

## **FINANCE COMMITTEE**

Date and Time: Tuesday, March 8, 2016 @ 5:15 pm., Board Room

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

Others Present: Groat, Lindman, Jacobson, Ray, Kujawa, Schock, Stratz, Werth, Abitz, Neal, Wagner, Rasmussen, Bruce Bohlken, Pat Peckham, Fernando & Heidi Riveron, and other interested parties.

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**

Fernando Riveron, 1010 Franklin St, addressed the committee objecting to the assessment of their property, indicating they went through the appropriate process at the Board of Review on October 1, 2015. He explained they disagreed with the assessment because they just recently bought the house for significantly less than the assessment. They learned from the Assessor's Manual that an "arm's length sale" that is a conforming sale is the best measure of value of a property. He indicated the assessor's letter states that it was not an arm's length sale and is nonconforming; however, he stated this was not true because they went through two realtors. They paid the asking price and did not negotiate the price. It was a conforming sale because the price per foot was higher than other homes in the East Hill neighborhood. He requested the Finance Committee forward this to the Council for discussion.

### **Minutes of previous meeting(s). (2/23/2016)**

Motion by Mielke, second by Kellbach to approve the minutes of previous meeting of 2/23/2016. Motion carried 5-0.

### **Discussion and Possible Action regarding Claim for Excessive Assessment (Fernando and Heidi Riveron)**

Jeremy Ray, Interim City Assessor, explained the duty of the city in a claim for excessive assessment is straight forward; there are specific criteria the claimant has to meet in order for the claim to be allowed. He reviewed the criteria needed and referred to the information in their committee packets. He recommended disallowance of the claim and allow the claimant to move forward using other avenues to get their assessment adjusted.

Oberbeck noted there seemed to be two different points of view as to whether it was or was not an arm's length sale. Ray stated he was not present at the BOR hearing on this case, but the board did determine that the assessor's valuation was incorrect and they established a value that they determined was correct. He pointed out the value the BOR placed on the property is protected by statutes and is the value they were taxed on. He stated the post BOR assessment on the property was \$870,000. Nagle questioned why the purchase price of \$798,000 was not the fair market value. Ray indicated after the property was purchased there were deficiencies that were improved by the new homeowners during the year. Heidi Riveron stated they only repaired rotting wood. Fernando Riveron indicated he could obtain an affidavit from a builder stating there were no improvements on this house.

Jacobson noted if they take no action it would be deemed denied. Oberbeck stated we need to move this forward to Council so it could be acted on, however, it was his understanding that we cannot meet the 90 days required to get it before Council. Jacobson explained if we respond within 90 days it provides 90 days to appeal to the circuit court; if we fail to take action on it within 90 days it extends the appeal period to two years.

Motion by Nutting, second by Oberbeck to approve the resolution regarding the claim for excessive assessment for Fernando and Heidi Riveron. Motion failed 1-4.

### **Discussion and possible action regarding a 2016 budget modification to reflect the delay in Ashland Avenue street project and Funding Asphalt Overlay Project**

Lindman explained this project was slated for the reconstruction of Ashland Avenue with curb & gutter; however, the residents came forward stating they did not want it, so CISM decided not to move forward with it. He stated he would like to take those funds and allocate them to the Asphalt Overlay Project. He indicated the Asphalt Overlay Project had been pulled out of the CIP budget for 2016, so this would allow us approximately \$180,000 to get some additional work done. Oberbeck questioned if this street project for Ashland would be coming back for 2017.

Lindman stated this hasn't been determined yet, but it would be weighted by how much additional maintenance it takes each year. Rasmussen explained the reasoning of the CISM Committee regarding the street project.

Motion by Nagle, second by Kellbach to approve the budget modification to fund the Asphalt Overlay Project. Motion carried 5-0.

**Discussion and possible action regarding the procurement of EMS billing services and Electronic Patient Care Records Software and Hardware, the related contract development, the competitive selection and the procurement process.**

Groat stated we put the EMS billing out for RFP asking for patient care reporting and recordkeeping as part of the contract. Now we have asked for a more robust patient care reporting and to separate out the costs. Council has awarded the contract and authorized negotiations. They would like us to enter two separate contracts to include Image Trend for the reporting.

Motion by Nagle, second by Mielke to approved the related contract development for EMS billing services. Motion carried 5-0.

**Discussion and possible action regarding the Citizen Advisory Committee's recommendation for the allocation of the 2016 Community Development Block Grant Funds**

Tammy Stratz stated the Citizens Advisory Committee has met and held two public hearings and working sessions to put together a proposal to allocate the 2016 Block Grant Funds. She noted there are certain caps on public services and administration; this proposal is under those caps and they recommended approval.

