

FINANCE COMMITTEE

Date and Time: Tuesday, **May 26, 2015** @ 5:30 pm., Board Room

Members Present: Winters, Kellbach, Nagle, Oberbeck

Members Excused: Nutting

Others Present: Groat, Jacobson, Giese, Hebert, Kerntop, Kujawa, Lindman, Tipple, Rasmussen, Mielke, Neal, Elizabeth Field, Dick Barrett, Lisa Barry

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. (5/12/15)

Withdrawn.

Discussion and Possible Action regarding the Resolution Providing for the Sale of \$4,285,000 General Obligation Promissory Notes

AND

Discussion and Possible Action regarding the Resolution Authorizing \$5,705,000 General Obligation Bonds for Community Development Projects in Tax Incremental District Nos. 3 and 10 and Swimming Pool Project

AND

Discussion and Possible Action regarding the Resolution Authorizing \$2,655,000 Taxable General Obligation Bonds for Community Development Projects in Tax Incremental District Number 3

Groat stated at the last meeting they had reviewed the borrowing and reconciliation of what was included in the budget versus what we were proposing. This included not funding the placeholder we had put in for Thomas Street because the official map would be adopted late in the year and we would be able to proceed with land acquisition and reimburse ourselves from any 2016 borrowing. We had increased the borrowing by \$1 million for the Resurrection Church purchase; decreased TID #7 borrowing by \$305,000 for a delay in the stormwater project; and decreased TID #8 to reflect the funding needs. This resulted in a net reduction of about \$3.8 million in borrowing.

Groat stated the schedule for debt issuance was for Finance to consider the preliminary resolutions on May 26th and would forward to Council on June 10th. The final sale will be presented to Finance and Council on July 14th with tentative settlement on August 1st. Winters noted this was a total of \$12.4 million for all three resolutions.

Motion by Nagle, second by Oberbeck to approve the three borrowing resolutions above. Motion carried 4-0.

Discussion and Possible Action regarding Budget Modification to Restore Funding for the 2015 Street Seal Coat Project – Lindman

Groat reviewed that Mohelnitzky had explained at the last meeting the importance of chip/seal project extending the life of the newly overlaid streets, without which those streets degrade at a rapid pace and we end up spending more to replace them. She looked at what was used for winter maintenance in the first quarter of 2015 and added the fourth quarter of 2014. Based on that analysis we took \$80,000 from the salt budget; \$16,000 from natural gas; and savings from subscription services.

Motion by Nagle, second by Oberbeck to approve the budget modification to restore funding for the 2015 Street Seal Coat project. Motion carried 4-0.

Discussion and Possible Action on support of 1/2% Sales Tax Legislation - Groat

Held over to next meeting.

Discussion and Possible Action on Support of Increasing the Bank Qualified Limits to \$30,000,000 - Groat

Groat stated during the slowdown in the economy the US Government temporarily increased the limit to \$30 million with a built in sunset provision. Last year as well as this year, there is some desire from legislators to increase it

back up to \$30 million. She stated the benefit to the City of Wausau is to provide us flexibility; while we don't generally borrow more than \$10 million, there are instances that we do. She pointed out this year would be a good example, as well as the year we did the borrowing for the Jefferson Street ramp. Also, if we are doing a large refinancing plus borrowing we still have to live within that \$10 million. She explained "bank qualified" means when a bank holds your bonds they get a deduction for that interest, so they are willing to take a lower interest rate because they don't have to pay taxes on the income. She noted once you go over the \$10 million, none of it qualifies, so you have to stay under or the whole thing doesn't qualify.

Motion by Nagle, second by Oberbeck to approve the resolution supporting increasing the bank qualified limits to \$30,000,000. Motion carried 4-0.

Discussion and Possible Action regarding Reallocation of Capital Funds for the Fire Department - Kujawa

Kujawa explained that the purchase of new self-contained breathing apparatus (SCBA) came in just under \$60,000 less than initially expected. She requested to reallocate this money to the radio replacement project. The radio project was expected to be spread out over four years. This would allow for the project to be completed early. Plus, if the replacement radios are purchase by June 15, 2015 there would be a savings of \$500 per radio.

Motion by Nagle, second by Kellbach to approve the reallocation of Capital Funds for the Fire Department radio project. Motion carried 4-0.

Discussion and Possible Action regarding approving contract with Infovision Permitting and Inspection Software - Hebert

Bill Hebert stated an additional RFP was put out in the spring of 2014 which only brought three responses, with the most desirable being very costly and well above what was allocated. After failed negotiations, it was decided to re-post the RFP this January. He indicated they received six proposals from five vendors with better pricing quotes and a better product. The recommendation for Infovision falls within budget; offers unlimited amount of users; includes a licensing module that will help the Clerk's Office and our department for rental licensing; and provides for coordination of development projects among Engineering, Fire, Community Development, etc.

Motion by Kellbach, second by Nagle to approve a contract with Infovision Permitting and Inspection Software. Motion carried 4-0.

Discussion and Possible Action regarding supplemental funding for the Orthophotography project funded in the 2015 CIP budget - Kerntop

Dan Kerntop, GIS Analyst, explained this will be our fourth flight for 2015 seeking additional funding of \$13,800 for this project. He indicated they increased the resolution and collaborated with several communities, including Schofield, Rib Mountain, Rothschild and the Village of Weston for a minimum savings of at least 13%. This increased resolution will help with projects such as design, riverfront, Thomas Street and other activities going on in the city.

