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 the:	**FINANCE COMMITTEE**
Date/Time:	**Tuesday, January 14, 2020 at 5:30 PM**
Location:	**City Hall (407 Grant Street) - Council Chambers**
Members:	Lisa Rasmussen (C), Dave Nutting, Michael Martens, Dennis Smith, Linda Lawrence

AGENDA ITEMS

1 Approval of the minutes of previous meetings (12/10/19)
2 Discussion and possible action regarding sole source purchase asbestos abatement Great Lakes Cheese 101 Devoe Street
3 Discussion and possible action regarding modification of the procurement policy
4 Discussion and possible action regarding authorizing the modification of fees to the City of Wausau Fees and Licenses Schedule adopted pursuant to Wausau Municipal Code 3.40.010(a) relating to open record copies
5 Discussion and possible action regarding sole source purchase planning services North Riverfront and related budget modification
6 Discussion and possible action regarding terms of development agreement Riverlife Condos and related developer incentives
7 Discussion and possible action regarding sole source purchase Fire Station Furniture
8 Discussion and possible action regarding the November General Fund financial report
9 Discussion and possible action opposing SB 560 limiting Tax Increment Districts
Adjourn

Lisa Rasmussen, Chairperson

This Notice was posted at City Hall and faxed to the Daily Herald newsroom 1/10/20 at 1130 AM

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 mary.goede@ci.wausau.wi.us

In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the City's ADA Coordinator at (715) 261-6620 or email clerk@ci.wausau.wi.us at least 48 hours prior to the scheduled meeting or event to request an accommodation.

Other Distribution: Media, (Alderpersons: Peckham, Neal, Gisselman, McElhaney, Herbst, Thao), *Mielke, *Jacobson, *Groat, Department Heads

FINANCE COMMITTEE
Date and Time: Tuesday, December 10, 2019 @ 5:15 pm., Council Chambers
Members Present: Rasmussen, Smith, Martens, Nutting, Lawrence
Others Present: Groat, Barnes, Bliven, Barteck, Jacobson, Mielke, Lindman, Goede

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

Approval of the minutes of previous meetings (11/12/19 & 11/26/19)
Motion by Nutting, second by Lawrence to approve the minutes of the previous meetings on 11/12/19 & 11/26/19. Motion carried 5-0.

Discussion and possible action on renewal of a license agreement with Windstream KDL, LLC
Rasmussen explained this is a renewal and continuation of an access agreement that we have had in place for some time.

Motion by Lawrence, second by Martens to approve renewal of license agreement with Windstream KDL. Motion carried 5-0.

Discussion and possible action on approving Second Amendment to Purchase and Development Agreement with AJR Properties – Wausau Chemical
Rasmussen stated the dates need to be adjusted in the development agreement for the occupancy of Wausau Chemical's new facility and the complete move out of their old facility. The owner stated they should be able to get an occupancy permit within the next couple weeks and indicated they are moving on the 2nd Street properties.

Motion by Nutting, second by Lawrence to approve the second amendment. Motion carried 5-0.

Discussion and possible action regarding outsourcing school crossing guard services to All City Management Services and related sole source purchase of approximately $137,939 annually
Rasmussen stated in the 2011-2012 school year the city was under contract with All City Management Services for crossing guard services. She felt the reason the Council withdrew from the contract was because they had been left outside the decision-making process and the contract was already in place relocating these employees with minimal communication to the standing committees, Council, crossing guards, schools and public. The operation was taken back in-house; however, it has continued to be very difficult to staff and supervise. She indicated Deputy Chief Barnes has requested the committee discuss this again if he could work with the school district on a partnership of the funds. She noted the Human Resources Committee has recommended approval.

Deputy Chief Barnes stated there was meeting with all the crossing guards a week before school started where he explained the difficulties they were having continuing with the status quo. There was a lot of discussion on possible alternatives, one of which was to outsource it to a company. They weren't all necessarily happy with that choice but appreciated being notified and engaged in conversation. He indicated there will be a midyear meeting with them in January and potentially have a representative from All City Management present to explain how it will work.

Barnes stated last year was very difficult for the Police Department to staff all the crossing guard intersections. There are 13 crossing guards employed on any given day both in the morning and evening. On a little over 120 occasions last year the department had to staff those intersections with police officers, parking control, and CSO's. He explained the problem with this was the funding structure. The parking employees should be paid out of the parking fund and are not paid to do crossing guard services and the police officers need to be on their sectors.

Barnes indicated the school district has offered to partner with the city and to seek opportunities through DPI to levy for additional funds to help keep all the crossing guard locations. He stated the Police Department believed the best solution was to hire All City Management Services. He wanted there to be something in it for the employees and every guard would be making more money per hour than they are currently making with the city, so there would be a raise for each employee. All City Management Services is seeking to hire the entire staff the city currently has as long as they can pass their physical standard. He indicted the estimated cost was not to exceed $138,910 per year.

The city budgeted $94,910 for 2020 and the school district has levied $44,000, leaving approximately $900 in surplus funds.

Lawrence questioned if there was a written agreement with the school district to continue the contribution after 2020 and if there will be oversight by the Police Department for the level of service. Barnes responded he did not have a memorandum of understanding for longevity at this time, but it is in the school district's financial best interest to be able to continue with this process because the alterative would be to staff less intersections which would increase their overall costs. He was not real concerned they would do it for a year and walk, but agreed it was appropriate to ask for some type of written communication as we enter into a contract. Barnes stated the Police Department will still be the facilitator of the contract and will take complaints from the public and respond to concerns.

Smith questioned what happens if All City Management has the same problem with a shortage of guards on a particular day. Barnes explained All City Management has the expertise for recruiting crossing guards, but if there is an intersection that can't be staffed they will call us and we will send officers, but will bill them at the rate of the officer or parking person.