Nagle commented we respect and appreciate the hard work that the people on the Citizens Advisory Committee put in to this process which benefits the community.

Motion by Nagle, second by Mielke to approve the recommendation of the Citizens Advisory Committee for the allocation of the 2016 CDBG Funds. Motion carried 5-0.

**Discussion and possible action regarding the resolutions authorizing \$8,825,000 in General Obligation Promissory Notes**

**and**

**Discussion and possible action regarding resolution authorizing \$6,630,000 General Obligation Bonds for Community Development Projects in Tax Incremental District Number 3 and Swimming Pool Project**

**and**

**Discussion and possible action regarding resolution authorizing \$4,755,000 taxable general obligation bonds for community development projects in Tax Increment District Nos. 3 and 8**

Groat stated this and the next two items are all basically funding our capital projects in the budget in 2016, as well as the mall loan and one refinancing. She indicated the tentative schedule is Finance consideration tonight; preliminary resolutions to Council March 22, 2016; final sale and adoption of final resolutions on April 12, 2016; with settlement on May 10, 2016.

Groat stated each year when we go to borrow, our financial advisors look at refinancing opportunities and they identified two of them. One is the 2008 promissory note of \$1,330,000, which would generate a savings of approximately \$12,000 in interest. The second one is a 2009 issue that has a principal balance of \$1,235,000. She explained when we looked at the accumulated reserves in the debt service fund we found it could pay that issue off early and save approximately \$53,000 in interest; this would not impact our ability to fund future debt retirement in future years. She stated when we had anticipated borrowing \$200,000 in TID #7 for the stormwater for O'Malley's, but the State of Wisconsin is now paying for it so the \$200,000 is being taken out of the borrowing. She indicated we have added the loan for the Wausau Center Mall.

Groat noted to be bank qualified we need to stay under \$10 million, which we are not able to do this year given these large projects for Thomas Street, the pool, the riverfront and the mall. It will be approximately \$300,000 of

additional interest over the life of the debt; however, sale date affects it so our advisors are encouraging us to issue early this year.

Motion by Nagle, second by Mielke to approve the resolutions authorizing \$8,825,000 in General Obligation Promissory Notes. Motion carried 5-0.

Motion by Nagle, second by Mielke to approve the resolution authorizing \$6,630,000 General Obligation Bonds for Community Development Projects in Tax Incremental District Number 3 and Swimming Pool Project. Motion carried 5-0.

Motion by Nagle, second by Mielke to approve the resolution authorizing \$4,755,000 taxable general obligation bonds for community development projects in Tax Increment District Nos. 3 and 8. Motion carried 5-0.

**Discussion and possible action regarding the resolution authorizing the write off of certain uncollectible delinquent personal property tax accounts from the City of Wausau's accounting records and related charge backs to other government units**

Groat stated this is an annual process where we write off delinquent personal property tax and collect back from the other taxing jurisdictions their share. She noted we continue to try to collect on them and if successful, the school and county will get their share. The total amount outstanding for 2014 is \$27,453.55.

Motion by Nagle, second by Mielke to approve the resolution authorizing the write off of certain uncollectible delinquent personal property tax account. Motion carried 5-0.

**Discussion and possible action regarding Preliminary January 2016 General Fund Monthly Financial Report**

Groat reviewed the preliminary January 2016 General Fund report. The financial reports can be accessed on the city's Website: <http://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx>

Motion by Nagle, second by Mielke to place the report on file. Motion carried unanimously.

**Discussion and possible action regarding addendum number one to the 10 year refuse and recycling contract with Harter's Fox Valley Disposal to change the language on the annual performance bond**

Groat explained this was the first year that we had a performance bond in the contract; at the time the contract was drafted it wasn't clear whether there would be a performance bond for the entire term of the contract. This action is to clarify that they provide a bond annually, as well as provide the renewal within 60 days of the expiration of the previous bond. If they are unable for whatever reason to obtain a bond, we will have plenty of notice and if they don't provide the bond it becomes material breach of the contract.

Motion by Nagle, second by Mielke to approve addendum number one to the 10 year refuse and recycling contract with Harter's Fox Valley Disposal. Motion carried 5-0.

**Discussion and possible action regarding approving the sole source purchase request for parking ramp inspection and long term maintenance plan with Walker Parking**

Lindman historically regarding parking ramp maintenance we would do the work as issues came up. He stated in order to stay ahead of things he would like to prepare a 10 year maintenance plan. He indicated Walker Parking has designed three of the four ramps in the city and have done some other inspection services. He felt they could turn around a maintenance plan with the information they have and it would be in the best interest of the city. The plan would be on all five ramps and would enable us to budget for the maintenance, as well as provide us with a determination on life expectancy. Oberbeck questioned if it would fall under professional services type contract. Lindman stated it would, but it is under \$25,000.

