is intended solely for the information and use of the City Council, finance committee, and management, and is not intended to be, and should not be, used by anyone other than these specified parties.



Certified Public Accountants
Wausau, Wisconsin
January 8, 2015

CITY OF WAUSAU, WISCONSIN
COMMENTS AND RECOMMENDATIONS

AUP#1 – Serial payments to vendors used to evade the \$25,000 bid threshold

Purpose

To determine if payments to vendors are in accordance with City policies and the internal controls over vendor payments are operating effectively going forward.

Testing Detail

The source for the testing of this area was the actual transaction detail from the City's financial software from January 1, 2011 to October 21, 2014. The raw data which included approximately 24,000 checks was analyzed by our data extraction software and narrowed down to 425 transactions of interest using parameters that allowed us to select and review items close to (under and over) the \$25,000 threshold. The software also selected items that were considered unusual in nature using probability and historic assumptions. We reviewed the sample of 425 for allowable transactions using the financial system description and backup documentation and also inquiry of staff where needed. From that initial sample we were able to identify 98 vendor checks for close examination which represented 49 individual projects.

Observations

The City had two procurement policies in place spanning the time period specified in the agreed upon procedures. The first policy was adopted on November 1, 1999 and in place until replaced with the current procurement policy on April 22, 2012. We took both of these policies into consideration depending on the date of the transaction tested. The policies were not specific in regards to the logistics for how the bidding documents were retained and kept on file at the City. Older transactions tested were kept on file at the departments themselves and in many cases were held by employees no longer working for the City. This fact made it difficult and time consuming to find the records needed for backup, especially for items selected prior to April of 2012. The procedure in place at the time of the testing has all quotes and bidding documentation attached to the "final check" to the vendor on the contract or project. So while this made things easier, it was still difficult to determine which check in the imaging system was the final one that contained the documents. Some of these projects span a number of years which compounded the issue. Furthermore, payments related to the same project did not always include the purchase order tag in the system which also made tracing more difficult. The City has now implemented a procedure which images the quotes and bidding information immediately with the purchase order.

Recommendations

1. To establish a complete audit trail which documents compliance to the City procurement policy (and applicable state statutes), we recommend that a specific process be documented outlining the various steps of obtaining quotes and bids. The documentation should also include the specific filing requirements for the various documents. While testing, we discussed this process with management and one suggestion to accomplish this was to use a numeric or alphabetic indicator when entering the purchase order number. This indicator would identify that there are procurement documents (bids, quotes, sole source backup, etc.) attached to the transaction. The system could be sorted to produce a sample of all transactions that require additional bidding processes. This process would also make it easy for management and/or an applicable City committee to receive periodic reports directly from the financial software. The reports could detail the transactions currently being bid.
2. It is typical that the format and size of bidding documents vary greatly. This could be problematic in using the imaging process as it may not be practical to image a huge document with the purchase order. We recommend, in coordination with our recommendation in #1, the process be further defined to establish the minimum required documents to be imaged (summary of bids, summary of quotes, front page of each bid, etc.).

CITY OF WAUSAU, WISCONSIN
COMMENTS AND RECOMMENDATIONS

AUP#2 – Duplicate payments to vendors

Purpose

To determine if duplicate vendor payments were made between January 1, 2011 to October 21, 2014.

Testing Detail

Similar to AUP#1 above, the source for the testing of this area was the actual transaction detail from the City's financial software from January 1, 2011 to October 21, 2014. The raw data which included approximately 24,000 checks was analyzed by our data extraction software which searched for obvious repeated dollar amounts, repeated invoice numbers, repeated purchase order numbers and related parameters that may indicate duplicate payments. The sample was then narrowed down to 78 individual transactions of interest. We reviewed the entire sample of 78 for possible duplicate payments. 52 of the sample of 78 were identified as allowable – meaning that they were not duplicate payments and were for reissued voided items or checks that were lost by vendor. The remaining 26 items were individually investigated to determine the related facts. 21 of the 26 items were not duplicate payments which were again normal reissued voids or errors made when entering descriptions. The remaining 5 items were in fact duplicate payments and we were able to trace all 5 to credits/refunds given by the vendor shortly after payment.

Observations

We did not have any concerns with the amount of duplicate payments or the controls over them based on the number of checks the City processes on an annual basis. We do however have the following general recommendation to help prevent any duplicate payments.

Recommendations

1. Most items that we tested in the final sample of five that were in fact duplicate payments (with a refund/credit issued by vendor) were caused by entering incorrect vendor information into the vendor accounts payable system. This is one of the more common errors as names and numbers are similar causing a greater chance to make a mistake. We recommend providing training to staff entering the data and also develop a process to have the person entering the data make sure the vendor names match before proceeding to the next step in the system.

*talk to Lori re Board of Public Works
contract
change to language to
change language to for all*

CITY OF WAUSAU, WISCONSIN
COMMENTS AND RECOMMENDATIONS

AUP#3 – Internal controls over sole source purchases

Purpose

To determine if internal controls over sole source purchasing are in place with current procurement policy.

Testing Detail

Early in the process it was determined that going back and identifying historic sole source purchases was not practical or possible. This historic testing would also bring little value to the City since the current procurement policy has already addressed this issue after 2012. We instead selected a sample of transactions after April 22, 2012 to walk through the process and ensure compliance to the current procurement policy. We tested 9 transactions and all were in compliance with bidding procedures, were justifiable as a sole source purchase and authorized in accordance with the current procurement policy.

Observations

We did not have any concerns with sole source purchases being in accordance with the current procurement policy.

Recommendations

1. While the existing procurement policy is clear on the procedure and authorization of sole source purchases, it could be enhanced to include a clearer definition of what is a sole source purchase. In practice, not defining this could lead to confusion and mislabeling a transaction as a sole-source purchase when it is not. It could also lead to going through the bid/quote process when in fact it is a sole source purchase situation. Both of these could lead to inefficiency and ultimately cost the City production time.

CITY OF WAUSAU, WISCONSIN COMMENTS AND RECOMMENDATIONS

AUP#4 – Development agreements

Purpose

To determine if controls over developer agreements made between January 1, 2006 and October 21, 2014 were adequate to track the existence and to fulfill requirements and deadlines as stated.

Testing Detail

We obtained the newly created tracking/control spreadsheet from the Community Development Department staff. The spreadsheet is designed to list all developer agreements along with all parameters of the agreements (value requirements, job creation requirements, deadlines, etc.). We selected all agreements on the spreadsheet, which consisted of 34 development agreements, after January 1, 2006 and obtained the agreement files. We compared all elements on the tracking spreadsheet below to the actual written agreements. The following column headings on the tracking spreadsheet were reviewed during the onsite work:

- Developer/owner
- Project name
- Location
- Effective date
- Grant/Loan amount or service provided
- Jobs requirement
- Jobs deadline
- Date job report sent
- Jobs created
- Date reports turned in
- Construction requirement
- Assessed value requirement

Observations

Our overall observation is while the spreadsheet creates a good baseline to track the agreements, some enhancements can be made to improve the process and provide additional usable data for future decision making. We noted only one clerical error (typo) with one of the assessed value requirements which was listed incorrectly on the spreadsheet. We consider this minor in nature and gave the correction to the department management to re-enter.

Recommendations

1. Enhance the "grant/loan amount or service provided" column to track grant and loan amounts separately. This could be in addition to the existing column since that column is more of a description which would still be needed. The 2 new columns would be numerical and that would allow for better tracking on the amount of loan and grant funds awarded during the year or even historically for each applicant. It would also allow for tracking each one better than having to look in one cell for all the data. We also recommend enhancing the assessed value requirement column to be more specific and possibly separating assessed value from equalized value. Each agreement is written differently and comingling that on the spreadsheet became confusing.
2. Include a "type of industry" column for the applicant or recipient of the developer agreement. While this would not assist in tracking, it would allow for the document to evolve past just a compliance report to a decision making document. You could track by industry code (retail, service, medical, food/beverage, etc.) and provide information on the concentration of a particular industry that is being targeted. The data would be available for future decisions.

CITY OF WAUSAU, WISCONSIN
COMMENTS AND RECOMMENDATIONS

AUP#5 – Internal controls over legal services

Purpose

To determine if internal controls over legal services are in place and follows current policy.

Testing Detail

The primary purpose of this testing was to meet with the City Attorney and discuss the process of legal services and the control environment. As a secondary part of this testing we reviewed a number of outside legal bills and reviewed most of the legal services expenditure detail lines to better understand the process.

Observations

It was evident from our review that the City's contracted legal services are decentralized. Outside legal services can be initiated by the City Attorney and also can be initiated by other department heads where necessary. The main departments initiating legal services were the City Attorney, as expected, and Human Resources. Other departments did also contract for outside legal services, but those were less frequent.

Recommendations

1. We recommend establishing a policy on outside legal services that would direct the flow of information through the City Attorney. With a decentralized control environment, departments could potentially be hiring out for services that the City Attorney could complete in-house. Having the flow of information going through the City Attorney could help reduce that risk by opening up communication between department heads and the City Attorney. There will be cases where legal services are needed to be hired outside and department heads could still have input, but that communication would go through the City Attorney office or at least open up the lines of communication between the departments involved. Often times in practice, we see that departments will still initiate an outside legal service, but it is in coordination with the City Attorney.
2. There will be special cases that due to conflict of interest, employee confidentiality or workload issues certain matters may be handled directly with an outside attorney. Those types of situations should be documented in the policy so a clear set of guidelines and flow of information can be established.
3. We noted some outside legal service invoices did not provide detailed information such as including the number of hours or specific work that was performed. It was not clear to us if those were under some sort of contract which typically we would not see the detail or if there was confidentiality laws coming into effect. In any event, all services that are not under a fixed fee contract should be detailed enough so the City management can determine if the payment is reasonable and in accordance with the terms agreed upon. Project/service name/description, number of hours, rate charged would be typical detail found in all service-related invoices that are not based on a fixed fee.

CITY OF WAUSAU, WISCONSIN
COMMENTS AND RECOMMENDATIONS

General comment – Enhancing the control environment

Observations

In any internal control discussion, "tone at the top" is a primary discussion point. This refers to the tone or attitude of management and elected officials which is observed by and adopted by all staff in the organization. For example, when the policy reads one thing, but historically it is not followed in practice, that tone or attitude will flow to other employees and ultimately become part of the culture. Conversely, when proper internal control is a readily discussed topic by elected officials and it is widely known as the best practice of the organization and is lived day-to-day it becomes part of a positive culture in the organization. This flows to department heads which flows to the staff. Part of this is providing training for elected officials and department heads to enhance their understanding and role in internal control and even what proper internal controls is all about and why it is important. It also involves understanding the strengths and weaknesses of each internal control function.

Recommendations

We recommend that the City consider conducting a formal training for government officials and department heads on the importance of internal controls and the importance on the policies in place and work culture. Most of these policies and controls are there to not only protect the City and the City's taxpayers, but to protect the individual employee's as well. Department heads and employees should be considered "part of the team". As engaged team members, the employees will be able to continually improve and enhance the internal control process. Policies are made by elected officials, but positively explaining them to department heads and working with them on the implementation is essential to organizational success. It will also lead to employee buy-in of the process and has a better chance of being followed long-term. This will create the foundation of improving culture which will allow for effective implementation of the City's policies including the specific recommendations in this report.

Richard Whalen

From: Trautman, Jon T. <Jon.Trautman@schencksc.com>
Sent: Monday, January 05, 2015 4:10 PM
To: Richard Whalen
Subject: RE: AUP

OK, that works. Thanks.

Jon Trautman, CPA

Shareholder
Government and Not-for-Profit Team
Schenck SC

311 Financial Way, Suite 100
Wausau, WI 54401

715-675-2351 phone | 920-455-4312 direct | 715-340-0302 cell | 920-617-2520 fax

<http://www.schencksc.com>

Jon.Trautman@schencksc.com

My Bio www.schencksc.com/ion-trautman | www.linkedin.com/pub/ion-trautman/30/271/a2 | www.facebook.com/schencksc | twitter.com/schencksc

Voted best accounting firm by Corporate Report Wisconsin in 2009, 2010, 2011 and 2012

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From: Richard Whalen [<mailto:Richard.Whalen@ci.wausau.wi.us>]
Sent: Monday, January 05, 2015 4:09 PM
To: Trautman, Jon T.
Subject: RE: AUP

Jon,

They will be filed in the system under the purchase order number. We would be able to run a report of all purchase orders issued and sort based on the amounts of the PO. Quotes would be required for items over \$5,000 and bids would be required for items over \$25,000.