Lindman, Director of DPW, stated there is an RFP that went out and we need these funds to get that scope of services for 2015 completed and in 2016 there will be another set on the same RFP that will be completed. Winters questioned if he could find that \$13,800 in his budget to transfer to bail this project out. Groat stated they had preliminary discussions about using some of their extra funds from the street projects to fund this shortfall. She noted the budget policy provides the Mayor with the authority to do CIP transfers up to \$20,000 and then report it to the Finance Committee.

Discussion and possible action regarding the April 2015 General Fund Budget Report - Groat

Groat reviewed the April 2015 statement of revenues and expenditures. The narrative can be accessed online at: <http://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx>

Discussion and Possible Action regarding proposed Procurement Policy language clarification regarding contract approval - Groat

Groat indicated this was basically a housekeeping change, by moving some language in item 2 to the introduction section, as well as a few word changes for clarity. Nagle was concerned the policy was getting too complicated and

did not was it to become cumbersome for staff. Jacobson indicated she was in agreement with the language changes for clarification.

Motion by Nagle, second by Kellbach to approve the changes to the Procurement Policy. Motion carried 4-0.

Discussion and Possible Action regarding approving Meetings Mean Business Agreement between the City of Wausau and Wausau/Central Wisconsin Convention and Visitors Bureau, Inc. - Jacobson

Jacobson presented a draft of the contract which provides for an additional one tenth of one percent of room tax to go to the CVB to help them start an initiative to attract additional conventions, expos and meetings to the area. She noted the term of the agreement is one year with an automatic one year renewal.

Motion by Nagle, second by Oberbeck to approve the one year Meetings Mean Business Agreement with the CVB. Motion carried 4-0.

Discussion and Possible Action regarding Room Tax Legislation - Groat

Groat stated she received an email from the League of Municipalities indicating that the Legislature was trying, in a somewhat non-transparent nature, to put through changes to the room tax law within the state budget deliberations. The proposal would take the room tax revenue control away from the city and put it with an independent body. It would eliminate the amount room tax funds that the city had gotten to retain and it would change the way it is allocated. She stated the Mayor and herself expressed their opposition to the Legislature and feel we should send a Council resolution reiterating that room tax should remain in the control of the city.

Motion by Nagle, second by Kellbach to approve the resolution regarding Room Tax Legislation. Motion carried 4-0.

Discussion and Possible Action regarding the 2016 Closure of TID #5

Held over until after the Committee of the Whole.

Discussion and Possible Action regarding report on 2014 Audit Status - Groat

Groat stated the RFP was put out in 2010 for a 5 year period of time and that period expires with the conclusion of the 2014 audit. She indicated Schenck had done preliminary field work in the fall of 2014 and are scheduled to come in next week to finish the audit. She noted our books are closed and the financial statements have been prepared and the due date of the report is June 30, 2015. Groat indicated she could prepare an RFP for consideration for the July or August Finance Committee meeting.

Discussion and Possible Action regarding 2016 Budget and CIP Status Report - Groat

Groat stated the departments now have their worksheets that they are working on that includes a 2016 budget and a 2017 plan. Based on the timing of information, their budget directive at this time was just cost to continue budget. She stated within the budget parameters we have provided an allotment for a 10.68% increase in health insurance; a 10% in dental; no change in the Wisconsin Retirement System; the union salary increases based on the contracts; and no non-rep increase for individuals. The operating budgets from the departments are due on July 10th and the CIP requests are due on June 1st but they were given an extension until June 8th to complete the status report. She suggested a Committee of the Whole meeting be held on June 23rd to review the CIP requests.

Discussion and Possible Action on Master List of Contracts - Groat

Groat stated currently the Clerk's Office maintains a spreadsheet of all of the contracts, which range from simple one page contracts for planter maintenance downtown, to complex contracts that fills volumes of folders, such as the Wausau Center Mall. She explained once a contract is executed it is turned into the Clerk's Office to be recorded on the spreadsheet and imaged. The management of the contracts has been decentralized, meaning the departments monitor contract compliance on an individual basis. She indicated there has been discussion with IT regarding implementing some workflow software for contract management that would assist us in all portions of the contract life cycle. A stumbling point has been that we mail out the contracts for signatures, which sometimes gets lost in their organization and don't come back. Some of this software allows for electronic signature creating a more streamlined, easy process. She indicated she submitted a request to CCIT in November and NCHC is also interested in participating as well. She noted the electronic imaging software also has a workflow component to it.

Discussion and Possible Action on the Strategic Planning Process - Tipple

Withdrawn

Inspection Complis Ticket Report (Hebert)

Hebert presented a table of citation data of property violations for committee review. Rasmussen commented she is getting positive feedback from people in the community and she is receiving a lot less complaints from her constituents. Discussion took place regarding compliance and the impact on blight in neighborhoods.

Suggestions for Future Agenda Items

Groat stated she would like to do an analysis and a presentation on the general fund; however, she will not be able to send it out in advance. She noted the Schierl project may be coming back to Finance after going to ED.

Adjournment

Motion by Kellbach, second by Oberbeck to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:50 pm.