

FINANCE COMMITTEE

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

Members Present: Oberbeck(C), Kellbach, Nutting, Mielke

Members Not Present: Nagle

Others Present: Groat, Jacobson, Giese, Kujawa, Lindman, Krohn, Schock, Werth, Tipple, Neal, Wagner, Phil Cossan, Carol Wesley.

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 Oberbeck.

Public Comment

None

Minutes of previous meeting(s). (5/26/15 & 6/10/15)

Motion by Mielke, second by Kellbach to approved the minutes from 5/26/15 and 6/10/15. Motion carried 4-0.

Discussion and Possible Action regarding tax abatement request from Achieve Center of Marathon County Carol Wesley

Mayor Tipple explained he met with Brad Karger and Carol Wesley in June to discuss the issue of taxes because on January 2, 2014 they purchased the current building (520 N 28th Avenue) of which there is a profit and a non-profit portion. They were charged the full tax on the property for 2014 because the papers for the non-profit portion were not filed by January 1st due to the sale not being completed until the 2nd. For the profit side of the building they paid \$11,188.06 and they were looking for other solutions since we are not able to forgive the tax for the non-profit portion. There is a remainder due of \$22,376.

Carol Wesley distributed information about the Achieve Center explaining what they do serving families with children with disabilities. She indicated they were told to apply for the tax exempt status following the purchase of the building and that the property exemption form was due by March 1, 2014. Once it was determined that we met all the requirements for tax exempt status we scheduled the closing of the purchase for the last week of December, but because of the holiday it was re-scheduled for January 2nd. She indicated she filed the tax exemption form with the City Assessor on February 28, 2014 and received a denial.

Nan Giese stated according to the State Statues taxes must be paid on the property as it exists on January 1st. Mielke put forth a motion to forgive the remainder of the tax due because they are a non-profit organization. Anne Jacobson clarified that it is not legal to forgive the tax. Mielke withdrew the motion. Oberbeck pointed out the agenda item is specifically for tax abatement, which we cannot legally do, so our hands are tied and the item dies.

Discussion and Possible Action approving a two year contract for insurance broker consultant services – Hite

Elyse Krohn indicated the HR Department strongly recommends moving to a new broker through the RFP process and was asking the Finance Committee to approve going forward to the next step. There were eight responses to the RFP, which were charted by HR and Finance based on the qualifications asked for. The recommendation is to move forward with Associated Financial Group, which came in at the lowest cost, is local, and has a lot of benefits to offer. Wagner indicated as chair of HR he was in support of immediate acceptance.

Motion by Nutting, second by Mielke to approve a two year contract with Associated Financial Group. Motion carried 4-0.

Discussion and Possible Action regarding 2015 budget modification for CVMIC Safety Grant Program – Hite

Groat indicated the city applied for Safety Grants from CVMIC which offers up to \$7,000 annually. The departments submitted safety requests to HR and they were ranked. Based on those rankings, the list included: Fire Department – tank lifter; a hose roller; Electrical – flash suits and rain gear; and DPW – confined space entry equipment and material data sheets. Groat indicated Hite was offering to transfer funds out of HR Professional Services, Legal and Other Professional Services to Safety Supplies and then recognize this new revenue we will get from CVMIC to fund the safety purchases for the city.

Motion by Mielke, second by Kellbach to approve the transfer of funds as presented. Motion carried 4-0.

Discussion and possible action regarding sole source purchase for Contractual Services Cross Connection Compliance – Lindman

Lindman explained each municipality in Wisconsin that has a community water system is required to have a cross connection control program for the non-residential units. For the past couple years the water department has struggled to come in compliance as the DNR has started enacting their legislation as far as enforcement. They struggled with the resources in order to do the inspections as well as to administer the program. Another option is to contract out the work, so over the past couple months they have looked at some contractual services for the work. He indicated there is only company nearby in Wisconsin that will handle a municipality of this size and that is HydroCorp. He estimated it would require two employees to meet the two year deadline given by the DNR and it would actually cost the city more than a two year contract for the services. After the two years when we have come into compliance the city could either continue contractual services as a lesser amount or reevaluate if the city could take over the program. He noted some of the ordinances may need to be amended in order for us to recoup some of the inspection costs. He stated this would be put into the operating budget for the water department.

Motion by Kellbach, second by Mielke to approve the sole source purchase for Contractual Services Cross Connection Compliance.