Dick

From: Trautman, Jon T. [<mailto:Jon.Trautman@schencksc.com>]
Sent: Monday, January 05, 2015 4:04 PM

To: Richard Whalen
Subject: RE: AUP

Hi Dick,

How are those imaged PO's and related documentation filed in the system? So in other words, if you wanted to print out all the transactions that required a quote and all the transactions that required a bid how would that work?

Jon Trautman, CPA
Shareholder
Government and Not-for-Profit Team
Schenck SC

311 Financial Way, Suite 100
Wausau, WI 54401

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<http://www.schencksc.com>
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From: Richard Whalen [<mailto:Richard.Whalen@ci.wausau.wi.us>]
Sent: Monday, January 05, 2015 3:36 PM
To: Trautman, Jon T.
Subject: AUP

Hi Jon,

I spoke with Maryanne earlier today and she indicated that she had spoken to you regarding the agreed upon procedures special work. I think she may have let you know that we have instituted new procedures to image our purchase orders right away rather than attach them to the last A/P payment and have them imaged at that time. We wanted to follow-up with you to let you know that we are not actually printing all of our purchase orders since all parts run through DPW's inventory system have to have a purchase order issued in order to properly run them through the system. So all parts purchased have a purchase order issued to the vendor used. These are usually for very small amounts, therefore, we are not printing the purchase orders. For those items over the threshold amount for purchases (\$5,000) we are printing the purchase orders.

I just wanted to give you an update in regards to how your report will be issued and what procedures we have implemented. Let me know if you have any questions or concerns.

Thanks.

Dick

Richard M. Whalen, CPA
Accounting Manager
City of Wausau
407 Grant Street
Wausau, WI 54403-4783
(715)261-6642

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RESOLUTION OF FINANCE COMMITTEE

Approving of Intergovernmental Humane Officer Services Agreement between the City of Wausau and Everest Metropolitan Police Department from January 1, 2015 through December 31, 2015

Committee Action: Pending

Fiscal Impact: Payment of \$16,860 from Everest Metro Police Department

File Number: 12-1214

Date Introduced: January 27, 2015

RESOLUTION

WHEREAS, the City of Schofield, Village of Weston and Town of Weston are parties to the Schofield/Weston Police Merger Agreement, executed October 4, 1993; and

WHEREAS, each jurisdiction has passed and is responsible for enforcing local ordinances governing the regulation, licensing and impounding of certain animals within the territorial limits of the Everest Metro Police Department (EMPD); and

WHEREAS, an agreement was entered into in 2014 between the City of Wausau and Everest Metropolitan Police Department for humane officer services; and

WHEREAS, the EMPD desires to again contract with the CITY for the provision of certain animal control services to the three jurisdictions within which it provides law enforcement; and

WHEREAS, the CITY is agreeable to rendering such services on the terms and conditions set forth in the attached agreement; and

WHEREAS, EMPD will administer the agreement upon authorization by the governing bodies of Weston and Schofield.

NOW THEREFORE, BE IT RESOLVED that the City of Wausau enter into an agreement for the contracting of such services to EMPD in substantial compliance with the material terms of the attached agreement for a term commencing January 1, 2015 and ending December 31, 2015.

BE IT FURTHER RESOLVED that the proper City officials are hereby authorized and directed to execute a contract for humane officer services with the Everest Metro Police Department.

Approved:

James E. Tipple, Mayor



Memorandum

From: Anne L. Jacobson, City Attorney
To: Finance Committee Members
Date: January 21, 2015
Re: Staff Analysis of Intergovernmental Humane Officer Services Agreement between City of Wausau and Everest Metropolitan Police Department

Purpose: To renew an agreement with Everest Metropolitan Police Department (EMPD) for humane officer services.

Facts: An agreement was entered into with EMPD in 2014 for humane officer services for a total of \$16,050. The 2015 agreement is proposing a cost to EMPD of \$16,860, an increase of \$810.

Recommendation: Approval of the agreement is recommended.

ALJ:lp

Enclosure

cc Mayor Tipple

**INTERGOVERNMENTAL HUMANE OFFICER
SERVICES AGREEMENT
BETWEEN THE CITY OF WAUSAU AND
EVEREST METROPOLITAN POLICE DEPARTMENT**

THIS AGREEMENT, entered into this 1st day of January, 2015, by and between the CITY OF WAUSAU, a municipal corporation of the State of Wisconsin, hereinafter referred to as "CITY" and the Everest Metropolitan Police Department, hereinafter referred to as "EVEREST METRO";

WHEREAS, the CITY has appointed a Humane Officer certified pursuant to Wis. Stat. §173.05, who provides animal control services pursuant to Wis. Stat. Ch. 173 including, but not limited to, vaccination of animals, reporting human exposure to rabies, quarantine and testing of biting animals, reduction of stray animal population, restraint of dangerous animals, protecting persons from the dangers associated with animals at large, inhumane treatment of animals, and other related services; and

WHEREAS, EVEREST METRO is responsible for enforcing local ordinances governing the regulation, licensing and impounding of certain animals within its territorial limits; and

WHEREAS, EVEREST METRO wishes to enter into an Agreement with the CITY for the providing of Humane Officer services as more fully hereinafter set forth; and

WHEREAS, CITY is agreeable to rendering such services on the terms and conditions as hereinafter enumerated; and

WHEREAS, the CITY and EVEREST METRO are authorized pursuant to Wis. Stat. §66.0301 to enter into this Agreement which proves a governmental function and/or service that each party is authorized to perform and in which the parties are mutually interested, such as police protection and public health and welfare.

NOW, THEREFORE, the parties hereto agree as follows:

1. SCOPE OF ANIMAL SERVICES. Subject to the provisions hereinafter contained in this Agreement, the CITY shall provide the following animal control services to EVEREST METRO:
 - a. Pick up stray dogs and other stray animals (except cats); impound animals or returning them to the owner; and issue citations as appropriate.
 - b. Investigate complaints of alleged violations of state statutes and local ordinances relating to animals and, in the course of the investigations, may execute inspection warrants pursuant to Wis. Stat. §66.0119.
 - c. Provide those duties, investigations, abatement and exercise those powers related to animals as set forth in Wis. Stat. §§173.07, 173.09, 173.10, 173.11, and 173.13.

2. STAFFING. Humane Officer hours shall be on average 40 hours per week which said schedule shall be flexible. However, the Humane Officer or his/her designee shall still respond to those calls for services in the times set forth on Exhibit A.

3. PRIORITIZATION. Upon receiving a telephone call or other communication from an EVEREST METRO police officer, or from a designated municipal staff member from the City of Schofield or Village of Weston, related to those duties set forth in ¶1. a-c. above, such matter will be handled on a priority basis. The CITY reserves the right to prioritize responses according to the attached animal response prioritization set forth on Exhibit A attached hereto and incorporated herein.

4. COMMENCEMENT, TERM, AND TERMINATION. The term of this Agreement shall commence on January 1, 2015 (“Commencement Date”) and terminate on December 31, 2015 (“Termination Date”).

5. COMPENSATION. EVEREST METRO shall pay \$16,860 to the CITY for the services provided in this Agreement. Payment will be due no later than July 5, 2015 to the Treasurer of the CITY. The CITY agrees that all funds paid by EVEREST METRO pursuant to this Agreement will be used only to fulfill the terms of this Agreement.

6. HOLD HARMLESS/INDEMNIFICATION & INSURANCE.
 - a. The CITY shall maintain insurance coverage to protect against claims, demands, actions and causes of action, arising from any act or omission of the Humane Officer, the CITY’S agents and employees in the execution of this Agreement. Certificates of insurance by a company authorized to transact business in the State of Wisconsin shall be supplied to EVEREST METRO with EVEREST METRO as an additional insured. All insurance coverage shall contain a 10-day advance notice of cancellation to EVEREST METRO. The CITY shall timely pay all insurance premiums. Limits of liability shall not be less than:

Worker’s Compensation Statutory Coverage
General Liability Insurance Coverage:

Bodily Injury – Per Person	\$ 500,000
– Per Occurrence	\$ 1,000,000
Property Damage – Per Occurrence	\$ 250,000
Comprehensive Auto Liability Including Non-Ownership Coverage	
Per Person	\$ 100,000
Per Occurrence	\$ 300,000
Property Damage	
Per Occurrence	\$ 50,000

b. Liability for any damages or bodily injury, disability, and/or death of employees or any person or for damage to property caused in any way by the services of the CITY in this Agreement shall be assumed by the CITY which shall indemnify and hold harmless EVEREST METRO against all claims, actions, proceedings, damages, and liabilities, including reasonable attorney's fees, arising from or connected to the activities provided to EVEREST METRO, including but not limited to, any acts or omissions of the Humane Officer, the CITY's employees, agent, representatives, and any other person doing business with the Humane Officer.

7. EVEREST METRO shall fully cooperate with the Humane Officer including but not limited to the furnishing of any and all information in its possession about the ownership of a suspected rabid animal, including rabies vaccination certificates, any history of the animal or the name and address of any possible victims of an animal bite or injury.
8. ANIMAL TREATMENT FEES. All animal care, impoundment, treatment, or disposal shall be the sole responsibility and at the direction of EVEREST METRO.
9. ENFORCEMENT. All citations issued by the Humane Officer within the jurisdiction of EVEREST METRO shall be prosecuted in the Schofield-Weston Municipal Court at EVEREST METRO's sole expense. However all forfeitures collected therefrom will be retained by EVEREST METRO's municipalities. EVEREST METRO shall be responsible for the payment of legal services for the prosecution of offenses occurring in EVEREST METRO'S jurisdiction.
10. NOTICES. Any notice required or permitted by this Agreement shall be deemed effective when personally delivered in writing, or three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified, and return receipt requested, and addressed as follows:

CITY:

EVEREST METRO

City of Wausau
Attn: City Clerk
407 Grant Street
Wausau, WI 54403

Attn: Chief of Police
5303 Mesker Street
Weston, WI 54476

11. ASSIGNMENT. The parties acknowledge that the services provided herein are unique. Accordingly, neither party may assign their rights or delegate the duties or obligations under this Agreement.
12. AMENDMENTS. This Agreement contains the entire Agreement of the parties and supersedes any prior agreements or understandings, whether oral or in writing, between them. This Agreement may not be changed or modified except by a written instrument in accordance with the provisions herein.

13. JURISDICTION. Personal jurisdiction and venue for any civil action commenced by either party arising out of this Agreement shall be deemed to be proper only if such action is commenced in the Circuit Court of Marathon County unless it is determined that such Court lacks jurisdiction. The parties expressly waive the right to bring such action in, or to remove such action to any other court whether state or federal, unless it is determined that the Circuit Court for Marathon County lacks jurisdiction. This Agreement shall be construed under the laws of the State of Wisconsin.

14. SEVERABILITY. If any part, term, or provision of this Agreement is held by a court of competent jurisdiction to be illegal, unenforceable, or void, such illegality or unenforceability shall not affect the validity of any other part, term or provision and the rights of the parties will be construed as if the invalid part, term or provision was never part of the Agreement.

15. IMMUNITY. Nothing contained in this Agreement constitutes a waiver of either party's sovereign immunity under applicable law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the first date written above and by so signing this Agreement, certify that they have been duly and properly authorized by their respective boards and councils to make the commitments contained herein, intending them to be binding upon their respective entities and to execute this Agreement on their behalf.

CITY OF WAUSAU

EVEREST METRO POLICE DEPT.

James E. Tipple, Mayor

Wally Sparks, Chief of Police

Toni Rayala, Clerk

Loren White, Chairman - Everest Metro
Joint Finance Committee

EXHIBIT A

Call Type	Response Level (Immediate/Delayed)
Animal cruelty or neglect	Delayed--respond within 24 hours.
Domestic animal at-large	Immediate if in traffic or threat to any person(s) or property. Delayed- Response within eight (8) hours.
Found or unwanted animals to be picked up	Delayed-Train Officers to handle outside normal hours, if unavailable or specialized recover and transportation needs are required it may be necessary outside normal hours to call-in animal control staff.
Animal sanitation complaints	Delayed-Response within 24 hours
At-large animal that is sick, injured or in danger	Immediate
Aggressive animal	Immediate
Barking dogs	Delayed
Other animal noise complaints	Delayed
Animal attacks on other animals or people	Immediate
Deceased animals that pose no risk to safety	Delayed-Response within 24 hours.
Deceased animals that pose a risk to safety	Delayed-Response within 24 hours.
Other Calls not set forth herein.	Response shall be at the discretion of the Humane Officer.