Motion by Lawrence, second by Nutting to approve outsourcing school crossing guard services with All City Management. Motion carried 5-0.

Discussion and possible action on approving city's Waiver of First Right of Refusal to Purchase Property at 7811 Stewart Avenue from P.I. of Schofield, Inc. to STS; consent to the assigned leases thereof, and the assignment of the Development Agreement between P.I. of Schofield, Inc. and Wausau Coated Enterprises 3, LLC
Jacobson explained Wausau Costed, P.I. of Schofield, and Wausau entered into a three-party development agreement and every transfer to an unrelated third party requires a waiver. Wausau Coated leased a portion of their property to P.I. of Schofield and following the transfer of property P.I. of Schofield then leased property to JARP. She stated JARP was released from the development agreement upon the payment of the $20,000 claw back penalty. P.I. of Schofield will transfer the property to STS.

Motion by Martens, second by Nutting to approve the Waiver of First Right of Refusal. Motion carried 5-0.

Discussion and possible action regarding budget modification increasing interest income and Public Works winter maintenance budget $300,000
Martens questioned if this $300,000 will carry through the end of the year. Groat stated that is what is anticipated, but it is hard to predict how much snow will fall.

Motion by Smith, second by Lawrence to approve the budget modification. Motion carried 5-0.

Adjourn
Motion by Nutting, second by Martens to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 5:48 pm.

141-3428929 90

CITY OF WAUSAU PURCHASE ORDER COVER SHEET

DEPARTMENT: Finance	CONTACT NAME: Stratz
VENDOR: Mavo Systems	COST: $35,042.29
PURCHASE DESCRIPTION: Asbestos abatement at 101 Devoe Street, Wausau	

COMPETITIVE PURCHASING PROCESS DOCUMENTATION

PLEASE INDICATE YOUR QUOTE AND BID EFFORTS BELOW. THIS IS A MANDATORY FORM FOR ANY PURCHASES IN EXCESS OF $5,000 AND SHOULD ACCOMPANY THE PURCHASE ORDER DOCUMENTATION AND BE REMITTED TO FINANCE

GOODS OR SERVICES REQUIRING CENTRALIZED PURCHASING INCLUDE: COPIERS, COMPUTER HARDWARE/SOFTWARE, INTERNET SERVICES, CELL PHONES, SECURITY CAMERAS, FURNITURE, PLOWING SERVICES, VEHICLES AND ROLLING STOCK, FACILITY MAINTENANCE

☐**PURCHASE OF GOODS OR CONTRACT SERVICES $5,000 TO $25,000** – *WRITTEN QUOTES REQUIRED*
- ☒QUOTE SUMMARY AND AT LEAST 3 QUOTES (ATTACHED) (See attached memo)
- ☐SOLE SOURCE JUSTIFICATION – APPROVED BY DEPT HEAD AND FINANCE DIRECTOR (ATTACHED)

☐ **PURCHASE OF GOODS OR CONTRACT SERVICES GREATER THAN $25,000** - *FORMAL BID PROCESS REQUIRED*
- ☐PUBLIC CONSTRUCTION – FOLLOW STATE STATUTES
- ☐BIDS FORMALLY NOTICED
- ☐SEALED BIDS RECEIVED
- ☐BIDS OPENED AT BOARD OF PUBLIC WORKS
- ☐BID SUMMARY AND BIDS (ATTACHED)
- ☐SOLE SOURCE JUSTIFICATION APPROVED BY FINANCE COMMITTEE (ATTACHED)

☐**PURCHASE OF VOLATILE PRICING COMMODITIES $5,000 TO $50,000** – *REQUIRES WRITTEN QUOTES*
- ☐QUOTE SUMMARY AND QUOTES (ATTACHED)
- ☐APPROVED SOLE SOURCE JUSTIFICATION (ATTACHED)

☐**PURCHASE OF COMBINED GOODS AND SERVICES OR PROFESSIONAL SERVICES UNDER $25,000** - *COMPETITIVE PROCESS ENCOURAGED*
- ☐QUOTE SUMMARY (ATTACHED)
- ☐QUOTES (ATTACHED)
- ☐APPROVED SOLE SOURCE JUSTIFICATION (ATTACHED)
- ☐OTHER PROCUREMENT DESCRIBE____________________

☒**PURCHASE OF COMBINED GOODS AND SERVICES OR PROFESSIONAL SERVICES OVER $25,000** – *FORMAL RFP PROCESS REQUIRED*
- ☐FORMAL RFP (ATTACHED)
- ☐RFP FORMALLY NOTICED
- ☐PROPOSALS OPENED AT BOARD OF PUBLIC WORKS
- ☒PROPOSAL SUMMARY AND PROPOSALS (ATTACHED)
- ☐SOLE SOURCE JUSTIFICATION APPROVED BY FINANCE COMMITTEE (ATTACHED)

☐**COOPERATIVE PURCHASING PROGRAM/AGREEMENT(such as NJPA/State of Wisconsin**

☐**PURCHASING EXEMPTION – SOFTWARE MAINTENANCE AND SUPPORT PROCURED FROM PROPRIETARY OWNER, ORIGINAL MANUFACTURER MAINTENANCE AND PARTS, INSURANCE SERVICES AND PRODUCTS FROM CVMIC AND TMIC**

ADDTL INFO:

Revised 9/4/2018

Purchase Order Memo

FROM: Tammy Stratz
Community Development Manager

RE: 101 Devoe Street – former Great Lakes Cheese
Asbestos Abatement

DATE: December 27, 2019

On July 22, 2019 I left phone messages to both Mavo Systems and Environmental Plant Services (EPS) regarding bidding on the asbestos abatement needed for the deconstruction of 101 Devoe Street, Wausau. These are the only two asbestos abatement companies in the greater Wausau area. Since the project was larger, I wanted to talk to them directly regarding the project and potential timeline.

