

FINANCE COMMITTEE

Date and Time: Tuesday, March 22, 2016 @ 5:15 pm., Board Room

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

Others Present: Tipple, Groat, Lindman, Alfonso, Ray, Rubow, Kujawa, Schock, Werth, Klein, Henrichs, Mohelnitzky, Seubert, Goede, Abitz, Gisselman, Pat Peckham.

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). (3/08/2016)

Motion by Nagle, second by Kellbach to approve the minutes of previous meeting of 3/08/2016. Motion carried 5-0.

Discussion and possible action regarding indirect cost policy Transit

Groat explained for many years the city has conducted an Indirect Cost Allocation Plan through a private contractor that specializes in this work. They look at all of the departments and see what kind of work each one of them is doing and then try to allocate those that are considered more central services, using methodology that is considered logical and defensible to the service departments. This is important to the city for Transit because we consider those costs an expense of Transit and we get federal and state aids based on those expenses. The federal government reviews this plan triennially. She indicated the federal government has made a number of changes in their compliance law to help streamline the bureaucracy when it comes to these federal grants. She explained they are now allowing for grantees to participate in a 10% De Minimus Indirect Cost Allocation Plan, which allows us to sign and turn in this document and would no longer need this consultant to do the work. She noted the City of Green Bay has recently moved in this direction.

Groat recommended the city do this because there is a lot of administration on the part of all the departments to compile the Indirect Allocation Plan. It would also eliminate the cost of the consultant of approximately \$5,000 and reduce risk because different auditors have different opinions on what is eligible.

Greg Seubert, Transit Director, stated this is a headache for them every triennial review because although the FTA allows us to allocate these costs, they want us to have an approved cost allocation plan. The approving agency is not the FTA; it is the agency that provides the most federal funding to the city, which is HUD. HUD however, does not require the plan to be submitted and approved, so every time they come in we don't have an approved cost allocation plan, which puts us at risk.

Motion by Nagle, second by Mielke to approve the use of the 10% De Minimus plan. Motion carried 5-0.

Sole Source approval purchase environmental services with GHD Services, Inc. Previously Conestoga Rovers- Wausau Water Supply PRP Group

Groat noted the committee approved this sole source last year when the company was known as Conestoga Rover. She explained when Wausau Chemical and Marathon Electric were initially listed as PRP's to the Wausau Superfund Site, Attorney Lonsdorf set up a trust so that the environmental work was done on behalf of all three organizations. The Lonsdorf Law Firm would bill each one of the entities based on where the work was performed. She indicated when Jim Lonsdorf retired he suggested the city serve as the fiscal agent, which we did. Part of that responsibility is paying GHD (formerly Conestoga Rovers) for their services. She noted they have been working with this for many, many years and has all of the historical and institutional knowledge on the environmental issues, as well as a relationship with the EPA. She stated for this reason we are asking for a sole source. The EPA has notified us of some additional work they are going to do costing \$90,000; our share being \$30,000, which is in addition to the general work.

Motion by Nutting, second by Mielke to approve the sole source for environmental services with GHD. Motion carried 5-0.

Budget Modification Sidewalk Improvements CVA

Oberbeck indicated he would pass the gavel to Vice Chair Kellbach for this item and abstain from the discussion and the vote because he has worked for the Grand Theater Foundation for several years on this project.

Lindman explained the CVA is proposing to bump out the sidewalk along 4th Street (the corner of 4th & Scott) to increase the walkway and decrease the slope of the sidewalk out to the roadway. This will make it easier to walk on in the winter and make it safer in general. He noted they have done some extensive work on the exterior of their building and they are asking the city to fund the cost of the bump out. Groat indicated this would be an eligible expense to TID #3 because these types of costs are in the project plan.

Motion by Nagle, second by Mielke to approve the budget modification for the sidewalk improvements. Motion carried 4-0, with one abstention.

Consider wording for donor tiles (bricks) surrounding The Hmong Veterans Memorial

Mayor Tipple stated the committee committed \$5,000 toward the memorial that is going to be erected at the courthouse. He noted these are just suggestions for wording from Mort McBain, but the committee can come up with any wording that it wants. Abitz stated the dedication of the memorial has been delayed to late June or July. Tipple indicated he would follow up and find out the exact date and bring this back to the committee.

Discussion on project performance since the February update and possible action regarding the contract between VGSI and City-County Information Technology Commission (CCITC) involving the purchase of assessment software

Jeremy Ray stated that he attended a continuing education conference last week and had an opportunity to speak with some of the other communities that had also contracted with VGSI. He commented as noted in his staff report, people are jumping ship and it is not looking good for VGSI in Wisconsin. He pointed out one of the reasons they pursued a product like this was so that we could share resources, reports and training with our peer cities in Wisconsin; that advantage is rapidly diminishing. Ray recommended not continuing with the Vision project.

Oberbeck questioned if VGSI has done any work on the project. Ray stated there were meetings on what has been done to this point and they appear to be bringing a new employee up to speed on the project, however, we have not seen any progress in the last month. Klein stated VGSI has indicated they cannot give us a project plan with a schedule. Discussion followed regarding termination of the contract for default. Klein offered to discuss the details with the Attorney's Office.

Motion by Nutting, second by Nagle to direct staff to pursue terminating the contract and to send out an RFP. Motion failed 2-3.

Discussion and possible action on alleged claim for excessive assessment – CVS Pharmacy

Ray stated staff recommends the claim for excessive assessment for CVS Pharmacy be disallowed because they do not meet all of the conditions set forth by State Stats. 74.37.

Motion by Nagle, second by Kellbach to approve the resolution for claim of excessive assessment for CVS Pharmacy. Motion failed 0-5.

Discussion and possible action on alleged claim for excessive assessment – Patrick and Amanda France (226 Fountain Hills Blvd.)

