



OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of: **FINANCE COMMITTEE**
 Date/Time: **Tuesday, April 26, 2016 at 5:15 PM**
 Location: **City Hall, 2nd Floor Board Room**
 Members: Karen Kellbach, Dave Nutting, Lisa Rasmussen, Joe Gehin, Dennis Smith

AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

Presenter

- | | |
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| <ol style="list-style-type: none"> 1 Public Comment on matters appearing on the agenda. 2 Select a Chairperson and Vice Chairperson for 2016-2018 term. 3 Establish Regular Meeting Date and Time for 2016-2018 term. 4 Minutes of previous meeting(s) (3/22/16) 5 Discussion and possible action on Budget Modification Radtke Point Project 6 Discussion and possible action on Budget Modification for Merit and Compensation Plan Increases approved by the Human Resources Committee 7 Discussion and possible action to authorize the early termination of the McDevco 120 Scott Street land lease 8 Discussion and possible action regarding the sole source request for Field and Laboratory Testing - 2016 Projects 9 Discussion and possible action regarding the March 2016 General Fund Financial Report 10 Discussion and possible action regarding the 2017 budget 11 Discussion and possible action regarding clarification of amount of claim for excessive assessment – Fernando and Heidi Riveron 12 Discussion and possible action on budget modification for claim for recovery of unlawful tax – Achieve Center, Inc. 13 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
 Nominal parcel payment report for residential properties 14 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
 Nominal parcel payment report for residential properties | <p>Groat</p> <p>Hite</p> <p>Groat</p> <p>Lindman</p> <p>Groat</p> <p>Groat</p> <p>Jacobson/Ray</p> <p>Jacobson/Ray</p> <p>Lindman</p> <p>Lindman</p> |
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Adjournment

IMPORTANT: THREE (3) MEMBERS NEEDED FOR A QUORUM: If you are unable to attend the meeting, please notify Mary by calling (715)261-6621 or via email mguede@ci.wausau.wi.us

It is possible and likely that members of, and possibly a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau may be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

This Notice was posted at City Hall and faxed to the Daily Herald newsroom on 04/21/16 @ 1:45 PM

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids & services. For information or to request this service, contact the City Clerk at (715) 261-6620.

Other Distribution: Media, (Alderspersons: Peckham, Wagner, Neal, Gisselman, McElhaney, Abitz), *Mielke, *Jacobson, *Groat, Rayala, Department Heads

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 Londsorf set up a trust so that the environmental work was done on behalf of all three organizations. The Londsorf Law Firm would bill each one of the entities based on where the work was performed. She indicated when Jim Londsorf 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.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE FINANCE COMMITTEE	
Approving Modification of the 2016 Budget for the Radtke Point Erosion and Public Access Project	
Committee Action:	Approved 5-0
Fiscal Impact (2016):	\$0
File Number:	15-1109
Date Introduced:	

FISCAL IMPACT SUMMARY			
COSTS	<i>Budget Neutral</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
	<i>Included in Budget:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Budget Source: Capital Budget of \$55,200</i>
	<i>One-time Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$204,267 the city's net obligation is \$55,200</i>
	<i>Recurring Costs:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
SOURCE	<i>Fee Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Debt Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount</i> <i>Annual Retirement</i>
	<i>TID Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>TID Source: Increment Revenue</i> <input type="checkbox"/> <i>Debt</i> <input type="checkbox"/> <i>Funds on Hand</i> <input type="checkbox"/> <i>Interfund Loan</i> <input type="checkbox"/>		

RESOLUTION

WHEREAS, the City of Wausau, City of Schofield and Marathon County are working in partnership to improve public access and eliminate erosion conditions; and

WHEREAS, the allocation of project costs is City of Wausau \$55,200, City of Schofield \$55,200 and Marathon County EIF Fund \$93,867, and

WHEREAS, the City of Schofield and Marathon County have requested the City of Wausau serve as fiscal agent for the project, and

WHEREAS, the City of Wausau share has been budgeted in the Capital Improvement Fund; and

WHEREAS, your Finance Committee has reviewed and recommends the City serve as fiscal agent and the related budget modification to reflect the City of Schofield and Marathon County's share of the project:

Increase	Park Improvements	150-237598406	\$149,067
Increase	Grant Income	150-237588416	\$149,067

BE IT FURTHER RESOLVED, by the Common Council of the City of Wausau that the proper City Officials be and are hereby authorized and directed to modify the 2016 budget as indicated and publish such transfer in the official newspaper.

Approved:

Robert B. Mielke, Mayor



Memorandum

From: Myla Hite, Human Resource Director
To: Romey Wagner, Human Resources Committee Chair
Date: April 11, 2016
Subject: Recommendations for Non-Represented Staff Salary Increases

Purpose: To provide an analysis and favorable recommendation for Committee consideration and approval of compensation for non-represented staff for 2016.

Background:

A. Human Resources Committee Direction:

1. In August of 2015, the Human Resources Committee provided direction to plan on \$100,000 to fund both Compensation Plan Administration as well as Merit Pay. (See Attachment A). To ensure coverage for fringe and employee benefit costs, ultimately \$120,000 General Fund dollars were included in the Contingency portion of the General Fund budget earmarked for this purpose.
2. Also, at the October 2015, the Committee unanimously approved a motion that provided direction to find funding for a salary increase for all non-represented employees in 2016, amount undetermined (See Attachment B).
3. In December 2015, Public Works urged the Committee to provide additional compensation to Street Maintainers as a recruitment and retention issue to maintain salaries current with rising cost and benefit levels (See Attachment C).

B. Other Considerations:

1. Employees not represented under the terms of a collective bargaining agreement last received salary increases via the City's Pay-for-Performance Plan and compensation study in July 2014.
2. Salaries for non-represented staff were frozen for 2015 by the Common Council.
3. Public safety staff, represented under the terms of a collective bargaining agreement, have received negotiated salary increases of 2% in April 2015, April 2016 and January of 2017. Represented Transit employees received 1.5% in January 2016 with a negotiated increase of 2% in January 2017.

Recommendations: This proposal is respectfully submitted in follow-up to staff direction received from the Human Resources Committee. The following salary actions and adjustments

are recommended for your consideration for employees not covered under the terms of a negotiated collective bargaining agreement. Also please note that in no circumstance will an employee receive an increase that will take them above their salary range and that any “red-lined” employee (currently compensated at the maximum or above the salary range) will receive an increase. Also please note future proposal will be submitted for review and consideration for employees who have received exceptional ratings on their performance appraisals.

1. Compensation Plan Adjustment – Public Works Street Maintenance.

Proposal: This proposal contains 2 parts. The first is establishing a floor within the pay range for Street Maintainers and the second is to rename the Equipment Operator Job Classification to Senior Street Maintainer – Equipment Operator and allocate 75% of the street Maintainers into the Senior Street Maintainer – Equipment Operator classification. The proposed effective date is April 24, 2016. Total cost to the General Fund for 2016 is \$16,044, with a total annual addition to the base General Fund budget moving forward of \$23,176, benefits included.

- (1) This request is for Human Resources Committee approval to establish \$18.84 per hour (25% into the pay range) as the minimum pay rate for the Street Maintainers. If adopted, 6 employees will be impacted with an hourly pay adjustment ranging between 1.10 per hour and 2.84 per hour, with the average at and increase of \$1.59 per hour. Total cost to the General Fund for 2016 is \$16,044, with a total annual addition to the base General Fund budget moving forward of \$23,176, benefits included.
- (2) The second part of the request is to rename the Equipment Operator classification to Senior Street Maintainer – Equipment Operator and allocate 25% of the Street Maintainer workforce into the higher level position, thereby allowing for recognition of expertise and skills as well as employee growth within the position. This action would result in the movement of 3 staff members at no immediate cost. (Higher Pay Range Maximum is \$25.12) The Street Maintainer position becomes the base pool for workers to advance into this classification. Selection criteria for the higher classification would include a weighted matrix factoring in years of experience, performance test on equipment, safety record and performance appraisal scores.

- A. Supporting Data. Attachments C and D to this proposal contain supporting information. In December, DPWU Street Maintenance Superintendent provided anecdotal information to bring to the City’s attention that upon hire, Street Maintainers receive a significant amount of training which is costly to the employer. Once trained, they become marketable to other employers and DPWU is concerned about retention. The HR Committee discussed the importance of retention.

This discussion was consistent with data provided to the Committee in February of 2015 to support in-training recruitments which revealed that of the top five expected HR challenges for 2015, 152 Wisconsin organizations rated attracting the right talent as number one, listing it as a moderate-to-significant challenge. The survey of Wisconsin

employers with over 188,000 employees, reported difficulty in attracting skilled trades (blue collar) applicants due to shifting labor trends. Reasons for the difficulty cited include:

- i. Rare or unique skills needed for job(s)
- ii. Under-qualified labor market
- iii. Lack of experience in labor market
- iv. Internal pay/start rates don't match market
- v. Shift preferences
- vi. Over-qualified labor market

The Keeping Pace Article at Attachment D has as its premise that “Wages aren’t keeping pace with the cost of living, and benefits costs are continuing to rise faster than pay levels”. The article acknowledges that while “Many state and local governments are beginning to recover from an incredibly deep and prolonged recession, their employees are still reeling from cost-cutting measures – pay cuts, salary freezes and reconfigured benefits packages that increase paycheck deductions and out-of-pocket expenses – enacted to offset lost revenue and health insurance inflation.” This perception is magnified within the City of Wausau workforce; employee wages remained flat in 2015, and while health care premiums have only increased 2% since 2015, the perception is much greater as the result of unanticipated impacts resulting from a “premium waiver” in 2015 designed to incentivize employees to elect a less expensive narrow network plan to minimize overall cost increases. This premium waiver had the effect in 2015 of offsetting the salary freeze. Although employees were fully briefed that the premium waiver would not be carried into 2016, the impact of premium reinstatement in January 2016 lead to the perception that costs were rising at a significantly higher rate.

2. Merit Increase -- Introductory Period Completion. This proposal is to provide a 2% increase for new employees who completed their review period after the first pay period in July of 2014 through December 31, 2016 with an implementation date of the first pay period in May 2016 (April 24 effective date)

As a result of the July 2014 pay plan implementation and subsequent salary freeze for non-represented staff, employees who were hired after March 2014 and have completed their introductory period have received no salary adjustments. Pay increases after successful introductory period completion (1 year) are common to recognize a successful integration into the organization. It is not unusual for new employees to be offered a lower salary rate as a result of the learning curve new employees’ face and this measure rewards successful completion of the learning curve. It also serves as a retention measure by conveying recognition and value to the affected employee by providing a monetary reward.

3. Merit Increases for Satisfactory Performers. This proposal is to provide 1.5% salary increase to employees who have received satisfactory marks on their performance appraisals for work performed in 2015, to take effect the first pay period in June 2016 (June5). The total cost impact to the General Fund Budget \$59,593.48, with a total cost of 88,701.37 with the difference of \$29,107.89 being absorbed by revenue generating entities to include Water, Sewer, Metro, Animal Control, etc.. or supplemented by State and/or Federal funds.

(Example: Within MetroRide only 25% of salaries are charged to the General Fund with the remaining 75% paid via State of Federal Funds).

4. Merit Increases for Exceptional Performers. Chapter 5 of the proposed Employee Handbook contains several provisions for rewarding exceptional performers, both monetarily and non-monetarily. Because the handbook is still in draft form, I am recommending no action until the final version of the handbook has been adopted. Recommendations for Discretionary Performance Recognition for Exceptional Performers will be proposed at a later date, once the handbook has been finalized and funds from the unexpended monies in 2015 will be identified as a source.
5. Compensation Plan Administration. While the cost impact chart below indicates a remainder of \$19,176, the recommendation is to reserve this amount for any other compensation plan needs that may surface over the remainder of the budget/calendar year.

Cost Impact: The Common Council included \$120,000 in the contingency fund of the 2016 General Fund budget for additional employee compensation. The total increase in the base General Fund Budget would be impacted moving forward as follows:

General Fund Impact (\$120,000 budget in the 2016 budget):

Employee Group	General Fund Impact (Addition to Base Budget)		2016 GF Comp Budget
	Approved	Amount	
	January 16		\$120,000
SR HR Consultant	January 16	(\$8,655)	\$111,345
Fire Management	February	(\$2,639)	\$108,706
Comp Plan Adj – Street Maintainers	Proposed	(\$16,045)	\$ 92,661
Merit Pay – Introductory Period Completion	Proposed	(\$13,892)	\$ 78,769
Merit Pay – 1.5% Satisfactory Performers	Proposed	(\$59,593)	<u>\$ 19,176</u>

Coordination: The figures contained herein have been coordinated with the City of Wausau Payroll Office and Finance Department.

Cc: Mayor
Finance Director
Public Works Director

**Attachment A
CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION**

DATE/TIME: October 12, 2015, 2015 at 4:30 p.m.
 LOCATION: City Hall (407 Grant Street) – Board Room
 MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen
 MEMBERS ABSENT: L. Rasmussen
 Also Present: Mayor Tipple, M. Groat, M. Hite (by telephone), J. Kannenberg, E. Krohn, G. Seubert, J. Schara, P. Peckham, A. Werth, B.C. Kowalski (The City Pages), J. Berry (AFG), A. Koehl (AFG), N. Hertel (Wausau Daily Herald)

Discussion and Possible Action Related to Compensation for the following: Non-Represented Employees, Elected Officials – Common Council, and Elected Officials - Mayor.