Motion by Nagle, second by Kellbach to approve the sole source request for the parking ramp inspection and long term maintenance plan. Motion carried 5-0.

**Discussion and Possible Action on land acquisitions for the purpose of expanding the Wausau Business Campus**

Schock indicated the discussion required closed session because it had to do with real estate acquisition to expand the business campus.

**Discussion and Possible Action on the Tax Increment Financing Request from Jarp Industries, 7811 Stewart Avenue Tax Increment District Number Ten and related budget modification**

Schock summarized this is an existing building to be acquired by Jarp Industries to expand their workforce. He indicated Kevin Kraft, owner, was committing to 30 full-time equivalent jobs at the facility, as well as additional improvements to it. This will allow the sale of the building to Jarp and allow a water service lateral to be extended from Stewart to the building. He requested they discuss the sale in closed session.

Kevin Kraft stated Jarp is a family-owned company that has been in Schofield since 1959. He indicated they would like to grow the business in Wausau and have entered a lease with the option to buy, which was very important to them to control their growth. The issue is with the water service and if they were to bear the cost of that improvement it would put the cost of the building over the assessed value and jeopardize the financing involved.

**Discussion and Possible Action regarding the Council's Investigation Request for Legal Services**

Rasmussen stated on March 1, 2016 the Council directed the commissioning of an independent investigation and further directed herself and Kellbach to correspond with that attorney to make sure he was properly engaged and get him started on the process. She indicated that is complete and he has been retained by the Council. The engagement letter was signed on March 3, 2016 and the investigation is currently underway. She stated the attorney believes he can complete it in the timetable we have delineated and if he finds at any point that he cannot do that, or that he will be exceeding his fee, he will let us know. She stated he estimated 60 – 80 hours of his time with a cost of \$15,000 - \$20,000.

Motion by Mielke, second by Kellbach to approve moving forward. Motion carried 5-0.

**Discussion and possible action on process for renewal of telecommunication services and devices contract. (Jacobson)**

Oberbeck stated we need to begin discussions regarding what the cellphone needs of the departments are in order to ensure we are not caught off guard when the deadline for the contract renewal comes due in the fall. Jacobson stated the city opened an account with Cellcom on November 16, 1998 and our current contract was signed October 15, 2014, expiring October 15, 2016. She noted the contract requires that we give 60 days' notice of intent to renew prior to the end of that term, or by August 15, 2016. She questioned whether the committee was interested in another automatic renewal for another two year term or if they wanted to go out for an RFP. Oberbeck felt we should get recommendations from each department specific to their needs.

Groat stated the procurement policy says that these types of purchases need to be coordinated with the City/County Data Department because they have the expertise. Rasmussen questioned if IT had the time to do an RFP and bring it in on time given their workload and perhaps we should consider a Plan B. She was concerned it would not be a high enough priority on CCITC's list of projects. Oberbeck suggested looking at the current technology we have available and what it is capable of doing. He questioned who could facilitate a discussion with departments. A Cellcom representative listed some of the different types of devices that were available. Groat reiterated these are the kinds of technologies CCITC is familiar with and because they are installing all of this software, they have the strategic vision of where these applications are going. She did not know if there was anyone else within our organization that had the skill set to write that RFP. Nagle stated if IT can't do it by April 15<sup>th</sup>, we should get someone else. Oberbeck suggested having Cellcom be a consultant to us and meet with the departments to determine their needs and give us a quote.

Motion by Nagle, second by Mielke, authorizing Cellcom to provide consulting services to the city by assessing departmental telecommunication needs and submitting a two-year renewal proposal that reflects the services and equipment desired, for the Finance Committee's future consideration. Motion carried 5-0.

**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 potential land acquisitions for the purpose of expanding the Wausau Business Campus*

*- Discussion and Possible Action on the Tax Increment Financing Request from Jarp Industries, 7811 Stewart Avenue Tax Increment District Number Ten*

**RECONVENED back into Open Session to take action on Tax Increment Financing Request from Jarp Industries, 7811 Stewart Avenue Tax Increment District Number Ten**

Motion by Mielke, second by Nutting to approve the tax increment financing request from Jarp Industries for infrastructure improvements to allow for creation of a business within the business park which will provide additional jobs; and to modify the budget to accommodate the development payment. Motion carried 5-0.

**Adjourn**

Motion by Mielke, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:25 pm.