

FINANCE COMMITTEE

Date and Time: Tuesday, October 27, 2015 @ 5:30 pm., Board Room

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

Others Present: Groat, Barnes, Giese, Jacobson, Hebert, Kujawa, Lindman, Schock, Werth, Tipple, Gisselman, Neal, Goede, Elizabeth Field, media.

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). (9/23/15, 9/24/15, 9/30/15)

Motion by Nutting, second by Nagle to approve the minutes of previous meetings (9/23/15, 9/24/15 & 9/30/15).

Motion carried 5-0.

Thomas Street Real Estate Services Contract with MSA Professional Services

Lindman explained he had prepared a cost estimate based on the scope of services we knew at that time when we went out for RFP for real estate services, but that was really only a portion of the services that we were going to end up requiring. He indicated his estimate was \$161,000 and MSA submitted \$170,500, but that included six additional appraisals. The total contract proposed is \$276,625 for just real estate services for appraisals and relocation services, but it does not include any of the actual acquisitions or costs for relocating people. He noted on top of that the city will be billed directly approximately \$7,200 in title services which will be required for all the properties; MSA will work with Runkel to have that done. This was based on an estimate from Runkel of approximately \$300 per parcel. He stated four proposals were submitted and the decision was made based on qualifications. Nagle questioned many of the fees and commented on the high cost. He commented he understood the job needs to get done, but he could not vote in favor of this contract.

Motion by Kellbach, second by Nutting to approve the Thomas Street Real Estate Services Contract with MSA Professional Services. Motion carried 4-1 (*Nagle was the dissenting vote.*)

Inspection services contract execution with City of Schofield

Hebert explained Schofield's Building Inspector had a medical issue and abruptly retired, so their Mayor contacted our Mayor asking if we could help them out for the last three months of the year. He indicated they have done about six inspections so far and it should be a low volume workload and bring in a little bit of revenue. He stated he was using a straight forward inspection fee every time we send a person out there and if they need a building permit reviewed by us, we also get a fee. He noted the contract before them today was just until the end of this year and noted they would consider moving forward with Schofield for a yearlong contract next year as well. In reviewing their permits from last year, they only had 23 residential permits, half of which were electrical service upgrades.

Oberbeck questioned if this fee covered all of his costs for overhead training. He commented he had an issue with giving services away on behalf of the City of Wausau. He felt the \$50 fee and \$28 for a plan review was extremely low compared to what our residents end up paying as far as the departmental costs. Hebert stated Wausau Inspections had previously done work in Rothschild and Stettin, which was a little more challenging because of the drive time; Schofield is a close neighbor just down Grand Avenue. He indicated this proposal was a 166% of our highest paid inspector and he factored in the benefits and potential costs for gas, etc.

Motion by Nutting, second by Mielke to approve the inspection services contract with the City of Schofield. Motion carried 4-1. (*Oberbeck was the dissenting vote.*)

Adoption of the 2016 Business Improvement District Budget and Plan

Elizabeth Field stated the BID Board adopted the Business Improvement Plan at its October meeting. She pointed out a correction to Appendix B, Revenue Source, where there is a line item for "other" that specifies sponsorships in the Friend of the River District Program (FORD), listed at \$66,000 which should be \$29,500. She noted there were

no other changes from the plan adopted in 2015, other than the name change from Main Street Program to Wausau River District.

Motion by Nagle, second by Mielke to approve the 2016 BID Budget and Plan. Motion carried 5-0.

September 2015 General Fund Financial Report

Groat reviewed the September 2015 Statement of Revenues and Expenditures Narrative Report, which can be accessed on the city's website.

Groat noted there was some really good news as far as Parks Department is concerned. She explained in the last few years we have not been making our anticipated revenues in the Parks Department budget, but this year due to some of the changes at Kaiser Pool they have brought in a substantial amount of money. She indicated we had budgeted \$24,000 for pool user fees and those came in just below \$51,000; the year before it made only \$18,000. The concession revenue now is just under \$40,000 compared to the 2014 amount received of \$10,000. She commented increasing the amenity that we've offered definitely has driven additional visitors and having more of a full service concession stand at the pools is definitely generating more revenue. Nagle questioned how much it costs to operate Kaiser Pool. Oberbeck suggested bringing back that information to the next meeting.