ONGOING UPDATE ON THE NEGOTIATIONS REGARDING THE STATUS OF BROKAW

Background: On Tuesday, January 13th, the Marathon County presented the results of a consultant's study on the financial viability of the Village of Brokaw. The study concluded that it was only a matter of time before the village would be called upon to write a check for which it had no funds. A newspaper article on the presentation is attached.

The consultants urged the Village of Brokaw, the Town of Maine, the Town of Texas and the City of Wausau to work together on a development plan to improve the economic viability of the region.

This situation has the potential to create significant positive good or a serious financial crisis that will keep development in limbo for years. It will go one way or the other; there is no middle ground.

Action Plan: The committee could ask the mayor to brief us today on the status of negotiations or any communications from Brokaw, Maine or Texas, and to give us regular updates on the second Tuesday of every month.

Prepared by: Keene Winters
January 15, 2015

Consultants urge Brokaw, Wausau merger



Two cars pass through Brokaw on Dec. 2.

DAILY HERALD MEDIA FILE PHOTO

Dissolution also on table after study of indebted village

By **Nora G. Hertel**
Daily Herald Media
nhertel@wdrhmedia.com

WAUSAU — Two consultants who spent months reviewing the financial troubles facing the village of Brokaw are recommending that the village either sell and transfer its water utility to Wausau and move toward a merger between

the two municipalities — or dissolve entirely.

“There will be a point in time when the village is asked to write a check that the village has no money in the account to pay with,” said Andrew Phillips, an attorney and one of the consultants who presented Tuesday evening at the Marathon County Courthouse to a full room featur-

ing officials from Marathon County, Brokaw, Wausau and the towns of Maine and Texas.

The two primary options for Brokaw include a future consolidation with Wausau or the dissolution of Brokaw, after which the village’s assets and debts would transfer to its neighbors, Maine and Texas.

The 2011 departure of a paper mill in Brokaw initiated its trouble, leaving the village with a bloated water utility that costs

more than it makes. Water sales in the village dropped 95 percent from 2011 to 2013, said Mike Konecny, an accountant and consultant with Schenck SC.

“When your largest customer is yourself, it’s not going to work,” Konecny said.

Brokaw can make smaller changes to relieve some financial pressure, Konecny said, such as

See **BROKAW**, Page 8A

8A WEDNESDAY, JANUARY 14, 2015

MARKETPLACE

Brokaw

Continued from Page 1A

reviewing the general fund for cost reductions and stabilizing sewer utility operations.

“These things are complex,” he said. “We continue to recommend that the village seek outside assistance to work through these things.”

If the village takes the first recommendation and sells its water utility to the city of Wausau and then moves toward a merger, the municipalities have some guidance in state law but would be forging through a unique situation.

“While I give you hope,” Phillips said, “I can-

not give you the exact blueprint.”

They recommended the merger because it would relieve pressure on Maine and Texas while allowing Wausau to increase economic development and its tax base. But Wausau would first have to annex hand to physically connect to Brokaw.

If Brokaw chooses to dissolve, there are a lot of unknowns, Phillips cautioned, such as what will happen to the village’s water and sewer utility.

Neither Marathon County Board member Jim Rosenberg nor Wausau City Council member Keene Winters were surprised with the report.

“It’s certainly everything I expected,” Winter said.

Nonetheless, Rosenberg said, it’s key to hear the information from an impartial party. “It’s important to have it defined.”

“It’s not going to stay the same. It’s a deteriorating situation that needs to be dealt with,” Rosenberg said.

Phillips recommended that stakeholders start meeting and planning for Brokaw’s future “literally tomorrow.”

But before joint meetings can be planned, Brokaw officials will have to take the first step.

“What’s next is up to Brokaw,” said Marathon County Administrator Brad Karger.

Nora G. Hertel can be reached at 715-845-0665. Find her on Twitter as @nghertel.



TO: FINANCE COMMITTEE MEMBERS
FROM: MARYANNE GROAT
DATE: JANUARY 22, 2015

SUBJECT: PROCUREMENT POLICY

I am recommending two changes to the procurement policy as outlined below:

1. Item 8 General Guidelines – Purchase Orders

The Agreed Upon Procedures Report recommended that we maintain a separate file of purchase orders and related purchasing documentation (bids, quotes and sole source) rather than storing the documentation with the accounts payable documents. We are initiating this process effective January 1 but have found a component of the procurement process which will prevent a complete listing. The general guidelines indicate that a purchase order is not necessary if the purchase is governed by a written contract or agreement. Our proposed language change would require a purchase order for all purchases of goods and services in excess of \$5,000. This will ensure a complete list. Please see the language change:

<p>8. <u>Purchase Orders</u> – Shall be issued for all purchases of goods and services in excess of \$5,000. unless such payment is authorized by a written contract or agreement.</p>

2. Contract Authorization

The current procurement policy gives the Mayor authority to enter into contracts for services that meet the following criteria:

- Goods and services are included within the approved budget
- Procurement complies with the procurement policy
- The City Attorney has reviewed and approved the form of the contract
- The contract complies with laws, resolutions and ordinances
- The contract is for a period of one year or less or the contract is for a period of not more than three years and the annual average cost of the services does not exceed \$25,000.

The City does enter into contracts that are more “project-based” rather “time-sensitive” and don’t fit into either of the existing categories. Examples include: engineering and remediation services of the riverfront property, consulting and engineering services related to the redesign of Thomas Street. Often these contracts can be expected to be a one year contract but the work does not progress as expected and drags on to exceed a one year time period. Our proposed change includes project based contracts below:

CONTRACT AUTHORIZATION

The Mayor is authorized to enter into contracts on behalf of the City of Wausau if the contracts meet the following criteria:

1. Purchase of Goods – The City may purchase equipment, furnishings, goods, supplies materials and rolling when the costs of the same have been included in the approved City Budget.
2. Purchase of Services – The City may contract for the purchase of services without Council resolution when ALL of the following conditions have been met:
 - a) The funds for services are included in the approved City budget.
 - b) The procurement for services complies with the procurement policy.
 - c) The City Attorney has reviewed and approved the form of the contract.
 - d) The contract complies with other laws, resolutions and ordinances.
 - e) The contract is *for a specific project*, or for a period of one year or less, or the contract is for a period of not more than three years and the annual average cost of the services does not exceed \$25,000.

The proposed changes are included on the attached procurement policy. Thank you.

CITY OF WAUSAU, WISCONSIN

PROCUREMENT POLICY

POLICY OBJECTIVE

The City of Wausau has adopted this procurement policy in order to provide City employees with uniform guidance in the purchase of supplies, equipment, services and property. The controls and procedures set forth are intended to provide reasonable assurance that the lowest cost, highest quality good or service is obtained, while balancing the need for flexibility and efficiency in departmental operations.

COVERAGE

This policy applies to the purchases of all departments and divisions of the City of Wausau. The provisions of Wisconsin Statutes s 62.15 and Wausau Municipal Code 12.08 apply to the procurement of public construction and take precedence over any portion of this policy that may conflict with that statute. Procurement activities for MetroRide are subject to the provisions of the Federal Transit Administration and take precedence over any portion of this policy which may conflict with their guidelines. More restrictive procurement procedures required by grants, aids, statutes or other external requirements or funding sources will take precedence.

GOALS

1. To encourage open and free competition to the greatest extent possible.
2. To receive maximum value and benefits for each public dollar spent.
3. To ensure that all purchases are made in compliance with federal, state and local laws.
4. To prevent potential waste, fraud, abuse and conflicts of interest in the procurement process.
5. To assure proper approvals are secured prior to the purchase and disbursement of public funds.

ETHICAL STANDARDS

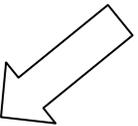
1. All procurement shall comply with applicable federal, state and local laws, regulations, policies and procedures. Municipal Code 2.03 Code of Ethics for Public Officials and Employees provides general ethical standards and conduct expectations.
2. In general, employees are not to engage in any procurement related activities that would actually or potentially create a conflict of interest, or which might reasonably be expected to contribute to the appearance of such a conflict.
3. No employee shall participate in the selection, award or administration of a contract if a conflict of interest would be involved. Such a conflict would arise when the employee, any member of his immediate family, business partner or any organization that employs, or is about to employ, any of the above, has a financial interest or other interest in the firm selected for award.
4. To promote free and open competition, technical specifications shall be prepared to meet the minimum legitimate need of the City and to the extent possible, will not exclude or discriminate against any qualified contractors.
5. No employee shall solicit or accept favors, gratuities, or gifts of monetary value from actual or potential contractors or subcontractors.
6. Employees must maintain strict confidentiality in the procurement process and shall not impart privileged information to any contractors that would give them advantage over other potential contractors.

7. Personal purchases for employees by the City are prohibited. City employees are also prohibited from using the City's name or the employee's position to obtain special consideration in personal purchases. Employee purchase programs may be established with vendors with prior approval from the Mayor, provided that the vendor provides similar programs to employees of other private entities.

GENERAL GUIDELINES

These general guidelines shall be adhered to as closely as possible by all departments in the procurement of goods and services.

1. Procurements are classified into the following two major categories:
 - Purchasing Goods is defined as equipment, furnishings, supplies, materials and vehicles or other rolling stock. The rental, leasing of these items is also considered to fall within this category and the cost shall be determined by considering the maximum total expenditure over the term of the agreement.
 - Purchase of Services is classified into additional categories of professional services, contractor services, construction services and combined goods and service contracts.
2. Buy Local - It is the desire of the City to purchase locally when possible. This can be accomplished by ensuring that local vendors who have goods or services available are included in the competitive solicitation process that will precede major purchases. It is also the desire of the City to purchase from disadvantaged enterprise businesses whenever possible as defined by Wisconsin Statute 84.06(1).
3. Cooperative Procurement Programs – Departments are encouraged to use cooperative purchasing programs sponsored by the State of Wisconsin or other jurisdictions. Purchases of goods and services secured through these programs are considered to have met the requirements of competitive procurement outlined in this policy. Additionally, if identical products can be obtained at a lower price than current cooperative purchasing contracts, no additional quotes are required.
4. Purchasing Oversight – Department heads have the responsibility for procurement issues in their individual departments. A department head is defined as the City employee having responsibility for the department on behalf of which moneys were appropriated in the City budget for purchases.
5. Emergencies – When an emergency situation does not permit the use of the competitive process outlined in the policy, the applicable department head, Finance Director and Mayor may determine the procurement methodology most appropriate to the situation. Appropriate documentation of the basis for the emergency should be maintained and filed with the City Clerk. All emergency purchases exceeding \$50,000 shall require the Department Head to provide written notice to the Common Council.
6. Identical Quotes or Bids – If two or more qualified bids/quotes are for the same total amount or unit price, and quality or service is considered equal the contract shall be awarded to the local bidder. Where this is not practical the contract will be awarded by drawing lots in public.
7. Serial Contracting – No contract or purchase shall be subdivided to avoid the requirements of this policy. Serial contracting is the practice of issuing multiple purchase order to the same vendor for the same good or service in any 90 day period in order to avoid the requirements of the procurement policy.
8. Purchase Orders – Shall be issued for all purchases of goods and services in excess of \$5,000. ~~unless such payment is authorized by a written contract or agreement.~~
9. Policy Review – This policy will be reviewed by the Finance Committee every two years or sooner at the discretion of the Common Council.



10. Protest Procedures – Any interested party who wishes to protest at any point in the procurement process, evaluation, award, or post-award, may do so. An “interested party” must, however, be an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract. Protests must be submitted timely, in writing to the City Clerk, 407 Grant Street, Wausau WI 54403 but no later than five (5) working days following the City’s procurement decision. The protest must contain a detailed statement of the grounds for the protest and any supporting documentation. Upon the receipt of the written protest, the City Clerk will notify the City Attorney and Finance Director who will work to resolve the matter within five (5) working days. If the protester is not satisfied and indicates the intention to appeal to the next step the award will be temporarily suspended unless it is determined that: 1)the item to be procured is urgently required; 2) delivery or performance will be unduly delayed by failure to make the award promptly; 3) Failure to make the prompt award will otherwise cause harm to the City; or 4) The protest has no merit. If the protester wishes to appeal the decision of the City Attorney and Finance Director the matter will be forwarded to the City of Wausau Finance Committee and the Common Council for the ultimate local disposition.