Gary Schneider of Mavo, called me back the same day and asked for a copy of the report of which I forwarded. We again discussed the scope of work and gave him the contact information for Dean Hurt – the deconstruction contractor so he could get into the building to complete and submit a quote of which we received on August 1, 2019. (See attached.) I did not hear back from EPS.

On August 1st, I called Gary back to discuss the timeline and he said he would work with the contractor to get as soon as possible. I signed the contract to accept the bid.

Shortly thereafter, I received a call from Dave Barrett, Northstar Environmental who performed the asbestos testing, that he received a call from Dean Hurst regarding some additional suspect roofing and drywall materials that he came upon during deconstruction. I authorized Northstar to go back to do the additional testing. He then sent the report directly to us and Mavo and discussed the additional materials with Gary. On August 20, 2019, I received the change order from Mavo and accepted it. (See attached.)

Mavo performed the work from August 21, 2019 through September 19, 2019. Additional man hours were needed when the DNR visited the site and both Northstar Environmental and Mavo had to be present to document how they identified the materials and how the abatement was being performed. That explains the additional charge of $768.29.

The attached total invoice is attached along with the invoice summary documenting the hours worked.

MAVO SYSTEMS

WISCONSIN, LLC

Environmental and Specialty
Contracting Services

CONFIDENTIAL PROPOSAL

DATE: August 1, 2019

TO:	Community Development	PROPOSAL NO:	W19214
ADDRESS:	407 Grant Street	DESCRIPTION OF WORK:	W19214
CITY, STATE, ZIP:	Wausau, WI 54403	SITE LOCATION:	Former Lemke Cheese
ATTENTION:	Tammy Stratz	ADDRESS:	101 Devoe Street
PHONE:	715-261-6682	CITY, STATE, ZIP:	Wausau WI 54403
FAX NO:		EMAIL ADDRESS:	Tammy.Stratz@ci.wausau.wi.us

Mavo Systems Wisconsin, LLC. proposes the following scope of work:

Former Lemke Cheese-101 DeVoe Street

Cleanup boiler exterior 190 SF, remove four boiler doors, boiler packing 2SF, 1LF on pipe and 6 LF of debris, remove 3 windows, remove 870 SF of tan/silver paint

Time & Materials NTE: **$19,959.00**

1. Pick up and dispose of electrical panel insulators on a T&M basis.(Demo contractor said he would cut out and stack up) contingent fund: **$3,000.00**

2. If demo contractor can not provide equipment to level landscape for the paint texture.

ADD: $1,200.00

Work to be done during normal business hours. Water and power to be provided by owner.
DNR and DHFS notification and fee included. Disposal costs are included.
Work is done following all federal and state regulations for the material being removed.
Pricing subject to change if material or quantity to be removed is other than previously disclosed.

We propose to furnish material and labor - complete in accordance with above Scope of Work, for the sum of:

Please see above-- *dollars*

Terms of Payment: Net 30 days

Payment(s) to be made as follows:
In the event payment(s) are not made as outlined herein, the undersigned agrees to pay all costs of collection and attorney's fees incurred by Mavo Systems, Inc. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All material is guaranteed to be specified. The Work will be performed with due professional care, in a workmanlike, professional, timely and diligent manner and in accordance with standards of care, skill and diligence consistent with recognized and sound industry practices, procedures and techniques. This warranty excludes all implied warranties. All agreements contingent upon strikes, accidents or delays beyond our control.
Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation. Owner agrees to supply Mavo Systems, Inc. with 110 volt power and portable water to complete the cleaning process. Mavo Systems adheres to all state tax laws. If applicable, sales tax will be added/charged.

Authorized Signature Gary Schneider

Note: This proposal may be withdrawn by us if not accepted within 90 days

Gary Schneider, Operations Manager

Acceptance of Proposal:

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined.

Signature: Tammy Stratz

Date: 8/1/19

4455 Stewart Avenue, Wausau, WI 54401
gschneider@mavo.com
(715) 849-9754 phone
(715) 849-9759 fax

MAVO SYSTEMS

WISCONSIN, LLC

Environmental and Specialty
Contracting Services

CONFIDENTIAL PROPOSAL

		DATE:	August 20, 2019
TO:	Community Development	PROPOSAL NO:	W19232
ADDRESS:	407 Grant Street	DESCRIPTION OF WORK:	Abatement
CITY, STATE, ZIP:	Wausau, WI 54403	SITE LOCATION:	Former Lemke Cheese
ATTENTION:	Tammy Stratz	ADDRESS:	101 Devoe Street
PHONE:	715-261-6682	CITY, STATE, ZIP:	Wausau WI 54403
FAX NO:		EMAIL ADDRESS:	Tammy.Stratz@ci.wausau.wi.us

Mavo Systems Wisconsin, LLC. proposes the following scope of work:

Former Lemke Cheese- Barn Building Roof (asbestos containing)

Removal of rolled roofing, shingles, and felt.

Time & Materials: **$14,315.00**

Work to be done during normal business hours. Water and power to be provided by owner.
DNR and DHFS notification and fee included. Disposal costs are included.
Work is done following all federal and state regulations for the material being removed.
Pricing subject to change if material or quantity to be removed is other than previously disclosed.

We propose to furnish material and labor - complete in accordance with above Scope of Work, for the sum of:

Please see above-- *dollars*

Terms of Payment: Net 30 days

Payment(s) to be made as follows:

In the event payment(s) are not made as outlined herein, the undersigned agrees to pay all costs of collection and attorney's fees incurred by Mavo Systems, Inc. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All material is guaranteed to be specified. The Work will be performed with due professional care, in a workmanlike, professional, timely and diligent manner and in accordance with standards of care, skill and diligence consistent with recognized and sound industry practices, procedures and techniques. This warranty excludes all implied warranties. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation. Owner agrees to supply Mavo Systems, Inc. with 110 volt power and portable water to complete the cleaning process. Mavo Systems adheres to all state tax laws. If applicable, sales tax will be added/charged.