Wagner stated the Committee of the Whole directed all committees to take back their recommendations for the budget and review in the committee setting. Mayor Tipple said that it is premature to rule one way or another on these compensation items due to the budget numbers consistently changing right now. Oberbeck said that the items could be voted on at any time before the budget is approved, and it is likely that all line items will be reviewed before the budget is approved. **The committee focused their discussion on compensation for non-represented employees. Wagner said this becomes a question of fairness to the employees whose wages were frozen last year, and believes that these employees need to be taken care of or they will go elsewhere. Nagle said that the City is only as good as the services it provides to the citizens; these services are provided by the employees. Buses can't drive themselves and streets can't fix themselves, but employees can choose to drive busses or fix streets for other jurisdictions. Nagle said the City cannot balance the budget on the backs of its employees. He went on to say that he would still like department heads to review processes to see if work can be streamlined. Wagner said that he wanted this item to come back to the Human Resources Committee rather than the Finance Committee because it is truly a personnel issue, not a financial issue. Oberbeck said that he would still like the City to look for more revenue sources for the next 10 years so that the budget process isn't delayed each time money is lacking. Gisselman said that the City is beginning to lose non-represented employees to other municipalities. Tipple said he believes that discussion of this topic is good, however, the committee should not feel pressed to make any decisions at this time. Oberbeck asked if there was any money set aside for raises in the 2016 budget. Groat said that the 2016 preliminary budget includes 1%, a \$100,000 lump sum for raises. Hite clarified that when the Committee approved this money it was not for general raise increases, rather the committee approved \$40,000 for compensation plan administration and another \$60,000 to fund pay for performance.**

Motion by Gisselman to provide non-represented employees with a salary increase, amount undetermined, in 2016, date undetermined. Second by Nagle. All ayes. Motion passes 4-0.

Motion by Nagle to defer compensation for common council and mayor to the common council. Second by Oberbeck. All ayes. Motion passes 4-0.

Attachment B
CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION

DATE/TIME: August 10, 2015, 2015 at 4:30 p.m.
 LOCATION: City Hall (407 Grant Street) – Board Room
 MEMBERS PRESENT: R. Wagner (C), G. Gisselman, D. Oberbeck, L. Rasmussen
 MEMBERS ABSENT: W. Nagle
 Also Present: Mayor Tipple, P. Czarapata, M. Groat, M. Hite, A. Jacobson, E. Krohn, G. Seubert, J. Schara, P. Peckham, C. Branson, R. Sem.

Discussion and Possible Action, Non-represented Employee Compensation Planning.

Hite said in May 2015, she received direction to proceed with the compensation concept that she provided to the HR committee. Hite provided a handout that further broke down the compensation concept as a starting point to obtain direction from the Committee so a recommendation could be formulated for budget development for the 2016 budget. Hite reviewed the handout, explaining that cost-of-living increases are typically driven by economic conditions which would include the consumer price index (CPI), and she referenced the 2015 salary survey conducted by Carlson-Dettmann Consultants. This survey revealed the average cost-of-living increase given to exempt non-union employees in central Wisconsin was 1.81% with a 1.78% average increase for all non-exempt, non-union employees. Hite reminded the Committee members that last year's budget proposal initially contained 3% for City employees beginning in July of 2015 which was frozen in January 2015. Hite researched the CPI projections for 2016 through the WI Public Employment Relations Commission and discovered less than a 1% increase is anticipated through 2016. Hite provided this information to the Committee for them to decide if they wanted to consider cost-of-living increases for non-union City employees. Hite also briefed that the Police and Fire contracts contain a 2% increase for represented employees beginning in April 2016; whereas the Transit contract is still under negotiation. Hite also provided that for each 1% increase for general government, non-union employees cost out at approximately \$100,000.

Next, Hite explained compensation plan administration warrant certain actions that are driven by the work along with the compensation philosophy. Hite provided several examples. One is for new hires; Hite said it is common to set salary for new employees at a lower level of pay due to them having a learning curve. Once the review period is completed, it is common practice to recognize the employee's increased productivity and adjustment to the workplace by providing an increase if they are functioning at an acceptable level. Hite said the City has not done this since January of 2014. Wagner asked if these employees were started at the bottom of a pay scale or lower than what they should have been. Hite said that in each instance the initial offer of salary is unique to each hire and is based on the position, the employee's experience, qualifications and the market. Under the old pay system, an employee would get an increase after their six month review period and then receive a step increase each year on the scale; and this old system no longer exists. However, Hite still recommends recognizing new employee's once the review period has been completed.

The discussion returned to the first concept introduced by Hite, cost-of-living increases, when Oberbeck questioned why the new system of pay-for-performance was put in place if Hite is looking to move back to a step system by making exceptions that would give raises to everyone. Rasmussen agreed with Oberbeck, saying that when they looked at the pay-for-performance in May, part of their concern was that there was so much addition to base, which created more employees being above where they should've been in the first place; she would like to see an analysis of where everyone is located in the ranges currently. Rasmussen said that the State's system froze the base for life; they no longer have cost-of-living increases, and the only way to increase their wage is through performance. Rasmussen also said that because the wage study was current, there is no reason to make pay adjustments; she feels the City should move to a true merit-based system, and when the time comes for a performance appraisal, anyone receiving a 3 or under on a 1-5 scale, their rate should stay the same. If they receive an average of 4 or 5, then there should be elevation. Rasmussen said continually adding to the base will dilute incentive of the merit-based system.

Hite explained that it's not uncommon for an organization to make changes to the base salaries due to cost-of-living increases. Oberbeck believes that is a decision for Council, not the Committee. Rasmussen said maturing ranges would be a topic for the Committee. Gisselman said that he would be fine with making adjustments here and there as needed for employees and would like to see an update of where employees are. Oberbeck asked if they were talking about individuals or adjustments to the whole matrix. Hite said that she broke down the compensation plan into three parts, and spoke to the Non-Represented Employee Compensation Plan handout provided in the Committee packet. Hite said that with the budget for salaries frozen, there is no money in the current budget for cost-of-living increases or for any individual compensation increases. Hite stated she thinks the Council thought that the new pay-for-performance system was the same as discretionary performance recognition, and it is not; she pointed out that an organization cannot use discretionary performance recognition alone and expect to retain employees. Further discussion of this topic took place. Oberbeck asked if our salary data is already outdated. Gisselman said it's the Committee's job to properly align the salaries. Rasmussen said she has no issue with providing funding for compensation plan administration and discretionary performance recognition, but does not want to provide funding for cost-of-living increases. Oberbeck questioned where the money for funding any increases will come from. Rasmussen asked if part of the \$2 million deficit that the City is facing includes funding for employee salary increases. Hite suggested to the Committee that while exceptional employees may not all be able to increase revenue stream, many are able to prevent significant revenue drain. Hite cited the example of she and Krohn working creatively on insurance plan design which ultimately saved the City over \$500,000 – based on the actual costs planned by the broker/agent. Hite went on to say that if the City decides not to fund any salary increases under compensation plan administration, the City will fall behind the market salaries and valued staff will be recruited elsewhere. She emphasized that it is critical to retention to compensate employees for exceptional contributions.

Gisselman asked what Hite is asking for from the Committee. Hite said that she wanted to have the conversation to better understand their thoughts and direction and that ultimately she is seeking guidance for what the Committee would support to include in the budget process. Hite believes the City cannot effectively (in the long run) administer a compensation system if the City doesn't have any money set

aside to administer it. Another example provided by Hite was recruitment for 5 skilled trades worker; she stated that we currently pay street maintainers \$17.50 per hour and the market rate is \$19.00 which is what applicants for employment are seeking. She stated that if we bring new employees in at a higher salary level, it creates internal equity issues. Hite suggested a time will come that the market will require higher entry salaries and when that occurs, employee retention would warrant increasing internal salaries to be in alignment with salaries required to attract new staff. She recommended the Committee support earmarking some funds for both compensation plan administration as well as funding the newly implemented pay-for-performance system.

Wagner said he feels at this time that the City is closer to freezing wages for 2016 than being able to fund the compensation system. Rasmussen said it would be better to freeze wages than to have lay-offs, but they will need to determine what is available during the budget process.

Motion made by Rasmussen to direct Hite to plan on having 1% (\$100,000) to work with, and then direct Hite to determine the amount of money needed in each bucket (compensation plan administration and discretionary performance recognition). Second by Gisselman. Groat said 1% equates to .85% with FICA and WR taken out. Rasmussen changed her motion to 1.2%. Second by Gisselman. Tipple said that if the City removes cost-of-living increases, they face possibly losing people and having a problem attracting talent. All ayes. Motion passes 4-0.

Attachment C
CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION

DATE/TIME: December 14, 2015, 2015 at 4:30 p.m.
 LOCATION: City Hall (407 Grant Street) – Board Room
 MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen
 MEMBERS ABSENT:
 Also Present: Mayor Tipple, T. Alfonso, P. Czarapata, K. Dubore, M. Hite, E. Krohn, T. Kujawa, E. Lindman, R. Mohelnitzky, J. Schara, B. Schmidt

Input from DPWU regarding Competitive Wage – Street Maintainer (Lindman).

Lindman gave Mohelnitzky the floor to begin the discussion. Mohelnitzky began by saying he was happy to see that money will possibly be earmarked for possible wage increases. He went on to explain that when employees are hired, they receive a large amount of training to make them valuable employees. At this time, he feels that he is unable to retain new employees because once they receive training, they are finding better paying jobs elsewhere. Mohelnitzky said that recruitment has been difficult because good candidates are not willing to accept the starting pay for vacant positions. Wagner asked if Mohelnitzky thinks the entry level (pay) is not market (rate) and that's the issue. Mohelnitzky said yes, but that even the employees who have been with the City for a few years and are close to market (rate) need an adjustment in order to maintain them. Oberbeck said he was concerned because he thought that everyone had been brought into the matrix. Tipple said they were brought in 3 years ago when the study was done. Oberbeck continued, asking if there had been adjustments to bring those employees up in the matrix, and if employees are asked to sign a commitment when they are hired. Adjustments have not been made, and Hite said that some employees are asked to sign a commitment for a period of time and language has been added to the Employee Handbook regarding training and employees reimbursing the cost of training if they leave within a certain period of time. Gisselman asked what the beginning pay is at this time. Hite said it depends on which position you look at, but the Street Maintainer, Sewer Maintainer and Water Maintainer positions begin at \$15.57 per hour. The mid-point of the salary range is \$19.46 per hour, and the hourly maximum rate is \$23.36. Hite shared the rates that maintainers are currently being paid. Gisselman asked what the current market rate is for this position. Hite said that she has not looked into current market rates because the City decided they would conduct a market study every 5 years. She went on to explain that there are more businesses in the area than a few years ago and less workers for these positions. Hite shared the starting salary rates for companies with entry-level jobs. The committee asked if Hite would research comparable jobs at Marathon County. Nagle said he would go on record that operators who are trained and doing a good job need to be paid more than \$24.45 an hour (the top salary of an Equipment Operator at this time). Rasmussen asked if employees can be brought in at higher levels of the matrix if they have more experience. Hite said yes, every starting salary is determined by HR on a variety of factors. Oberbeck asked if a market study could be done sooner. Further discussion on this subject and challenges of future hiring took place. No action was taken on this item.



KEEPING PACE

Public works professionals are finally receiving raises. Yet many say the increases don't make up for paychecks weakened by multiyear salary freezes and rising benefits costs.

On paper, the numbers look promising.

The unemployment rate has dropped to pre-recession levels. Gas prices are lower than they've been in more than a decade. For the second consecutive year, more cities are hiring rather than firing. According to the National League of Cities, 83% increased employee wages and 71% increased infrastructure spending in 2015.

Almost three-quarters (73%) of the 520 PUBLIC WORKS readers who completed our Salary & Benefits Survey in February got a raise in the last 12 months. The results reflect an upward trend that began when the Great Recession loosened its stranglehold on public budgets (see sidebar on page 21).

And yet, many say a raise in and of itself simply isn't enough.

"Wages aren't keeping pace with the cost of living, and benefits costs are continuing to rise faster than pay levels," says an operator from a Colorado grounds/parks (urban forestry)/road maintenance department who makes \$40,000 annually.

It's a familiar story that's being told with increased frequency by our annual survey participants.

Many state and local governments are beginning to recover from an incredibly deep and prolonged recession, but their employees are still reeling from cost-cutting measures — pay cuts,

salary freezes, and reconfigured benefits packages that increase paycheck deductions and out-of-pocket expenses — enacted to offset lost revenue and health insurance inflation.

For example, a New Jersey public works superintendent who earns \$80,000 is concerned about increased employee contributions to health insurance: "The annual raise (2%) isn't covering the increase in insurance."

"There have been little to no pay increases for years, yet health care costs rise slightly annually while the coverage lessens," adds a manager/supervisor in the Southeast making \$58,000.

It's a top-of-mind concern for many in the public sector.

A 2015 Center for State & Local Government Excellence survey of human resource managers found that more than half (53%) changed health benefits within the last year, with the most common changes shifting costs from employer to employees through higher premiums, copays, and deductibles. And 29% made changes to pension plans, with the most common modification being increased employee contributions.

These adjustments surpass broad-based pay increases (reported by 36% of HR managers) and position-specific pay increases (reported by 21%).

BY THE NUMBERS

15%

of respondents are female. When we conducted our first salary survey in 2006, 9% of respondents were female.

\$51M

Combined annual wages reported by respondents.

