

FINANCE COMMITTEE

Date and Time: Tuesday, October 25, 2016 @ 5:00 pm., Council Chambers

Members Present: Rasmussen (C), Smith, Kellbach, Gehin, and Nutting (*entered at 5:09*)

Others Present: Groat, Alfonso, Kujawa, Krohn, Seubert, Schock, Mielke, and Elizabeth Field

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.

Minutes of previous meeting(s). (10/11/16)

Motion by Kellbach, second by Gehin to approve the minutes of the previous meeting. (10/11/16) Motion carried 4-0.

Discussion and possible action regarding a budget change of purpose for the creation of a Deputy Police Chief position

Rasmussen noted the HR Committee has already considered this item and recommended that we recreate the position of Deputy Police Chief. She explained for the last couple years we have been doing a clinical trial of an alternate arrangement whereby they were operating with three captains who were taking turns as Acting Chief when the Chief was gone, but the logistics of this have turned out to be somewhat problematic.

Motion by Smith, second by Gehin to approve the budget change of purpose for the Deputy Police Chief position. Motion carried 4-0.

Discussion and possible action regarding budget modification for firearms - Wausau Police Department

Postponed to next meeting.

Discussion and possible action regarding audit contract for the years 2016 to 2020

Groat stated our last audit under contract with Schenck was in 2015, so now we are preparing to begin the 2016 audit. Typically they come in late fall and do some preliminary work and then finish up in the spring after all of the year-end is concluded. She indicated we did a formal RFP and published as required by the Procurement Policy and reached out to several experienced firms. We only received two proposals: one from Clifton Larson and one from Schenck, both of which have been our auditors in the past. Groat stated in the rankings Clifton Larson came in with a composite rate of 385 and Schenck had 425. She noted the convenience of Schenck having a local office as a benefit. They are both very reputable firms with strong governmental accounting experience. Discussion followed.

Motion by Gehin, second by Nutting to select Schenck for the audit contract. Motion carried 4-1.

Discussion and Possible Action on the Allocation of Room Tax Revenue to Retain and Distribute to the Room Tax Commission

Groat reviewed there was a change in the law requiring the city to involve the Room Tax Commission to disburse our room tax dollars and be responsible for entering into contract(s) with tourism entities to spend that room tax. One of the provisions of the law states that city is allowed to keep the greater of 30% of our room tax or what we had retained in a certain year. She indicated 30% of our room tax dollars would be approximately \$253,000; but in 2014 we retained \$506,000. She explained the first step of this process of creating the Room Tax Commission is to determine how much money we are going to give them to allocate. She noted when the commission is casting a critical eye at that expenditure, they have criteria with which they have to evaluate their spending which is very tourism focused; whereas the money that we retain does not have to have that same tourism focus. She felt in order to have the most flexibility the city should retain as much as we can and give the Room Tax Commission the balance. She stated they could create a system where both entities look at room tax grants. The commission will have to sift it through that fine component of what the law says, where there would be greater flexibility on how the city spends its money.

Motion by Nutting, second by Gehin to retain the historic amount for city purposes and give the balance to Room Tax Commission for allocations. Motion carried 5-0.

Discussion and possible action regarding the adoption of the 2017 Business Improvement District Plan and Levy

Groat stated the Business Improvement District has been budgeting and levying \$60,000 for that geographic area since its inception and the current plan proposes to continue that process, as well as the assessment method which creates a \$250 minimum assessment and a \$2,500 maximum. The operating plan continues the tradition of transferring the \$60,000 to the Main Street Program.

Elizabeth Field, Main Street Director, reviewed a list of everything Main Street provides for the district.

Motion by Kellbach, second by Nutting to approve the 2017 BID Plan and Levy. Motion carried 5-0.

