

FINANCE COMMITTEE

Date and Time: Tuesday, August 11, 2015 @ 5:30 pm., Board Room

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

Others Present: Groat, Jacobson, Giese, Hite, Kujawa, Lindman, Schock, Werth, Tipple, Wagner, Pergolski, Neal, Wagner, Rasmussen, Gisselman, 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 Oberbeck.

Public Comment

None

Sole Source Purchase Request Decorative Street Lighting Etc

Groat stated the committee previously approved a sole source for lighting, which was good for one year and one year is up so it is coming back before them.

Motion by Nutting, second by Nagle to approve the sole source purchase for decorative street lighting. Motion carried 5-0.

1500 Grand Avenue Development Agreement and Budget Modification

Groat explained the pharmacy is going to pay the city \$25,000 for the building and we will donate the \$25,000 back to them to help make physical exterior improvements to the building and landscaping. Schock commented we received the building basically free from Kwik Trip and the cosmetic improvements the pharmacy makes to the building will be an improvement to the neighborhood.

Motion by Nutting, second by Nagle to approve the budget modification for 1500 Grand Avenue Development Agreement. Motion carried 5-0.

RFP for leased vehicles

Withdrawn.

Two Year Liability Insurance Proposal and Third Party Administrative Services Agreement

Groat stated the city has been involved with CVMIC since 2006 and overall has been very satisfied with the services we receive; they provide insurance, risk management, advisory services, education and safety training. She indicated they have requested that we renew for 2016, 2017 and 2018 and she noted we have also been using them as our third party administrator for worker's comp.

Motion by Nutting, second by Nagle to approve the agreement for continued membership with CVMIC for Two Year Liability Insurance and Worker's Comp Third Party Administrator. Motion carried 5-0.

Credit Card Rebate Program Revenue

Groat stated last December we migrated from the BMO Harris corporate credit card to the purchasing card offered by US Bank. She noted they currently have the state contract and our procurement policy allows us to, without going for bid, piggyback on other competitive processes. She explained we now get a rebate on our purchases and it is tiered depending on the quantity or the costs of how many purchases we're making. She indicated the city will receive its first rebate check of \$1,500 based on \$92,000 of charges for a five month period of time. Many communities choose to share some of those rebates with the departments to encourage further use of the purchasing card. She questioned if they wanted to do this and indicated it would be allocated based on the charges the departments are making. She indicated her recommendation would be to share 50%. Oberbeck did not feel it was worth the time and effort to split out those costs.

Motion by Oberbeck, second by Mielke not to share the revenue and that 100% of the revenue will go to the general fund. Motion carried 5-0.

LifeQuest EMS Billing Contract Extension until December 31, 2015
and

2016 CIP funding modification - Fire Department

Chief Kujawa stated the EMS Billing Contract expires November 1, 2015 and we currently rent our software through LifeQuest. She indicated one of the requests through CIP was a combination of fire EMS software and a training component to connect all the stations. She explained because the contract expires we will have no software after November 1st, so an option would be to extend the contract to the 1st of the year.

Kujawa stated when she made her CIP request, Alderman Winters asked her about the rescue task force equipment and whether she could find a grant for the equipment which was for \$30,000. She indicated she has done some investigation and could probably write a grant for the equipment through FEMA, however, the priorities for the grant haven't come out yet and she was not sure how good of chance there was at receiving it. She stated her request would be to exchange that rescue task force \$30,000 CIP request towards EMS software, which has a range of \$15,000-\$20,000. She noted that would not include fire software or the training component of the CIP request.

Kujawa stated we could continue to rent software in the future, but the problem is we don't get the data back that we need because they only write certain reports. If we own our own software we can write the reports we need to get the data we need and look at outcomes that we want. Oberbeck felt we needed more time to evaluate this through the CIP process.

Motion by Nutting, second by Mielke to extend the EMS Billing contract with LifeQuest through December 31, 2015. Motion carried 5-0.

Budget Modification Street Improvements

Eric Lindman stated costs came in over budget and the budget modification shows the allocation between streets storm and the water & sewer. Groat stated the overage will be funded by decreasing the capital budget for parking ramp capital outlay by \$77,000; decreasing our street trees capital budget by \$36,840; and the majority of the overage was in the water & sewer area of which funding will be included in the State Trust Fund Loan.