Discussion and possible action regarding the budget modification necessary to fund mall consulting services - JLL in the amount of \$24,000 – Schock

Chris Schock stated last year we solicited proposals from consultants to advise the city for real estate purposes in relation to discussions with the mall. He indicated we received four proposals at that time, but the city did not act upon those proposals as discussions with CBL had fallen silent. Discussions have begun again and CBL has presented a proposal which has been reviewed by ED Committee in closed session and we continue to collect more information. He felt it was timely now to have a consultant, an expert in the commercial realty business and very knowledgeable about malls. After reviewing the proposals again, the ED Committee recommended that we choose of the consulting services of JLL for a maximum of six months.

Motion by Mielke, second by Nutting to approve the budget modification. Motion carried 4-0.

Presentation of the 2014 audit - Schenck CPA's Jon Trautman/ Groat

Tabled to the July 28th meeting.

Discussion and possible action regarding the May 2015 General Fund Budget Report – Groat

Groat noted there were some revenues in which she anticipated shortfalls. The narrative report can be accessed online at: <http://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx>

Motion by Mielke, second by Kellbach to accept the May 2015 monthly report. Motion carried 4-0.

Resolution Authorizing the Issuance and Sale of \$3,930,000 General Obligation Promissory Notes, Series 2015A – Elhers

Phil Cossan, Elhers and Associates, commented it was a little more challenging this year as there was quite an extensive capital list that wasn't just capital projects for the city, but also TIF projects related to TIDs #3, #8, and #10. One of the goals was to make sure the city stayed bank qualified as well, which it did because of the taxable debt. He indicated the city retained its Aa2 rating by Moody's Investor Service. There were three different bond issues and three different sale results.

He indicated nine bids were received for Series 2015A and the low bid was Banker's Bank, Madison, Wisconsin, for a 10 year note at 1.8786%. The city will end up with approximately \$55,000 of additional project funds available.

Motion by Nutting, second by Mielke to approve the Issuance and Sale of \$3,930,000 General Obligation Promissory Notes, Series 2015A. Motion carried 4-0.

Resolution Awarding the Sale of \$5,705,000 General Obligation Corporate Purpose Bonds, Series 2015B – Elhers

Cossan stated this issue deals with the costs of swimming pool projects as well as project costs related to TIDs #3 and #10. There were six bids; Raymond James & Associates, Memphis, Tennessee, was the low bid for 20 years at 2.66%. There will be approximately \$87,000 available for additional capital projects.

Motion by Mielke, second by Kellbach to approve the Sale of \$5,705,000 General Obligation Corporate Purpose Bonds, Series 2015B. Motion carried 4-0.

Resolution Awarding the Sale of \$2,655,000 Taxable General Obligation Community Development Bonds, Series 2015C – Elhers

Cossan explained this is a taxable debt issue because there are funding projects related to TID #3 that do not qualify as tax exempt, meaning there could be a benefit to a private entity or private business. He noted taxable debt typically has a little higher rate. There were three bids and Robert W. Baird, Milwaukee, Wisconsin, was the low bid at 3.3028%. There will be an approximate \$47,000 in additional project funds.

Motion by Kellbach, second by Nutting to approve the Sale of \$2,655,000 Taxable General Obligation Community Development Bonds, Series 2015C. Motion carried 4-0.

Discussion and possible action regarding State Trust Fund Loan for 2015 Water and Sewer Capital Projects

Groat explained historically we have been letting the Water & Sewer Utility participate in our general obligation debt, which allows them to enjoy our low rates. The city receives low rates on the GO's because by law we have unlimited taxing powers when it comes to paying debt, which means lower risk to the bond holders. She stated this year because we were up against our \$10 million threshold, we did not have an opportunity to offer that to the utility. We looked at three options to structure debt for the utility: 1) piggyback on the GO, which is not feasible because of the bank qualification limits; 2) add the Water & Sewer Utility to our borrowing calendar and go out to the market for revenue bonds; or 3) the State Trust Fund. The utility took this to the commission at their July meeting and they approved going to the State Trust Fund Loan. She indicated with Finance approval we will apply and they will send us the necessary resolutions for Council approval. Groat noted the State Trust Fund Loans are completely free of any repayment terms or early penalties. This option provides the lowest debt issuance cost and the greatest amount of flexibility.