PURCHASE OF GOODS

1. Purchase of Goods under \$5,000 – may be made based on the best judgment of the department head or division director. However, it is recommended that competitive quotes be obtained. Specific procurement documentation is not required.
2. Purchase of Goods \$5,000 to \$25,000 – requires department head approval PRIOR to placing the order and the issuance of a purchase order. The cost of the purchase must have been included within the approved department budget. The department **MUST** obtain (3) three written quotations, if possible. Quote summary, request for quote documentation and written quotes must be submitted to the Finance Department with the purchase order request. Purchase orders will not be processed without the proper documentation.
3. Purchase of Goods in excess of \$25,000 – a formal bid process is required.
 - a. Requests for such bids shall be formally noticed. All notices and solicitations of bids shall state the time and place of the bid opening.
 - b. All bids shall be submitted sealed to the City Official designated in the bid packet and shall have the bid name and date identified on the envelope.
 - c. All sealed bids shall be opened and recorded by the Board of Public Works. The department head shall be responsible for the preparation of all plans, bid specifications, notices and advertising. Prequalification of bidders may be done at the discretion of the department head. A tabulation of bids received shall be available for public inspection. The Board of Public Works shall have the authority to award the contract when the costs of the purchase have been included within the approved City budget. Purchases that do not meet this criteria and are not otherwise authorized by law, rule or regulation, shall be authorized separately by the Common Council. All bid documentation shall be placed on file with the City Clerk.
 - d. In general, the contract shall be awarded to the lowest priced responsible bid, taking into consideration the following factors: the qualities of the goods supplied, conformity with specifications, product compatibility, maintenance costs, vendor support and delivery terms. Written documentation or explanation shall be required if the contract is awarded to other than the lowest responsible bidder. This documentation will include a justification as to why it was in the City’s best interest to award the contract to other than the lowest responsible bidder.
4. Commodities \$5,000-\$50,000 – commodities subject volatile pricing such as fuel may through via written quotes. These purchases require department head approval prior to placing the order and the issuance of a purchase order. The cost of the purchase must have been included within the approved department budget. The department must obtain (3) written quotations, if possible. Quote summary, written quotes and any other available documentation must be submitted to the Finance Department with the purchase order request.
5. The department head shall administer the purchase.
6. The following items must be purchased using a centralized purchasing process:

- a. Copiers - coordinated by the CCITC.
- b. Computer hardware/software - coordinated by CCITC.
- c. Cellular telephone, telephones, security cameras and similar communication and technology equipment – coordinated by CCITC.
- d. Furniture – coordinated by Department of Public Works.
- e. Office Supplies – coordinated by the Finance Department.
- f. Janitorial Services – coordinated by Department of Public Works.
- g. Vehicles and other rolling Stock – coordinated by Department of Public Works.
- h. Facility Maintenance, Repair and Improvement – coordinated by Department of Public Works.
- h.i. [Procurement of Legal Services – coordinated by the City Attorney’s office.](#)

PURCHASE OF SERVICES

Whenever practical the purchase of services should be conducted based upon a competitive process:

- Contractor services is defined as the furnishing of labor, time or effort by a contractor, usually not involving the delivery of specific goods or products other than those that are the end result of and incidental to the required performance. Examples of contractor service include: refuse and recycling collection, snow removal, EMS billing services, janitorial, elevator maintenance, mailing, or delivery services. Contractor services shall follow the competitive procurement policy for the Purchase of Goods subject to the same spending guidelines. The cost shall be determined by considering the maximum total expenditure over the term of the contract.
- Construction services is defined as substantial repair, remodeling, enhancement construction or other changes to any City owned land, building or infrastructure. Procedures found with in State of Wisconsin Statute 62.15 and Wausau Municipal Code 12.08 shall take precedence. In absence of guidance in these areas, construction services shall follow the competitive procurement policy for the Purchase of Goods subject to the same spending guidelines.
- Combined Goods and Services in situations where the purchase combines goods and services (exclusive of construction and contractor services), such as many technology projects, the purchase shall be treated as a purchase of professional services.
- Professional services is defined as consulting and expert services provided by a company, organization or individual. Examples of professional services include: attorneys, certified public accountants, appraiser, financial and economic advisors, engineers, architect, planning and design. Professional services are generally measured by the professional competence and expertise of the provider rather than cost alone.
 - a) If it is estimated that the service being solicited has a total cost of over \$25,000 a formal Request for Proposal shall be used to solicit vendor responses. The department head shall be responsible for the preparation of all Requests for Proposal specifications, notices and advertising. Prequalification of proposers may be done at the discretion of the department head. [A formal RFP will not be required to solicit legal services for representation in a specific matter, regardless of cost. The City Attorney will consult with the Finance Committee if it is anticipated that expenses \(fees and costs\)in excess of \\$25,000 for a single matter will be incurred. When retention of legal services to perform ongoing services in one type of matter, such as bond counsel or prosecution services, is required, the procurement policy for professional services shall be followed.](#)
 - b) The Purpose of an RFP is to solicit proposals with specific information on the proposer and the service offered which will allow the City to select the best proposal. The best proposal is not necessarily the proposal with the lowest cost.
 - c) Based upon the services or project and the magnitude of the outcome a selection committee may be advisable.
 - d) Requests for proposals shall be formally noticed. All notices and solicitations of proposals

shall state the time and place of the proposal opening.

- e) Information to be requested of the proposer should include: Years of experience in the area desired services, financial strength of the company, examples of similar services/projects completed, resumes of staff associated with the project/service, list of references, insurance information, In addition the proposal should provide information about the City, scope of services requested and desired outcomes or deliverables. The proposal should also identify evaluation factors and relative importance.
 - f) Establish selection criteria and include this information with the RFP. It is generally advisable to establish a numeric ranking matrix. This reduces the subjective nature of the rating process.
 - g) Proposals should be solicited from an adequate number of qualified sources. Requests for proposal should be formally noticed. All notices and solicitations should provide the issue date, response due date, date and time of opening responses and a contact person.
 - h) Proposals shall be opened and recorded by the Board of Public Works. A tabulation of proposals received shall be available for public inspection. All proposal documentation shall be placed on file with the City Clerk. The Department Head and selection committee (if applicable) will then review the proposals and make a selection.
- Service contracts or agreements should be reviewed by the City Attorney and placed on file with the City Clerk.

SOLE SOURCE

Purchase of goods or services under \$25,000 may be made without competition when it is agreed in advance between the Department Head and Finance Director. Sole source purchasing should be avoided unless it is clearly necessary and justifiable. The justification must withstand public and legislative scrutiny. The Department Head is responsible for providing written documentation justifying the valid reason to purchase from one source or that only one source is available. Sole source purchasing criteria include: urgency due to public safety, serious injury financial or other, other unusual and compelling reasons, goods or service is available from only one source and no other good or service will satisfy the City’s requirements, legal services provided by an attorney, lack of acceptable bids or quotes, an alternate product or manufacturer would not be compatible with current products resulting in additional operating or maintenance costs, standardization of a specific product or manufacturer will result in a more efficient or economical operation, aesthetic purposes or compatibility is an overriding consideration, the purchase is from another governmental body, continuity achieved in a phased project, the supplier or service demonstrates a unique capability not found elsewhere, economical to the city on the basis of time and money of proposal development.

1. Sole source purchase under \$5,000 shall be evaluated and determined by the Department Head.
2. Sole source purchase of \$5,000 to \$25,000 a formal written justification shall be forwarded to the Finance Director who will concur with the sole source or assist in locating additional competitive sources.
3. Sole source purchase exceeding \$25,000 must be approved by the Finance Committee.

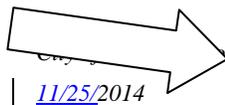
BUDGET

All purchases shall be made in accordance with the budget approved by the Common Council. The department head has the responsibility for managing departmental spending to ensure the line item budget is not overspent and for initiating Transfer of Funds Requests when appropriate.

CONTRACT AUTHORIZATION

The Mayor is authorized to enter into contracts on behalf of the City of Wausau if the contracts meet the following criteria:

1. Purchase of Goods – The City may purchase equipment, furnishings, goods, supplies materials and rolling when the costs of the same have been included in the approved City Budget.
2. Purchase of Services – The City may contract for the purchase of services without Council resolution when ALL of the following conditions have been met:
 - a) The funds for services are included in the approved City budget.
 - b) The procurement for services complies with the procurement policy.
 - c) The City Attorney has reviewed and approved the form of the contract.
 - d) The contract complies with other laws, resolutions and ordinances.



- e) The contract is for a **specific project, or** period of one year or less, or the contract is for a period of not more than three years and the annual average cost of the services does not exceed \$25,000.
3. The following contracts require council approval:
- (a) Collective Bargaining Agreements – Any contract between the City of Wausau and any collective bargaining unit representing City employees.
 - (b) Real Estate Purchases – Contracts for the sale or purchase of real estate where the City of Wausau is the proposed seller or purchaser. Council approval is **not** required for commencement of foreclosure action to collect a loan or other debt owed to the City when the debtor has failed to cure any default in payment of the loan or other obligation.
 - (c) Leases – Contracts for lease of real estate where the City is either a proposed landlord or a proposed tenant exclusive of airport hangar, parking stall rentals and short term park facilities rentals.
 - (d) Easements and Land Use Restrictions – Contracts for easements, restrictive covenants or other limitations which may be placed upon the use of any City-owned property.
 - (e) Intergovernmental Contracts– Contracts between the City of Wausau and other local, state or federal governments or agencies except, cooperative purchasing agreements.
 - (f) Development Agreements – Contracts for the provision of infrastructure, financial assistance or other incentives by the City for the benefit of a developer or business venture.
 - (g) City Services – Contracts whereby the City of Wausau agrees to provide services to another party.
 - (h) Managed competition, outsourcing contracts – Contracts for labor or personal services to be performed by persons who are not city employees for work that has been performed by city employees within the past five (5) years and the contract will result in the elimination of positions and the layoff of personnel.
4. The common council delegates contract approval to the department level for the following:
- (a) Community Development Housing and Commercial Development Loans and Grants issued from grants and related program income.

Contracts shall be signed by the Mayor and counter-signed by the City Clerk, City Finance Director and City Attorney. The City Finance Director shall certify that funds have been provided by the Council to pay the liability that may be incurred under the contract. The City Attorney shall approve the contract as to form and the City Clerk shall attest to the Mayor's signature. Contract change orders may be signed by the Board of Public Works as long as the change order does not materially change the work performed and funds are available within the budget.

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TO: FINANCE COMMITTEE MEMBERS

FROM: MARYANNE GROAT

DATE: JANUARY 22, 2015

SUBJECT: Monk Gardens

Resolution 14-0613 authorized the City's sponsorship of Robert W Monk Community Gardens, Inc. grant request to the Marathon County Environmental Impact Fund. Monk Gardens was successful in securing the grant.

The grant requires that all grant payments flow through the City of Wausau. The financial flow entails invoices for work would be received from contractors by Monk Gardens. They would submit those invoices to the County for approval and reimbursement. The County would approve and submit the grant payment to the City. The City, in turn would remit the grant to the Monk Gardens. The County will not reimburse on an invoice by invoice basis which will require Monk Gardens to obtain some short term financing. Since there will be limited draws on the grant, we do not believe that this will become a processing burden for the accounting staff.