Authorized Signature

Note: This proposal may be withdrawn by us if not accepted within 90 days

Gary Schneider, Operations Manager

Acceptance of Proposal:

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined.

Signature: Tammy Stratz

Date: 8/20/19

4455 Stewart Avenue, Wausau, WI 54401
gschneider@mavo.com

(715) 849-9754 phone
(715) 849-9759 fax

MAVO SYSTEMS®

Mavo Systems Wisconsin LLC
4330 Centerville Rd, White Bear Lake, MN. 55127

Serving Commercial/Industrial Markets Regionally Since 1982

PH: (763)788-7713 FX: (763)788-9560

Invoice

Bill to: COMMUNITY DEVELOPMENT
407 GRANT STREET
A/P TAMMY STRATZ
WAUSAU, WI 54403

Ship to: FORMER LEMKE CHEE$

407 GRANT STREET
WAUSAU, WI 54401US

Cust #	Customer Ref	Invoice #	Invoice Date	Due Date	Disc Date	Terms
1592		6270	11/26/19	12/26/19		Net 30 days

Mth/Trans	Line	Description	Contract	Item	Unit Price	Quantity	Amount
11/19 137	1	FORMER LEMKE CHEESE	19W287-		1	0.000	35,042.29

Notes:
ABATEMENT PER PROPOSALS W19214 AND W19232
ADDITIONAL CHARGE $768.29 TO COVER TIME SPENT ASSISTING NORTHSTAR AND DNR
FOR WORK COMPLETED THROUGH 9/19/2019

Total	35,042.29
Sales Tax	
Less Retainage	
Total Due	35,042.29

Remit Payment To: MAVO SYSTEMS WISCONSIN LLC 4330 Centerville Road, White Bear Lake, MN. 55127

RECEIVED
DEC 02 2019
Community Development Dept
City of Wausau

Invoice Summary

MAVO SYSTEMS®

Customer Name:	former Lemke Cheese	Total	
Customer Address:		$	38,859.18
Attn:			

Contract/PO Number:	
Invoice Period:	
Invoice Date:	

Date	Laborer S-T	Laborer O-T	Laborer D-T	Supervisor S-T	Supervisor O-T	Supervisor D-T	Hours	Disposal Bags	Disposal Drum	Disposal Dumpster	Truck	Equipment Rental	Sub Contractor	Air Tests	Per Diem	Description
8/21/2019	30			8			38				1	1.00				
8/26-8/29-2019	122			32			154				4	1.00				
9/5-9/6/2019	18			26			44				2	1.00				
9/9-9/12/2019	69			33			102			1	4	1.00		1		
9/16-9/19/2019	27			25			52			1	3	1.00				
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Totals	266	0	0	124	0	0	390	0	0	2	14	$ 5.00	$ -	1	0	

Summary

Description	Rate	Total
Labor S-T	$ 63.91	$ 17,000.06
Labor O-T	$ 84.02	$ -
Labor D-T	$ 104.14	$ -
Supt S-T	$ 67.84	$ 8,412.16
Supt O-T	$ 89.84	$ -
Supt D-T	$ 111.83	$ -
Bags	$ 6.50	$ -
Drums	$ 14.85	$ -
Dumpster	$ 1,106.00	$ 2,212.00
Truck	$ 25.00	$ 350.00
Materials		$ 6,461.63
Equip. Rental 10% Mrk-up		$ 3,696.33
Subcontractor 5% Mrk-up		$ -
Air Tests	$ 27.00	$ 27.00
Per Diem	$ 60.00	$ -
Sub-Total		$ 38,159.18
Permit Fee		$ 700.00
Invoice Total		$ 38,859.18

Project Information

Job Number:	19W287		
Project Name:		Address:	
Floor		Room/Location:	

Mavo Systems Contact Information:

Mavo Systems Wisconsin, LLC PM: Gary Schneider
4455 Stewart Avenue 715-849-9754 Office Phone
Wausau, WI 54401 715-781-2369 Cell Phone
715-849-9759 Fax

Invoice Summary

MAVO SYSTEMS®

Customer Name:	Community Development
Customer Address:	
Attn:	
Contract/PO Number:	
Invoice Period:	
Invoice Date:	

Total

$ 768.29

Date	Laborer S-T	Laborer O-T	Laborer D-T	Supervisor S-T	Supervisor O-T	Supervisor D-T	Hours	Disposal Bags	Disposal Drum	Disposal Package	Truck	Equipment Rental	Sub Contractor	Air Tests	Per Diem	Description
Tyler Yessa				10			10									
							0									
							0									
							0									
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							0									
Totals	0	0	0	10	0	0	10	0	0	0	0	$ -	$ -	0	0	

Summary

Description	Rate	Total
Labor S-T	$ 63.91	$ -
Labor O-T	$ 84.02	$ -
Labor D-T	$ 104.14	$ -
Supt S-T	$ 67.84	$ 678.40
Supt O-T	$ 89.84	$ -
Supt D-T	$ 111.83	$ -
Bags	$ 6.50	$ -
Drums	$ 14.85	$ -
Packages	$ 15.00	$ -
Truck	$ 55.00	$ -
Materials		$ 89.89
Equip. Rental 10% Mrk-up		$ -
Subcontractor 5% Mrk-up		$ -
Air Tests	$ 27.00	$ -
Per Diem	$ 60.00	$ -
Sub-Total		$ 768.29
Permit Fee		
Invoice Total		$ 768.29

Project Information

Job Number: 19W287

Project Name: former Lemke Cheese **Address:**

Floor **Room/Location:**

hours for supervisor Tyler spent assisting NorthStar in additional testing and walking project with

NorthStar and Mark Chamberlain of WI DNR

Mavo Systems Contact Information:

Mavo Systems Wisconsin, LLC	PM:	Gary Schneider	
4455 Stewart Avenue		715-849-9754	Office Phone
Wausau, WI 54401		715-781-2369	Cell Phone
		715-849-9759	Fax

TO: FINANCE COMMITTEE

FROM: MARYANNE GROAT

DATE: December 30, 2019

RE: Procurement Policy

The attached change clarifies the intent of the policy that sole source purchasing documentation is only required for purchases of $5,000 or more.

