

**FINANCE COMMITTEE**

Date and Time: Tuesday, February 24, 2015 @ 5:00 pm., Board Room

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

Others Present: Tipple, Groat, Barnes, Giese, Gehin, Werth, Hite, Wesolowski, Finke, Whalen, Kujawa, Wagner, Neal, Gisselman, Mielke, Abitz, Goede.

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by Chairperson Winters.

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

None

**Minutes of previous meetings. (1/06/15 & 1/27/15)**

Motion by Nagle, second by Nutting to approve the minutes of previous meetings on 1/06/15 and 1/27/15. Motion carried 5-0.

**Sole source purchase paramedic supplies from Aspirus Hospital – Finke**

Josh Finke explained they were asking for permission to purchase a portion of the EMS supplies they use throughout each year. All of the EMS supplies are obtained through two main vendors, one of them being Aspirus, we purchase the supplies to initiate our intravenous therapy, as well as all of our medications. He indicated some of these items are less expensive through Aspirus as compared to two other vendors we looked at for pricing, other items are specialized and save the patient money in the long run or save the patient time providing better outcomes. Medications are purchased from both hospitals by replacing what we use when we transport to the hospital and have nearly zero waste that way. He noted all of these costs are passed on to the patient.

Motion by Nagle, second by Kellbach to approve the sole source purchase for paramedic supplies from Aspirus Hospital. Motion carried 5-0.

**Discussion and possible action on 10 year repayment for special assessments – Groat**

Groat stated in 2012 we made a few changes to our special assessment policy, which provided for a five-year repayment of assessments. The change added a new classification of a 10 year repayment if the total assessment was over \$20,000. We also reduced our interest rate from 9% to 1% over our borrowing rate. This provides the homeowner with some significant flexibility in repayment terms and reduced their overall costs.

Groat stated when the public hearings were held for special assessments this year, they had a property owner explain that he had multiple properties on one street and although those individual assessments would not exceed \$20,000, but they would be if bundled together. He is asking if he can use the 10 year repayment. She questioned if the committee was interested in changing the policy to allow for bundling of multiple properties in a given year or authorize a one-time exception.

Motion by Nagle, second by Nutting to allow for bundling of properties for a 10 year repayment plan of special assessments over \$20,000. Motion carried 5-0.

**Discussion and Possible Action regarding the development of a fiscal impact policy – Winters**

Winters stated in any decision policymakers must weigh the cost and benefits of taking a particular action. The fiscal estimate of any staff analysis is one of the key places where Council members look to understand what the costs are. He suggested that complete fiscal impact information could include: the dollar amount of the action; whether the cost is one-time or re-occurring; what is the source of the funds being used; if debt is used, when is the amount of debt required and what will be the resulting annual debt service costs until the debt is retired; if TIF money is being used, what is the source of the TIF funds, is it incremental revenues, bonds that we plan to issue, or is it a loan from the city's fund balance. Groat suggested modifying the top portion of resolutions to provide boxes to check regarding these items. She indicated she could bring this back to the next meeting for their review.

**Discussion and possible action regarding staff responses to Agreed Upon Procedures Report – Groat**

Groat stated in order to create an audit trail of documents we will electronically keep a file of purchase orders over \$5,000 and the related procurement documentation as recommended. She indicated the duplicate payment error rate was low, but will stress careful review. A clear definition of sole sources purchasing has been added to the Procurement Policy. She stated a purchase order cover sheet has been created as well. Werth indicated modifications to their tracking sheet of development agreements to include grants, loans, or services provided are underway. Groat stated legal service purchases have been centralized under the legal department, and it was determined when to go out for RFP and what financial threshold would require Finance committee review. She stated we have been supporting the departments in their procurements through training.

Motion by Nutting, second by Kellbach to accept the Agreed Upon Procedures Report. Motion carried 5-0.

**Staff Update regarding the State of Wisconsin DOR Request for Income and Expense Information Form – Geise**

Oberbeck indicated he had received a couple calls from CPA's regarding this report indicating they had never seen it before and were concerned over the timeframe given. Geise stated this was not a new form; it is a state form of the Department of Revenue which is mailed out to all commercial property owners whenever there is a citywide re-valuation to collect information on the income approach. She noted it is covered in the Wisconsin Property Assessment Manual Chapter 17, where owners are required to provide this information to the assessor. She further stated Section 2.60.035 of the Wausau Municipal Code covers confidentiality of information about income and expense information requested by assessors. There is a 15 day deadline, however, if they call an extension can be granted.

**Discussion and possible action on the development of a parking permit policy for annual payments – Groat**

Groat explained in 2006 there was a meeting with the tenants in the mall because we were running into problems where employees all wanted to park in the Penney's Ramp, but we have quotas of how many permits we can sell in that ramp. To encourage people to move to the Sears Ramp, which has the largest number of stalls, we reduced the price in the Sears Ramp from \$30 to \$25 and increased the price in the other three ramps from \$30 to \$35. We dropped the price in Lot 8 from \$15 to \$5 to provide employees working downtown and not making a lot of money, an affordable place to park. She stated an annual permit was also instituted, so if they paid for an entire year they would get one month free and actually only being paying for 11 months. Recently an employer with 210 permits asked if the entire fee could be paid up front and get one month free. She noted this employer already gets discounted parking from the city through their contract, so this would basically be double dipping on the discounts. She suggested they develop a policy on how to deal with this type of request.

