

FINANCE COMMITTEE

Date and Time: Tuesday, April 14, 2015 @ 5:30 pm., Board Room

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

Others Present: Tipple, Groat, Giese, Hardel, Barnes, Alfonso, Hebert, Erickson, Jacobson, Kujawa, Lindman, Werth, Chmiel, S. Gehin, Wagner, Rasmussen, Neal, Mielke, Gisselman, Abitz, Goede, Joe Mella, Brian Stezinski-Williams, Lindsey Lewitzke

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 at 5:45 pm.

Public Comment on matters appearing on the agenda.

None.

Minutes of previous meetings. (3/10/15 & 3/24/15)

Motion by Nutting, second by Oberbeck to approve the minutes of the previous meetings (3/10/15 & 3/24/15).

Motion carried 5-0.

Consider request by Man-of-Honor Society to waive license fees for Annual Charity Raffle (Jeff Morgan)

Groat stated the Man-of-Honor Society is requesting that they abate the license fees for fireworks display and picnic license for their Annual Charity Raffle in June per the letter submitted by Jeff Morgan.

Motion by Nagle, second by Kellbach to approve the waiver of license fees for Man-of-Honor Society. Motion carried 5-0

Discussion and possible action regarding sole source purchase authority and the execution of a contract with the Boys and Girls Club for peer court and youth development services - Groat

Groat stated last year about this time they approved sole source purchases for Peer Court in the amount of \$23,000 and \$25,000 for Youth Enrichment Services. Those services and related budget items were funded in the 2015 budget, so we are back because the contract is a one year contract expiring in May. She suggested if it is the intention of Council to continue this process, perhaps they would like to put language into the agreement that would be five years or a certain time period, but would allow the city to terminate the agreement with 30 days notice if it was unfunded. This would eliminate a lot of administrative process, but still give the city an out.

Motion by Nagle, second by Kellbach approve the sole source and execution of a contract with the understanding that it be a five year contract provided the city can terminate for any reason or no reason without recourse of the Boys & Girls Club upon 30 days notice. Motion carried 5-0.

Discussion and possible action to authorize utility relocation and extension in the East Hangar Development Area and related budget modification - Groat/Chmiel
and

Discussion and possible action to authorize a budget modification for the purchase and installation of a portable electric service to serve the Balloon Rally - Groat/Chmiel

John Chmiel explained Mr. Kocourek has been authorized to build a hangar at the airport, but it is in a location where the utilities are currently located and until they are moved he will not be able to build. There is an area east of the current terminal facilities which has been designated by the FAA and the Bureau of Aeronautics (BOA) to be used for future development of hangars. He stated if we are going to have to move the utilities from the current Kocourek construction site, it is logical to locate them in a position where it could serve future hangar development.

Chmiel stated the Balloon Rally has had electrical needs at the airport for the biggest event in Wausau and they have come to the limit of WPS' capabilities and WPS has said we need to do something differently there. He felt if we are going to move the utilities from the Kocourek site, putting them in the hangar development would be a good idea and it would also serve the needs of the Balloon Rally.

Winters noted it was \$30,000 from the Economic Development Fund and \$5,000 from the Room Tax Fund. Groat indicated eventually the \$30,000 would come back to the ED Fund as hangars were built, similar to a subdivision. Tara Alfonso pointed out the Kocourek hangar has been approved by Council to be built and a lease has been authorized to be executed by the city, however it does not appear that the parties ever reached any formal written agreement as to who would pay for the cost of relocating those utilities that are underneath the Kocourek hangar site. She further noted the east hangar development has not received the formal approval yet from the BOA nor has it received formal approval from Council, so it is still in the preliminary process.

Nagle questioned how many hangars could be built. Chmiel stated in Phase I area there could be at least 10 and in the east hangar development area close to 40. Groat stated as these hangars were developed the Balloon Rally would move out to the grassy area and the proposal for the \$5,000 for the Balloon Rally creates the electrical equipment that becomes portable and can move out there as well. Mielke indicated he thought the cost discussed at Airport Committee was closer to \$20,000. Nagle commented he did not want to hamstring the project.