Historically, as noted under the purchase of goods section of the policy, no procurement documentation was required for purchases under $5,000. In 2014 the City's auditors performed a review of our purchasing procedures and found the City to be in compliance with the policy.

The Assistant City Attorney Alfonso has recently interpreted the policy to require sole source documentation on all purchases. This means that prior to staff purchases of items such as $10 of lumber at Menards or a stapler from the Quill Corporation the department would need to maintain written documentation as to their procurement procedures and their decision to sole source. This was not my intent when I wrote the policy and has not been followed by any department. I believe this new interpretation is an inefficient use of staff time and an unreasonable requirement and recommend we clarify the policy to exclude sole source documentation on purchases less than $5,000.

The attached language clarifies that no procurement documentation including sole source purchase documentation is required for purchases below $5,000.

Since this clarifies existing practice, the Council resolution will be considered on the same evening.

Office of the City Attorney

TEL: (715) 261-6590
FAX: (715) 261-6808

WAUSAU
WISCONSIN

Anne L. Jacobson
City Attorney

Tara G. Alfonso
Assistant City Attorney

Nathan Miller
Assistant City Attorney

MEMORANDUM

TO: Lisa Rasmussen, Chair
Finance Committee

Dave Nutting, Michael Martens, Dennis Smith and Linda Lawrence
Members: Finance Committee

FROM: Tara Alfonso
Assistant City Attorney

DATE: January 13, 2020

SUBJECT: Proposed Modification of Procurement Policy on
Tuesday, January 14, 2020 Agenda

The Finance Committee Agenda and packet for the January 14, 2020, meeting includes a memorandum from Finance Director, Maryanne Groat relating to the submission of this item for consideration. This memorandum serves to supplement that memorandum and provide a more complete review of the item for consideration.

In an email related to a request by Finance Director Groat for the drafting of a parking lot lease, I offered to Finance Director Groat that while there may be a belief or interpretation that the procurement policy does not require any sole source documentation for expenses under $5,000, a reading of the policy would indicate that is not how the policy itself actually reads in its current form. While no "formal written" justification is required under $5000, the policy still requires written documentation be provided by the department head in advance of the purchase.

Specifically the procurement policy as it is currently written provides:

SOLE SOURCE

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. In advance of the purchase, 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, 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, aesthetic purposes or compatibility is an overriding consideration, the purchase is from another governmental body, continuity achieved in a phased project, the supplier or service demonstrates a unique capability not found elsewhere, 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 in advance of the purchase, who will concur with the sole source or assist in locating additional competitive sources.
3. Except for the purchases related to the Water and Sewer Utility, sole source purchase exceeding $25,000 must be approved by the Finance Committee.
4. Sole source purchases related to the Water and Sewer Utility exceeding $25,000 must be approved by the Wausau Waterworks Commission.

Sole Source Exemptions: The following purchases are exempt from competitive purchasing requirements and sole source documentation:

1. Software maintenance and support services when procured from the proprietary owner of the software.
2. Original equipment manufacturer maintenance service contracts, and parts purchases when procured directly from the original manufacturer/authorized dealer or representative.
3. Insurance policy purchases and services through CVMIC and TMIC of Wisconsin
4. Utility Services and Charges.
5. Marathon County Landfill
6. Services and products purchased from CCITC

(Emphasis added with respect to shaded highlighting and bold face type).

As noted above, while sole source purchases under $5000 shall be evaluated and determined by the Department Head and only purchases of over $5000 require a "formal written justification," the other highlighted language indicates that the policy language seeks documentation to justify the reason for the sole source purchase. Further, and significantly, the "Sole Source Exemptions" section, does not exempt purchases under $5000 from competitive purchasing requirement (mechanics) and sole source documentation. The existence of this exemption section which makes no provision for purchases less than $5000 would undercut the interpretation that they are indeed exempt from minimum file or department documentation or justification.

Providing clarity to what is meant by "written *documentation*" and formal written *justification"* would allow the reader to understand without ambiguity what is required in terms of competitive purchasing requirements and written documentation of the purchase, including the justification for the purchase, without the need to resort to the practice or intent of the drafter.

Certainly in its current drafting, requirement for any documentation under the policy could be met by some minimal, simple, reasonable writing. However, changes can easily be made to clarify the policy as the Committee and Council deem prudent.

This legal interpretation of the policy is supported by long standing case law relating to statutory or language interpretation. *See, State ex rel. Kalal v. Circuit Court for Dane County*, 271 Wis. 2d 633, 662 – 664, 681 N.W.2 110, 2004 WI 58 ("...interpretation 'begins with the language of the statute. If the meaning of the statute is plain, we ordinarily stop the inquiry.' … Where statutory language is unambiguous, there is no need to consult extrinsic sources of interpretation…"). The principles related to statutory construction are wholly applicable to contract or other interpretation.