Ray stated staff recommends the claim for excessive assessment for Patrick and Amanda France be disallowed for failure to meet the conditions of the claim.

Motion by Kellbach, second by Nutting to approve the resolution for claim of excessive assessment for Patrick and Amanda France (226 Fountain Hills Blvd). Motion failed 0-5.

Discussion and possible action on alleged claim for excessive assessment – US Bank

Ray stated staff recommends the claim for excessive assessment for be disallowed for failure to meet the conditions set forth in State Stats. 74.37.

Motion by Nagle, second by Mielke to approve the resolution for claim of excessive assessment for US Bank. Motion failed 0-5.

Discussion and possible action on alleged claim for excessive assessment – Wisconsin Hospitality Group (Applebees)

Ray stated staff recommends the claim for excessive assessment for be disallowed based on failure to meet the criteria set forth in State Stats 74.37.

Motion by Nagle, second by Mielke, to approve the resolution for claim of excessive assessment for Wisconsin Hospitality Group (Applebees). Motion failed 0-5.

Discussion and possible action on alleged claim for unlawful tax – Achieve Center, Inc.

Alfonso stated the Attorney's Office is recommending this item be held over to the next Finance Committee meeting because Jacobson indicated she would like more time to research the position of the attorneys representing the Achieve Center. Motion by Nagle, second by Mielke to move this item to the next meeting. Motion carried unanimously. Oberbeck noted it would be brought to the special meeting being held on April 7, 2016.

Discussion on plans to release RFP and select a cellular provider - current contract expires October 2016

Oberbeck stated at the last meeting the initial discussion was to bring about a timeline with the intent was to get ahead of the schedule and begin discussions on what the actual city needs are. There was also discussion about Cellcom looking at what the city currently uses and what capabilities are available.

Gerry Klein stated he was planning to work the Finance Director and Council and to get an RFP written. He noted there is a state contract out with AT&T and Verizon as the providers, which Cellcom either meets or beats. He anticipated getting the RFP out in May and having a decision well before the renewal deadline.

Discussion and possible action on resolution authorizing the carryover of funds to 2016 and related 2016 Budget modification and discussion about the creation of an encumbrance policy

Groat explained typically every year we take budgeted funds from one year and move them to the next because we have projects and contractual obligations that span multiple budget years and need to be completed. She provided a listing of those accounts and reviewed them. She noted all of them were in capital budgets, including the tax increment districts, but for one that is in general fund.

She suggested they consider establishing an encumbrance policy that would basically turn this into more of an administrative task where we would look at the outstanding purchase orders and contracts and carry those over on an administrative basis rather than bring them to Finance Committee. She indicated she would also look at a replacement policy. She noted they would be evaluating the status of projects through the quarterly CIP reports.

Motion by Nutting, second by Mielke to approve the carryover resolution and list; and to direct Groat to create an encumbrance policy and bring it back to committee for consideration at a future date. Motion carried 5-0.

Discussion and possible action regarding budget modification for the purchase and installation of an exhaust system in the City fire stations funded 90% with grant funds

Kujawa stated in 2014 she requested approval to put in an application for this 90/10 grant and it was successful. The grant awarded is approximately \$135,000 so she was requesting the allocation of \$13,000 from the city to complete those exhaust systems in all three fire stations. Groat noted the funds would come from the capital projects - unreserved fund balance.

Motion by Mielke, second by Kellbach to approve the budget modification for the installation of the exhaust system in the fire stations. Motion carried 5-0.

Discussion and possible action on Station 2 replacement

Deferred to April 7, 2016 meeting.

December 31, 2015 General Fund Financial Report

Deferred to April 7, 2016 meeting.

Discussion and possible action on purchasing 120 Scott Street from Marathon County Development Corporation McDevco

Groat stated from 2005 to 2008 McDevco and the Judd S. Alexander Foundation collaborated to purchase all of the property on the 100 block of Scott Street. They demolished all of the buildings and entered into a long term parking agreement with the city. The city constructed a parking lot on that area and the Judd S. Alexander Foundation gave us a grant to do the landscaping. Their land assembly and demolition costs totaled \$1,609,779. She commented we have been working collaboratively with McDevco and Alexander Foundation in the areas of redevelopment and blight elimination, noting several examples. She indicated they are asking that we purchase this property from them at this time and recognizing that we have other priorities, such as the riverfront and mall redevelopment, they have put together an extremely favorable financing plan. The plan would allow us to make interest only payments from one to five years with an interest rate of 2.57%. She noted the land assembly would be an eligible cost of TID #3 and if we were able to secure redevelopment of that site, then we would be required to pay off that loan at that time. Groat stated we are currently making annual payments to McDevco of approximately \$16,000 for the rent of the building. Schock noted this will be a valuable parcel for redevelopment.

Motion by Nutting, second by Kellbach to approve the purchase of 120 Scott Street. Motion carried 5-0.

Discussion and possible action on purchasing the following properties for the Thomas Street Reconstruction project: Parcel #1 - 1038 S 15th Avenue, Parcel #29 - 1040 South 10th Avenue, Parcel #51 - 610 West Thomas Street

Lindman stated these are the first three appraisals for the full takings on Thomas Street that need to be discussed in closed session.

CLOSED SESSION pursuant to 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 - purchasing the following properties for the Thomas Street Reconstruction project: Parcel #1 - 1038 S 15th Avenue, Parcel #29 - 1040 South 10th Avenue, Parcel #51 - 610 West Thomas Street

Motion by Nutting, second by Mielke to convene in closed session. Roll Call Vote: Ayes: Nagle, Kellbach Nutting, Mielke, Oberbeck. Noes: 0. Motion carried 5-0.

Adjourn

Meeting adjourned in closed session at 7:00 pm.