We are seeking permission to serve as financial agent for the Monk Gardens grant.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE ECONOMIC DEVELOPMENT COMMITTEE

Authorizing proposed City of Wausau sponsorship of the Robert W. Monk Gardens application to the Marathon County Environmental Impact Fund

Committee Action: Approved 5-0

Fiscal Impact: None

File Number: 14-0613

Date Introduced: June 10, 2014

WHEREAS, the Board of Directors for the Robert W. Monk Community Gardens Inc., has identified the Kitchen Garden Project as the top priority for 2014, primarily to construct planting areas for demonstrating gardening principles, construct a small structure for educational activities and construct public bathrooms, and

WHEREAS, a 2006 agreement between Marathon County and American Transmission Company (ATC) resulted in establishment of a dedicated fund (Environmental Impact Funds), for the purposes of funding nonrecurring special projects of an environmental nature, and

WHEREAS, the application process for the Environmental Impact Fund requires a local government sponsor, and

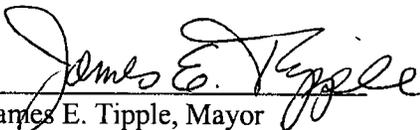
WHEREAS, the Kitchen Garden Project will allow the Gardens to develop programming that enhances the health of City of Wausau and Marathon County citizens, and

WHEREAS, the Robert W. Monk Community Gardens have become a tourist attraction for our area, and

BE IT RESOLVED, by the Common Council of the City of Wausau that it hereby approves the sponsorship of the Robert W. Monk Gardens application to the Marathon County Environmental Impact Fund by the City of Wausau, and

BE IT FURTHER RESOLVED that the Common Council of the City of Wausau authorizes and directs staff to execute documents or reports necessary to assist in the sponsorship of Robert W. Monk Community Gardens, Inc. to the Marathon County Environmental Impact Fund.

Approved:


James E. Tipple, Mayor

ECONOMIC DEVELOPMENT COMMITTEE

Time and Place: The Economic Development Committee met on Tuesday, May 27, 2014 at 4:15 p.m. in the 2nd floor Board Room at City Hall, 407 Grant Street, Wausau

ED Members Present: Bill Nagle (Chair), Romey Wagner, Tom Neal, Lisa Rasmussen and David Oberbeck

Others Present: Megan Lawrence, Maryanne Groat, Mayor Jim Tipple, Anne Jacobson, Travis Lepinski, Ted Matkom, Rob McCreedy, Michael Loy, Brad Marquardt, Brad Lenz, Nan Giese, Ann Werth, Linda Grilley, Gary Gisselman, Dawn Follendorf, Pat Peckham and Theresa Clift

CONSIDER AND APPROVE SPONSORSHIP OF ROBERT W. MONK GARDENS INC., APPLICATION TO THE MARATHON COUNTY ENVIRONMENTAL IMPACT FUND

Rasmussen motioned to approve sponsorship of Robert W. Monk Gardens Inc. Wagner seconded and the motion carried unanimously 5-0.

OFFICIAL PROCEEDINGS OF THE WAUSAU COMMON COUNCIL
held on Tuesday, June 10, 2014, at 7:00 pm in the Council Chambers at City Hall. Mayor Tipple
presiding.

Item # 061402

Consent Agenda

06/10/2014 7:13:18 PM

Motion by Neal, second by Kellbach to adopt all items listed on the Consent Agenda as follows:

14-0401 Minutes of previous meetings. (04/22/14)

12-0110 Joint Resolution of the Capital Improvements & Street Maintenance Committee and the Plan Commission accepting dedication of right-of-way on Kent Street from Curling Way to approximately 700 feet to the east.

14-0613 Resolution of the Economic Development Committee authorizing proposed City of Wausau sponsorship of the Robert W. Monk Gardens application to the Marathon County Environmental Impact Fund

92-0623 Resolution of the Finance Committee authorizing renewal of parking lot lease (Third and McClellan Streets - Janke)

14-0604 Resolution of the Parking & Traffic Committee Granting Engineering Department authority to create temporary parking restrictions on all roadways adjacent to Grand Avenue throughout the duration of the Grand Avenue reconstruction project.

14-0605 Ordinance of the Parking & Traffic Committee designating 2-hour parking in the 100 block of N. 2nd Avenue.

14-0606 Resolution of the Plan Commission Approving a conditional use at 900 Golf Club Road to allow for an outdoor dining area, in a B2, Community Service District.

14-0607 Resolution of the Plan Commission Approving a conditional use at 601 Forest Street to allow for a motor vehicle sales, in a B2, Community Service District.

14-0609 Resolution of the Plan Commission Amending the Conditional use at 2607 North 18th Street to modify the fencing requirement of wind turbines.

14-0108 Resolution of the Public Health & Safety Committee Approving or Denying Various Licenses as Indicated.

03-0311 Resolution of the Wausau Water Works Commission Reviewing the 2013 Compliance Maintenance Annual Report for the Wastewater Plant.

Yes Votes: 10

No Votes: 0

Abstain: 0

Not Voting: 1

Result: PASS

<u>District</u>	<u>Aldersperson</u>	<u>Vote</u>
1	Nagle, William P.	YES
2	Wagner, Romey	YES
3	Nutting, David	NV
4	Neal, Tom	YES
5	Gisselman, Gary	YES
6	Winters, Keene	YES
7	Rasmussen, Lisa	YES
8	Kellbach, Karen	YES
9	Oberbeck, David	YES
10	Abitz, Sherry	YES
11	Mielke, Robert	YES



To: Toni Rayala, City Clerk
From: Board of Public Works
Date: December 30, 2014
Subject: Insurance Claims – January 2014 through December 2014
 06-1215

The Board of Public Works has settled, compromised or denied the following claims during the month of January, 2014 through December, 2014

Date of Incident	Claimant	Claim Details	Amount of claim	Action
11/21/13	Helen Vance	Destroyed a cement deer while tree trimming	\$410.40	Approved 1/15/14
1/27/14	Racquel Springfield	Plow truck hit car that was legally parked on side of road	\$2,106.54	Approved 1/30/14
1/11/14	Dawn Brand	Plow truck hit car	\$1,387.34	Approved 2/10/14
1/22/14	Dennis Hable	Mailbox damaged during plowing	\$30.12	Approved 2/4/14
12/26/13	Kathryn Wagner	Sewer backup in basement	\$85.00	Approved 2/28/14
2/11/14	Rhonda Bollech	Vehicle damaged from mall exit arm	\$730.54	Approved 2/25/14
2/19/14	Kraig Kruzan	Damage to truck from ice & snow falling off Station #3	\$5,007.99	Approved 2/25/14
2/19/14	Cody Wiesman	Damage to truck from ice & snow falling off Station #3	\$2,288.94	Approved 2/25/14
1/28/14	Richard Humphreys	Grader backed into car	\$2,000.00	Approved 3/11/14
2/10/14	Jennifer Anderson	Ground wire overloaded due to thawing by Water Dept.	\$450.40	Approved 4/3/14
2/6/14	Etta Stanke	Wasting time for closing water valve in street	\$120.00	Denied 4/3/14
3/7/14	Diane Konsella	Damage to car from concrete falling from ramp ceiling	\$1,919.81	Denied 4/3/14
3/24/14	Brandon Ball	Door caught by wind striking vehicle – mirror damage	\$124.94	Approved 4/3/14
2/26/14	Phyllis Woehlert	Frozen sewer lines	\$250.00	Denied 4/29/14

2/13/14	Herman Isberner	Frozen sewer lines	\$1,025.00	Denied 4/29/14
4/7/14	Mary Jo Hildensperger	Damage to vehicle from pothole	\$135.00	Denied 4/29/14
12/9/13	Brian Priller	Bombardier Tracked vehicle backed into car	\$1,116.48	Approved 5/6/14
11/26/12	Linda Pergande	Fire door kicked in by WPD	\$606.18	Denied 5/15/14
2/20/14	Jonathan Krieg	Damage to vehicle from pothole	\$1,790.90	Denied 5/15/14
8/12/14	Marlyn Opdy	Damage to vehicle when Hebert rearended	\$1,840.35	Approved 8/26/14
7/14/14	Hurtis Heating & Air Inc.	Damage to vehicle from pothole	\$3,913.39	Denied 9/5/14
5/16/14	Gregory Spaude	Damage to wheel chair & knee from pothole in road	\$486.00	Denied 10/28/14
9/4/14	Gary Zoromski	Flooded basement after heavy rain storm	\$3,961.63	Denied 10/28/14
1/15/14	Diane Priebe	Mailbox damaged during plowing	\$400.53	Denied 10/28/14 Approved \$75.00 12/9/14
9/4/14	Mark & Joan Hanson	Flooded basement after heavy rain storm	\$24,805.00	Denied 10/28/14
9/4/14	Brent Zoher	Flooded basement after heavy rain storm	\$11,353.54	Denied 11/18/14
11/15/14	Steven Yetter	Car stuck in mall entrance from ice in lower level ramp	\$79.50	Approved 12/9/14

CONSIDER POSSIBLE AUCTION OR SALE OF THE WAUSAU CLUB

Background: The Wausau Club was given to the City of Wausau by the Schuette Family. Its assessed value is \$499,000. That assessment includes \$324,000 for the land and \$175,000 for improvements.

The building has been vacant for over a decade and needs a substantial amount of renovation to be used. The 1901 building is on the National Register of Historic Places.

Last year, the city put out a request for proposals (FRP) for renovation and redevelopment of the Wausau Club. The initial direction from the council was that proposals would receive no city money. We only got one response to the RFP, and it required a significant investment of public funds to finance the project. On January 13th, the council turned down that proposal.

The city now owns a “white elephant.” The carrying costs are estimated to be \$12,000 per year in lost tax revenue and \$1,500 per year in utilities.

Possible Action Item for Consideration: Sell the Wausau Club as surplus public property to the highest bidder in an auction. The auction could be subject to the following conditions:

1. The minimum bid is \$265,000 (\$59,000 less than the value of the land alone).
2. The winner of the bid will owe taxes on the building for all of 2015.
3. Upon transfer, the building will be inspected, and the new owner will be responsible for addressing any code violations in a timely manner.
4. We may choose to put use restrictions as a condition of the sale.

Should the city wish to place additional restrictions the potential future uses of the site, we should petition for rezoning while the city is still the owner.

The committee may also wish to give Elk Creek a specified amount of time to find significant additional non-public financing for its project before going ahead with the sale or auction.

Prepared by: Keene Winters
January 15, 2015

ONGOING UPDATE ON THE WAUSAU CENTER MALL

Background: Uncertainty about the future of the mall is not helpful in recruiting and retaining retail establishments. Making sure we move forward with solutions is critical.

Below is a recent article from the *Wausau Daily Herald* about more stores closing in the mall:

Wausau loses clothing, cookie stores

Deb Shops to close nationwide;
Wausau's Great American
Cookies shut abruptly

By **Nora G. Hertel**
Daily Herald Media
nhertel@wdhmedia.com

WAUSAU — Great American Cookies left Wausau Center mall this weekend, with little word to anyone, even its employees.

"Everything was there Saturday, then Sunday it was gone," said Samantha Cox, manager at Wausau Center's Biggby Coffee, located near the cookie shop. She said people throughout the day Sunday came to ask her what

happened, and she learned from employees that they didn't expect the closure.

The grate is pulled across the store front and all the signs have been removed.

The abrupt closure of Great American Cookies comes on the heels of an announcement late last week that Deb Shops will soon close its doors in Wausau as its corporate parent declares bankruptcy and closes all its roughly 287 stores.

Mall officials are in-

vestigating the departure of Great American Cookies.

"(The owner) closed, but we're not sure — we're trying to get in touch with (the owner)," Wausau Center General Manager Kirk Kamke said about Great American Cookies.

More changes

Going-out-of-business sales at all Deb Shops began Friday, according to a news release from the company. Owners of the retailer previously filed for bankruptcy. Kamke wasn't sure how much longer the Wausau store would remain open.

He said different re-

tailers across the country are closing stores — including J.C. Penney and Macy's — and January often is a transition time for leases.

"A lot of this stuff is recent. And we haven't had a chance to work with our corporate leasing department," Kamke said. "We'll be looking for new opportunities to fill the Deb spot and the J.C. Penney spot."

The Tea Shop also announced last week that it would close its store in the mall.

Deb Schelvan was shopping at Wausau Center on Monday and said it was sad to see so many closures. She lives in Marshfield and shops in Wausau occasionally.

Action Item: The committee could direct the mayor to provide it with an update on all communications and actions regarding the mall and its future today and on the 4th Tuesday of every month going forward.