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

RESOLUTION OF THE FINANCE COMMITTEE

Amending the Procurement Policy regarding sole source documentation

Committee Action:	Approved
Fiscal Impact:	None
File Number:	99-1104
Date Introduced:	January 14, 2020

FISCAL IMPACT SUMMARY				
COSTS	*Budget Neutral*	Yes ☒ No ☐		
	Included in Budget:	Yes ☐ No ☐	*Budget Source:*	
	One-time Costs:	Yes ☐ No ☐	*Amount:*	
	Recurring Costs:	Yes ☐ No ☐	*Amount:*	
SOURCE	*Fee Financed:*	Yes ☐ No ☐	*Amount:*	
	Grant Financed:	Yes ☐ No ☐	*Amount:*	
	Debt Financed:	Yes ☐ No ☐	*Amount*	*Annual Retirement*
	TID Financed:	Yes ☐ No ☐	*Amount:*	
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐			

RESOLUTION

WHEREAS, your Finance Committee, at their January 14, 2020 meeting, considered and recommends the attached Procurement Policy revision which clarifies documentation required for purchases less than $5,000;

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Wausau that the Procurement Policy attached hereto and incorporated herein by reference is hereby adopted as the Procurement Policy of the City of Wausau and that its administration and enforcement shall be done under the direction of the Mayor and department heads.

Approved:

____

Robert B. Mielke, Mayor

CITY OF WAUSAU, WISCONSIN
PROCUREMENT POLICY

POLICY OBJECTIVE

The City of Wausau has adopted this procurement policy in order to provide City employees with uniform guidance in the purchase of supplies, equipment, services and property. The controls and procedures set forth are intended to provide reasonable assurance that the lowest cost, highest quality good or service is obtained, while balancing the need for flexibility and efficiency in departmental operations.

COVERAGE

This policy applies to the purchases of all departments and divisions of the City of Wausau. The provisions of Wisconsin Statutes s 62.15 and Wausau Municipal Code 12.08 apply to the procurement of public construction and take precedence over any portion of this policy that may conflict with that statute. Procurement activities for MetroRide are subject to the provisions of the Federal Transit Administration and take precedence over any portion of this policy which may conflict with their guidelines. More restrictive procurement procedures required by grants, aids, statutes or other external requirements or funding sources will take precedence.

GOALS

1. To encourage open and free competition to the greatest extent possible.
2. To receive maximum value and benefits for each public dollar spent.
3. To ensure that all purchases are made incompliance with federal, state and local laws.
4. To prevent potential waste, fraud, abuse and conflicts of interest in the procurement process.
5. To assure proper approvals are secured prior to the purchase and disbursement of public funds.

ETHICAL STANDARDS

1. All procurement shall comply with applicable federal, state and local laws, regulations, policies and procedures. Municipal Code 2.03 Code of Ethics for Public Officials and Employees provides general ethical standards and conduct expectations.

2. In general, employees are not to engage in any procurement related activities that would actually or potentially create a conflict of interest, or which might reasonably be expected to contribute to the appearance of such a conflict.

3. No employee shall participate in the selection, award or administration of a contract if a conflict of interest would be involved. Such a conflict would arise when the employee, any member of his immediate family, business partner or any organization that employs, or is about to employ, any of the above, has a financial interest or other interest in the firm selected for award.

4. To promote free and open competition, technical specifications shall be prepared to meet the minimum legitimate need of the City and to the extent possible, will not exclude or discriminate against any qualified

contractors.

5. No employee shall solicit or accept favors, gratuities, or gifts of monetary value from actual or potential contractors or subcontractors.

6. Employees must maintain strict confidentiality in the procurement process and shall not impart privileged information to any contractors that would give them advantage over other potential contractors.

7. Personal purchases for employees by the City are prohibited. City employees are also prohibited from using the City's name or the employee's position to obtain special consideration in personal purchases. Employee purchase programs may be established with vendors with prior approval from the Mayor, provided that the vendor provides similar programs to employees of other private entities.

GENERAL GUIDELINES

These general guidelines shall be adhered to as closely as possible by all departments in the procurement of goods and services.

1. Procurements are classified into the following two major categories:
   - Purchasing Goods is defined as equipment, furnishings, supplies, materials and vehicles or other rolling stock. The rental, leasing of these items is also considered to fall within this category and the cost shall be determined by considering the maximum total expenditure over the term of the agreement.
   - Purchase of Services is classified into additional categories of professional services, contractor services, construction services and combined goods and service contracts.

2. Buy Local - It is the desire of the City to purchase locally when possible. This can be accomplished by ensuring that local vendors who have goods or services available are included in the competitive solicitation process that will precede major purchases. It is also the desire of the City to purchase from disadvantaged enterprise businesses whenever possible as defined by Wisconsin Statute 84.06(1).

3. Cooperative Procurement Programs – Departments are encouraged to use cooperative purchasing programs sponsored by the State of Wisconsin or other jurisdictions. Purchases of goods and services secured through these programs are considered to have met the requirements of competitive procurement outlined in this policy. Additionally, if identical products can be obtained at a lower price than current cooperative purchasing contracts, no additional quotes are required.

4. Purchasing Oversight – Department heads have the responsibility for procurement issues in their individual departments. A department head is defined as the City employee having responsibility for the department on behalf of which moneys were appropriated in the City budget for purchases.

5. Emergencies – When an emergency situation does not permit the use of the competitive process outlined in the policy, the applicable department head, Finance Director and Mayor may determine the procurement methodology most appropriate to the situation. Appropriate documentation of the basis for the emergency should be maintained and filed with the City Clerk. All emergency purchases exceeding $50,000 shall require the Department Head to provide written notice to the Common Council.

6. Identical Quotes or Bids – If two or more qualified bids/quotes are for the same total amount or unit price, and quality or service is considered equal the contract shall be awarded to the local bidder. Where this is not practical the contract will be awarded by drawing lots in public.

7. Serial Contracting – No contract or purchase shall be subdivided to avoid the requirements of this policy. Serial contracting is the practice of issuing multiple purchase order to the same vendor for the same good or service in any 90 day period in order to avoid the requirements of the procurement policy.