Discussion and possible action regarding 2015 midyear budget modification

Groat stated the Council approved an amendment to our budget ordinance requiring between August 31st and October 31st of each year that the Mayor shall prepare and submit to the Finance Committee a budget amendment based upon year end projections. She indicated as part of our 2016 budget exercise, we asked the departments to predict what their spending is going to be to the end of the year. She explained based on those predictions if there was any overspending anticipated, we have gone through and done a budget amendment to counteract that overspending. She stated her interpretation of the ordinance was that the Council did not want us to pull the money out of contingency or fund balance. She indicated this was a balanced budget transfer and she reviewed them in detail for the committee.

Motion by Mielke, second by Kellbach to approve the 2015 midyear budget modification. Motion carried 5-0.

Discussion and Possible Action regarding the 2016 Budget

Mayor Tipple distributed handouts regarding an update to the seal coat project. He pointed out this proposal does not affect the levy. He stated we had originally budgeted \$50,000 for seal coat in TID #6 and \$50,000 for TID #8. The proposed change would be \$180,000 for the seal coat budget in TID #6 and add \$35,000 to TID #10, for a total proposed change of \$215,000 for the seal coat budget. He summarized the change would then be to add \$130,000 to TID #6 because \$50,000 is already budgeted and then the additional \$35,000 to TID#10 would make a total change of \$115,000. He provided supporting documentation of the estimates where the work is to be done. He read information from TID plans in reference to payments for pavement/street improvements.

Motion by Nagle, second by Mielke to approve the changes to seal coat budget as presented. Motion carried 5-0.

Groat indicated she received our final assessed value; we used \$2,647,463,400 to prepare the budget and it came in at \$2,648,059,500. She provided summary information from the last Committee of the Whole budget decisions as well as building permit data that was requested.

Groat stated the total levy increase is \$823,585 or a 3.416% increase. She noted we have not yet received our expenditure restraint and she was hoping based on her calculations that the .641% increase in the general fund meets those.

2015 CIP Status Report

Groat explained the report is to look for projects that are behind as well as those that are running over. When this report was done there were some overages projected for some street projects and those budget modifications have already taken place. She indicated the only other one was a reallocation in the motor pool where they were making their purchases between DPW, Police and Fire, but the net effect ultimately is going to be zero.

Review of 2017 Budget Plan

Groat stated as part of the 2016 budget exercise this year we asked the departments to put together a two year budget, the 2016 budget and a plan for 2017. She summarized it by category and noted when you look at the dollar change from the 2016 proposed budget to the 2017 budget, there is virtually no revenue growth projected for the 2017 budget. The only revenue growth we are anticipating is public charges for services and that would be in ambulance fees and those would be offset by a couple of reductions in some other revenue areas. In regard to expenses, she was predicting the personnel service costs would go up \$1.6 million, which represents the public safety salary increases of 2% on January 1, 2017 of about \$390,000; a 15.2% increase in health insurance (worst case scenario); and 8% increase in dental. The other area that had a significant increase was contractual services. She reviewed a list of other increases expected. Groat stated based on the health insurance inflation of 15.2% the general fund expenses would go up just below \$1.5 million or 4.69%.

Discussion took place regarding creating revenue and value within the community. Groat commented Madison had put together an ad hoc committee to look at revenue options and that may be something the city may want to consider. They also may want to revisit a stormwater utility and/or garbage & recycling through a better educational process.

Resolution authorizing City staff to insource pet licensing processing beginning with the January 2016 licensing season

Groat reviewed the new software that is being used in the Inspections Department for their building permits and rental licensing program also has the capacity to do licensing that is handled by the Clerk's Office, such as pet licensing and burn permits, etc. She stated we spend about \$23,000 a year for PetData which could be saved by bringing it in-house and provide the same level of services. The animal control officer, Ashlee Bishop, really liked the software and noted the main benefit our software has that PetData does not is that we are integrated with our GIS. This would allow her to know where all neutered cats are living and where all dogs that have not been re-licensed are. The police sector map can overlay the GIS map making it easy to allocate officers who have time, as well as allowing Ashlee to minimize her travel time. She noted there have been some complaints about PetData regarding the timeliness of updated licensing reporting. The contract with PetData expires November 4, 2015.

Oberbeck questioned if all the data comes back to us. Groat stated we already have a spreadsheet of the data and have uploaded it into our new software and it works. We also have an online payment component using PayPal and we tested it this morning. She felt it would be an easy system to use with some added benefits. She indicated she reached out to Weston to see if they were interested but it did not seem that they were going to come to the city to do their licensing. She acknowledged it was somewhat last minute and if they did not want to do it this coming year, the offer was still out there for 2017 and future years.

Motion by Mielke, second by Kellbach to approve insource pet licensing beginning January 2016. Motion carried 5-0.

Adjourn

Motion by Mielke, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:56 p.m.