

FINANCE COMMITTEE

Date and Time: Tuesday, March 10, 2015 @ 5:30 pm., Board Room

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

Others Present: Tipple, Groat, Giese, Hite, Jacobson, Mohelnitzky, Kujawa, Gehin, Hebert, Stratz, Wagner, Neal, Mielke, Rayala, Dean Dietrich, Larry Lee, Bruce Bohlken, Keith Rusch, Deb Ryan.

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

Public Comment on matters appearing on the agenda.

- 1) Deb Ryan, 702 Elm St, spoke regarding the Community Development Block Grant program and felt someone should have gone to all the neighborhood groups with the information.
- 2) Keith Rusch, Supervisor for the Town of Maine, commented on the background information for the Brokaw issue, noting the Town of Maine does not have a specific proposal pending and intends to work with the other communities to come up with a plan.

Minutes of previous meetings. (2/10/15)

Motion by Kellbach, second by Nagle to approve the minutes of the meeting on 2/10/2015. Motion carried 5-0.

Approval of the 2015 Community Development Block Grant Program Budget

Tammy Stratz indicated the Citizens Advisory Committee met several times to do informational meetings and public hearings last fall for the proposed 2015 block grant funding. They recently learned the actual amount of \$578,155 and met with the committee to reallocate it; once it is approved by Finance and Council it will be submitted to HUD for review.

Motion by Oberbeck, second by Kellbach to approve the CDBG Program budget as presented. Motion carried 4-1. (*Winters was the dissenting vote.*)

Discussion and possible action on proposal(s) to work with the Town of Maine and the Town of Texas on resolving the Brokaw solvency issue.

Winters stated in their packets is a list for discussion of five potential principles on which to found a deal. Oberbeck felt the discussion was premature. Nagle stated the Council is going to convene in closed session tonight regarding this issue and he would make comments at that time.

Motion by Kellbach, second by Nutting to table the item to the next meeting. Motion carried 5-0.

Discussion and possible action regarding the Wisconsin DNR Ready for Reuse Loan Application - Lenz

Groat stated in 2015 we received a DNR Ready for Reuse Grant of approximately \$280,000, which was used to offset some of the remediation activities at the waterfront. She explained in the 2015 modified budget Council approved doing additional remediation on the riverbank because as we were looking to make improvements, some testing was done on the riverbank and found that remediation would be required first. Although funds were budgeted, we were to continue to look for other revenue sources to help defray the cost. She indicated this is the first grant that we are asking authorization to apply for. She stated currently the DNR is telling us that all they have available are loans, but there is value to having a loan because it would be zero percent interest and they offered to help us structure the loan to defer payments for a couple years while we complete the project and attract developers to the area. She noted the DNR requires a formal resolution be adopted before we can submit the application.

Motion by Nagle, second by Nutting to apply for the Reuse Loan with the understanding that going forward if we can find any solvent responsible parties for the pollution we will look to them for funds. Motion carried 5-0.

Discussion and possible action regarding modifications to the procurement policy to comply with Agreed Upon Procedures Report

Groat stated at the last meeting we reviewed the Agreed Upon Procedures Report and the recommendations for improvement provided by the auditors. She requested the committee formally approve the changes to the Procurement Policy, noting there were no changes from what was previously discussed.

Motion by Kellbach, second by Oberbeck to approve the modifications to the Procurement Policy. Motion carried 5-0.

Discussion and possible action regarding standardized fiscal impact communication on proposed council actions

The committee reviewed an example of the proposed fiscal impact portion for Council resolutions as discussed at the last meeting. Winters questioned if in the debt finance column there was a way to get information on the annual and estimated debt service so we know what the operating cost is.

Toni Rayala, City Clerk, commented she was concerned this additional information requirement will delay the submission of Council agenda items longer, making it difficult to meet the six-day rule to have the Council packet available. Oberbeck felt the information was important to making the decision. Nagle commented fiscal impact is important, but not to forget about the benefits as well.

Motion by Oberbeck, second by Nagle approve the proposed standard fiscal impact as presented. Motion carried 5-0.

Authorize the write off of certain uncollectible delinquent personal property tax accounts from the City's accounting records.

Groat stated this is something we have to do every year and it enables us to recover some of these costs from our other taxing partners: Marathon County, NTC, and the School District. She noted the state statutes are clear on how we can recover those costs. The total cost is \$13,579.83 after which the city would be left with \$5,312.92. She noted we do continue to try to collect this debt and if we are successful we compensate the other taxing jurisdictions.

Motion by Nagle, second by Kellbach to approve authorizing the write off of uncollectible delinquent personal property tax accounts. Motion carried 5-0.

Discussion and possible action regarding report on 2014 Inspections Complaint Violation Report

Committee reviewed the report in the packet. Groat indicated they could work with IT to get data on how much revenue is received from the Municipal Court fines by the code number.

Discussion and possible action regarding financing a 2015 Merit Bonus for Non-Represented Staff

Winters commented that the budget contains no money to reward exceptional performance and felt this leads to the possible concern that the employee evaluation process may be taken less seriously in 2015. He proposed the committee direct staff to come up with a funding plan for one-time merit bonuses in 2015. He suggested that the dollar amount be approximately \$40,000. This would allow for 20 one-time bonuses of \$1,000 and 40 one-time bonuses of \$500, or some other combination, making performance bonuses available for up to one-third of non-represented employees. This would add another 0.5% to non-represented employee pay in 2015, bringing them to the same 2% increase granted the represented employees. Winters felt the funding source would have to come from money saved in the current personnel budget. He questioned if dollars could be reallocated from vacant positions to the bonuses.

Nagle commented he liked the idea of rewarding exceptional performance. Oberbeck stated we don't have the final numbers yet and questioned whether the budget can support it. He pointed out 63% of the employees are over the market rate and the HR Committee hasn't dealt with this issue yet. Winters reiterated it would be a one-time payout not something that would become part of the regular pay.

Wagner indicated he opposed this proposal because the evaluation process needs to go on whether there is a bonus or not and to help them set goals. He felt there were other places in the budget where there will be shortfalls to deal with.

Motion by Nagle, second by Nutting to investigate the proposal as presented, motion failed 2-3. (*Oberbeck, Nutting and Kellbach were the dissenting votes.*)

Adjournment

Motion by Nagle, second by Oberbeck to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:25 p.m.