Nutting questioned what the impact would be to the reduction of the street trees budget. Groat explained there has been a budget of \$40,000 per year for street trees as part of the capital budget, but those funds are not being spent on a regular basis. There is currently two years of street tree funds in the 2015 budget with the carryovers. Oberbeck commented there is another problem coming up with the loss of trees very shortly relative to the Emerald Ash Borer which will be a very big cost to the city. He did not feel this was a fund we should be raiding at this time. Groat suggested an alternative would be to take the entire amount out of the parking ramps capital expense. Oberbeck questioned how this would affect maintenance on the parking ramp. Lindman stated we are looking at doing some improvements under the operating budget for the ramps next year, but we anticipate having enough money, even with that additional deduction.

Motion by Kellbach, second by Mielke to approve the budget modification amended to not take funds from the street trees budget and decrease the parking ramps budget by said amount. Motion carried 5-0.

Budget Modification 1st Street Extension and Riverfront Redevelopment Project

Groat explained when we were working on the budget for the riverfront everything was put into a category called Other Capital Improvements because typically when the engineering department is doing the design they have probable costs which they break down by category. It is important for the city to categorize our infrastructure because the state DOT looks at the categories and determines our state aid; some of the costs are eligible for the aids formula and some of them are not. Stantec did the design so we did not have the break down when we were working on the budget and that is why the lump sum was put in Other Capital Improvements. She stated this budget modification is allowing us to create the allocation so that when it is time to do our state report at the end of the year they will be categorized in the appropriate places.

Motion by Nutting, second by Nagle to approve the budget modification 1st Street Extension and Riverfront Redevelopment Project. Motion carried 5-0.

Budget Modification Public Access

Mayor Tipple explained we are trying to allocate funds appropriately because we had received \$2,500 from the County Board for productions in 2014, but they paid it in 2013 so it wasn't correctly shown in the 2014 budget. This budget modification will get that back in line as 2014 budget revenue.

Motion by Nutting, second by Nagle to approve the budget modification for Public Access. Motion carried 5-0.

State of Wisconsin Trust Fund Loan of \$4,000,000 for Utility Improvements

Groat noted they considered this at their July 14th meeting and approved her to submit an application for an application with the state. She indicated she has done so and this would be the final authorization. It is a 10 year loan with an interest rate of 3.25%. She commented the good thing about the State Trust Fund is that it is so flexible, with no debt issuance cost, no pre-payment penalty and the interest is used for assisting with libraries.

Motion by Nagle, second by Mielke to approve the State Trust Fund Loan of \$4,000,000 for Utility Improvements. Motion carried 5-0.

Changes in the Procurement Policy - legal services

Jacobson explained they have been having issues in getting regular invoices and being able to pay them timely and promptly within a budget year. She indicated she obtained some language that is used for other types of billings and would like it adopted as part of the policy for attorney services. It would require that they bill their time at 1/10 hour increments; that we get invoiced every 30 days; if billed for work beyond 60 days, they must offer an explanation; and we will not pay invoices submitted for work that is more than a year old.

Motion by Mielke, second by Kellbach to approve the changes in the Procurement Policy for legal services. Motion carried 5-0.

Changes in the Procurement Policy - sole source exemption Technology Services CCITC

Groat pointed out when you look at the Procurement Policy there is nothing that exempts us from having to go out for RFP when using the City/County IT Services, which is our partner. She recommended adding CCITC as a sole source exemption for clarity.

Motion by Mielke, second by Kellbach to approve the change to the Procurement Policy for a sole source exemption for technology services CCITC. Motion carried 5-0.

Regarding 2016 property insurance

Groat stated the city has a long standing relationship with the local property insurance fund which many government entities in the state do as well. We have been buying our property insurance from them and they were designed to meet the particular needs of communities. The property insurance fund was created through state legislation, but in 2009 when government entities were having problems because of the economic collapse, the legislature decided to give everyone a premium holiday that year. Although we did save money that year, unfortunately after they had given the premium holiday the fund experienced some significant losses throughout the state putting them in financial duress. She indicated the State of Wisconsin looked at terminating the local property insurance fund effective January 2016 through the budget legislation; but the language was stricken just prior to budget adoption. She stated CVMIC, the League of Municipalities insurance company, and the Wisconsin Mutual Insurance Company had all collaborated to find alternate solutions in the event the local property insurance fund was dismantled. They have created another insurance company that would specialize in property insurance but be insulated from the dealings and the influence of the legislature. It would function as a separate company designed to deal with local governments. She indicated she will be seeking quotes from the local property insurance fund and the new insurance company.

