

FINANCE COMMITTEE

Date and Time: Tuesday, July 12, 2016 @ 5:15 pm., Board Room

Members Present: Rasmussen (C), Smith, Gehin, Kellbach, and Nutting (*entered at 5:45 pm.*)

Others Present: Groat, Lindman, Jacobson, Alfonso, Mielke, Ray, Neal, McElhaney, Goede, Whalen, Jon Trautman, Deb Ryan, and Glenn Speich

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted there was a quorum present and the meeting was called to order by Chairperson Rasmussen.

Public Comment

None.

Minutes of previous meeting(s). (6/14/16)

Withdrawn

Consider Public Input and Authorization to submit a Federal JAG Grant Application in partnership with Marathon County Sheriff's Department

Cpt. Barnes stated it is required by the federal government that we have a public forum where members of the community are able to comment. He explained the JAG is a Justice Assistance Grant in which we have partnered with the Sheriff's Department for many years. It allows us to purchase items of equipment used by the Police Department that we might not necessarily have budget for. It is a \$10,000 grant that we split it 50/50 with the Sheriff's Department.

Barnes stated this year they would like to invest the JAG funds in a mobile command post so we can hook up to a truck/trailer that has computer and radio for a natural disaster or a major event like the fair or the balloon rally. We need something to take there with air conditioning and heat and the ability to communicate and provide services to people. He noted the JAG will not pay for the trailer, but will pay for all the equipment necessary to go into it. He indicated they will pay for the trailer with forfeited and seized drug money. Barnes opened the floor for comment from the public. There was no public comment.

Motion by Kellbach, second by Nutting to authorize the submission of the Federal JAG Grant application. Motion carried 5-0.

Discussion and possible action on salary range market adjustment of assistant city attorney

Jacobson noted this item was approved in HR Committee unanimously, although there were some concerns. Neal stated it addresses a need and is market driven and the only concern expressed was regarding setting a precedent. Jacobson noted we have the money budgeted in salaries because we did not replace our legal intern and do not intend to do so in 2016.

Motion by Nutting, second by Gehin to approve the salary range market adjustment of the assistant city attorney. Motion carried 5-0.

Discussion and possible action regarding a budget modification for legal fees

Jacobson reviewed the list included in the memo distributed to the committee. She noted to date legal fees have totaled \$118,000; Maine related expense totals \$113,000; and the Winters related expense \$26,767.

Motion by Nutting, second by Gehin to transfer \$62,000 from the insurance reserve fund and move the Winters matter and related expenses to that fund as well. Motion carried 5-0.

Discussion and possible action regarding State Trust Fund Loan Application

Groat stated when we did our borrowing for capital earlier this spring the utility was still working on their capital plan. She explained a couple options for the utility: 1) Revenue Bonds, which typically carry a higher interest the bond hold is relying on the revenues generated from the utility to retire the debt; 2) General Obligation Bonds, however, we were already over our maximum amount when doing our borrowing this year; or 3) State Trust Fund

Loan, which has no debt issuance costs and has a lot of flexibility. Both the water and the sewer utility would use \$2 million each for a total of \$4 million. She stated when the city purchased the property from Arlon Schmidt for the business park expansion we were right in the middle of our borrowing at a point where we could no longer increase our issue, only decrease it. She indicated this could be added to the State Trust Fund borrowing along with the utility.

Motion by Gehin, second by Kellbach to approve the State Trust Fund application. Motion carried 5-0.

May General Fund Financials

Groat stated there were not a lot of significant changes from prior year. Permit revenue is really doing well and the new licensing system is contributing to getting paid on a timely basis. We are at 38% of budget spent with almost 42% of the year complete. Monthly financial reports can be accessed online:

<http://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx>

Transfer of Funds request - Public Works

Lindman stated there are some salvage funds that DPW accumulates for salvaging steel and other items and they would like to transfer it into other operating supplies account. Groat noted they have some building improvements that they didn't budget or maintenance issues, particularly in the break room, that this would allow them to do.

Motion by Smith, second by Gehin to approve the transfer request of Public Works. Motion carried 5-0.

Discussion and possible action on considering appraisals, counteroffers and project acquisition and funding summary for the Thomas Street Reconstruction project:

- Parcel 27 - 1044 South 11th Avenue - Counter offer from owner
- Parcel 29 - 1040 South 10th Avenue - Counter offer from owner
- Parcel 38 - 902 West Thomas Street - Owner appraisal
- Parcel 40 - 810 West Thomas Street - Counter offer from owner
- Parcel 60 - 1040 South 4th Avenue - Owner appraisal
- Parcel 57B - 510 West Thomas Street - Offer for Fixtures (Oriental Market)
- Update on Thomas Street acquisitions

Lindman handed out a general overview of all the properties and their status.

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

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

RECONVENED back into open session to take action on closed session item(s).

Motion by Kellbach, second by Gehin to approve the purchase of fixtures at Parcel #57B in the amount of \$29,750. Motion carried 5-0.

Presentation of the 2015 audit - Schenck CPA's

Jon Trautman summarized the 2015 audit, commenting the city received an unmodified opinion on the financial statements, which is exactly what it strives to do. He stated it simply means the financial statements contained

within the annual financial report were audited and we issued a clean opinion on them. *(The report can be accessed online in the Finance Committee Packet on the calendar.)*

Trautman recommended the city go through and take a look at policies, procedures and internal controls related to grants in preparation for the upcoming Uniform Grant Guidance. The city meets minimum guidelines but there is room for improvement. Groat suggested developing a grant management policy for the departments to use to increase communication because we have a responsibility to inventory and report grants. They should establish some basic internal controls and we would review them annually. Trautman pointed out the documentation of the internal control has to be specific to the grant and also the department that gets the grant.

Continuation of the PowerPoint presentation regarding 2015 Pre-audit financial results all funds

Postponed.

Adjourn

Motion by Gehin, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:25 pm.