\$80K

The median salary

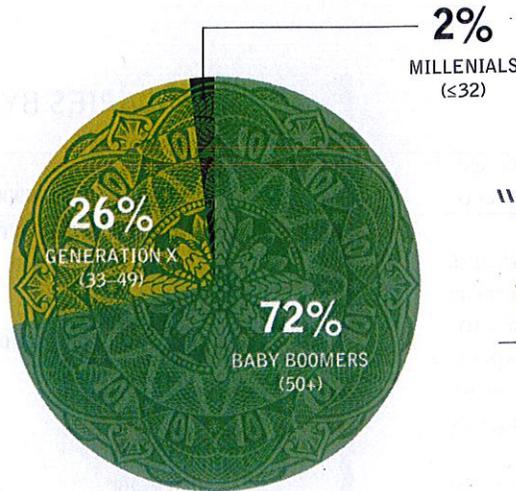
\$98K

The average salary

(continued)

AGE DEMOGRAPHICS OF 2015 SALARY & BENEFITS SURVEY PARTICIPANTS

Percentages rounded to nearest whole numbers.
Source: PUBLIC WORKS



“My pay is less than a male’s pay within the same pay grade.”

—City engineer in the Northwest earning \$87,000.



THE TYPICAL RESPONDENT:

- Is a 55- to 60-year-old man
- Is a manager/supervisor working in a public works department
- Works for a Midwestern municipality, with a population between 10,000 and 25,000
- Has a bachelor’s degree and is possibly a professional engineer (PE)
- Supervises one to five people
- Has more than 20 years of experience in his present position.

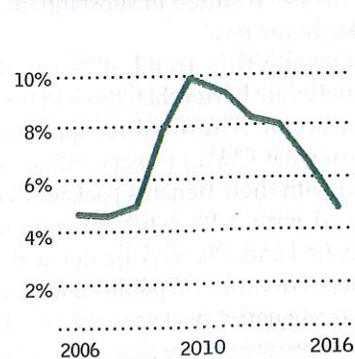


RELATIVE IMPORTANCE OF EMPLOYER COSTS FOR EMPLOYEE COMPENSATION, SEPTEMBER 2015

According to the most recent reports from the Bureau of Labor Statistics, state and local governments pay workers an average of \$44.66 per hour in compensation, with salary accounting for about 64% of that sum and benefits accounting for 36%. This translates to \$28.45 in salary and \$16.21 in benefits. Employees in private industry receive an average of \$31.53 per hour in total compensation, which includes \$21.98 in salary (about 70% of compensation costs) and \$9.55 in benefits (30%).

COMPENSATION COMPONENT	CIVILIAN WORKERS	PRIVATE INDUSTRY	STATE & LOCAL GOV.
Wages and salaries	68.6%	69.7%	63.7%
Benefits	31.4%	30.3%	36.3%
Paid Leave	7.0%	6.9%	7.3%
Supplimental Pay	2.8%	3.3%	0.8%
Insurance	8.9%	8.2%	12.0%
Health Benefits	8.5%	7.7%	11.6%
Retirement and savings	5.2%	4.0%	10.4%
Defined benefit	3.2%	1.7%	9.5%
Defined contribution	2.0%	2.2%	0.8%
Legally required	7.6%	7.9%	5.9%

JANUARY UNEMPLOYMENT RATES



Source: U.S. BUREAU OF LABOR STATISTICS

More employees expect raises in 2016

It's important to note how far public sector salaries have come in terms of economic recovery.

Before the recession eight years ago, at least 85% expected to receive a raise; 20% looked forward to a 4% to 6% increase. By 2010, the percentage expecting a pay increase dropped by more than 50 points and those expecting pay cuts increased by 13.

This year, we're closer than ever to pre-recession expectations: 69% of respondents anticipate a raise and only 1% expect a pay cut. But only 9% foresee a pay increase greater than 3%, and 31% say their wages will stay the same.

Pay deductions outpace raises

"[I'm] paying more and getting less," says an engineering department employee in Ohio who earns \$62,000 annually. This was the general sentiment of respondents who commented on their benefits.

Paid vacation days, sick leave, holidays, and health insurance are still part of the overall package. Other benefits that most receive include dental and life insurance. Almost three-quarters still plan to receive a pension.

But these and other perks come at increasingly higher prices.

"While benefits haven't changed, many were fully funded by the employer. Now they're funded by both the employee and the employer (copay system)," says a public works director for a Midwestern county making \$90,000. "This has resulted in substantially less take-home pay."

Despite this trend, 47% say their benefits are better than those in the private sector. Almost three-quarters are somewhat (35%) to very (37%) satisfied with their benefits packages, compared with 12% who are somewhat satisfied and 4% who are not at all satisfied. For more on public- and private-sector benefits packages, see the "Public vs. private compensation costs" table on page 19.

SALARIES BY:

TITLE	AVERAGE	MEDIAN
Administrative (support personnel)	\$45,000	\$43,000
Assistant/deputy director	\$100,000	\$100,000
Department head	\$180,000	\$83,000
Developer/planner	\$75,000	\$73,000
Director of public works	\$106,000	\$100,000
Director, other	\$123,000	\$103,000
Engineer	\$98,000	\$95,000
Foreman	\$65,000	\$59,000
Inspector	\$70,000	\$72,000
Manager/supervisor	\$90,000	\$80,000
Operator	\$51,000	\$54,000
Specialist	\$60,000	\$54,000
Superintendent	\$72,000	\$72,000
Technician	\$59,000	\$61,000

DEPARTMENT OR PRACTICE AREA	AVERAGE	MEDIAN
Building maintenance	\$81,000	\$80,000
Engineering	\$102,000	\$102,000
Environment/pollution control/conservation	\$352,000	\$67,000
Fleet services	\$79,000	\$79,000
GIS/surveying/mapping	\$147,000	\$54,000
Grounds, parks (urban forestry)/roadside maintenance	\$64,000	\$60,000
Highways, streets, roads, bridges, traffic control/lighting, transportation, etc.	\$85,000	\$85,000
Planning/zoning/inspection/permitting	\$77,000	\$69,000
Public works, general	\$92,000	\$83,000
Solid waste/recycling	\$73,000	\$70,000
Wastewater/stormwater	\$82,000	\$76,000
Water	\$91,000	\$88,000

"Pay increase last year was just over 1%; expect about the same this year. Cost of benefits continues to increase, thus, no real pay increase."

—Director of county engineering department in Virginia making \$169,000.

Prepping for the future: retirements and recession

Of the 520 public works professionals who took our survey this year, 27% are 55 to 60 years old and 20% are older than 60. Only 10% are 40 or younger.

This illustrates an ongoing professionwide problem: Baby boomers are ready to retire and, if public-sector compensation doesn't improve, will be increasingly difficult to replace.

According to the Center for State & Local Government Excellence, more

employees retire each year. As a result, the three issues of greatest importance to their organizations are:

- Recruiting and retaining qualified personnel
- Staff development
- Workforce succession planning.

Even though 74% of HR managers say their total compensation package is competitive with the labor market, our salary survey respondents beg to differ.

"The technical skills and engineering disciplines needed for more complex issues in the water and wastewa-

ter utility I run demand more pay in the open market than our pay plan can provide. I can barely afford inexperienced college graduates," says a water/wastewater utility director in the Southeast making \$116,000.

"Salaries in our municipal government aren't very competitive with the private sector, particularly in professions related to engineering and construction," adds a South Carolina public works director earning \$118,000.

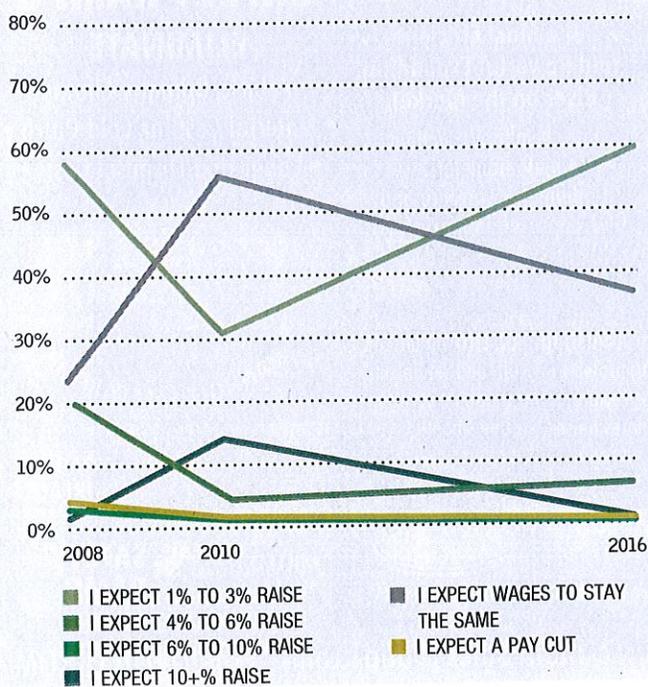
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RAISES INCREASE, PAY CUTS/SALARY FREEZES DECREASE

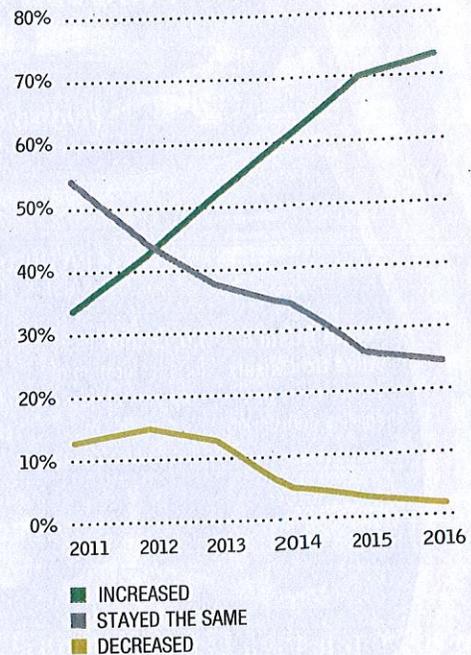
To assess the impact of the Great Recession, five years ago we began asking respondents if their pay had increased, decreased, or stayed the same. More than half reported salary freezes. Since then, we've seen steady improvement.

When compared with 2011 responses, the current percentage reporting salary freezes dropped by more than one-half. The number of respondents who say they've received a raise increased by 40%, and the number reporting pay cuts dropped by 10%.

DO YOU EXPECT YOUR PAY TO INCREASE, DECREASE, OR STAY THE SAME WITHIN THE NEXT TWELVE MONTHS?



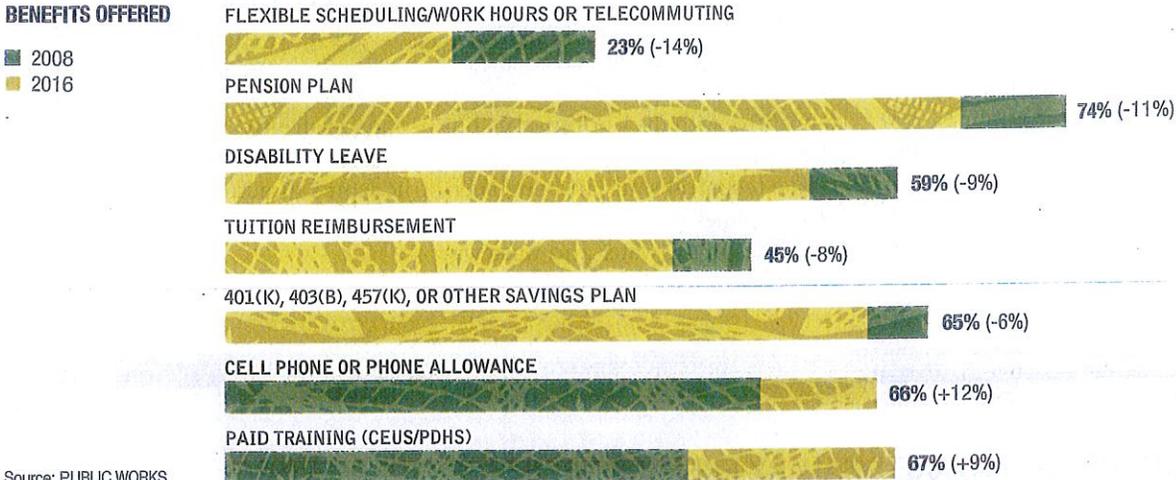
HAS YOUR PAY INCREASED, DECREASED, OR STAYED THE SAME WITHIN THE LAST TWELVE MONTHS?



Percentages rounded to nearest whole numbers. Source: PUBLIC WORKS

PAY DEDUCTIONS OUTPACE RAISES

This chart shows a sampling of the biggest changes in benefits offered by public employers since 2008. Although most changes indicate decreased offerings, advances in technology and prioritization on workplace succession may have motivated more employers to provide mobile devices as well as paid training, which often can be done online.



Source: PUBLIC WORKS



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- Material Cost for Cold Patch
- Labor and Disposal Costs



MANHOLE SAFETY RAMP

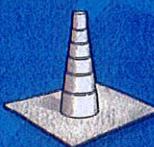


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MILLED SURFACE
SAFETY RAMP

Catch Basin & Valve Box Risers reduce costs and streamline adjustments



I.D. Locator allows for easy location of common utilities and aids in identifying striping



Sewer Lid Seal Kit eliminates lid vibration and reduces moisture penetration



Rubber Adjusting Ring protects sub-structure, eliminates noise and vibration



EZ Lift will unseat, lift, and set down a manhole cover in one smooth motion



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Source: U.S. ENERGY INFORMATION ADMINISTRATION

“It’s difficult to fill positions and retain qualified employees.”