8. Purchase Orders and Purchase Order Cover Sheet – Shall be issued for all purchases of goods and services in excess of $5,000.

9. Policy Review – This policy will be reviewed by the Finance Committee every two years or sooner at the discretion of the Common Council.

10. Protest Procedures – Any interested party who wishes to protest at any point in the procurement process, evaluation, award, or post-award, may do so. An "interested party" must, however, be an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract. Protests must be submitted timely, in writing to the City Clerk, 407 Grant Street, Wausau WI 54403 but no later than five (5) working days following the City's procurement decision. The protest must contain a detailed statement of the grounds for the protest and any supporting documentation. Upon the receipt of the written protest, the City Clerk will notify the City Attorney and Finance Director who will work to resolve the matter within five (5) working days. If the protester is not satisfied and indicates the intention to appeal to the next step the award will be temporarily suspended unless it is determined that: 1) the item to be procured is urgently required; 2) delivery or performance will be unduly delayed by failure to make the award promptly; 3) Failure to make the prompt award will otherwise cause harm to the City; or 4) The protest has no merit. If the protester wishes to appeal the decision of the City Attorney and Finance Director the matter will be forwarded to the City of Wausau Finance Committee and the Common Council for the ultimate local disposition.

PURCHASE OF GOODS

1. Purchase of Goods under $5,000 – may be made based on the best judgment of the department head or division director. However, it is recommended that competitive quotes be obtained. Specific procurement documentation is not required.
2. Purchase of Goods $5,000 to $25,000 – requires department head approval PRIOR to placing the order and the issuance of a purchase order. The cost of the purchase must have been included within the approved department budget. The department MUST obtain (3) three written quotations, if possible. Quote summary, request for quote documentation and written quotes must be submitted to the Finance Department with the purchase order request. Purchase orders will not be processed without the proper documentation.
3. Purchase of Goods in excess of $25,000 – a formal bid process is required.
    a. Requests for such bids shall be formally noticed. All notices and solicitations of bids shall state the time and place of the bid opening.
    b. All bids shall be submitted sealed to the City Official designated in the bid packet and shall have the bid name and date identified on the envelope.
    c. All sealed bids shall be opened and recorded by the Board of Public Works. The department head shall be responsible for the preparation of all plans, bid specifications, notices and advertising. Prequalification of bidders may be done at the discretion of the department head. A tabulation of bids received shall be available for public inspection. The Board of Public Works shall have the authority to award the contract when the costs of the purchase have been included within the approved City budget. Purchases that do not meet this criteria and are not otherwise authorized by law, rule or regulation, shall be authorized separately by the Common Council. All bid documentation shall be placed on file with the City Clerk.

d. In general, the contract shall be awarded to the lowest priced responsible bid, taking into consideration the following factors: the qualities of the goods supplied, conformity with specifications, product compatibility, maintenance costs, vendor support and delivery terms. Written documentation or explanation shall be required if the contract is awarded to other than the lowest responsible bidder. This documentation will include a justification as to why it was in the City's best interest to award the contract to other than the lowest responsible bidder.

4. Commodities $5,000-$50,000 – commodities subject volatile pricing such as fuel may through via written quotes. These purchases require department head approval prior to placing the order and the issuance of a purchase order. The cost of the purchase must have been included within the approved department budget. The department must obtain (3) written quotations, if possible. Quote summary, written quotes and any other available documentation must be submitted to the Finance Department with the purchase order request.

5. The department head shall administer the purchase.

6. The following items must be purchased using a centralized purchasing process:

   a. Copiers - coordinated by the CCITC.
   b. Computer hardware/software - coordinated by CCITC.
   c. Cellular telephone, telephones, security cameras and similar communication and technology equipment – coordinated by CCITC.
   d. Furniture – coordinated by Department of Public Works.
   e. Office Supplies – coordinated by the Finance Department.
   f. Janitorial Services – coordinated by Department of Public Works.
   g. Vehicles and other rolling Stock – coordinated by Department of Public Works.
   h. Facility Maintenance, Repair and Improvement – coordinated by Department of Public Works.

PURCHASE OF SERVICES

Whenever practical the purchase of services should be conducted based upon a competitive process:

- Contractor services is defined as the furnishing of labor, time or effort by a contractor, usually not involving the delivery of specific goods or products other than those that are the end result of and incidental to the required performance. Examples of contractor service include: refuse and recycling collection, snow removal, EMS billing services, janitorial, elevator maintenance, mailing, or delivery services. Contractor services shall follow the competitive procurement policy for the Purchase of Goods subject to the same spending guidelines. The cost shall be determined by considering the maximum total expenditure over the term of the contract.

- Construction services is defined as substantial repair, remodeling, enhancement construction or other changes to any City owned land, building or infrastructure. Procedures found with in State of Wisconsin Statute 62.15 and Wausau Municipal Code 12.08 shall take precedence. In absence of guidance in these areas, construction services shall follow the competitive procurement policy for the Purchase of Goods subject to the same spending guidelines.

- Combined Goods and Services in situations where the purchase combines goods and services (exclusive of construction and contractor services), such as many technology projects, the purchase shall be treated as a purchase of professional services.

- Professional services is defined as consulting and expert services provided by a company, organization or individual. Examples of professional services include: attorneys, certified public accountants, appraiser, financial and economic advisors, engineers, architect, planning and design. Professional services are generally measured by the professional competence and expertise of the provider rather than cost alone.