Motion by Nagle, second by Nutting to approve \$30,000 from the Economic Development Fund and \$5,000 from the Room Tax Fund, with the understanding that Chmiel would work to drive the best bargain he could with WPS and would be able to recoup any costs possible. Motion carried 5-0.

Discussion and possible action regarding budget modification for the Police Department - Barnes

Cpt Barnes stated the Police Department was asking for authorization of a transfer of \$5,000 from our Wages & Benefits line item for Evidence Custodian to the Community Service Officer position. He explained they would like to hire an individual full-time for the summer months to work on returning evidence to people. He indicated they had a thousand pieces of evidence for which they need to track down the individuals to pick up their property. He also stated they are still lagging behind in getting caught up on paper reports, imaging and scanning them. They do not have the staff to do it nor want to pay \$20 an hour to do it, as opposed to summer labor.

Motion by Kellbach, second by Oberbeck to approve the transfer as requested by the Police Department. Motion carried 5-0.

Discussion and possible action regarding budget modification for the Fire Department - Groat

Groat explained that the Fire Department, while it is supported by the Motor Pool and the Motor Pool Fund, was in a kind of hybrid state where for new purchases they were being charged the rate for usage on their vehicles, but for other older vehicles they were being charged actual costs of maintenance. The goal was to get them off of a hybrid to where they are treated fully like everyone else that is functioning in the Motor Pool Fund. This transfer of funds allows them to do that and Mark Hanson has put together the rate structure for their entire fleet and he would be able to bill them based on usage of the fleet.

Motion by Nagle, second by Kellbach to approve the transfer request of the Fire Department. Motion carried 5-0.

Discussion and possible action regarding sole source purchase of Motorola Radios from Northway Communications - Fire Department

Chief Kujawa explained this is basically the continuation of a project we started last year and brought it to Finance Committee as a sole source purchase. It is a four year phase-in project to replace the radios and she was requesting approval for \$41,825.50.

Motion by Nutting, second by Kellbach to approve the sole source purchase of Motorola Radios from Northway Communications. Motion carried 5-0.

Sole source purchase environmental services with Conestoga Rovers - Wausau Water Supply PRP Group - Groat

Groat stated the city has been contracting with Conestoga Rovers since the superfund site was created. There are three responsible parties: the City of Wausau; Wausau Chemical; and Marathon Electric. Lonsdorf was servicing as the trust agency; the bill came in to Jim Lonsdorf's legal firm and based on the remediation decree he would allocate those costs to the responsible party. She explained when he retired he asked if the City of Wausau would be that

entity that would get the bills in from Conestoga Rover and divide them and invoice Wausau Chemical and Marathon Electric.

Motion by Nagle, second by Oberbeck to approve the sole source purchase of environmental services with Conestoga Rovers. Motion carried 5-0.

Discussion and possible action regarding budget modification - Transformer project RMM Solutions Development Agreement - Engineering

Ann Werth explained there is a very old transformer that is in the back part of an alley or common way which was going to be taken down and relocated. She stated it is 6' x 8' x 6' high, or the size of a small vehicle, which has caused a lot of problems because there would be no way for a fire truck to get through and there are tenants on the second floor of those older buildings of the 600 block of 3rd Street. She indicated there were stakeholder meetings held with a number of the businesses and church. The church will not allow it to go on their property. She noted they will no longer place transformers underground due to safety issues. The consensus from everybody was to do a bump-out on Grant Street and put the transformer there. Rasmussen indicated CISM was happy with this solution.

Motion by Nagle, second by Nutting to approve the budget modification in the estimated amount of \$30,000 for the transformer project. Motion carried 5-0.

Discussion and possible action on resolution authorizing the carryover of capital funds to 2015 - Groat

Groat explained we contemplate this action each year, which consists of looking at the budgets in the capital projects funds and in the tax increment districts to see what is left in the balance of the account. The departments that are managing construction budgets or purchases look to see how much they are going to need to complete that project and then that carryover is developed. She noted the funds are already on hand; either we have already borrowed the money or we levied taxes for each one of these, except for Linetec which is in TID #10. We have not borrowed the money for Linetec, but we have a signed developer's agreement that obligates us to fund it.