Wausau on the Water, Inc. (WOW) Development Agreement and related budget modification

Groat stated this is project that has evolved because of a variety of challenges on that property. The initial plan was to redevelop the existing building, but it was found to be unsuitable for redevelopment so it is destined for demolition. The ED Committee has been working with the developer to come up with a design they would be happy with and a number of these processes has increased the costs. She indicated the developer has come back and

worked with the ED Committee on a final financial arrangement with the city. She noted what they thought was final is indicated in her staff report. Two modifications were made by ED before this meeting: the minimum value was changed from \$1.4 million to \$1,750,000 and they reduced the second loan \$354,000 to \$283,000.

CLOSED SESSION pursuant to Section 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session - Discussion and possible action on Development Agreement with Wausau on the Water, Inc. (WOW) and related budget modification

Motion by Mielke, second by Kellbach to move into closed session. Roll Call Vote: Ayes: Nagle, Kellbach, Mielke, Nutting, Oberbeck. Noes: 0. Motion carried unanimously.

RECONVENED back into open session to take action on closed item: Discussion and possible action regarding Wausau on the Water, Inc. (WOW) Development Agreement and related budget modification

Motion by Mielke, second by Nagle to approve the changes that the Economic Development Committee made at their earlier meeting and to modify the budget modification to increase the developer payment expenses for loan by \$283,000 rather than \$354,000; and to decrease the proceeds from notes revenue from \$625,000 to \$554,000. (The minimum value is increased from \$1,400,000 to \$1,750,000. There is \$804,000 in loans; \$325,000 in grants.) Motion carried 5-0.

Local area Premier Resort Tax

Mayor Tipple stated he was invited to a meeting with area municipalities to discuss the Premier Resort Tax. He noted one of the qualifications is that 40% of your equalized value of taxable property is tourist related retailers. None of the municipalities have that 40%, but can apply at the state legislative level to have that requirement waived. He indicated Rhinelander has done it and Lake Geneva is applying for it; Weston approved going forward just last week. He stated we are always looking for revenue sources and there are pros and cons to it, but we would like to move it forward like the other communities are doing.

Motion by Nagle, second by Mielke to propose support for the initiative by the local communities and ask the legislators to look into this. Motion carried 5-0.

2016 Budget Update

Groat indicated she and the Mayor have continued to meet with departments on the budgets and have not found any bad news and the deficit is going down. Oberbeck stated at the August 25th Finance meeting they will go into a planning session specifically dealing with fiscal issues and to set priorities.

June 2015 General Fund Financial Report

The narrative for the June 2015 General Fund Financial Report can be accessed online:
<http://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx>

Report on Performance of Assessment Services Contract between the City of Wausau and the City of Schofield for 2012-2015

Nan Giese indicated they have finished the three year contract with the City of Schofield for assessment services and they are very pleased with our work. She stated her assessment team measured and listed over 792 residential properties, 212 commercial properties, and 70 mobile homes and sketched over 912 properties. We have entered all the data; created new files for every property in the City of Schofield that includes photos, legal descriptions, and addresses. We have provided them with an address for all the vacant properties in the city, which was never done before. Inspections were made; introductions to over 243 personal property accounts; verified 64 exempt properties; had over 100 sales and 120 building permits; and for three years completed all the state mandatory reports. In 2015 we did a complete city-wide revaluation for the City of Schofield and two days of Board of Review. Giese stated they want to discuss renewing the contract and suggested they convene in closed session to discuss the numbers.

CLOSED SESSION pursuant to 19.85(1)(e) of Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, wherever competitive or bargaining reasons requires a closed session - for providing continuing contract assessment services to the City of Schofield.

Motion by Nutting, second by Nagle to move into closed session. Roll Call Vote: Ayes: Nagle, Kellbach, Mielke, Nutting, Oberbeck. Noes: 0. Motion carried unanimously.

Meeting adjourned in closed session at 7:08 pm.