Prepared by: Keene Winters
January 15, 2015

**CITY OF WAUSAU
ANIMAL CONTROL FUND**

	<u>2014 Budget</u>	<u>2014 To Date</u>	<u>Budget Variance</u>
REVENUES			
ANIMAL CONTROL LICENSING COSTS			
LICENSES & PERMITS			
167 270083180	40,600	43,729	3,129
167 270083185	18,000	18,205	205
167 270083190		280	280
Cat 843	<u>58,600</u>	<u>62,214</u>	<u>3,614</u>
FINES & FORFEITURES			
167 270084110	27,495	11,577	(15,918)
167 270084190	6,000	5,100	(900)
Cat 844	<u>33,495</u>	<u>16,677</u>	<u>(16,818)</u>
PUBLIC CHARGES FOR SERVICES			
167 270085120		920	920
167 270085130	2,200	2,806	606
Cat 845	<u>2,200</u>	<u>3,726</u>	<u>1,526</u>
INTERGOVT CHARGES FOR SERVICES			
167 270087232	17,313	18,593	1,280
Cat 847	<u>17,313</u>	<u>18,593</u>	<u>1,280</u>
MISCELLANEOUS REVENUE			
167 270088416	25,419	25,419	-
Cat 848	<u>25,419</u>	<u>25,419</u>	<u>-</u>
TOTAL REVENUES	<u>137,027</u>	<u>126,629</u>	<u>(10,398)</u>
EXPENSES			
ANIMAL CONTROL LICENSING COSTS			
CONTRACTUAL SERVICES			
167 270092190	-	255	(255)
167 270092945	19,210	20,344	(1,134)
167 270092990	22,740	22,665	75
Cat 920	<u>41,950</u>	<u>43,264</u>	<u>(1,314)</u>
SUPPLIES & EXPENSE			
167 270093190	2,500	3,033	(533)
Cat 930	<u>2,500</u>	<u>3,033</u>	<u>(533)</u>
ANIMAL CONTROL PROGRAM COSTS			
PERSONAL SERVICE			
167 271091110	29,263	30,524	(1,261)
167 271091111	13,438	12,339	1,099
167 271091220		251	(251)
167 271091510	3,267	3,123	144
167 271091520	2,048	2,158	(110)
167 271091540	21,028	19,653	1,375
167 271091550		3	(3)
167 271091560	770	770	(0)
Cat 910	<u>69,814</u>	<u>68,821</u>	<u>993</u>
CONTRACTUAL SERVICES			
167 271092000	6,500	10,912	(4,412)
167 271092171	32,400	65,056	(32,656)
167 271092189	1,225	1,495	(270)
167 271092190	125	25	100
Cat 920	<u>40,250</u>	<u>77,488</u>	<u>(37,238)</u>
SUPPLIES & EXPENSE			
167 271093460	1,500	101	1,399
167 271093490	4,000	626	3,374
Cat 930	<u>5,500</u>	<u>727</u>	<u>4,773</u>
TOTAL EXPENSES	<u>160,014</u>	<u>193,333</u>	<u>-33,319</u>
PROFIT (LOSS)	<u>(22,987)</u>	<u>(66,704)</u>	<u>(43,717)</u>



PRESS RELEASE

City of Wausau Pay-for-Performance Transition Completed

By Jim Tipple
January 12, 2015

For More Information, Contact:
Mayor Jim Tipple, 715-261-6800 or
Myla Hite, HR Director, 715-261-6634

Wausau, WI – Government at all levels is having an increasingly difficult time attracting and retaining workers. While a typical government worker traditionally entered public service for good pay and benefits, job security or strong belief in the mission, times have changed.

City employees now contribute nearly 20% of their salaries to health insurance and retirement benefits, on top of nearly 32% going to social security, state and federal taxes. With approximately half of their paychecks already gone, Wisconsin reforms eroded the perceived job security as we transitioned to "at will" employment for general government workers. The complexity of the regulatory framework coupled with declining resources has made it increasingly difficult for staff to be mission driven. On top of that, City workers are becoming retirement eligible in large numbers. Over the past 10 year, over 2700 years of experience has left our workforce. This institutional knowledge is a challenge as new employees enter our workforce.

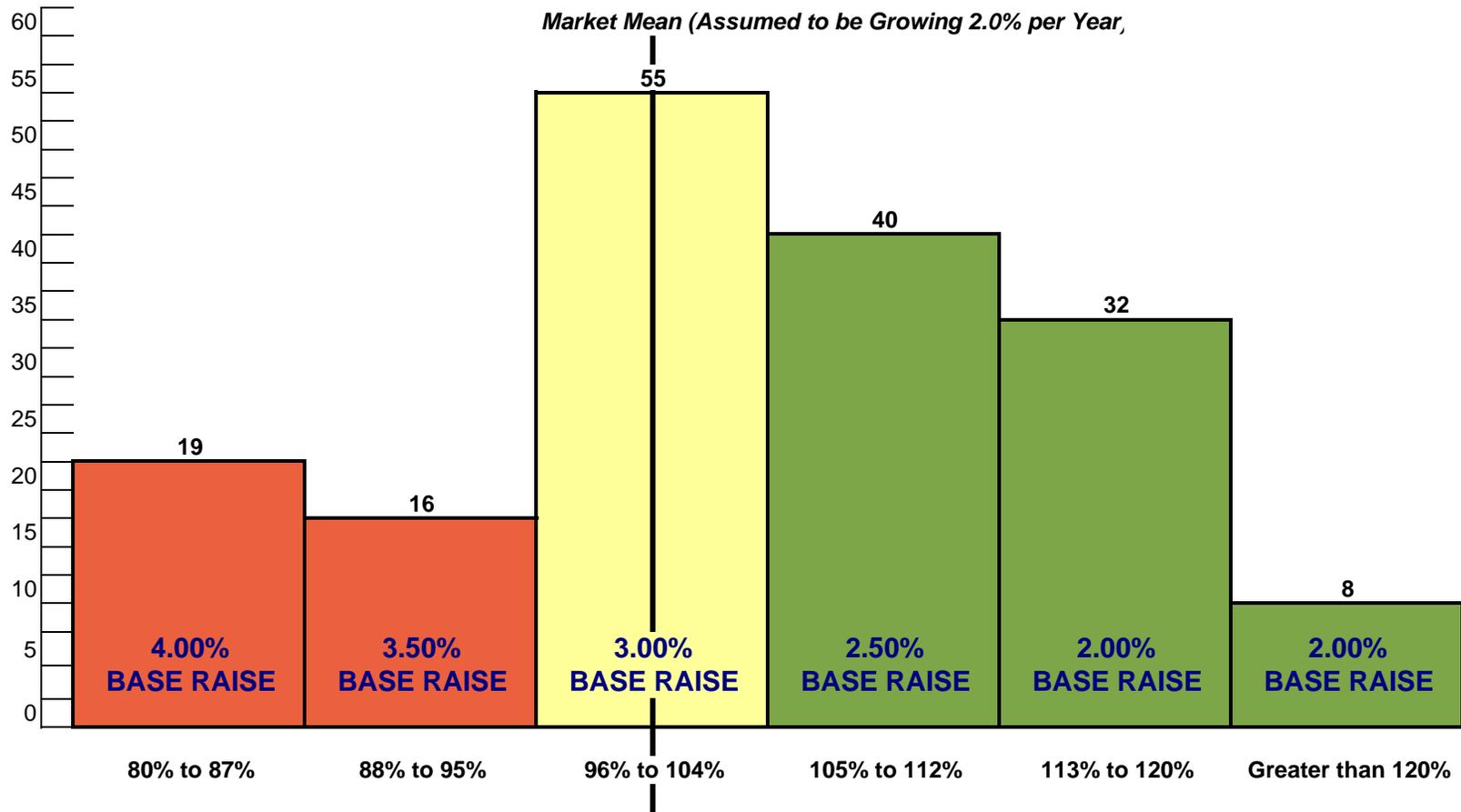
It is critical to the City of Wausau's future that we maintain a competitive edge for retaining current staff and for recruiting future staff. City workers clear and maintain our streets, house our elderly and disadvantaged citizens, administer programs to attract businesses and foster economic growth, and keep our citizens safe -- to name just a few key services.

In an effort to create a destination workplace, in 2013 City management embarked on an effort to tie pay more directly to work performed. In July 2014, the City transitioned to a pay-for-performance system, very similar to Marathon County's new pay system currently being studied and scheduled for implementation in 2016.

In our transition from a seniority based system to a merit system, we had some maintenance work to do. Within the parameters of the budget I submitted that was adopted by the City Council, we adjusted 12 employees' salaries to bring their pay current with the market with pay increases averaging 3.97%. For the remaining non-represented staff performing work at acceptable levels, we increased their pay by 2% to recognize their performance, account for inflation and the cost of living. 36 of our staff received an additional .5% pay increase directly tied to their performance while 52 received an additional 1%. The remaining 42 who demonstrated exceptional performance received on average an additional 1.75% in recognition of their superb work.

With this transition now implemented, 2015 brings the promise that any individual pay increase will be driven by goal achievement. While salary range for occupational groups will periodically be matured to keep up with inflation and living costs, City workers can be assured that their hard work will drive the bottom line on their paychecks.

CITY OF WAUSAU COMPARISON OF NON-REPRESENTED EMPLOYEE SALARIES TO MARKET RATES FOR SIMILAR JOB TITLES



- 35 Employees with Below Market Salaries
- 55 Employees with "At-Market" Salaries
- 80 Employees with Above Market Salaries

- Base Raises for Employees Rated as "Meets Expectations"
- Quintiles 1, 2 and 3 Received +2.0% for "Exceeds Expectations"
- Quintiles 4, 5 and 6 Received +1.5% for "Exceeds Expectations"

MUNICIPAL TAX & ECONOMIC STATISTICS FOR WISCONSIN CITIES & VILLAGES WITH POPULATIONS WITHIN 10,000 OF WAUSAU

	2012 Pop.	Tax Levy per Capita '12	Municipal Property Tax Rate '12	Income/ State Tax Return '12	Percent of Income Paid in Property Taxes	Final Unemploy- ment Rate Oct. '14
Beloit	36,850	\$370.59	\$10.87	\$32,580	1.14%	7.40%
Wausau	39,160	\$549.47	\$9.07	\$43,570	1.26%	5.80%
West Bend	31,380	\$616.29	\$8.56	\$48,970	1.26%	5.70%
Manitowoc	33,750	\$417.04	\$7.89	\$44,010	0.95%	5.30%
Fond du Lac	43,100	\$484.22	\$8.22	\$45,730	1.06%	5.00%
Sheboygan	49,110	\$435.44	\$9.00	\$42,240	1.03%	4.80%
Greenfield	36,740	\$598.68	\$8.01	\$44,850	1.33%	4.60%
Brookfield	37,870	\$942.12	\$6.04	\$100,390	0.94%	4.40%
New Berlin	39,770	\$609.03	\$5.28	\$68,340	0.89%	4.30%
Oak Creek	34,530	\$552.77	\$6.72	\$53,580	1.03%	4.00%
Menomonee Falls	35,680	\$614.21	\$5.33	\$66,880	0.92%	4.00%
Franklin	35,520	\$577.39	\$5.99	\$74,130	0.78%	4.00%
Wauwatosa	46,320	\$799.45	\$7.86	\$68,860	1.16%	3.90%
Sun Prairie	29,840	\$639.24	\$8.41	\$57,720	1.11%	3.70%
Average	37,830	\$586.14	\$7.66	\$56,561	1.04%	4.78%
Wausau's Rank	5 th	10 th	2 nd	12 th	2 nd	2 nd

Higher than Wausau
 Lower than Wausau

Sources: Wisconsin Taxpayers Alliance & Wisconsin Department of Workforce Development

Prepared by: Keene Winters
December 24, 2014

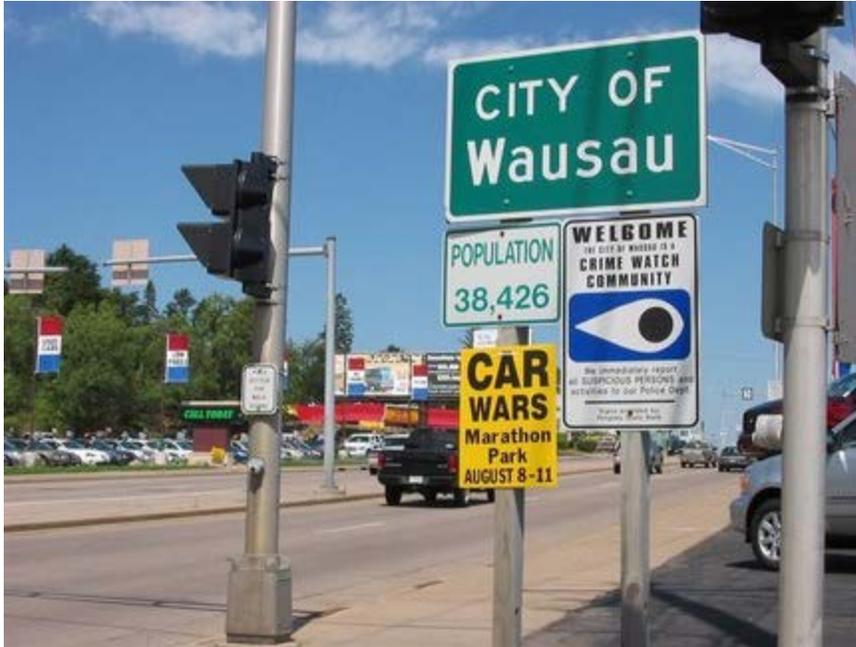
From: [Keene Winters](#)
To: [MaryAnne Groat](#); [Mary Goede](#)
Subject: Finance Agenda - January 27th
Date: Thursday, January 15, 2015 12:50:38 PM

Please add this article to the handouts for the mayors press release. Thank you

By Jerry Bader

Arrogance in Wausau

Published: 6:00 AM January 15, 2015



In my twenty years in the newsroom I worked in several communities that debated whether to stick with a mayoral form of government or transition to a city manager/administrator form of government (or vice versa). I always believed that when it comes to executive positions voters are better served when that executive is accountable to the ballot box. An ongoing controversy in Wausau proves that point in stunning fashion.