Groat reviewed the list of carryovers in detail with the committee. Winters questioned several of the project carryovers as to the status of those projects. He noted that many projects had not even been started. He wondered why we would borrow money and fund projects that we did not have the ability to complete. Oberbeck suggested that preliminary numbers be put together earlier, such as in the fall, to help see what hasn't been done and what should be budgeted for the next year. He felt this was something the CIP Committee should have to review to help guide them. He commented if a department was already behind, perhaps we would not want to budget them more money.

Motion by Oberbeck, second by Nagle to approve the carryover of capital funds to 2015. Motion carried 5-0.

Discussion and possible action regarding the 2014 housing code violations, forfeitures and total paid

Winters reviewed an analysis and a six-page printout of tickets issued. He commented fines collected so far (approximately \$20,000) should pay for two CSO's for the summer. Discussion followed regarding the \$30 fines (immediate citations) and the negative citizen reaction to them. Nagle commented he expected the use of intelligent discretion in the issuing of immediate citations. Rasmussen questioned if people are just ignoring these tickets and perhaps we should reduce the violations that result in immediate citations from seven or eight to just four or five. Groat noted the \$30 tickets were not on the report; Winters requested they be provided a report of those tickets.

Barnes commented there has been a lot of success in cleaning up yards and they have received a lot of positive feedback from neighbors when we addressed issues and educated people. They do exercise discretion; however, no one is happy about a \$30 ticket for garbage cans!

Discussion and possible action regarding the modification of the Procurement Policy - to allow departments to sign purchase contracts valued at less than or equal to \$5,000, create a competitive purchasing exemption category and eliminate council approval for minor intergovernmental contracts valued at \$5,000 or less

Groat commented the purpose is to try to streamline the process for departments so they can more efficiently manage purchasing and eliminate any unnecessary administrative tasks. She reviewed the purchases that are exempt from competitive purchases and explained why.

Groat stated sole source purchases can be one time or could be ongoing, such as the special batch chemicals the sewer utility is using that was recently approved. There was no clear decision on how long that sole source authorization was for and they did not establish what the expiration date would be. She suggested a department designate a request as either one-time where they need to come back for the next purchase or ongoing, where they would not have to come back for the next purchase. Oberbeck questioned if they wanted them to also designate a recommended time period that it would be ongoing. Winters indicated he would vote no if this was added because he did not feel 15 purchases over 3 years was a lot of extra paperwork and things can change from year to year. Groat asked if they could then make them valid for 365 days because departments don't know how long they are valid. Winters agreed that one year was reasonable.

Motion by Nagle, second by Nutting to approve the modification of the Procurement Policy and to allow designated ongoing sole sources purchases for one rolling year from the first purchase. Motion carried 5-0.

Approving Acceptance of settlement offer and Stipulation and Order to Dismiss Gary R. Stein et al v. City of Wausau (Hwy. 51/U Interchange condemnation appeal, Case No. 14CV678) and related budget modification

Jacobson explained this has been dealt with a couple times in closed session and Gary R. Stein, owner of Sound World, has accepted the city's final counter offer for settlement at a total of \$46,650.

Motion by Nagle, second by Oberbeck to approve the settlement offer related to Gary R. Stein. Motion carried 5-0.

Discussion and possible action on approval of contract agreement for the Mercury Reduction Program between Marathon County Health Department and Wausau Water Works, City of Wausau – Jacobson

Winters indicated this comes from the Water Commission; there is an EPA requirement to do this and we contract with the county.

Motion by Nagle, second by Oberbeck to approve the contract agreement for the Mercury Reduction Program. Motion carried 5-0.

Discussion and possible action on resolution opposing the State of Wisconsin's proposed elimination of personal property tax and computer aid - Groat

Groat stated we have a resolution that was created by the League of Municipalities opposing the changes to personal property. The city currently receives \$1.8 million in personal property tax and computer aid. She stated if this were eliminated and we were allowed to pass this on to the property owners it would increase the taxes approximately 75 cents per thousand of value, so a homeowner of \$100,000 home would be charged \$75 more for the city's share. She noted the school district, county and technical college receive a portion and all of those entities would pass on the tax as well, so it is really just reallocating the tax from business to business and residential; it just becomes a tax shift. Winters provided his own personal property tax paperwork as an example of the process for businesses. Oberbeck commented it would have to be offset by state aid and if it doesn't do that then it is a lose/lose proposition for the city. The main purpose would be to get rid of a tedious process and unburden businesses of the paperwork. He indicated he would be supportive of it with the fact that it must be replaced with the amount of aid that is being lost by the municipalities.