Discussion and Possible Action regarding September 2016 General Fund Financial Report

Groat reiterated the budget looks very good this year with 69.8% of the budget spent with 75% of the year complete. The narrative can be accessed online: <http://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx>

Discussion and Possible Action on Annual Budget Reconciliation Amendment per 3.08.050 of the Wausau Municipal Code

Groat stated this was a new requirement established last year whereby we evaluate the budget at this point in time and do a forecast to determine whether we need to make any budget modifications. She noted this year compared to last year there were no areas of major concern at this point, but for in the municipal court area due to imaging of their documents and the other area was rental licensing. As part of that budget modification we are transferring funds to Municipal Court for \$9,014 and into the Rental Licensing Fund in the amount of \$150,838.

Motion by Gehin, second by Kellbach to approve the budget reconciliation amendment. Motion carried 5-0.

Discussion and possible action regarding the 2017 pet license rates and related discounts

Rasmussen explained last year we implemented a change of half price fees to try to incentivize people to come in and get that first pet license from us. That has turned out to be a management nightmare in terms of trying to figure out who is an actual real first timer and the clerk's office would like it to be repealed.

Motion by Nutting, second by Smith to repeal the animal license discount for newly licensed pets. Motion carried 5-0.

Discussion and possible action regarding sole source purchase of parking enforcement software as a service – Complus

Groat explained the city went out for RFP a number of years ago for parking enforcement software when it had become obsolete and needed replacing. Complus, from New York, was chosen and as part of their contract with the city they provide the handheld hardware to issue tickets, the accounts receivable software, and a provision for online payments as well as a customer service phone line at expanded hours. She indicated the contract is expiring and we started a new competitive selection process. She reviewed the goals and objectives in the RFP that were added to enhance the program. She indicated we all like Complus, but IT wanted us to reevaluate and go out and see if there are other vendors that could provide more robust systems. Groat requested a six-month extension in order to accomplish this and since the contract is expired, to also approve a sole source for Complus during this time.

Motion by Nutting, second by Gehin to approve a six month extension and the sole source for Complus. Motion carried 5-0.

Discussion and possible action on authorizing a merit increase for introductory period completion for 2017

Rasmussen stated this applies a 2% merit increase once new employees complete their introductory period. She noted this appeared to be an adjustment just for the people hired this year. Groat stated payroll staff historically did this as an administrative process and were questioning if this is how it will be done going forward, where every newly hired person will receive the 2% upon completion of their introductory period or do they just want to do it for that window of one year by bringing a resolution back each year. Rasmussen felt the best thing to do from a budgeting standpoint it to make it a predictable and consistent practice rather than year by year. Nutting agreed we should continue this practice administratively for new employees that we hire.

Motion by Nutting, second by Smith to approve the merit increase for introductory period completion for 2017 and to continue the practice administratively moving forward. Motion carried 5-0.

Discussion and possible action regarding budget modification in the amount of \$16,300 for construction demolition services for the former Northland Group Home and Former St James School

Groat stated we signed a development agreement with Resurrection Church to purchase a portion of their adjoining block and to lease a portion of the block, and in that agreement we said that we would demolish any of the existing buildings and create a small public parking area and green space. She indicated bids were taken for the demolition for which we budgeted \$160,000 and the low bid came in at \$176,300.

Nutting questioned the reason for the higher than expected bid. Lindman explained the asbestos abatement costs came in at \$60,000, which we expected to be lower, and the amount of salvage anticipated was a lot less as well.

Motion by Gehin, second by Nutting to approve the budget modification in the amount of \$16,300 for construction demolition services. Motion carried 5-0.

Discussion and possible action approving Assistance to Firefighters Grant application in the amount of \$110,000 for the purchase of instrumentation for identifying unknown chemicals. The City of Wausau match obligation is \$11,000 – Kujawa

Chief Kujawa stated the Assistance Firefighters Grant comes around every year. We applied last year and received the grant for an exhaust system in all three stations. This past year we applied for technology in the fire trucks, but did not receive the grant because they ran out of money; they allotted \$480 million and received \$2.2 billion in applications. She indicated this year they were looking at Hazmat equipment that allows us to identify unknown chemicals. We are a Type 2 Hazmat Team which is supposed to be able to identify unknowns, but we do not have this technology; we currently have a system that takes a long period of time and is not real reliable. She felt this technology would be a huge assistance to the department when called to a Hazmat situation.