Motion by Mielke, second by Kellbach to approve the process to apply for a State Trust Fund Loan for 2015 Water & Sewer Capital Projects. Motion carried 4-0.

Discussion and possible action regarding a five year parking lease with Compass Block 15 LLC for 60 stalls on the top floor of the Jefferson Parking Ramp with two five year renewal options

Groat stated Compass Properties contacted us because they have a possible tenant for the First American Center (the M&I building) and this tenant is sensitive to parking fees and is looking for inexpensive parking options. She indicated we have been offering parking on the roof of Jefferson Ramp at \$5 per month. This concept was endorsed by the parking study that was recently completed. Compass is asking to accommodate this possible long term tenant for \$5 per stall for a five-year term, with two five-year renewals at fair market value at the end of that term.

Motion by Mielke, second by Nutting to approve the five year parking lease with Compass Block 15 LLC. Motion carried 4-0.

Consider authorizing execution of a five (5) year lease between the City of Wausau and Trolley Quarter Flats Limited Partnership (“Lessee”) to provide additional parking for Lessee at City owned property at the Community Gardens

Ann Werth stated Parking & Traffic Committee has been working on a solution for this for quite some time. She explained 1st Street narrows way down by Trolley Quarter Flats. This is relief parking to be used by both the Community Gardens and Trolley Quarter Flats. The asphalt with cost approximately \$5,500 and Trolley Quarter Flats Metro Plains has agreed to pay \$2,500 for a five year lease; the city's cost would be \$3,000. She noted they understand if a commercial project comes in that they will have to vacate it.

Motion by Nutting, second by Mielke to approve the execution of a five year lease with Trolley Quarter Flats for additional parking. Motion carried 4-0.

Request for room tax funding for the cost for insurance coverage of the Annual Labor Day Parade. (Randy Radtke - Marathon County Central Labor Council AFL-CIO)

Mayor Tipple stated we have done this every year and it is a nominal cost. Oberbeck commented it is a worthwhile event with a lot of people attending.

Motion by Mielke, second by Kellbach to approve the room tax funding for the cost of insurance coverage. Motion carried 4-0.

Discussion and possible action regarding the execution of a one (1) year lease with Wausau Flying Service, Inc. for the location of a storage unit to accommodate camping and other related items for Boy Scouts of America, Troop 465 and Cub Scouts, Pack 465 at the Wausau Downtown Airport

Jacobson stated it is a short term lease agreement for one year. They will pay a rental fee of 12 cents per square foot of shed space occupied under the lease, which is consistent with what others pay.

Motion by Nutting, second by Mielke to approve the lease. Motion carried 4-0.

Update on 2016 Budget and Budget Projections – Groat

Groat stated Chief Hardel recently informed her he was notified that they will no longer be receiving any beat patrol grants for the Police Department; the last entitlement was \$166,000, which is a pretty big hit to the budget for 2016.

Discussion and Possible Action on the closure of TID #5 in 2016 – Groat

Held over to future meeting.

Procurement Policy Change – Groat

Groat explained the change is to designate Marathon County Landfill as a sole source without competitive purchasing because it is in our best interests to use and support Marathon County Landfill.

Motion by Kellbach, second by Mielke to approve the Procurement Policy change. Motion carried 4-0.

Update on 5 Year Financial Strategic Plan

Held over to future meeting.

Discussion and Possible Action regarding the July 28, 2015 meeting agenda item, " Developing a Sustainable Fiscal Plan - Balancing the 2016 Budget"

Held over to future meeting.

Update on the Finance Committee Meeting Schedule for 2015

Oberbeck stated they need to schedule future meetings to work through the process of the capital plan and operating budget. He distributed a schedule for them to review of suggested Finance meetings and Committee of the Whole meetings.

Update on City Wide Revaluation by Assessment Department

Nan Giese stated Vision is to receive our final pass of data for the conversion. Once the values are complete they will drop our numbers into the assessment history, which we need in order to create the notices. She indicated they are scheduled to go live on August 10, 2015. She stated they are working through some issues with Laserfiche and will have some savings there. Notices go out August 21st; Open Book will be for a month and then we go into the Board of Review. She commented they were done with the City of Schofield and they were very pleased with our services. She indicated they need to discuss a contract renewal which she will bring to a future meeting.

Adjourn

Motion by Mielke, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:00 p.m.