The National League of Cities warns that municipal revenues may not fully recover before the next recession, which economists say could happen by 2018, hits. Somehow, state and local governments must find a way to offer compensation that attracts, and retains, a new generation of public works leaders.

Which makes us wonder: Are salary levels are as good as they’ll ever get? Only time will tell. **PW**

Victoria K. Sicaras is a freelance writer based in Countryside, Ill. E-mail vsicaras@yahoo.com.

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CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE HUMAN RESOURCES AND FINANCE COMMITTEE	
Authorizing Compensation Plan Adjustment – Street Maintainers.	
Committee Action:	Approved 3-0
Fiscal Impact:	2016: Approximately \$16,044 (Benefits Included) Base Budget Total Increase: \$23,176
File Number:	Date Introduced: April 26, 2016

FISCAL IMPACT SUMMARY			
COSTS	<i>Budget Neutral</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	<i>Included in Budget:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Budget Source:</i>
	<i>One-time Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$16,066</i>
	<i>Recurring Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$23,176</i>
SOURCE	<i>Fee Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Debt Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>TID Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>TID Source: Increment Revenue <input type="checkbox"/> Debt <input type="checkbox"/> Funds on Hand <input type="checkbox"/> Interfund Loan <input type="checkbox"/></i>		

RESOLUTION

WHEREAS, on August 10, 2015 the Human Resources Committee provided direction and approved \$100,000 to fund both Compensation Plan Administration as well as Merit Pay. To ensure coverage for fringe and employee benefit costs, ultimately \$120,000 General Fund dollars were included in the Contingency portion of the General Fund budget earmarked for this purpose; and

WHEREAS, on December 14, 2015, Public Works supervisory staff urged the Human Resources Committee to provide additional compensation to Street Maintainers as a recruitment and retention issue to maintain salaries current with rising cost and benefit levels; and

WHEREAS, employees not represented under the terms of a collective bargaining agreement last received salary increases via the City’s Pay-for-Performance Plan and compensation study in July 2014; and

WHEREAS, salaries for non-represented staff were frozen for 2015 by Common Council; and

WHEREAS, on April 11, 2016 the Human Resources Committee approved to establish \$18.84 per hour (25% into the pay range) as the minimum pay rate for Street Maintainers, affecting six (6) employees with an hourly pay adjustment ranging between \$1.10 per hour and \$2.84 per hour; and

WHEREAS, also on April 11, 2016 as part of the Street Maintainer Compensation Plan Adjustment proposal, the Human Resources Committee approved to rename the Equipment Operator classification to Senior Street Maintainer – Equipment Operator, and allocate 25% of the Street Maintainer workforce into the higher level position, thereby allowing for recognition of expertise and skills as well as employee growth within the position. This action would result in the movement of 3 staff members at no immediate cost;

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Wausau that the minimum pay rate for the Street Maintainer classification shall be established at \$18.84 per hour, affecting six (6) employees effective April 24, 2016 with a total cost to the General Fund for 2016 of \$16,066, and a total annual addition to the base General Fund budget moving forward of \$23,176.

Approved:

Robert B. Mielke, Mayor

DRAFT

**CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION**

DATE/TIME: April 11, 2016 at 4:30 p.m.
LOCATION: City Hall (407 Grant Street) – Board Room
MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen
MEMBERS ABSENT: W. Nagle
Also Present: Mayor Tipple, C. Barr, S. Boers, P. Czarapata, M. Goede, G. Hagenbucher, T. Hanson, M. Hite, E. Krohn, T. Kujawa, E. Lindman, R. Mohelnitzky, J. Ray, J. Schara, Pat Peckham (reporter).

2. Discussion and Possible Action on Non-represented Employee Compensation.

Hite began by reviewing with the committee their decision of how they wanted to fund merit pay increases and compensation plan adjustments, and that what was approved by the committee and Council was, inclusive of benefits, \$120,000.00.

A. Compensation Plan Adjustment – Street Maintainers. Hite spoke with employees from the Department of Public Works & Utilities and their concern of retention for new employees. Hite reviewed the information contained in the staffing paper for this item, proposing to establish a floor within the pay range for the Street Maintainers of \$18.84 per hour, and renaming the “Equipment Operator” job classification to “Senior Street Maintainer – Equipment Operator”. Hite recommended that 75% of the of the workforce should beat the Senior Street Maintainer – Equipment Operator level, and 25% of the employees should be at the Street Maintainer level. The Street Maintainer level should be a base pool of workers who are able to advance into the Senior Street Maintainer – Equipment Operator level when openings occur within the department. Rasmussen believes this is a good idea; she said the committee will have to be careful that the wages between the two classifications do not become too close like with Police and Fire. Hite agreed and said that the positions are in different pay grades, and that will initially help. Hite said the total cost to the General Fund for 2016 for the recommended proposal is \$16,044.00. The total annual addition to the base General Fund budget moving forward would be \$23,176.00 (including benefits). Hite pointed to the chart on page 4 of the staffing paper, outlining cost impact, showing the use of available money. Wagner asked when the changes would take place. Hite proposed a date of April 24, 2016, but said that the committee could select a different date. Rasmussen asked if it would be more beneficial to wait until July 1st for a mid-year raise; Wagner said that he felt it defeated the purpose of finding a problem and fixing it by waiting. Rasmussen agreed. Hite said that this was an urgent concern of Public Works and that they feel they will be losing people if action is not taken in the immediate future.

Motion by Rasmussen to approve the compensation plan adjustment proposal for the Street Maintainers. Second by Oberbeck. Mohelnitzky said that it would be beneficial for action to be taken sooner than later in order to keep staff on board. Discussion about what Council meeting this could be voted on took place. Wagner felt it would be a good practice item for the new Council on April 19th; Hite said that she and Krohn will not be available for the April 19th meeting. It was decided that the item will go to Council on April 26 and be effective April 24 if passed. Motion passes 3-0.

Romey Wagner
Human Resources Committee, Chair

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE HUMAN RESOURCES AND FINANCE COMMITTEE	
Authorizing Merit Increase for Introductory Period Completion.	
Committee Action:	Approved 3-0
Fiscal Impact:	2016: Approximately \$13,892 (Benefits Included) Base Budget Total Increase: \$13,892
File Number:	Date Introduced: April 26, 2016

FISCAL IMPACT SUMMARY			
COSTS	<i>Budget Neutral</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	<i>Included in Budget:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Budget Source: Salary Contingency</i>
	<i>One-time Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$13,892</i>
	<i>Recurring Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$21,000 approx</i>
SOURCE	<i>Fee Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Debt Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>TID Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>TID Source: Increment Revenue</i> <input type="checkbox"/> <i>Debt</i> <input type="checkbox"/> <i>Funds on Hand</i> <input type="checkbox"/> <i>Interfund Loan</i> <input type="checkbox"/>		

RESOLUTION

WHEREAS, on August 10, 2015 the Human Resources Committee provided direction and approved \$100,000 to fund both Compensation Plan Administration as well as Merit Pay. To ensure coverage for fringe and employee benefit costs, ultimately \$120,000 General Fund dollars were included in the Contingency portion of the General Fund budget earmarked for this purpose; and

WHEREAS, employees not represented under the terms of a collective bargaining agreement last received salary increases via the City’s Pay-for-Performance Plan and compensation study in July 2014; and

WHEREAS, salaries for non-represented staff were frozen for 2015 by Common Council; and

WHEREAS, as a result of the July 2014 pay plan implementation and subsequent salary freeze for non-represented staff, employees who were hired after March 2014 and have completed their introductory period have received no salary adjustments; and

WHEREAS, pay increases after successful introductory period completion (1 year) are common to recognize a successful integration into the organization and serve as a retention measure by conveying recognition and value to the affected employees by providing monetary reward; and

WHEREAS, on April 11, 2016 the Human Resources Committee approved a proposal to provide a 2% increase for new employees who completed their review period after the first pay period in July of 2014 through December 31, 2016 with the effective date of April 24, 2016;

WHEREAS, your Finance Committee has reviewed and recommends a modification of the 2016 budget to transfer funds from Contingency into the individual departmental budgets to fund the increased salary and related fringe benefits

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Wausau that merit pay adjustments of 2% be given to employees who have completed their introductory period after the first pay period in July of 2014 through December 31, 2016, effective April 24, 2016 with a total cost to the General Fund for 2016 of \$13,892.

BE IT FURTHER RESOLVED, by the Common Council of the City of Wausau that the proper City Officials be and are hereby authorized and directed to modify the 2016 budget and publish such transfer in the official newspaper.

Approved:

Robert B. Mielke, Mayor

DRAFT

**CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION**

DATE/TIME: April 11, 2016 at 4:30 p.m.
LOCATION: City Hall (407 Grant Street) – Board Room
MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen
MEMBERS ABSENT: W. Nagle
Also Present: Mayor Tipple, C. Barr, S. Boers, P. Czarapata, M. Goede, G. Hagenbucher, T. Hanson, M. Hite, E. Krohn, T. Kujawa, E. Lindman, R. Mohelnitzky, J. Ray, J. Schara, Pat Peckham (reporter).

2. Discussion and Possible Action on Non-represented Employee Compensation.

Hite began by reviewing with the committee their decision of how they wanted to fund merit pay increases and compensation plan adjustments, and that what was approved by the committee and Council was, inclusive of benefits, \$120,000.00.

B. Merit Pay – Introductory Period Completion. Hite said this proposal is to provide a 2% increase for new employees who satisfactorily completed their introductory review period after the first pay period in July 2014 and through the end of 2016. Hite provided a brief history to the committee, stating that the new pay for performance plan was implemented on the first pay period of July 2014 and then wages were frozen for general employees for 2015. Hite said that it is a typically practice in an organization to offer a new candidate less than the incumbent of the position made in recognition of the learning curve. Since July 2014, no employees have received compensation adjustments for anything. Hite pointed out that Chief Kujawa was hired during that time period and has not received a compensation adjustment. Wager said this shows that not only entry-level positions have been frozen, but also all other positions within the organization. Hite said that a merit adjustment after the introductory period is completed is truly related to performance since those who do not perform satisfactorily are released from employment during the introductory period. The cost of merit pay adjustments for those affected would be an addition of \$13,892 to the base budget. Hite said this is also a retention measure.

Motion by Rasmussen to approve the introductory period completion merit pay increases for general employees hired after the first pay period in July 2014 and through the end of 2016. Second by Oberbeck. Motion passes 3-0.

Romey Wagner
Human Resources Committee, Chair

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE HUMAN RESOURCES AND FINANCE COMMITTEE	
Authorizing Merit Increases for Satisfactory Performers.	
Committee Action:	Approved 3-0
Fiscal Impact:	2016: Approximately \$59,593.48 (Benefits Included) Base Budget Total Increase: \$88,701.37 with \$29,107.89 being absorbed by revenue generating entities to include Water, Sewer, Metro Ride, Animal Control, etc., or supplemented by State and/or Federal funds.
File Number:	Date Introduced: April 26, 2016

FISCAL IMPACT SUMMARY			
COSTS	<i>Budget Neutral</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	<i>Included in Budget:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Budget Source: Salary Contingency</i>
	<i>One-time Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$88,701</i>
	<i>Recurring Costs:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$152,059</i>
SOURCE	<i>Fee Financed:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Amount: \$29,108</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Debt Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount</i>
	<i>TID Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>TID Source: Increment Revenue</i> <input type="checkbox"/> <i>Debt</i> <input type="checkbox"/> <i>Funds on Hand</i> <input type="checkbox"/> <i>Interfund Loan</i> <input type="checkbox"/>		

RESOLUTION

WHEREAS, on August 10, 2015 the Human Resources Committee provided direction and approved \$100,000 to fund both Compensation Plan Administration as well as Merit Pay. To ensure coverage for fringe and employee benefit costs, ultimately \$120,000 General Fund dollars were included in the Contingency portion of the General Fund budget earmarked for this purpose; and

WHEREAS, on October 12, 2015, the Human Resources Committee unanimously approved a motion that provided direction to find funding for a salary increase for all non-represented employees in 2016, amount undetermined; and

WHEREAS, employees not represented under the terms of a collective bargaining agreement last received salary increases via the City’s Pay-for-Performance Plan and compensation study in July 2014; and

WHEREAS, salaries for non-represented staff were frozen for 2015 by Common Council; and

WHEREAS, public safety staff, represented under the terms of a collective bargaining agreement, have received negotiated salary increases of 2% in April 2015, April 2016 and January of 2017. Represented Transit employees received 1.5% in January 2016 with a negotiated increase of 2% in January of 2017; and

WHEREAS, on April 11, 2016 the Human Resources Committee approved a proposal to provide 1.5% salary increases to employees who have received an overall satisfactory or exceptional rating on their performance appraisals for work performed in 2015, to take effect on June 5, 2016; and

WHEREAS, in no circumstance will this 1.5% increase apply to employees who are red-lined, nor will the full 1.5% increase be applied to employees who are less than 1.5% below the maximum of their pay range;

WHEREAS, your Finance Committee has reviewed and recommends a modification of the 2016 budget to transfer funds from Contingency into the individual departmental budgets to fund the increased salary and related fringe benefits

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Wausau approves a 1.5% merit increase for non-represented employees who have received an overall satisfactory or exceptional rating on their performance appraisal for work performed in 2015, to take effect on June 5, 2016, with a total cost impact to the General Fund Budget of \$59,593.48, with a total cost of \$88,701.37 with the difference of \$29,107.89 being absorbed by revenue generating entities to include Water, Sewer, Metro Ride, Animal Control, etc., or supplemented by State and/or Federal funds.