In December, 2013 the Wausau City Council directed Mayor Jim Tipple and his staff to establish a merit-based system of pay raises; exceptional work would be rewarded with a pay hike. There would be no other raises with a few limited exceptions. Imagine council members' surprise when they learned in December that city employees received an across the board increase of 2% in 2014. Finance Committee Chairman Keene Winters was quoted by the Wausau Daily Herald as saying one employee received a 6.5% increase. These hikes appeared to be in open defiance of Council's instructions to Tipple.

Tipple told the WDH earlier this month that "we can explain that," saying an explanation for the hikes would come once the matter went through "proper city procedures." Based on a news release from Tipple's office Monday, it appears the explanation was that he told city council to go to hell.

In the release Tipple proclaims that a transition to pay-for-performance is complete:

“In our transition from a seniority based system to a merit system, we had some maintenance work to do. Within the parameters of the budget I submitted that was adopted by the City Council, we adjusted 12 employee’s salaries to bring their pay current with the market with pay increases averaging 3.97%. For the remaining non-represented staff performing work at acceptable levels, we increased their pay by 2% to recognize their performance, account for inflation and the cost of living. 36 of our staff received an additional .5% pay increase directly tied to their performance while 52 received an additional 1%. The remaining 42 who demonstrated exceptional performance received on average an additional 1.75% in recognition of their superb work.

With this transition now implemented, 2015 brings the promise that any individual pay increase will be driven by goal achievement...”

Just one problem here; city council didn’t approve a “transition period.” One was never discussed. Council’s instructions were crystal clear; implement a merit-based pay system for 2014. Tipple is employing the standard “answer a question nobody is asking” defense here. The Wausau Daily Herald reports Finance Committee Chair Winters asking Tipple:

"I want to know, quite frankly from a finance standpoint, why we passed a merit-pay system and you, your honor, chose to give 10-11ths of the money as a cost of living increase and only one 11th as a merit-pay system, when you were instructed to do otherwise," Winters asked Mayor Jim Tipple Tuesday.

Tipple claimed to have an explanation for an unauthorized across the board 2% hike. The answer appears to be he thought it was a good idea. So, what was Council member’s response to Tipple’s arrogance at a meeting Monday? Blame themselves. From the WDH:

Some council members on Monday conceded that their direction to Tipple was "vague," and an expert on Wisconsin municipal government agreed. "It sounds like it was done very sloppily," said Ed Miller, professor of political science at the University of Wisconsin-Stevens Point.

Human Resources Chairman Romey Wagner agrees with Miller that the resolution was sloppy.

"We did not send it forward with the content that we all felt was understood," Wagner said. "These resolutions cannot be vague anymore."

So, back in 2013 Wausau City Council members seemed to know that they were banning across the board wage hikes in favor of a merit-pay system. After the Mayor defies that directive some feel it is Council’s fault? Really?

Tipple is up for election in 2016. Wausau residents will be asked in an advisory referendum in April whether the city should transition to an appointed city manager/part-time mayor form of government. This experience should teach them the importance of accountability in an elected executive position.



TO: FINANCE COMMITTEE MEMBERS
FROM: MARYANNE GROAT
DATE: JANUARY 22, 2015

SUBJECT: Strategic Plan

The Finance Committee elected to take over the Strategic Planning process and directed the item be placed on the agenda in January. Below are an excerpt of the minutes and attached is the proposal from the GFOA and resolution.

Update on the City of Wausau Strategic Planning process - Tipple, Groat

Tipple stated they started the process in 2013 and partnered with the GFOA. One of the things we talked about early on is that we want a five-year plan. Rasmussen pointed out there was a Steering Committee in that process to lead and to figure out what needed to be attacked by the focus groups. Wagner agreed the Steering Committee was very effective and should be reactivated. Winters suggested Finance Committee take over the the Steering Committee role and continue this process. Groat stated another option would be for Coordinating Committee to do it because the Steering Committee was originally set up with the idea of being represented by several different fronts. It had the committee chairs of HR, Finance and ED as well as the Council President with a goal of each of those individuals to come to the meeting wearing that hat. Wagner pointed out the Coordinating Committee's function is to decide where to send it. Rasmussen stated whoever takes it over should see it through and get it done. Discussion followed.

Motion by Oberbeck, second by Kellbach for Finance Committee to take over the strategic planning process. (Groat will put this on the January agenda with the GFOA proposal.) Motion carried 5-0.

RESOLUTION OF THE FINANCE COMMITTEE

To Retain the Government Finance Officers Association to provide Strategic Plan, Long Term Financial Plan and Forecast and Performance Measurement Consulting Services.

Committee Action: Approved 4-0

Fiscal Impact (2012): *Not to exceed \$56,000 (*as amended)

File Number: 12-0209

Date Introduced: February 14, 2012

RESOLUTION

WHEREAS, the City of Wausau struggles annually managing a financial structural deficit; and

WHEREAS, the State of Wisconsin's dramatic reductions in state aids and mandated financial policies have had a long term negative impact on the City's financial position and its ability to provide services to constituents; and

WHEREAS, it is anticipated that the prolonged economic recession will bring additional financial challenges to the City, and

WHEREAS, the Finance Committee and Common Council, during the 2012 budget, recognized the need to be a financially resilient organization and budgeted for a strategic plan, long term financial strategy and performance measurement consulting services, and

WHEREAS, this process will bring citizens, elected officials, management and staff together in a shared vision with clear priorities for the future, and

WHEREAS, the City of Wausau is a member of the Government Finance Officers Association (GFOA), a non-profit organization considered the authority in financial practices and policies in government finance, which supports all governments within the United States and Canada by producing publications and training, establishing best practices, and managing certification programs all which strive for excellence in governmental financial operations, and

WHEREAS, this makes the GFOA uniquely qualified and capable of providing an integrated approach to strategic and financial planning, and

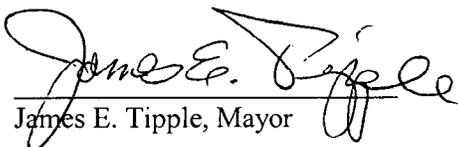
WHEREAS, the GFOA has submitted a proposal for services which is attached to and incorporated in this resolution with an approach which will provide forecasting software and other tools which will provide the City with future self-sufficiency in respect to long range financial planning,

NOW THEREFORE, BE IT RESOLVED, by the Common Council of the City of Wausau that the proper City officials be authorized and directed to retain the services of the GFOA for the Strategic Plan, Long Term Financial Plan and Forecast and Performance Measurement services and

BE IT FURTHER RESOLVED, that the Finance Director will serve as Project Leader/Manager of the project.

This resolution shall be effective immediately upon its adoption.

Approved:


James E. Tipple, Mayor

FINANCE COMMITTEE

Time and Place: Tuesday, February 7, 2012 at 8:00 am in the Board Room at City Hall.

Finance Members Present: Gary Klingbeil (C), Bill Nagle, Jim Brezinski, David Oberbeck

Members Excused: Jonathan Havel (FIN)

Others Present: Mayor Tipple, Maryanne Groat, Brad Marquardt, Ann Werth, Heather Wessling, Michael Loy, Nan Giese, Karen Kellbach, Mary Goede, Dave Eisenreich - Holtz-Krause Steering Committee, and Media: Chad Dally, Pat Peckham, Matt Lehman

Consider Procurement Strategic Plan, Long Range Financial Plan and Performance Management

Groat explained when we were working on the budget we talked about the upcoming elections, the new term for Council, and our financial situation. Discussion included going through and conducting a strategic plan, tying that to a long term financial plan and putting in performance management systems whereby we could look at the performance of the departments and whether we were achieving the goals set out by the strategic plan. She indicated she spoke with the GFOA about getting a proposal from them to do that for us. Since that time she has spoken with their references and looked online at strategic plans they have been involved with as well as some they have not. She recommended retaining the services for the strategic plan. The goal was to take strategic plan and tie it to the financial plan and there were not a lot of organizations that had the whole package. The GFOA is a nonprofit organization located in Chicago which has been in business 104 years. She felt they were the think tank of how governments should conduct themselves on a financial basis and she could not think of a better organization to help us. She noted they have some financial forecasting software that we would be able to utilize if we contract with them and that software alone would be very beneficial to us. She indicated the price was between \$35,000 and \$50,000 and was in her budget and part in the professional services account.

Motion by Nagle, second by Brezinski to approve the procurement strategic plan, long range financial plan and performance management with GFOA. Motion carried 4-0.



Government Finance Officers Association

CONCEPT PROPOSAL to City of Wausau, WI

**For Strategic and Financial Planning and Performance
Management Services**

***Note:** This proposal and description of GFOA methodologies is for the City of Wausau, WI only. All information herein is confidential and proprietary to GFOA. Upon request by GFOA, all materials submitted as part of this proposal must be returned or destroyed. It may not be used by recipient for purposes other than review by recipient without the express permission of GFOA.*

Concept Proposal to City of Wausau, Wisconsin, for Strategic and Financial Planning and Performance Management Services

1. Introduction

This concept proposal from the GFOA was prepared at the request of City staff to provide a brief description of scope and price range for strategic planning, long term financial planning and performance measurement and management. We have grouped these elements together into a “strategic financial planning” approach. This combines strategic and financial planning in order to get the benefits of both while also realizing economies of scale.

We would welcome additional questions and discussion. Please contact Anne Kinney, 312-917-6102 (office); 312-545-3695 (cell), or akinney@gfoa.org. GFOA appreciates the opportunity to provide this information to the City of Wausau.

Strategic Financial Planning

Phase 1 – Project Start-up

In this Phase, preliminary activities that will support all subsequent phases are performed, as described below.

Task A. Designate a Project Leader, Project Manager, and Define Project Success. GFOA’s experience is that this type of organization-wide project will require careful coordination, communication and cooperation, both between GFOA’s team and City staff as well as among City agencies. Therefore we strongly recommend that the City designate a Project Leader who is committed to a successful project outcome and to addressing the issues that prompted the City to initiate this project and who has the authority to make decisions regarding the process. In addition, we recommend that the City identify a Project Manger to coordinate the project on a day-to-day basis and serve as the City’s liaison with the GFOA team (these could be the same person or different people). Finally as part of this first task, GFOA has found that even though the City would execute a formal contract with GFOA, it is extremely helpful to spend some time at the very beginning defining and clarifying expectations regarding how the project will be conducted and the results that you hope for and expect, and to document these expectations so that they can be referred to, and revised, if necessary, during the course of the project. This will help us to meet your expectations.

- ⇒ *Deliverable:* A City-designated Project Leader and Project Manager, and a Project Expectations Agreement (informal), which would be developed by GFOA and approved by the Project Leader or other designated City staff. A formal project plan and timeline will also be finalized at this point.
- ⇒ *City Role:* Coordinate meetings with GFOA, identify Project Leader and Manager, and identify and agree on expectations for project success.