Motion by Nutting, second by Gehin to approve the Assistance to Firefighters Grant application. Motion carried 5-0.

Discussion and possible action authorizing a 2016 Budget Modification to Fund the Purchase of up to 4 used buses for a total not to exceed \$27,000

Transit Director Greg Seubert explained Metro Ride has been trying to acquire used buses for the past three years. He stated the federal government has traditionally purchased most of our federal assets to the tune of about 80%, unfortunately they have turned the spigot all but off. The State of Wisconsin applied for approximately \$26 million worth of capital assets in the last go around and the state was awarded \$26,000 for a single van in Tomah. He indicated we are in need of some spare vehicles, which are not always available and which he has learned you can only buy when they are available. He learned that Duluth Transit Authority is selling vehicles in November and he would like to bid and would like to have the funds in place when the bids go out.

Motion by Gehin, second by Kellbach to approve the budget modification to fund up to 4 used buses for a total not to exceed \$27,000. Motion carried 5-0.

Discussion and possible action regarding the 2017 Budget

Groat stated the last time the committee deliberated over the budget the main focus was on the supplemental budget requests and with those all included in the budget we were at a \$0.43 tax rate increase. She went back to look at savings in the existing cost-to-continue budget as well as looking at the supplemental requests to see if the tax rate could be reduced. She reviewed a spreadsheet analyzing all the funds that rely on the levy; what we started out with in the executive budget; changes in estimates in reclassifications; and supplemental funding. It was the committee's preference to fund and include all of the supplemental requests in the budget, so we tried to find alternative funding sources to minimize the financial impact. She reviewed a summary of tax rate changes in detail and indicated the revised rate is a \$0.27 increase or 2.84%.

Rasmussen commented past Councils have been really committed to holding their mill rate increase to either zero or a penny or two, and although their intentions were good, it has created a tremendous backlog of deferred maintenance and uncompleted work and now a number of those things have reached conditional critical. Once we get caught up on some of the work we should be able to plateau or find opportunities for reductions.

Groat stated the assessor has completed her work and will transmit that data to the Department of Revenue who will then establish those assessment ratios and provide us with the assessed values of the manufacturing. She was hoping to have that data in time for the public hearing.

Motion by Nutting, second by Gehin to accept the revisions and move the budget forward to Council for the public hearing. Motion carried 5-0.

Discussion and possible action on approving the application to the Wisconsin Economic Development Corporation (WEDC) for the Community Development Investment (CDI) grant for the extension of Fulton Street and associated infrastructure to support the East Riverfront Redevelopment Area and Riverlife Village plans.

Chris Schock explained this is just a formality to authorize an application for this program. He indicated he met with the WEDC and they felt the infrastructure and expenses associated with the extension of Fulton Street would be a prime project that they could support given the investment and other things that are happening on the property.

Motion by Smith, second by Gehin to approve the application to WEDC for the grant. Motion carried 5-0.

Discussion and possible action on approving acquisition of remnant and garage at 612 West Thomas Street

Lindman stated this owner was going to sell the remnant along with the garage to the neighboring property, but that agreement has fallen through and the neighbor no longer wants it. The owner is coming back to the city and asking for the city to buy it. He noted we can salvage and move the garage.

Motion by Nutting, second by Gehin to approve the acquisition of remnant and garage at 612 W Thomas Street. Motion carried 5-0.

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: 612 West Thomas Street - Parcel 50 remnant and garage

Withdrawn (acted in open session).

Adjourn

Motion by Nutting, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:35 pm.