BE IT FURTHER RESOLVED, by the Common Council of the City of Wausau that the proper City Officials be and are hereby authorized and directed to modify the 2016 budget and publish such transfer in the official newspaper.

Approved:

Robert B. Mielke, Mayor

DRAFT

**CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION**

DATE/TIME: April 11, 2016 at 4:30 p.m.
LOCATION: City Hall (407 Grant Street) – Board Room
MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen
MEMBERS ABSENT: W. Nagle
Also Present: Mayor Tipple, C. Barr, S. Boers, P. Czarapata, M. Goede, G. Hagenbucher, T. Hanson, M. Hite, E. Krohn, T. Kujawa, E. Lindman, R. Mohelnitzky, J. Ray, J. Schara, Pat Peckham (reporter).

2. Discussion and Possible Action on Non-represented Employee Compensation.

Hite began by reviewing with the committee their decision of how they wanted to fund merit pay increases and compensation plan adjustments, and that what was approved by the committee and Council was, inclusive of benefits, \$120,000.00.

C. Merit Pay – Satisfactory Performers. Hite said that 100% of performance evaluations were completed for 2015. At this time, a complete tally has not been done on how employees were rated, and because Chapter 5 of the proposed Employee Handbook contains several provisions for rewarding exceptional performers, Hite recommends not taking additional action for exceptional performers until the handbook is adopted. Hite recommends a 1.5% increase for general employees who are rated as satisfactory performers, stating that these employees have not received a raise for 2 years, and this increase amounts to a 0.75% increase per year, for 2 years of performing satisfactorily. Wagner asked if this was for satisfactory and above performers; Hite said yes, that this would apply to all who were rated as satisfactory and exceptional, and that additional rewards for exceptional performers would be discussed when the handbook is approved. Oberbeck said that it sounds like an “across the board” raise, which they had been trying to get away from and does not believe that this is acceptable. Oberbeck went on to say that they committee hasn’t see any of the senior staff performance evaluations as requested, and that there is some work to be done before the City starts giving across the board increases. The committee agreed that they would like to see the data from the performance evaluations. Concern about employees who are at the top of the range was brought up. Hite said that her staffing paper included language that no employee will receive a raise that will take them above their salary range, and the raise will not be given to employees who are already red-lined. Discussion took place about the current pay-for-performance system and the way it was originally administered. Oberbeck felt that the idea was to not give everyone the same increase, but to base it on their individual performance. Rasmussen said she feels the system has lost some credibility because of the way it’s been handled, also mentioning concerns from employees of the perception that only a certain percentage of employees could be rated as exceptional. Hite explained the change to performance evaluations for certain positions that more easily convey to an employee how to be satisfactory in their job. Hite went on to say that she is not proposing to mature the salary ranges; she is proposing to give all general employees who were rated as at least satisfactory a 1.5% merit increase. Mohelnitzky spoke to the benefit of having the redesigned performance evaluations and using them as a tool daily to measure performance. Oberbeck reiterated that he felt that giving a 1.5% across the board increase was going backwards to what the pay-for-performance system was designed to accomplish. Rasmussen felt that giving the increase is a byproduct of stopping the pay-for-performance plan administration. (*Gisselman arrived at 5:03 p.m.*) Hite said that this was also in follow up to a motion made by Gisselman and seconded by Nagle, and passed on October 12, 2015 by the Human Resources Committee to provide non-represented employees with a salary increase, amount undetermined, in 2016, date undetermined. Hite said that this will only affect employees who had satisfactory performance appraisals and if an employee is near the top of their range, they may not receive the full 1.5% if it will take them outside of their range; periodic salary increases that add to the base are necessary to not fall behind and lose good workers in any organization. Oberbeck asked if Hite will be taking the 1.5% and adjusting the matrix. Hite said no – the matrix will not be adjusted. Wagner would like to know how many people would end

of up with less and 1.5% increases if passed, and how many employees received an unsatisfactory rating. Hite said this information would need to be discussed in a closed session.

Motion by Rasmussen to approve the merit pay increase for satisfactory performers. Second by Oberbeck. Motion passes 3-0 (*Gisselman abstained for vote.*).

Romey Wagner
Human Resources Committee, Chair

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE FINANCE COMMITTEE	
Approving the termination of the McDevco 120 Scott Street land lease	
Committee Action:	Approved 5-0
Fiscal Impact (2016):	None
File Number:	08-0917
Date Introduced:	April 26, 2016

FISCAL IMPACT SUMMARY			
COSTS	<i>Budget Neutral</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	<i>Included in Budget:</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>Budget Source:</i>
	<i>One-time Costs:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Recurring Costs:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
SOURCE	<i>Fee Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>Debt Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount</i> <i>Annual Retirement</i>
	<i>TID Financed:</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<i>Amount:</i>
	<i>TID Source: Increment Revenue</i> <input type="checkbox"/> <i>Debt</i> <input type="checkbox"/> <i>Funds on Hand</i> <input type="checkbox"/> <i>Interfund Loan</i> <input type="checkbox"/>		

RESOLUTION

WHEREAS, on September 10, 2008 the City of Wausau Common Council authorized the execution of a land lease for 120 Scott Street with McDevco for use as a surface parking lot; and

WHEREAS, on April 12, 2016 the City of Wausau Common Council authorized the purchase of 120 Scott Street; and

WHEREAS, on April 19, 2016 the City of Wausau and McDevco executed the necessary documents to transfer the property ownership to the City of Wausau pursuant to the Common Council's directive; and

WHEREAS, your Finance Committee has reviewed and recommends the termination of the 2008 land lease as the property is now owned by the City of Wausau

NOW THEREFORE BE IT RESOLVED, by the Common Council of the City of Wausau that the proper City Officials be and are hereby authorized and directed to terminate the McDevco 120 Scott Street parking lot lease.

Approved:

Robert B. Mielke, Mayor



CITY OF WAUSAU
SOLE SOURCE PURCHASE JUSTIFICATION
REQUIRED FORM PURCHASE OF GOODS OR SERVICES EXCEEDING \$5,000

Purchase of goods or services for no more than \$25,000 may be made without competition when it is agreed *in advance* between the Department Head and the Finance Director. Sole source purchasing allows for the procurement of goods and services from a single source without soliciting quotes or bids from multiple sources. Sole source procurement cannot be used to avoid competition, rather it is used in certain situations when it can be documented that a vendor or contractor holds a unique set of skills or expertise, that the services are highly specialized or unique in character or when alternate products are unavailable or unsuitable from any other source. Sole source purchasing should be avoided unless it is clearly necessary and justifiable. The justification must withstand public and legislative scrutiny. The Department Head is responsible for providing written documentation justifying the valid reason to purchase from one source or that only one source is available. Sole source purchasing criteria include: urgency due to public safety, serious injury financial or other, other unusual and compelling reasons, goods or service is available from only one source and no other good or service will satisfy the City's requirements, legal services provided by an attorney, lack of acceptable bids or quotes, an alternate product or manufacturer would not be compatible with current products resulting in additional operating or maintenance costs, standardization of a specific product or manufacturer will result in a more efficient or economical operation or aesthetics, or compatibility is an overriding consideration, the purchase is from another governmental body, continuity is achieved in a phased project, the supplier or service demonstrates a unique capability not found elsewhere, the purchase is more economical to the city on the basis of time and money of proposal development.

1. Sole source purchase under \$5,000 shall be evaluated and determined by the Department Head.
2. Sole source purchase of \$5,000 to \$25,000 a formal written justification shall be forwarded to the Finance Director who will concur with the sole source or assist in locating additional competitive sources.
3. Sole source purchase exceeding \$25,000 must be approved by the Finance Committee.

Ongoing Sole Source – 365 days **One Time Sole Source Request**

1. Provide a detailed explanation of the good or service to be purchased and vendor.

AET provides construction Inspection testing services including on site concrete testing (air, slump), subgrade compaction testing using a nuclear density meter, aggregate testing, and compressive strength testing for concrete.

2. Provide a brief description of the intended application for the service or goods to be purchased.

The construction testing services will be used on all the construction projects including the street reconstruction projects, sewer and water projects, concrete repair, sidewalk installation and asphalt overlay.

3. State why other products or services that compete in the market will not or do not meet your needs or comply with your specifications.

AET is the only local company who can provide all the testing services for the projects. While other firms can provide some of the services they cannot provide all of the services. For instance, some firms may be able to provide testing for air and slump but they do not have the machine to break the concrete cylinders, which is required to determine compressive strength of the concrete. AET is also able to provide inspection services with little lead time, which is critical during the construction process.

Describe your efforts to identify other vendors to furnish the product or services.

We have in past years solicited for proposals from other consultants. As stated above, no other local consultants have been identified that can provide all the necessary services can provide. Neumilin Testing services in Stevens Point is the closest firm known that can provide all the testing services required, however, in past proposals they have proposed trip charges and

mileage charges which did not make them competitive. Also, there is a concern they would not be able to provide the same level of service with short notice to testing requirements and drive times.

4. How did you determine that the sole source vendor's price was reasonable?

The pricing was deemed reasonable based upon what other local engineering firms have charged for engineering technicians. The hourly charge of \$51 per hour is less than any rates in recent RFP's submitted for the Riverfront Construction Inspection Services.

5. Which of the following best describes this sole source procurement? Select all that apply.

- Product or vendor is uniquely qualified with capability not found elsewhere.
- Urgency due to public safety, serious financial injury or other. (explain)
- The procurement is of such a specialized nature that by virtue of experience, expertise, proximity or ownership of intellectual property
- Lack of acceptable quotes or bids.
- Product compatibility or the standardization of a product.
- Continuation of a phased project.
- Proposal development is uneconomical.

Department: Public Works-Engineering

Preparer: Allen M. Wesolowski

Vendor Name: American Engineering Testing, Inc.

Expected amount of purchase or contract: Last year's testing services totaled \$23,859, this year should be comparable.

Department Head Signature: _____ **Date:** _____

Finance Director Signature: _____ **Date:** _____



CONSULTANTS
• ENVIRONMENTAL
• GEOTECHNICAL
• MATERIALS
• FORENSICS

April 18, 2016

REVISED: April 20, 2016

City of Wausau
Attn: Mr. Allen Wesolowski, P.E.
City Engineer
Department of Public Works
407 Grant Street
Wausau, Wisconsin 54403-4783
allen.wesolowski@ci.wausau.wi.us

Re: Proposal for Field and Laboratory Quality Control Testing
City of Wausau - 2016 Projects
AET Proposal #12-16-03658.R1

Dear Mr. Wesolowski:

American Engineering Testing, Inc. (AET) would like to thank you for the opportunity to present this proposal for the quality control testing services for the City of Wausau's 2016 projects. We have appreciated the opportunity to work with the City of Wausau in the past. Our experienced staff is available to meet your upcoming project requirements. We again understand the scope of services you might request for your various projects could include the following:

1. In-place nuclear density/moisture and laboratory Proctor tests of the subgrade, utility trenches, and aggregate base.
2. Aggregate/soil sieve analysis.
3. Tests of plastic concrete during placements.
4. Tests of hardened concrete cylinders for compressive strength.
5. Sampling of hardened concrete by coring.
6. Tests of bituminous materials.
7. Proof roll and subgrade observations.

This letter and work scope provides a narrative regarding our approach to services associated with project testing during construction.

WORK SCOPE

Compaction Testing

We will provide compaction testing services of engineered fill material to judge compliance with your project specifications. The testing will be performed by the nuclear method (ASTM:D6938).

Due to the variety of projects which you will undertake this year, the required in-place density for conformance will vary. We will review the specific requirements of each project prior to performing our testing activities. For each type of fill encountered, we will evaluate the moisture-density relationship of the fill material by the Modified Proctor method (ASTM:D1557) and perform a grain size analysis (ASTM:C136/C117) as required by your specifications.

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4203 Schofield Avenue • Suite #1 • Schofield, WI 54476 • 715-359-3534 • Fax 715-359-4032 •
www.amengtest.com

Offices throughout Florida, Minnesota, South Dakota and Wisconsin
AN AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY EMPLOYER



Concrete and Bituminous Testing

At your request, we will perform tests of plastic concrete and bituminous pavement during construction. As a general procedure, our technician will check the delivery slip of each truckload of mix delivered during our time on the site to confirm that the correct mix has been delivered to the site. Once the correct mix has been documented, our technician will determine the slump, temperature and air content as well as cast the necessary test cylinders and/or beams. Bituminous mixtures will have the temperature, thickness and density determined during pavement placement. Any deviation from the specified range will be brought to the immediate attention of the City Inspector and designated contractor representative.

The sampling of hardened concrete by coring will be accomplished either by truck mount or manual means. The location and terrain will determine our method of coring. Once samples have been retrieved and documented, we will deliver to predetermined location.

PROJECT CHARGES

Construction Services

We have identified unit rates for each of the tests discussed above. These rates are shown on the attached fee schedule. Our invoicing will generally be performed on a monthly basis. We will provide invoices for each project with a breakdown of charges for that month.

AET is dedicated to working with you to optimize your testing program for your 2016 City projects. Whenever possible, we will perform multiple tasks during a single visit to minimize the cost to the City of Wausau.

TERMS AND CONDITIONS

All AET Services are provided subject to the Terms and Conditions set forth in the enclosed Service Agreement—Terms and Conditions, which, upon acceptance of this proposal, are binding upon you as the Client requesting Services, and your successors, assignees, joint venturers and third-party beneficiaries. Please be advised that additional insured status is granted upon acceptance of the proposal. The City of Wausau reserves the rights to extend our services to two years (through 2017). AET will have the right to negotiate fees again prior to the 2017 construction season.