Task B. Establish a Project Steering Team and supporting teams. GFOA recommends that the City designate a Project Steering Team (which would also serve as the City’s Strategic

Draft Proposal Not for Public Review

Planning Coordinating Team). The team would give feedback and guidance to GFOA and City staff and provide continuity to carry over into implementation of the Strategic Financial Plan. GFOA would assist the City to develop requirements for team membership and a charter to clarify the Committee's responsibility, accountability, authority, and resources.

The Strategic Financial Planning process is also likely to require supporting teams to work on various issues and tasks associated with constructing a plan. GFOA will work the Project Leader and Project Manager to identify teams and advise on the knowledge, skills and ability needed by members.

- ⇒ *Deliverable:* Creation of a Project Steering Team and charter, as well as a structure of supporting teams.
- ⇒ *City Role:* Coordinate meetings, approve the charter, agree on teams and name team members.

Task C. Community Involvement Strategy. GFOA and the City will collaborate to develop a community involvement strategy for the planning process. Community involvement is important to ensure that planners consider a comprehensive set of issues, not just those identified by “insiders” and to increase the likelihood of strong community support for the plan. The community involvement strategy should include a timetable, mechanisms for community involvement and communication, specific tools and techniques that will be used to involve the community, and a strategy to engage the local media.

- ⇒ *Deliverable:* Community involvement strategy document.
- ⇒ *City Role:* Collaborate with GFOA to provide knowledge on the approaches that work best for the Wausau community and approve a process for going forward.

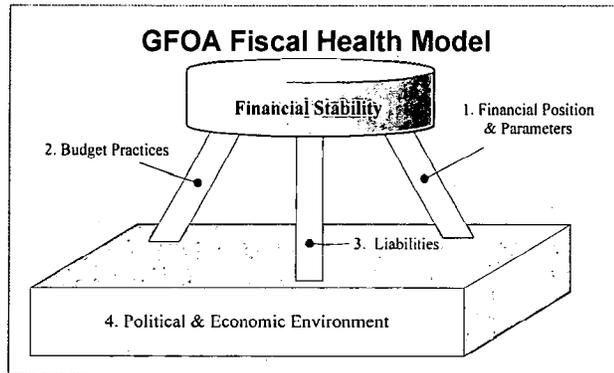
Phase 2 – Developing the Plan

Task A. Gather Stakeholder Input. GFOA will begin by interviewing key stakeholders, both inside and outside of city government. City staff may wish to work with GFOA's team on these interviews. GFOA will also work with the City to establish and approach and schedule for conducting focus groups and phone surveys of constituents. GFOA's proposal assumes that GFOA would help design the focus group approach, conduct a small number (no more than four) focus groups in cooperation with City staff. GFOA will also work with City staff to design other stakeholder input opportunities, as identified in the community involvement strategy.

- ⇒ *Deliverable:* A summary of information obtained from interviews, focus groups and any other stakeholder input mechanisms the City chooses to use (e.g., telephone surveys).
- ⇒ *City Role:* Work together with GFOA to: define interviewees, schedule interviews, conduct interviews (if desired by the City), define coordinate, and conduct focus groups. The City would also contract for a phone survey if it is decided that one is needed, and conduct other stakeholder input opportunities that may be identified in the public involvement strategy to be developed.

Task B. Environmental Analysis. An environmental analysis is used to reveal strengths, weaknesses, opportunities, and threats. This is often known as a “SWOT analysis.” GFOA will conduct an analysis of the City's financial position using a financial health model. A financial health model customizes the SWOT analysis to the City's specific circumstances and focuses it

on financial issues. GFOA and the project team will develop a model to diagnose the City's financial health, (see diagram). The model will guide an analysis of financial position, budgeting practices, liabilities, and the political and economic environment. A customized model ensures that GFOA and the City are asking the right questions about the City's financial health.



Once the model is complete, GFOA and the City staff will conduct a diagnostic - verifying answers and ultimately reaching an accurate diagnosis. This will include interviews with subject matter experts inside and outside the City, examining the results of previous plans and reports, and examining financial records such as annual financial reports. Besides highlighting future opportunities for improving financial health, the diagnosis will also likely reveal more immediate actions the City can take to better its financial position.

- ⇒ *Deliverable:* A brief summary of the results of the fiscal health analysis.
- ⇒ *City Role:* Provide information to GFOA to conduct analysis, participate in various analytic activities and review and provide feedback on the summary document.

Task C. Forecasting. A long-term perspective on financial position is crucial for developing a sustainable service strategy. We propose starting forecasting and analysis with the general fund. We find that governments beginning the long-term planning process fare best when gaining proficiency by starting with the general fund and then expanding forecasts to other funds later. After completing the general fund forecast and analysis, the GFOA and the City can analyze and forecast other major funds.

The GFOA will work with the City to load its financial data into the "MuniCast" forecast and analysis tool. MuniCast is a 100% Microsoft Excel-based tool that the City will have continued use of after the conclusion of the GFOA's engagement. The GFOA will then work with the City to model its key revenue sources, develop forecast assumptions, and identify modeling scenarios. It should be noted that the GFOA does not do the forecast for the city – we will help you at every step along the way, but we believe that the client must take ownership of the results if decisions are to be made based on the analysis.

⇒ *GFOA Deliverables*

- A. **MuniCast data template provided to City.** The City will use this template to pull information from its general ledger.
- B. **Data loaded into MuniCast.** The GFOA will load the City's data into MuniCast.
- C. **Forecast Training.** GFOA will provide forecast training to the City's forecasting team. The forecasting training will likely be provided by a combination of in-person and internet training sessions. This is because adults typically learn better when given the chance to absorb and practice new information. Therefore, the team will be shown a piece of the forecasting process in one session, go through an example (using the City's own data, where applicable), and then be given a chance to apply what has been learned before having another session. Each session would be less than two hours in length.
- D. **General fund revenue analysis.** The GFOA will lead the City through a workshop to analyze its top five most important general fund revenue sources. The GFOA will

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document the workshop's results and forecast critical assumptions, and then model these assumptions into MuniCast. The City project team would then be responsible for independently analyzing the remaining general fund revenue sources and documenting critical assumptions. The GFOA would then model these assumptions into MuniCast. GFOA recommends that the use the results of this activity to develop a revenue manual.

- E. **General fund expenditure analysis.** The GFOA will lead the City through a workshop to analyze major drivers of expenditure, including health care, wages, etc. It will be important to involve departments in this analysis for maximum forecast credibility and accuracy. The GFOA will work with the City develop the best approach to involving departments, but it is expected that, similar to the revenue analysis, the GFOA would help the City get started and the City project team would then assume greater responsibility for the analysis. The results of the analysis will be modeled into MuniCast.
- F. **Develop scenarios.** Certain "unknowables" in the City environment will necessitate development of forecast scenarios. The GFOA will help the project team identify these scenarios and model them in MuniCast.
- G. **Forecast.** The City project team will develop the forecast using MuniCast. The GFOA's role will be advisory.
- H. **Gather data for other major funds.** After the general fund has been analyzed the City can analyze other major funds. The City project team will load the data into the MuniCast template and the GFOA will then load the data into MuniCast.
- I. **Model critical forecasting assumptions into MuniCast.** The City project team will analyze the major funds and convey the critical assumptions to the GFOA, who will model the assumptions into MuniCast. The City will now be ready to develop its own scenarios and create a forecast.

⇒ *City Role:* The City's role here is one of progressive responsibility towards conducting the analysis and using MuniCast independent of the GFOA.

Task D. Mission and Vision Workshop. The GFOA will facilitate a public workshop to present stakeholder input report and develop a mission and vision statement. The mission and vision articulate where the City wants to go and what it wants to become over the next five, ten, and twenty years. The workshop will use consensus-driven techniques.

⇒ *Deliverable:* Provide workshop agenda/structure, conduct workshop, provide brief memo of results.

⇒ *City Role:* Provide logistical support and coordination, and participate in workshop.

Phase 3 – Issues Prioritization and Strategy Development

Task A. Planning Retreat: The activities in Phase 2 will raise a number of potential issues that could demand a long-term, strategic approach. These issues will need to be prioritized so that the City can focus its analytical attention to the best effect. GFOA will design and conduct a one-day workshop/retreat to present a draft set of critical issues and to prioritize them. Preliminary directions for strategies to address the most important issues will also be discussed.

⇒ *Deliverable:* Documents, workshop facilitation, and presentations as well as retreat design and a written summary of workshop output and outcomes.

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⇒ *City Role:* Scheduling, coordination, invitations, and other workshop logistics as well as participate.

Task B. Strategy Development. GFOA recommends a team-based approach to developing strategies. Under this approach, City staff form small teams to develop recommended long-term strategies to the Council. GFOA will provide a method for the City staff to follow and will facilitate an initial meeting. The staff teams will then develop strategy recommendations. GFOA can be available to review staff's work and provide suggestions as needed.

⇒ *Deliverable:* Documented procedures for teams to follow and meeting facilitation.

⇒ *City Role:* Scheduling, coordination, recruit team members, and other meeting logistics. Crucially, City staff will develop the strategies.

Phase 4 – Drafting the Strategic Plan

Task A. Council or Committee Validation. A meeting will be held with the Council or the Strategic Plan Steering Committee to present the materials and progress made to this point (e.g., the recommended strategies). This validation will allow the Strategic Financial Plan to be drafted.

⇒ *Deliverable:* Proposed outline for Strategic Business Plan provided. Meeting held to validate direction and contents.

⇒ *City Role:* Coordinate meeting, validate Plan contents.

Task B. Performance Measures. With the strategies in place, performance measures can be developed. Measures are essential sources of evidence for program performance and the extent to which the City is meeting its strategic goals. Performance measures can have many different roles, including:

- **Operating Measures.** Measures amount, frequency or efficiency of products or services. Examples include number of permits processed, road construction cost per mile, or number of trainings conducted.
- **Strategy Measures.** Measures execution and/or effect of strategies to address an issue. Examples include percentage of planned bikeways completed, BTUs saved thru energy conservation, or wetland restorations functioning properly.
- **Condition Measures.** Measures status of community-level issues for which planning targets are appropriate. Examples include poverty rate, tons of greenhouse gas emitted, population per square mile in urban centers, or percent of young people who are obese.
- **Perception Measures.** Measures stakeholders' views regarding the quality of a condition or intervention. Examples include percentage percent of clients rating child protection intake service as good or better or percentage of citizens who rate their proximity to parks as good or better

It is important to have a clear strategy for how measures will be used in order to get maximum value from measures, how measures will be integrated into a management system that defines and assigns accountability for results, to avoid excess or needless data collection efforts, and to prevent damage to the credibility of performance measurement (which could occur if there is not clear purpose behind performance measurement). There are many possible uses for performance measurement.

- Strategy measures can be used by the Council and staff to see if the City is achieving its strategic plan. Measures could be created as part of the budget process or independently.

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- Operating measures can be used to measure the efficiency, effectiveness, and/or demand for programs or business processes.
- Measures could also be used to create a financial health scorecard.

⇒ *GFOA Deliverables*

- A. Performance Measurement and Management Strategy Session.** The GFOA will facilitate a meeting with the City's executive management team to decide how use performance measures. This workshop will help us decide how to integrate measures into the activities in this project. It will also discuss how performance measures will be used to improve the management of the City.
- B. Performance Measurement Training.** GFOA will train City staff on how to development measures in series of workshops.
- C. Performance Measurement Departmental Coaching.** Following large-group training, GFOA will work with department staff to get then started on creating their performance measures.
- D. Performance Measurement Quality Assurance.** GFOA will review and provide feedback and suggestions on the measures the City staff develop.

⇒ *Key City Responsibilities*

- Decide how measures will be used.
- Develop measures
- Manage logistics of training sessions.

Task C. Draft Plan. GFOA and City staff will cooperate to finalize a draft of the Strategic Financial Plan. The Strategic Financial Plan will be based the strategic and operational elements produced throughout the project.

⇒ *Deliverable:* Strategic Financial Plan draft created.

⇒ *City Role:* Participate in writing certain sections of the plan. There are some sections that may require deeper City input and where hands-on experience is important for building staff capacity to create new plans in the future.

Task D. Final Plan. After the Draft Plan is delivered, there will be a review and comment period after which will be a public meeting to present the plan. GFOA will assist the City to design the meeting and will participate in the meeting.

⇒ *Deliverable:* Public meeting held to present plan after the plan has received thorough review and approval by appropriate City participants..

⇒ *City Role:* Coordinate meeting, help present plan.