Motion by Nagle, second by Oberbeck to allow for one discount or the other, but no bundling. Motion carried 5-0.

**Discussion and possible action on the Animal Control Enterprise Fund – Winters**

Winters stated sheltering costs exceeds our licensing revenue and questioned if there was a way to structure the fees to encourage more licensing and less sheltering. The goal is to get the fiscal objectives and the program objectives aligned. Nagle commented he had no problem with raising license fees to support animal control. Oberbeck recommended raising the fines, not the license fees.

Winters noted the national average license fee charged for pets that are spayed or neutered is \$15, ours is \$10; the national average license fee for unaltered pets is \$38, ours is \$20. Micro chipping a pet costs \$40-\$70, depending on where you get it done. He suggested we charge \$39 for all pet licenses, but give \$12 discount for a micro chipped pet and another \$12 discount for a spayed or neutered pet, which brings it down to \$15. Winters suggested referring the matter to Public Health & Safety to come up with the policies that help balance this fiscally, but also achieves the goals.

Matt Barnes commented we can fine them \$10,000, but if they don't pay it, it is still zero dollars. He didn't believe most of these people were paying their citations and we don't jail people for not paying. He agreed we should be consistent with the other municipalities and anything we can do encourage vaccinations and micro chipping is beneficial, such as the recent free pet clinic we had, which was very successful. He noted 137 animals were licensed

at this clinic and the veterinarian volunteered her services for the four hours. He indicated they may be putting on a second one.

Motion by Nagle, second by Nutting to refer to Public Health & Safety Committee for discussion. Motion carried 5-0.

**Discussion and possible action on the 2016 Budget Preparation Schedule – Tipple**

Mayor Tipple stated they will need to meet in March to set budget priorities for 2016. He suggested hiring an outside facilitator to help us through the process and keep us on track and then set up a timetable for regularly scheduled budget meetings.

**Discussion and possible action on the December 2014 and January 2015 Monthly Financial Reports – Groat**

Groat noted we are in the process of closing our books so the December report is not the final one as we are still waiting for some pieces of information to come in. She reviewed the revenue and expense budgets in detail. (The monthly Financial Reports can be accessed on the city's website.)

Groat explained "plumber holes" have to be dug in the street when there is a water main break or a lateral service problem. In the past DPW would go in and make that improvement and then bill the Water & Sewer Utility which was revenue to the General Fund. She explained because of the massive amount of water main breaks that took place during the winter of 2013 -2014, they hired an independent contractor to do that work for them so we did not get that revenue this year. This was a \$200,000 hit and she was informed they do not intend to use DPW anymore for the plumber holes because they get a much better deal from the private sector. Nagle questioned who made that call and Groat indicated it was the Water Works Commission.

**Discussion and possible action on future Finance Committee meeting dates and times.**

Following discussion the consensus was the schedule will remain the same on 2<sup>nd</sup> and 4<sup>th</sup> Tuesdays but the meeting start time will change to 5:30 pm.

**Suggestions for Future Agenda Items**

Winters suggested the committee look at a report on trends of uncollectibles at a future Finance meeting.

Nagle stated he would like discussion on the decision the Water Works Commission made to privatize plumber holes. Winters suggested a report be brought back on the issue with 3 or 4 years of data.

**Discussion and possible action on integration of property inspection with police and fire services – Winters**

Winters reviewed materials from the packet and suggested they explore whether there was a connection between these departments regarding working on blight, crime and fires. He noted they had data from 2012 and 2013 from Bill Hebert and requested he bring back 2014 data.

**Discussion and possible action regarding the impact of the State of Wisconsin proposed budget – Groat**

Groat stated the levy limits stayed the same and there is some consideration for going to a county wide assessment system to eliminate the disparity in assessment practices that takes place from community to community. Transportation Aids, both for our regular State Transportation Aids that help us offset our Public Works budget and Transportation Aids for the Transit are both expected to go up 4%. There is a reduction in Historic Tax Credits that will hurt some of our projects coming up. Another area is in the Recycling Grant Program, where \$4 million has been cut out of the \$19 million budget, which would equate to an approximate \$40,000 cut for us. Groat stated the Right to Work law they are looking to vote on, has the elimination of prevailing wage rates in it, so that would eliminate us from having to pay prevailing wage rates on our public construction projects.

Winters questioned if the committee wanted to take a position on any of these issues. Nagle indicated he wanted to sponsor a resolution on the county assessment system. He felt one of the reasons cities in Wisconsin suffer is because we have always been a rural orientated state. He also felt we are in the minority as far as how we assess our properties in Wisconsin. We have real assessment in cities using fair market value. If you are in a township or rural area you don't have many services to levy for, so the pressure is not there to have a real fair market value.

There is also a huge difference between commercial comps in the townships compared to commercial comps in the cities. They are much lower in the townships, so we pay much higher percentages of the school and county tax.

Motion by Nagle, second by Oberbeck to send a resolution to Council supporting a county assessment system.  
Motion carried 5-0.

**Adjournment**

Motion by Oberbeck, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:55 p.m.