ACCEPTANCE

AET requests written acceptance of this proposal in the Proposal Acceptance box below, but the following actions shall constitute your acceptance of this proposal together with the Terms and Conditions and Amendments: 1) issuing an authorizing purchase order for any of the Services described above, 2) authorizing AET's presence on site or 3) written or electronic notification for AET to proceed with any of the Services described in this proposal. Please indicate your acceptance of this proposal by signing below and returning a copy to us. When you accept this proposal, you represent that you are authorized to accept on behalf of the Client.



American Engineering Testing, Inc. is dedicated to the successful completion of your 2016 projects. We appreciate your confidence in our ability to perform the necessary testing services and look forward to working with you in the upcoming year.

Sincerely,
AMERICAN ENGINEERING TESTING, INC.

A handwritten signature in blue ink, appearing to read 'P. Michlig', is written over the printed name.

Paul Michlig
Construction Services Manager

A handwritten signature in blue ink, appearing to read 'Greg Owens', is written over the printed name.

Greg Owens, P.G., CWI
Manager

PAM/prz
N:\CM\PROPOSALS\2016\Wausau, City of 16\12-16-03658 2016 City of Wausau Field & Lab QC Testing 04.15.16.doc

Attachment: Construction Service Agreement – Terms and Conditions ACS403C (10/14)
Fee Schedule

ACCEPTANCE:	
Client:	_____
Authorized Signature:	_____
Typed Name:	_____
Date:	_____

2016 PROJECTS - CITY OF WAUSAU FEE SCHEDULE

<u>Item</u>	<u>Description</u>	<u>Unit</u>	<u>Unit Rate</u>
I.	Engineering/Technical Personnel Rates		
	A. Construction Services Manager/Geologist/Engineer (only when requested by City)	per hour	\$89.30
	B. Engineering Technician	per hour	\$51.50
	C. Report Review/Clerical for Soil and Concrete Testing Reports	per page	\$14.75
II.	Vehicle Mileage	per mile	No Charge
III.	Nuclear Density Gauge Rental	per day	\$46.00
IV.	Laboratory Moisture-Density Relations of Soils		
	A. Modified Proctor (ASTM:D1557) - Noncohesive Soils	per test	\$142.00
V.	Sieve Analysis(ASTM:C136, C117)	per test	\$92.00
VI.	Plastic Cylinder Molds (4"x 8")	per case of 36	\$37.85
VII.	Hardened Concrete Specimens		
	A. Compression Strength Test of 4" x 8" Cylinders	per test	\$16.50
	B. Curing and Handling of Hold Cylinders	per cyl.	\$10.50
	C. Cylinder Pickup/Delivery	see I. & II.	
VIII.	Standard Tests of Bituminous Paving Mixtures		
	A. Extraction & Sieve Analysis (ASTM:D2172, C117 and C136)	per test	\$208.00

Remarks:

1. We have provided this short form fee schedule for services we have provided on past projects. Services not listed on this schedule will be quoted on request.
2. Personnel rates are on portal to portal basis, with a two hour minimum charge per site visit.
3. Overtime for personnel (Item I) charged at the above rate times 1.25 for over 8 hours per day or Saturday; and times 1.50 for Sundays and Holidays.



JOB SET UP INFORMATION

Company Name: _____

Billing Address

Address/P.O. Box: _____

City: _____ State: _____ Zip: _____

Phone: _____ () _____ Fax: _____ () _____

Project Information

Project Site Name: _____

City/County: _____ State: _____

Project Contact: _____ Phone: _____ () _____

Email: _____

Construction Hive Report Distribution:

1. Name: _____

Email: _____

2. Name: _____

Email: _____

3. Name: _____

Email: _____

4. Name: _____

Email: _____

5. Name: _____

Email: _____

SECTION 1 - RESPONSIBILITIES

1.1 – This Service Agreement – Terms and Conditions (“terms and conditions”) is applicable to all Services provided by American Engineering Testing, Inc. (AET). As used herein “Services” refer to the scope of Services described in the proposal submitted by AET to Client. The proposal, these terms and conditions and any appendices attached hereto shall comprise the Agreement between AET and Client for Services described in the proposal and are binding upon the Client, its successors, assignees, joint ventures and third-party beneficiaries. AET requests written acceptance of the Agreement, but the following actions shall also constitute Client’s acceptance of the Agreement: 1) issuing an authorizing purchase order for any of the Services, 2) authorizing AET’s presence on site, or 3) written or electronic notification for AET to proceed with any of the Services.

1.2 - Prior to AET performing Services, Client will provide AET with all information that may affect the cost, progress, safety and performance of the Services. This includes, but is not limited to, information on proposed and existing construction, all pertinent sections of contracts between Client and property owner, site safety plans or other documents which may control or affect AET's Services. If new information becomes available or changes are made during AET's Services, Client will provide such information to AET in a timely manner. Earthwork and construction activities are done to support a particular structure (type, size, and shape) or facility at a specific location and elevation. If the type of structure or facility (structural type, size, shape, location, elevation, etc.) changes, the earthwork or construction activities completed may no longer provide suitable structural support or be capable of supporting the intended construction. Additional earthwork or redesign of all or a part of the structure or facility may be needed. Failure of Client to timely notify AET of changes to the project including, but not limited to, location, elevation, loading, or configuration of the structure or improvement will constitute a release of any liability of AET. Client will provide a representative for timely answers to project-related questions by AET.

1.3 - AET observes and tests earthwork and other construction operations and materials, and may provide opinions, conclusions and recommendations regarding the same. However, AET’s Services do not relieve the contractors of their contractual responsibility to perform their work in accordance with approved plans, specifications and building code requirements.

1.4 - AET personnel do not have authority to accept, reject, direct or otherwise approve the work of the contractor. AET cannot stop work or waive or alter the requirements of the project documents. Any authority given to AET by Client must be in writing prior to the start of Services.

1.5 - AET does not perform construction management, general contracting or surveying services and our involvement with the project does not constitute any assumption of those responsibilities.

1.6 - Services performed by AET often include sampling at specific locations. Client acknowledges the limitations inherent in sampling. Variations in conditions occur between and beyond sampled/tested locations. The passage of time, natural occurrences and direct or indirect human activities at the site or distant from it may alter the actual conditions. Client assumes all risks associated with such variations.

1.7 - AET is not responsible for interpretations or modifications of AET's recommendations by other persons.

1.8 - Should change in conditions be alleged, Client agrees to notify AET before evidence of alleged change is no longer accessible for evaluation.

1.9 - Test borings and/or cone penetration test soundings to a proper depth below foundation grade and the base of suitable bearing soils are recommended for projects where supporting soils will be subjected to increased loads to explore the deeper unseen soil and ground water conditions. Judgments made by AET personnel regarding the suitability of materials and ground water conditions below the bottom of an excavation are limited if sufficiently deep test borings/soundings are not provided by the Client prior to our observations and judgments. AET’s opinions, conclusions and recommendations are qualified to that extent.

1.10 – Pricing in the proposal assumes use of these terms and conditions. AET reserves the right to amend pricing if Client requests modifications to the Agreement or use of Client’s alternate contract format. Any contract amendments made after Client has authorized the Services shall be applicable only to Services performed after the effective date of such amendment. The proposal and these terms and conditions, including terms of payment, shall apply to all Services performed prior to the effective date of such amendment.

1.11 – The AET proposal accompanying these terms and conditions is valid for sixty (60) days after the proposal issuance date to the Client. Any attempt to authorize Services after the expiration date is subject to AET’s right to revise the proposal as necessary.

SECTION 2 - WILL CALL SERVICES

2.1 - If AET’s Services are performed on a will-call basis at the direction of the Client or its authorized representatives, Client acknowledges the inherent limitations associated with performing engineering judgments and testing Services on a will-call basis, including without limitation, the inability to completely evaluate, document or judge work and conditions not directly observed or tested by AET. AET’s opinions, conclusions, and recommendations are qualified to the extent of those limitations.

2.2 - Density tests of fill soils represent conditions only at the locations and elevations tested and do not necessarily represent conditions laterally or below. AET can only provide judgments regarding the engineered fill system to adequately support the design construction loadings by monitoring the filling process on a continuous basis for consistency of soil type, moisture content, lift thickness, and compaction effort.

2.3 – AET requires a minimum of 24 hours notice of the need for Services. AET will not be liable for claims, damages, or delays related to failure of Client to provide adequate advance notice to AET.

SECTION 3 - SITE ACCESS, UNDERGROUND FACILITIES AND CONSTRUCTION STAKING

3.1 - Client will furnish AET safe and legal site access.

3.2 - AET is not responsible for locating underground facilities on construction sites. Client shall ensure that underground facilities have been previously located and cleared. AET will not be responsible for any damages to underground facilities not located or incorrectly identified. An underground facility is an underground line, fixture, system, and its appurtenances used to produce, store, convey, transmit, or distribute communications, data, power, heat, gas, oil, petroleum products, water including storm water, steam, sewage, and similar substances.

3.3 - The location and elevation of a proposed structure or facility is staked (with offsets) and controlled by surveying or GPS equipment by others. AET's measurements are made in relation to that information. The reliability of any opinions, conclusions, and recommendations based on those measurements is strictly dependent on the accuracy of the staking or GPS information provided by others.

3.4 - During construction, observations and testing Services are based on the positioning of the formwork by the contractor or its subcontractor. AET will not be responsible for any errors or damages resulting from improper location or positioning of the formwork.

SECTION 4 - SAFETY

4.1 - Client shall inform AET of any known or suspected hazardous materials or unsafe conditions at the site. Client or its authorized representative(s) is responsible for the safety of the jobsite. If, during the course of AET's Services, such materials or conditions are discovered, AET reserves the right to take measures to protect AET personnel and equipment or to immediately terminate Services. Client shall be responsible for payment of such additional protection costs.

4.2 - AET shall only be responsible for safety of AET employees at the site; the safety of all others shall be Client's or other persons' responsibility.

SECTION 5 - SAMPLES

5.1 - Client shall inform AET of any known or suspected hazardous materials prior to submittal to AET. All samples obtained by or submitted to AET remain the property of the Client during and after the Services. Any known or suspected hazardous material samples will be returned to the Client at AET's discretion.

5.2 - Non-hazardous samples will be held for thirty (30) days and then discarded unless, within thirty (30) days of the report date, the Client requests in writing that AET store or ship the samples. Storage and shipping costs shall be borne solely by Client.

SECTION 6 - PROJECT RECORDS

The original project records prepared by AET will remain the property of AET. AET shall retain these original records for a minimum of three years following submission of the report, during which period the project records can be made available to Client at AET's office at reasonable times.

SECTION 7 - STANDARD OF CARE

AET performs its Services consistent with the level of care and skill normally performed by other firms in the profession at the time of this service and in this geographic area, under similar budgetary constraints.

SECTION 8 - INSURANCE

AET maintains insurance with coverage and limits shown below. AET will furnish certificates of insurance to Client upon request.

8.1 – AET maintains the following insurance coverage and limits of liability:

Workers' Compensation	Statutory Limits
Employer's Liability	\$100,000 each accident \$500,000 disease policy limit \$100,000 disease each employee
Commercial General Liability	\$1,000,000 each occurrence \$1,000,000 aggregate
Automobile Liability	\$1,000,000 each accident
Professional Liability Insurance	\$1,000,000 per claim \$1,000,000 aggregate

8.2 - Commercial General Liability insurance will include coverage for Products/Completed Operations extending one (1) year after final acceptance of the Project by Owner, Property Damage including Completed Operations, Personal Injury, and Contractual Liability insurance applicable to AET's indemnity obligations under this Agreement.

8.3 - Automobile Liability insurance shall include coverage for all owned, hired and non-owned automobiles.

8.4 - Professional Liability Insurance is written on a claims-made basis and coverage will be maintained for one (1) year after final acceptance of the Project by Owner. Renewal policies during this period shall maintain the same retroactive date.

8.5 - To the extent permitted by applicable state law, and only upon Client's signing of the proposal and return of the same to AET, Client and Owner shall be named an "additional insured" on AET's Commercial General Liability Policy (Form CG D4 14 04 08, which includes blanket coverage for Products/Completed Operations and on a Primary and Non-Contributory basis) and Automobile Liability Policy. Client and Owner shall be extended "waiver of subrogation" status for applicable coverages. Any other endorsement, coverage or policy requirement shall result in additional charges.

8.6 - AET will maintain in effect all insurance coverage required by this Agreement at its sole expense, provided such insurance is reasonably available, with insurance carriers licensed to do business in the state in which the project is located and having a current A.M. Best rating of no less than A minus (A-). Such insurance shall provide for thirty (30) days prior written notice to Client for notice of cancellation or material limitations for the policy or ten (10) days' notice for non-payment of premium.

8.7 - AET reserves the right to charge Client for AET's costs for additional coverage requirements unknown on the date of the proposal, e.g., coverage limits or policy modification including waiver of subrogation, additional insured endorsements and other project specific requirements.

SECTION 9 - DELAYS

If delays to AET's Services are caused by Client or Owner, work of others, strikes, natural causes, weather, or other items beyond AET's control, a reasonable time extension for performance of Services shall be granted, and AET shall receive an equitable fee adjustment.

SECTION 10 - PAYMENT, INTEREST AND BREACH

10.1 - Invoices are due net thirty (30) days. Client will inform AET of invoice questions or disagreements within fifteen (15) days of invoice date; unless so informed, invoices are deemed correct.