1. Request for Proposal Required

    a) If it is estimated that the service being solicited has a total cost of over $25,000 a formal Request for Proposal shall be used to solicit vendor responses. The department head shall be responsible for the preparation of all Requests for Proposal specifications, notices and advertising. Prequalification of proposers may be done at the discretion of the department head.

    b) The Purpose of an RFP is to solicit proposals with specific information on the proposer and the service offered which will allow the City to select the best proposal. The best proposal is not necessarily the proposal with the lowest cost.

    c) Based upon the services or project and the magnitude of the outcome a selection committee may be advisable.

    d) Requests for proposals shall be formally noticed. All notices and solicitations of proposals shall state the time and place of the proposal opening.

    e) Information to be requested of the proposer should include: Years of experience in the area desired services, financial strength of the company, examples of similar services/projects completed, resumes of staff associated with the project/service, list of references, insurance information, In addition the proposal should provide information about the City, scope of services requested and desired outcomes or deliverables. The proposal should also identify evaluation factors and relative importance.

    f) Establish selection criteria and include this information with the RFP. It is generally advisable to establish a numeric ranking matrix. This reduces the subjective nature of the rating process.

    g) Proposals should be solicited from an adequate number of qualified sources. Requests for proposal should be formally noticed. All notices and solicitations should provide the issue date, response due date, date and time of opening responses and a contact person.

    h) Proposals shall be opened and recorded by the Board of Public Works. A tabulation of proposals received shall be available for public inspection. All proposal documentation shall be placed on file with the City Clerk. The Department Head and selection committee (if applicable) will then review the proposals and make a selection.

2. Attorney Professional Services.

    a) The City Attorney shall hire and manage all outside legal counsel engaged to represent and/or advise the city regarding all matters of any character, in which the city is interested, before any court or tribunal.

    b) The City may enter into negotiated contracts without a competitive selection process for the procurement of services if the services are for professional services to be provided by attorneys who charge on an hourly basis, or who are designated by the city's liability insurance carriers. When retention of legal services to perform ongoing services in one type of matter, such as bond counsel or prosecution services, is required, the procurement policy, for professional services shall be followed. The City Attorney shall have authority to sign engagement letters on behalf of the City.

c) The invoices of Counsel designated or engaged by the City's insurance carriers shall be monitored by the City Attorney and paid by the City up to the City's self-insured retention level for that matter, without further approval from the Finance Committee or Common Council. In all other matters, where the aggregate legal fees for any one matter, regardless of the time period during which work was performed, exceed $50,000, the City Attorney shall inform the Common Council of the status of the matter and the amount of fees incurred to date.

d) Billing Frequency and Format

i) Time Changes. Actual time should be billed in one-tenth (.10) hour increments.

ii) Billing Frequency. Invoices for legal services or expense shall be invoiced every 30 days from the date of initial suit assignment and monthly thereafter.

In any event, invoices submitted more than 60 days after the last date of legal services will require explanation of the billing delay to the City Attorney.

Invoices submitted more than one (1) year after the last date of legal services or expense will be rejected.

- Service contracts or agreements should be reviewed by the City Attorney and placed on file with the City Clerk.

SOLE SOURCE

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. In advance of ~~the~~ purchases of $5,000 or more, ~~,~~ 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, 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, aesthetic purposes or compatibility is an overriding consideration, the purchase is from another governmental body, continuity achieved in a phased project, the supplier or service demonstrates a unique capability not found elsewhere, 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. No written documentation required.
2. Sole source purchase of $5,000 to $25,000 a formal written justification shall be forwarded to the Finance Director in advance of the purchase, who will concur with the sole source or assist in locating additional competitive sources.
3. Except for the purchases related to the Water and Sewer Utility, sole source purchase exceeding $25,000 must be approved by the Finance Committee.
4. Sole source purchases related to the Water and Sewer Utility exceeding $25,000 must be approved by the Wausau Waterworks Commission.

Sole Source Exemptions: The following purchases are exempt from competitive purchasing requirements and sole source documentation:

1. Software maintenance and support services when procured from the proprietary owner of the software.
2. Original equipment manufacturer maintenance service contracts, and parts purchases when procured directly from the original manufacturer/authorized dealer or representative.
3. Insurance policy purchases and services through CVMIC and TMIC of Wisconsin
4. Utility Services and Charges.
5. Marathon County Landfill
6. Services and products purchased from CCITC

BUDGET

All purchases shall be made in accordance with the budget approved by the Common Council. The department head has the responsibility for managing departmental spending to ensure the line item budget is not overspent and for initiating Transfer of Funds Requests when appropriate.

CONTRACT AUTHORIZATION

The Mayor is authorized to enter into contracts on behalf of the City of Wausau without additional council approval if the contracts meet the following criteria:

1. Purchase of Goods – The City may purchase equipment, furnishings, goods, supplies materials and rolling stock when the costs of the same have been included in the approved City Budget.

2. Purchase of Services – The City may contract for the purchase of services without Council resolution when the following conditions have been met:

    a) The funds for services are included in the approved City budget.
    b) The procurement for services complies with the procurement policy.
    c) The City Attorney has reviewed and approved the form of the contract.
    d) The contract complies with other laws, resolutions and ordinances.
    e) The contract term meets one of the following criteria:
        1. The contract is for a period of one year or less, or
        2. The contract is for a specific project, or
        3. The contract is for a period of not more than three years <u>and</u> the annual average cost of the services does not exceed $25,000.

3. The following contracts require council approval:

    (a) Collective Bargaining Agreements – Any contract between the City of Wausau and any collective bargaining unit representing City employees.
    (b) Real Estate Purchases – Contracts for the sale or purchase of real estate where the City of Wausau is the proposed seller or purchaser. Council approval is **<u>not</u>** required for commencement of foreclosure action to collect a loan or other debt owed to the City when the debtor has failed to cure any default in payment of the loan or other obligation.
    (c) Leases – Contracts for lease of real estate where the City is either a proposed landlord or a proposed tenant exclusive of airport hangar, parking stall rentals and short term park facilities rentals.
    (d) Easements and Land Use Restrictions – Contracts for easements, restrictive covenants or other limitations which may be placed upon the use of any City-owned property.
    (e) Intergovernmental Contracts in excess of $5,000 – