

## **FINANCE COMMITTEE**

Date and Time: Tuesday, April 26, 2016 @ 5:00 pm., Council Chambers

Members Present: Rasmussen, Smith, Gehin, Kellbach, Nutting

Others Present: Mielke, Groat, Lindman, Jacobson, Mohelnitzky, Boers, Ray, Rubow, Werth, Gisselman, Neal, Wagner, Goede, Glenn Speich

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 the Deputy Clerk.

### **Select Chair and Vice-Chair for 2016-2018 Term**

Kellbach nominated Lisa Rasmussen for Chair, seconded by Gehin. Rasmussen indicated she was willing to serve in this role. Motion carried unanimously. Rasmussen was selected as Chair of Finance Committee and was handed the gavel to preside over the meeting.

Kellbach nominated Joe Gehin for Vice-Chair, seconded by Nutting. Gehin indicated he was willing to serve. Motion carried unanimously. Gehin was selected as Vice-Chair of Finance Committee.

### **Public Comment**

None.

### **Establish Regular Meeting Date and Time for 2016-2018 Term**

Consensus was to keep the committee meetings on the second and fourth Tuesday of each month at 5:15 pm, in the Board Room, prior to Council meetings. Rasmussen noted they can always cancel the second meeting if not needed.

### **Minutes of previous meeting(s). (3/22/2016)**

Motion by Nutting, second by Kellbach to approve the minutes of a previous meeting on 3/22/2016. Motion carried 5-0.

### **Discussion and possible action on Budget Modification Radtke Point Project**

Groat explained the Council initially authorized engineering services for our share to look at the Radtke Point erosion control. The park is located within the City of Schofield, but is owned by the City of Wausau because of its relationship to the airport. The city is contributing \$55,200; Schofield is contributing \$55,200; and the county is contributing \$93,827 through their environmental fund. She stated the county requires that one of the municipal units be the fiscal agent for this project and because of our relationship with the Park Department it is easier for the city to be the fiscal agent. The expenses will show the grant coming in from the county and from Schofield, so we need to do a budget modification as a housekeeping item. She noted there is no net cash impact to the city.

Motion by Nutting, second by Gehin to approve the budget modification on Radtke Point Project. Motion carried 5-0.

### **Discussion and possible action on Budget Modification for Merit and Compensation Plan Increases approved by the Human Resources Committee**

*Gehin indicated he would abstain from the discussion and voting because his son was an employee of the city.*

Groat stated the Pay for Performance Plan had not been developed yet when the budget was adopted so the Council authorized \$120,000 into a special compensation contingency fund to offset or fund the cost of any raises that would be given to staff that had not been anticipated in the budget. The HR Committee considered three adjustments: 1) a recommendation that all non-represented staff that had satisfactory performance would receive a 1.5% increase effective July 1, 2016 – one time cost \$59,593; 2) a compensation plan adjustment for street maintainers at Public Works, which has been losing employees to the private sector – one time cost \$16,066; and 3) provide increases for completion of new employee introductory period for those hired since 2014 that are satisfactory – one time cost \$13,892. She indicated they needed to make a budget modification to take the funds from the contingency account

and allocate them to the individual department accounts. Wagner noted there would be still be approximated \$21,000 left in the contingency fund.

Rasmussen noted the since those couple years that we had the salary freeze and while we were trying to figure out merit pay, new employees hired have not ever moved past the initial training wage. We are also losing DPW street maintainer employees trained by us to other municipalities which are paying more, so we need to bring that wage up to market rate. Wagner stated these were debated heavily in HR Committee and he encouraged Finance Committee to approve them.

Motion by Kellbach, second by Nutting to approve the budget modification for merit and compensation plan increases as recommended by HR Committee. Motion carried 4-0, with one abstention.

**Discussion and possible action to authorize the early termination of the McDevco 120 Scott Street land lease**

Groat stated the city had a land lease with McDevco for 120 Scott Street, which we were using as a parking lot. The Council approved the city's purchase of that property, so now that we own it we don't need to have the lease. She noted there is no fiscal impact in 2016 because our financial arrangement with McDevco was to pay the taxes in January, which we did.

Motion by Gehin, second by Smith to terminate the 120 Scott Street land lease with McDevco. Motion carried 5-0.

**Discussion and possible action regarding the sole source request for Field and Laboratory Testing - 2016 Projects**

Lindman explained for all of our projects we go out for testing services for concrete, density testing, etc. Last year we went out for RFP, but there typically is really only two bids that we get. He indicated AET can do all the testing that we require and some of the specialty testing as well. They haven't increased their price and the other company is close but has a trip charge.

Motion by Nutting, second by Gehin to approve the sole source for Field and Laboratory Testing 2016 Projects. Motion carried 5-0.

**Discussion and possible action regarding the March 2016 General Fund Financial Report**

Groat reviewed the General Fund Statement of Revenues and Expenditures for March 2016. She noted revenue was looking good and the budget to date appears in line with the budget with 23% of the budget spent and 25% of the year complete. *Financial reports can be accessed online.*

**Discussion and possible action regarding the 2017 budget**

Groat stated when the departments prepared their 2016 budget we asked them to prepare a 2017 plan as well. She provided a summary of that 2017 plan that was submitted to Finance Committee last fall. She noted it indicated that we would need to cover approximately \$1.5 million of additional costs through the levy, based on where our revenue projections were at that time. She noted this was somewhat early as far as doing projections and they can be fine-tuned at the May meeting when she does her overall presentation. She stated last year there were a number of changes in our processes to get the full Council involved in the budget earlier. The Capital Improvement Plan was not evaluated by the CIP Committee, rather it went to a Committee of the Whole and the Finance Committee also delegated its budget authority to the Committee of the Whole.

Mielke indicated he would like to do the same this year. Rasmussen did not feel all of the budget process needed to play out in Committee of the Whole because it is a huge time demand. She suggested that the more intense part of the budget preparation was better placed in this committee rather than having six or seven Committee of the Whole meetings. She felt this was a subject for the Council to discuss in a retreat setting.

**Discussion and possible action regarding clarification of amount of claim for excessive assessment – Fernando and Heidi Riveron**

Jacobson explained the Council has already voted to approve their claim for excessive assessment, however, when it came in they did not state the amount of the claim, which the statute requires. It appears from their letter that they want the difference between what they paid for their home and the amount set by the Board of Review. This

resolution clarifies this amount. Ray commented the Assessment Department recommends the resolution not be approved because the claim is required by statute to state an amount of the claim and they failed to do that, therefore, it is unknown and they did not meet the requirement and no refund should be issued. Rasmussen stated this committee and the Council have already acted on this and she didn't feel it was appropriate to try and undo it. Jacobson explained it was too late for reconsideration and a re-introduction can be done on a defeated item, but this item was approved.

Motion by Nutting, second Gehin to approve the clarification claim amount of \$1841.27. Motion carried 5-0.

**Discussion and possible action on budget modification for claim for recovery of unlawful tax – Achieve Center, Inc.**

Ray stated the Assessment Department determined the percent of the building that would potentially be exempt was 55%, not the 60% that the Achieve Center claimed. He indicated he had documentation to back this up. The numbers that the Achieve Center submitted comes out to 45% of the building being leased. The second issue for the Assessment Department was that they and outside counsel still maintain that the Achieve Center is not an exempt organization and that the claim should not be paid nor the budget modification approved.

Rasmussen stated like it or not, the Council has already awarded the Achieve Center a refund and barring a motion to reconsider the vote by the winning side, it is too late to change it. The Council approved the claim with the original numbers of 60% in the resolution. She commented even if we don't agree with the way they say they are leased, it would not be forthright of us to change it at this late date. Wagner pointed out this is only for one year and it will be revisited again next year.

Motion by Nutting, second by Gehin to approve the budget modification as presented. Motion carried 5-0.

**Discussion and possible action on accepting the appraisals for properties for the Thomas Street Reconstruction project: Parcel 21 -1101 South 12th Ave; Parcel 37 - 904 West Thomas St; Parcel 38 - 902 West Thomas St; Parcel 40 – 810 West Thomas St; Parcel 41 – 1040 South 8th Ave; Parcel 48 – 708 West Thomas St; Parcel 60 – 1040 South 4th Ave; and Nominal parcel payment report for residential properties**

Lindman stated there are seven appraisals as well as the nominal parcel payment report for the residential properties for just the TLE's and the strip takings. He noted all these parcels are in the relocation plan.

**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 - Accepting the appraisals for the following properties for the Thomas Street Reconstruction project: Parcel 21 -1101 South 12th Ave; Parcel 37 - 904 West Thomas St; Parcel 38 - 902 West Thomas St; Parcel 40 – 810 West Thomas St; Parcel 41 – 1040 South 8th Ave; Parcel 48 – 708 West Thomas St; Parcel 60 – 1040 South 4th Ave; and Nominal parcel payment report for residential properties**

Motion by Gehin, second by Nutting to convene in closed session. Roll Call Vote: Ayes: Kellbach, Smith, Nutting, Gehin, and Rasmussen. Noes: 0. Motion carried 5-0.

**Adjourn**

Motion by Gehin, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:40 pm.