10.2 – Client agrees to pay interest on unpaid invoice balances at a rate of one and a half percent (1.5%) per month, or the maximum allowed by law, whichever is less, beginning thirty (30) days after invoice date.

10.3 – Invoices remaining unpaid for sixty (60) days shall constitute a material breach of this Agreement, permitting AET, in its sole discretion and without limiting any other legal or equitable remedies for such breach, to terminate performance of this Agreement and be relieved of any associated duties to the Client or other persons. Further, AET may withhold from Client data and reports in AET's possession. If Client fails to cure such breach, all reports associated with the unpaid invoices shall immediately upon demand be returned to AET and Client may neither use nor rely upon such reports or the Services.

10.4 - Client will pay all AET expenses and attorney fees relating to collection of past due invoices.

SECTION 11 - MEDIATION

11.1 - Except for enforcement of AET's rights to payment for Services rendered or to assert and/or enforce its lien rights, including without limitation assertion and enforcement of mechanic's lien rights and foreclosure of the same, Client and AET agree that any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party; provided however that if either party fails to respond to a request for mediation within sixty (60) days, the party requesting mediation may without further notice, proceed to arbitration or the institution of legal or equitable proceedings.

11.2 - Mediation shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association. Request for mediation shall be in writing and the parties shall share the mediator's fee and any filing fees equally. The mediator shall be acceptable to both parties and shall have experience in commercial construction matters.

SECTION 12 - LITIGATION REIMBURSEMENT

Except for matters relating to non-payment of fees, which is governed by Section 10.4 hereof, payment of attorney's fees and costs associated with lawsuits or arbitration of disputes between AET and Client, which are dismissed or are judged substantially in either party's favor, shall be paid by the non-prevailing party. Applicable costs include, but are not limited to, attorney and expert witness fees, court costs, and AET costs.

SECTION 13 - MUTUAL INDEMNIFICATION

13.1 - Subject to the limitations contained in Sections 14 and 15, AET agrees to indemnify Client from and against damages and costs to the extent caused by AET's intentional acts or negligent performance of the Services.

13.2 - Client agrees to indemnify AET from and against damages and costs to the extent caused by the intentional acts or negligence of the Client, Owner, Client's contractors and subcontractors or other third parties.

13.3 - If Client has an indemnity agreement with other persons or entities relating to the project for which AET's Services are performed, the Client shall include AET as a beneficiary.

13.4 - AET's indemnification to the Client, including any indemnity required or implied by law, is limited solely to losses or damages caused by its failure to meet the standard of care and only to the extent of its negligence or intentional acts.

SECTION 14- WAIVER OF CONSEQUENTIAL DAMAGES

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES INCURRED EVEN IF THE POSSIBILITY OF SUCH DAMAGES WAS FORESEEABLE. CONSEQUENTIAL DAMAGES INCLUDE, BUT ARE NOT LIMITED TO LOSS OF USE AND LOSS OF INCOME OR PROFIT.

SECTION 15 - LIMITATION OF LIABILITY

Client agrees to limit AET's liability to Client resulting from AET's negligent acts, errors or omissions, such that **the total liability of AET shall not exceed \$20,000.**

SECTION 16 – UNIONIZATION

AET reserves the right to negotiate an appropriate fee increase or to terminate its contract on three (3) days written notice to Client without incurring penalties or costs from Client, Owner and their successors, assignees, joint-venturers, contractors and subcontractors, or any other parties involved with the project for claims, liabilities, damages or consequential damages, directly or indirectly related to AET being required to provide unionized personnel on the project. Reservation of this right on the part of AET represents neither approval nor disapproval of unions in general or the use of collective bargaining agreements.

SECTION 17 - POSTING OF NOTICES ON EMPLOYEE RIGHTS

Effective June 21, 2010, prime contracts with a value of \$100,000 or more and signed by federal contractors on projects with any agency of the United States government must comply with 29 CFR Part 471, which requires physical posting of a notice to employees of their rights under Federal labor laws. The required notice may be found at *29 Code of Federal Regulations Part 471, Appendix A to Subpart A*. The regulation also has a "flow-down" requirement for subcontractors under the prime agreement for subcontracts with a value of \$10,000 or more. AET requires strict compliance of its subcontractors working on federal contracts subject to this regulation. The regulation has specific requirements for location of posting and language(s) for the poster.

SECTION 18 - TERMINATION

After 7 days written notice, either party may elect to terminate work for justifiable reasons. In this event, the Client shall pay AET for all Services performed, including demobilization and reporting costs to complete the file.

SECTION 19 - SEVERABILITY

Any provisions of this Agreement later held to violate a law or regulation shall be deemed void, and all remaining provisions shall continue in force. However, Client and AET will in good faith attempt to replace an invalid or unenforceable provision with one that is valid and enforceable, and which comes as close as possible to expressing the intent of the original provision.

SECTION 20 - GOVERNING LAW

This Agreement shall be construed in accordance with the Laws of the State of Wisconsin without regard to its conflicts of law provisions.

SECTION 21 - ENTIRE AGREEMENT

This Agreement, including these terms and conditions and attached proposal and appendices, is the entire agreement between AET and Client. Regardless of method of acceptance of this Agreement by the Client, this Agreement supersedes any previous written or oral agreements, including purchase/work orders or other Client agreements submitted to AET after the start of our Services. Any modifications to this Agreement must be mutually acceptable to both parties and accepted in writing. No considerations will be given to revisions to AET's terms and conditions or alternate contract format submitted by the Client as a condition for payment of AET's accrued Services.

CITY OF WAUSAU 2016 BUDGET
GENERAL FUND STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
March 31, 2016
NARRATIVE

REVENUES

Below is a description of notable items.

Other Grants –The short fall from 2015 YTD is due to the ending of the police department grants in 2015. This will not impact the 2016 budget which properly reflected expected grants.

Licenses – License revenue compared to 2015 is down. At this point it is difficult to determine if it is a timing issue or a decrease in licenses. This information will be clearer in the next couple of months as the majority of licenses are issued by June 30th.

Permits – Building permits are showing a positive variance from 2015 but it is unknown at this time whether they will meet the budget projections. 2015 total revenue was \$261,182.

Fines, Forfeitures and Penalties – This revenue is comparative to 2015 collections. The revenue could fail to meet projections as the 2015 final income was \$337,841.

Public Charges General Government – 2016 revenues includes \$12,050 for the fee for exempt not-for-profit reports which is a biennial filing. No budget problems are expected.

Public Charges Public Safety – Currently revenues looking reasonable. EMS revenues down about \$9,000 from March of 2015.

Public Charges Streets – 2016 revenues appear down from 2015 but the decrease represents a reduction of damage of street lights and signals due to accidents so the expense to replace these assets will also decrease.

Public Charges Recreation –2016 revenues are off to a great start with sledding hill above 2015 by about \$8,000. In addition delayed payments by the county in 2015 provide a timing difference for comparison.

Public Charges Public Areas – 2016 revenues are also off to a great start with the sledding hill concessions with revenue increasing from 2015 by about \$2,300. There was also a lag in 2015 revenues in this category due to delayed payment by the County.

Intergovernmental Charges for Services – No expected budget difficulties expected at this time. A timing of revenue recognition exists in the comparison of 2016 and 2015 due to the timing of billing for the township ambulance contracts and the recording of staffing cost allocations.

Interest on General Investments – The 2016 and 2015 interest reflects timing of maturities and related interest accruals. No budget problems noted.

Miscellaneous Revenues – The 2016 budget provides for \$76,000 from Wausau Center Mall. This will be an issue when the Development Agreement is executed.

Other Financing Sources - No expected budget difficulties expected at this time. PILOT from the utility is being posted monthly.

EXPENSES

The budget to date appears in line with the budget with 23% of the budget spent and 25% of the year complete.

Assessor – This budget contains the payout for the City Assessor. The vacancy will likely offset some of the sick leave payout costs but could result in a deficit.

Data Processing – The actual contains January through April month allocation to CCITC.

BUDGET RISKS

- Fines and Forfeitures \$20,000
- Unknown sick leave payouts
- Tax Payments excessive tax payments of approximate \$30,000
- 4th Quarter winter costs
- Elimination of the Rental Licensing Program
- EMS Revenues
- Legal Fees

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
Period Ended March 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget	2015 Actual
	Original	Final			
TAXES					
General property taxes	\$ 16,749,259	\$ 16,749,259	\$ 16,749,259	\$ -	\$ 16,200,627
Mobile home parking fees	27,000	27,000	10,859	(16,141)	11,048
Payments in lieu of taxes	108,000	108,000	600	(107,400)	600
Other taxes	<u>69,185</u>	<u>69,185</u>	<u>10,374</u>	<u>(58,811)</u>	<u>12,331</u>
Total Taxes	<u>16,953,444</u>	<u>16,953,444</u>	<u>16,771,092</u>	<u>(182,352)</u>	<u>16,224,606</u>
INTERGOVERNMENTAL					
State shared taxes	4,437,159	4,437,159	-	(4,437,159)	-
Expenditure restraint	734,231	734,231	-	(734,231)	-
Fire insurance tax	102,678	102,678	-	(102,678)	-
Municipal services	184,000	184,000	185,466	1,466	184,010
Transportation aids	2,448,749	2,448,749	611,305	(1,837,444)	634,329
Other grants	<u>2,700</u>	<u>2,700</u>	<u>130</u>	<u>(2,570)</u>	<u>60,724</u>
Total Intergovernmental	<u>7,909,517</u>	<u>7,909,517</u>	<u>796,901</u>	<u>(7,112,616)</u>	<u>879,063</u>
LICENSES AND PERMITS					
Licenses	181,115	181,115	10,931	(170,184)	19,148
Franchise fees	355,000	355,000	-	(355,000)	-
Permits	<u>237,792</u>	<u>237,792</u>	<u>51,859</u>	<u>(185,933)</u>	<u>32,485</u>
Total Licenses and Permits	<u>773,907</u>	<u>773,907</u>	<u>62,790</u>	<u>(711,117)</u>	<u>51,633</u>
FINES, FORFEITURES AND PENALTIES					
	<u>357,000</u>	<u>357,000</u>	<u>108,798</u>	<u>(248,202)</u>	<u>106,470</u>
PUBLIC CHARGES FOR SERVICES					
General government	81,600	81,600	27,453	(54,147)	10,826
Public safety	1,426,270	1,426,270	277,319	(1,148,951)	286,854
Streets and related facilities	128,850	128,850	22,284	(106,566)	44,699
Recreation	188,500	188,500	59,639	(128,861)	27,474
Public areas	<u>123,874</u>	<u>123,874</u>	<u>26,519</u>	<u>(97,355)</u>	<u>7,344</u>
Total Public Charges for Services	<u>1,949,094</u>	<u>1,949,094</u>	<u>413,214</u>	<u>(1,535,880)</u>	<u>377,197</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES					
State and federal reimbursements	11,340	11,340	160	(11,180)	50
County and other municipalities	280,981	280,981	20,736	(260,245)	3,250
City departments	<u>1,105,647</u>	<u>1,105,647</u>	<u>112,383</u>	<u>(993,264)</u>	<u>9,920</u>
Total Intergovernmental Charges for Services	<u>1,397,968</u>	<u>1,397,968</u>	<u>133,279</u>	<u>(1,264,689)</u>	<u>13,220</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (Continued)
Period Ended March 31, 2016

	Budgeted Amounts		Actual	Variance with	2015
	Original	Final		Final Budget	Actual
COMMERCIAL					
Interest on general investments	\$ 275,000	\$ 275,000	\$ 140,227	\$ (134,773)	\$ 36,355
Interest on special assessments	15,000	15,000	20	(14,980)	8
Other interest	<u>15,000</u>	<u>15,000</u>	<u>760</u>	<u>(14,240)</u>	<u>11,737</u>
Total Commercial	<u>305,000</u>	<u>305,000</u>	<u>141,007</u>	<u>(163,993)</u>	<u>48,100</u>
MISCELLANEOUS REVENUES					
Rent of land and buildings	216,590	216,590	70,133	(146,457)	57,100
Sale of City property/loss compensation	13,700	13,700	2,053	(11,647)	3,965
Other miscellaneous revenues	<u>16,470</u>	<u>16,470</u>	<u>2,101</u>	<u>(14,369)</u>	<u>650</u>
Total Miscellaneous Revenues	<u>246,760</u>	<u>246,760</u>	<u>74,287</u>	<u>(172,473)</u>	<u>61,715</u>
OTHER FINANCING SOURCES					
Transfers in	<u>1,882,500</u>	<u>1,882,500</u>	<u>387,424</u>	<u>(1,495,076)</u>	<u>372,841</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES					
	<u>\$ 31,775,190</u>	<u>\$ 31,775,190</u>	<u>\$ 18,888,792</u>	<u>\$ (12,886,398)</u>	<u>\$ 18,134,845</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Period Ended March 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
GENERAL GOVERNMENT					
City Council	\$ 90,311	\$ 90,311	\$ 18,501	\$ 71,810	\$ 18,150
Mayor	201,374	201,374	48,210	153,164	45,966
City Promotion	108,750	108,750	29,114	79,636	20,785
Finance department	500,044	500,044	114,410	385,634	115,127
Data processing	732,798	732,798	245,667	487,131	243,748
City clerk/customer service	498,163	498,163	131,573	366,590	112,885
Elections	120,012	120,012	21,740	98,272	1,687
Assessor	595,516	595,516	180,280	415,236	126,414
City attorney	489,805	524,805	135,755	389,050	101,786
Municipal court	128,605	128,605	26,607	101,998	25,650
Human resources	297,419	297,419	73,811	223,608	71,792
City hall and other municipal buildings	289,766	289,766	86,295	203,471	78,734
Unclassified	170,000	167,361	620	166,741	86,502
Total General Government	<u>4,222,563</u>	<u>4,254,924</u>	<u>1,112,583</u>	<u>3,142,341</u>	<u>1,049,226</u>
PUBLIC SAFETY					
Police department	9,004,956	9,004,956	2,136,452	6,868,504	2,117,061
Fire department	3,509,532	3,519,671	887,218	2,632,453	890,676
Ambulance	3,106,578	3,106,578	710,211	2,396,367	707,237
Inspections and electrical systems	765,343	765,343	164,758	600,585	139,790
Total Public Safety	<u>16,386,409</u>	<u>16,396,548</u>	<u>3,898,639</u>	<u>12,497,909</u>	<u>3,854,764</u>
TRANSPORTATION AND STREETS					
Engineering	1,302,086	1,302,086	278,105	1,023,981	291,773
Department of public works	6,332,072	6,332,072	1,574,157	4,757,915	1,546,231
Total Transportation and Streets	<u>7,634,158</u>	<u>7,634,158</u>	<u>1,852,262</u>	<u>5,781,896</u>	<u>1,838,004</u>
SANITATION, HEALTH AND WELFARE					
Garbage and refuse collection	958,000	958,000	223,043	734,957	260,434
NATURAL RESOURCES/RECREATION					
Parks and recreation	2,574,060	2,574,060	333,907	2,240,153	356,092
TOTAL EXPENDITURES	<u>\$ 31,775,190</u>	<u>\$ 31,817,690</u>	<u>\$ 7,420,434</u>	<u>\$ 24,397,256</u>	<u>\$ 7,358,520</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SUMMARY OF BUDGET MODIFICATIONS
Period Ended March 31, 2016