Motion by Oberbeck, second by Nagle to approve the resolution and change the word "address" to "replace" in the final Be It Resolved paragraph. Motion carried 5-0.

Discussion and possible action on a resolution supporting the continued existence of the Board of Commissioners of Public Lands and local government loan program - Groat

Groat stated the Board of Commissioners of Public Lands take the funds that come from forest crop off of their public lands and invest those funds either in public investments or give the funds to municipalities as a loan. She noted they gave the city special consideration and funded the entire Jefferson Street Parking Ramp for us while we awaited the IRS private letter ruling, which ultimately allowed us to issue tax exempt. We also used them for the Wausau Window & Wall and the Entrepreneurial Center.

Motion by Nagle, second by Oberbeck to approve a resolution supporting the continued existence of the Board of Commissioners of Public Lands. Motion carried 5-0.

Approving the nomination of a Trustee for Wausau Cemetery Perpetual Care Fund - Jacobson

Jacobson explained the current agreement requires that the City of Wausau select a successor trustee and Associated Bank is very interested in being appointed, then all accounts would be in the same place. She indicated they had until June 1st to make the selection. The committee directed Jacobson to prepare a sole source purchase and bring it back to the next meeting.

Approving Second Amendment to Lease Agreement between City of Wausau and Espresso Sensory Perception, LLC dba Cafe' Le Grand - Jacobson

Jacobson explained it is an amendment to their current lease to raise their rent from \$600 to \$800 by mutual consent. She noted they changed their trade name from Café Le Grand to Vino Latte.

Motion by Nagle, second by Kellbach to approve the amendment to the lease agreement with Espresso Sensory Perception, LLC. Motion carried 5-0.

Presentation regarding the financial position of the Tax Increment Districts - Groat

Postponed to next meeting.

Discussion and possible action regarding update on Village and Town discussions regarding the Village of Brokaw.

Nutting indicated he attended the meeting of Town of Texas and Town of Maine and commented that a lot of questions were left unanswered. Neal was also present at the meeting and felt the overriding sentiment was self-preservation ensuring that no one lost any land to Wausau. He came away with the impression that Wausau was pictured as wanting Brokaw and wanting land; all they want to do is maintain their identity and way of life and not have us coming in and taking over. He felt the most important development was when Attorney Shane Vanderwaal indicated that the towns were interested in discussing with Wausau and Brokaw a cooperative boundary agreement. There are a couple of meetings being set up for the end of this month and the beginning of next month.

Discussion and possible action on budget transfer for the Sewer Utility Fund – Temporary Wages

Groat stated the Sewer Utility has been using sewer interns similar to what the Police Department is now proposing. They had two summer interns, basically untrained kids to mow lawns, etc. They also had interns that were students sent from UW Stevens Point for which we were paying the university and the funds were budgeted for in contractual services – lab testing. The university no longer wants the program to run through them and wants them to be employees of ours during those summer months. She indicated the request is for a budget transfer of \$24,000 out of lab testing into temporary services and an additional \$2,000 from administrative salaries.

Motion by Nagle, second by Oberbeck to approve the transfer for the Sewer Utility Fund. Motion carried 5-0.

Discussion and Possible Action on 2016 Budget Priorities

Winters stated there is a Committee of the Whole meeting coming up on Budget Priorities on April 23rd and questioned if they wanted to send forward some information and have staff work on tightening down these estimates in their packets. He felt it would be an opportunity to restore the spring cleanup and fix some other things in the budget.

Motion by Oberbeck, second by Nagle to forward the information regarding potential uses of savings on the refuse and recycling contract to the Committee of the Whole. Motion carried 5-0.

Adjournment

Motion by Nagle, second by Oberbeck adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:00 p.m.