

FINANCE COMMITTEE

Date and Time: Tuesday, October 13, 2015 @ 5:45 pm., Board Room

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

Others Present: Groat, Barnes, Giese, Hardel, Jacobson, Kujawa, Lindman, Werth, Tipple, Wagner, Gisselman, Neal, 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

Minutes of previous meeting(s). (9/22/15)

Motion by Kellbach, second by Mielke to approve the minutes of a previous meeting (9/22/15). Motion carried 5-0.

Discussion and possible action regarding the creation of a juvenile animal fee

Groat explained state law dictates that we offer half price if someone comes in to license a puppy after July 1st and a suggestion was made by staff to offer that half price license all year for new kittens and puppies as a way to encourage people to use that savings to microchip or spay or neuter their pet. This would also provide an opportunity to educate them as to what the full price will be. She indicated she spoke to PetData about it and they said there are a number of communities that do have juvenile licenses and the standard is six months up to a year.

Oberbeck agreed this would be a good incentive to get pets registered and for the owners to learn what is required. Groat reiterated we already give the discount after July 1 by state law, so it would be those puppies and kittens that are registered between January 1 and July that would be receiving the discount. Groat questioned if they wanted to set it at 6 months, 9 months, or a year. Nutting felt one year of age was no longer a puppy or kitten. Oberbeck suggested allowing the discount for all new pets the first time.

Motion by Nagle, second by Mielke to allow a half price discount for the first registration of all new pets. Motion carried 5-0.

Execution of a five year lease between the City of Wausau and the United States of America for use by the Federal Aviation Administration for antenna and rack space at the City of Wausau Downtown Airport

Groat stated we have had a lease with the FAA for many, many years at the airport; they provide a service to the airport and they like having them there. She noted there was a period of time when they did not pay rent. She indicated Alfonso has been working on the negotiations and she recommended accepting the five year lease.

Motion by Nagle, second by Kellbach to approve a five year lease between the city and the FAA for antenna and rack space at the Downtown Airport. Motion carried 5-0.

2016 audit services including sole sourcing a one year extension or initiating an RFP

Groat stated the contract expired at the end of the 2014 audit and Schenck is questioning if we would be willing to extend the contract an additional year. She noted she has not had a chance to work on an RFP and asked them what they would require for a fee for an additional year. Schenck quoted \$110 increase in the city's portion of the audit and the Community Development Authority (CDA) would increase \$1,760 because their audit has gotten substantially more complex since they did the tax credit project. She indicated Schenck was low bid when we went out for RFP last time and we have had them for five years. She commented it is not uncommon for communities to extend the contract. She pointed out any time we hire a new auditor we spend substantially more time on the audit because the auditor doesn't know us or where our records are and must accumulate a lot of basic information from us, as well as basic documents. If they want to go for RFP, it needs to be done quickly as we are running out of time. It can be handled two ways: 1) read the proposals and pick a company based on cost; or 2) go through an interview process of each company.

Motion by Nagle, second by Nutting to extend the audit contract one year and authorize a sole source purchase. Motion carried 5-0.

Discussion and Possible Action regarding the 2016 Budget

Mayor Tipple stated we are in the process with the various departments regarding coming up with possible savings for the budget but don't have them all in yet. Groat indicated she could have them summarized by the first part of next week. Discussion took place regarding the dates of upcoming Committee of the Whole meetings for the budget and the public hearing.

Oberbeck suggested we start with a target number of where we go with the budget and when we bring in the rankings of budget requests there is a line that will go up or down based on the decisions that are made.

Consideration of alternatives for the closure or project plan amendment of Tax Increment District Number Five

Groat stated there have been several discussions regarding closing TID #5 or not and if they close the district it would be in effect for 2017. She commented it seemed the debate was whether we need money to help finance some of our TID activities or do we need the funds to balance the operating budget. She indicated she did some evaluation as to whether we could have both. She proposed removing some properties from the district so that when we go to do the budget next year those properties would be used to pay regular taxes. *(She distributed a map delineating the properties to be removed.)* This would have a benefit of increased value for Composite Envision as well as there are a number of parcels the city currently owns, so if development occurred on them it would be all new development. She stated we are allowed to remove property from the TID during the amendment. She indicated if they took these properties out, it would make \$142,000 available in the city's budget for property tax. The total taxes are about \$375,000 per year and would leave approximately \$900,000 if they wanted to use the donor method for TID #3. Groat noted the two major districts causing us problems in the general fund because of accumulated deficits are TID #3 due to all of the money invested in the riverfront; and TID #7 which is out by Menards where substantial improvements to Stewart Avenue were made expecting development, but that development has not come forward.

Groat explained the target in our fund balance policy says that we will be at 16.67% of expenditures; in 2014 we were at 13.9%. Based on the TID cash flows, assuming no new development except for WOW in TID #3, she estimated the undesignated fund balance will drop down to 9% in 2018 at its lowest point. If we adopt a project plan that eliminates this property out of the district for tax relief and we have the TID donation, using the more conservative number of \$900,000, then we are able to maintain a stronger undesignated fund balance. Discussion followed on pros and cons of tax incremental financing. Groat stated she was happy with this compromise proposal because it serves both of the concerns that she hears from Council. She felt it would give the ED Committee a project to try to develop. Oberbeck pointed out it would also replenish what we lost from the mall. Nagle did not feel \$142,00 was worth it.

Motion by Nagle, second by Nutting to leave TID #5 as it currently is. Motion failed 2-3.

Motion by Oberbeck, second by Kellbach to approve the proposed compromise to amend TID #5 to remove property as presented. Motion carried 3-2.

Discussion and possible action on contract assessment services for real and personal property between the City of Wausau and City of Schofield.

Giese requested the committee convene in closed session to discuss her negotiations with the City of Schofield.

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 contract assessment services for real and personal property between the City of Wausau and City of Schofield

Motion by Nagle, second by Mielke to convene in closed session. Roll Call Vote: Ayes: Nagle, Kellbach, Mielke, Nutting, Oberbeck. Motion carried unanimously.

Meeting was adjourned in closed session at 6:53 pm.