BUDGET REVENUES RECONCILIATION

2016 ADOPTED BUDGET	\$ <u>31,775,190</u>
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BUDGET EXPENDITURES RECONCILIATION

2016 ADOPTED BUDGET	\$ 31,775,190
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Resolution 14-1109 Modify fire department budget to develop succession planning	7,500
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Resolution 15-1109 Increase budget for legal fees	<u>35,000</u>
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2016 MODIFIED BUDGET	<u>\$ 31,817,690</u>
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Wausau:Budget_Wausau
 All Activity
 All Year
 All Department
 Total
 All DAC
 100.110

2017 BUDGET PLAN

	2015 MODIFIED BUDGET	2016 PROPOSED BUDGET	2017 BUDGET PLAN	CHANGE		NOTE
				DOLLAR	PERCENT	
840 - TAXES	16,200,627	16,749,259	18,215,727	1,466,468	8.76%	
841 - TAXES	210,709	204,185	204,185	-	0.00%	
842 - INTERGOVERNMENTAL GRANTS & AID	8,171,194	7,909,517	7,916,540	7,023	0.09%	
843 - LICENSES & PERMITS	743,050	773,907	778,337	4,430	0.57%	
844 - FINES & FORFEITURES	398,000	357,000	365,000	8,000	2.24%	
845 - PUBLIC CHARGES FOR SERVICES	1,828,650	1,949,094	1,996,994	47,900	2.46%	A
847 - INTERGOVT CHARGES FOR SERVICES	1,500,286	1,397,968	1,400,313	2,345	0.17%	
848 - MISCELLANEOUS REVENUE	626,622	551,760	531,420	(20,340)	-3.69%	B
849 - OTHER FINANCING SOURCES	1,897,000	1,882,500	1,857,500	(25,000)	-1.33%	C
TOTAL REVENUES	31,576,138	31,775,190	33,266,016	1,490,826	0.51%	
910 - PERSONAL SERVICE	22,350,996	22,800,642	23,807,258	1,006,616	4.41%	D
920 - CONTRACTUAL SERVICES	7,095,395	6,539,538	6,872,325	332,787	5.09%	E
930 - SUPPLIES & EXPENSE	1,013,459	1,121,018	1,153,409	32,391	2.89%	
940 - BUILDING MATERIALS	575,712	699,550	741,375	41,825	5.98%	
950 - FIXED CHARGES	320,956	373,442	390,649	17,207	4.61%	
970 - GRANTS, CONTRIBUTIONS & OTHER	206,192	121,000	121,000	-	0.00%	
980 - CAPITAL OUTLAY	116,620	0	0	-	0.00%	
990 - OTHER FINANCING USES	0	0	0	-	0.00%	
995 - CONTINGENCY	0	120,000	180,000	60,000	50.00%	F
TOTAL EXPENSES	31,679,330	31,775,190	33,266,016	1,490,826	4.69%	

A - Increase in Ambulance Revenues

B - Possible decrease in Mall Rents \$19,000

C - Planned decrease in revenue sharing from Motor Pool

D - Union Public Safety Salary Increases 2% January 1, 2017 \$389,759

Health Insurance Increase 15.2% \$575,823

Dental Insurance Increase 8.8% \$10,666

E - Motor Pool \$67,000

Utilities 7.4% Increase \$77,000

Repair and Maintenance Streets \$72,000

Refuse Contract \$39,000

CCITC \$22,000

New Software Maintenance \$35,000

F - Contingency - Nonrep salary increases

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE FINANCE COMMITTEE	
Approving clarification of amount of claim for excessive assessment – Fernando and Heidi Riveron	
Committee Action:	Pending
Fiscal Impact:	Refund Amount \$1,841.27
File Number:	16-0219
Date Introduced:	April 26, 2016

FISCAL IMPACT SUMMARY			
COSTS	<i>Budget Neutral</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	<i>Included in Budget:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/> <i>Budget Source:</i>
	<i>One-time Costs:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/> <i>Amount:</i>
	<i>Recurring Costs:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/> <i>Amount:</i>
SOURCE	<i>Fee Financed:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/> <i>Amount:</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/> <i>Amount:</i>
	<i>Debt Financed:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/> <i>Amount</i> <i>Annual Retirement</i>
	<i>TID Financed:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/> <i>Amount:</i>
	<i>TID Source: Increment Revenue</i> <input type="checkbox"/> <i>Debt</i> <input type="checkbox"/> <i>Funds on Hand</i> <input type="checkbox"/> <i>Interfund Loan</i> <input type="checkbox"/>		

RESOLUTION

WHEREAS, on March 22, 2016, the Common Council approved the claim for excessive assessment filed pursuant to Section 74.37, Wisconsin Statutes, on December 18, 2015; and

WHEREAS, the City will seek reimbursement from the State, School District, County and Technical College for their share of these excessive taxes pursuant to Wisconsin State Statutes; and

WHEREAS, pursuant to said claim, Fernando and Heidi Riveron are requesting that the amount of general property tax imposed because the assessment of their property was excessive, be refunded; and

WHEREAS, their claim did not explicitly state the amount of their claim, but a reasonable inference can be made from reading their letter that they believe the assessment of their home should be the \$798,000.00 they paid for the home, rather than the \$870,000.00 assessment set by the 2015 Board of Review, and that they are seeking a tax refund representing the difference between the tax paid on \$870,000.00 and what would have been due on a \$798,000.00 assessment;

NOW THEREFORE BE IT RESOLVED, that the Common Council determines the amount of the claim approved on March 22, 2016, to be the difference between the tax owed on \$870,000 and \$ 798,000, and

directs staff to calculate the amount owed on \$798,000 and refund the amount paid over and above what was owed on \$798,000, for 2015.

Approved:

Robert B. Mielke, Mayor

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE FINANCE COMMITTEE

Approving Modification of the 2016 Budget for the claim for recovery of unlawful tax - Achieve Center, Inc.

Committee Action: Pending

Fiscal Impact (2016): The net burden to the City of Wausau of \$7,386

File Number: 15-1109

Date Introduced: April 26, 2016

FISCAL IMPACT SUMMARY

		FISCAL IMPACT SUMMARY	
COSTS	<i>Budget Neutral</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	<i>Included in Budget:</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> <i>Budget Source: Contingency</i>
	<i>One-time Costs:</i>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> <i>Amount: The city's net obligation is \$7,386</i>
	<i>Recurring Costs:</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> <i>Amount:</i>
SOURCE	<i>Fee Financed:</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> <i>Amount:</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> <i>Amount:</i>
	<i>Debt Financed:</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> <i>Amount</i> <i>Annual Retirement</i>
	<i>TID Financed:</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> <i>Amount:</i>
	<i>TID Source: Increment Revenue</i> <input type="checkbox"/> <i>Debt</i> <input type="checkbox"/> <i>Funds on Hand</i> <input type="checkbox"/> <i>Interfund Loan</i> <input type="checkbox"/>		

RESOLUTION

WHEREAS, on April 12, 2016 the Common Council authorized the payment of claim for the recovery of unlawful tax to Achieve Center Inc, and

WHEREAS, the City will seek reimbursement from the State, School District, County and Technical College for their share of these excessive taxes pursuant to Wisconsin State Statutes; and

WHEREAS, your Finance Committee has reviewed and recommends the following transfer of funds to finance the City's share of the excessive tax reimbursement:

Transfer From	Contingency	110-25099950	\$7,386
Transfer To	Claims & Bad Debt	110-25097410	\$7,386

NOW THEREFORE BE IT RESOLVED, by the Common Council of the City of Wausau that the proper City Officials be and are hereby authorized and directed to charge back the taxes to the participating taxing jurisdictions pursuant to State Law.

BE IT FURTHER RESOLVED, by the Common Council of the City of Wausau that the proper City Officials be and are hereby authorized and directed to modify the 2016 budget as indicated and publish such transfer in the official newspaper.

Approved:

Robert B. Mielke, Mayor

City of Wausau

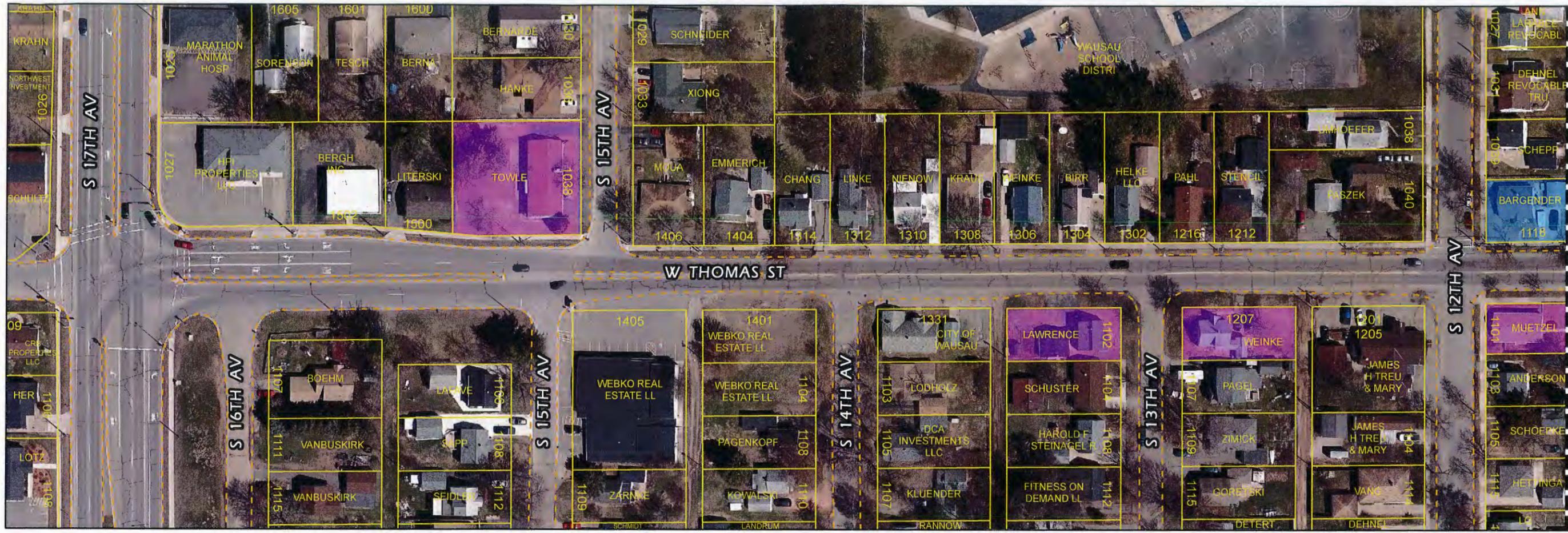


1 inch = 100 feet

- Road (Paved)
- Parcel (LRS View)
- Commercial relocation for roadway
- Consider purchase for future development
- Residential relocation for roadway

NOTES:
 1. DUPLICATION OF THIS MAP IS PROHIBITED WITHOUT THE WRITTEN CONSENT OF THE CITY OF WAUSAU ENGINEERING DEPT.
 2. THIS MAP WAS COMPILED AND DEVELOPED BY THE CITY OF WAUSAU AND MARATHON COUNTY GIS. THE CITY AND COUNTY ASSUME NO RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.
 3. MAP FEATURES DEVELOPED FROM APRIL 2010 AERIAL PHOTOGRAPHY.
 4. AERIAL IMAGERY WAS COLLECTED ON SUNDAY, MAY 4, 2014 WITH 2 INCH SPATIAL RESOLUTION.

Date: 04/01/2016



City of Wausau



1 inch = 100 feet

- Commercial relocation for roadway
- Consider purchase for future development
- Residential relocation for roadway
- Road (Paved)
- Parcel (LRS View)

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Date: 04/01/2016



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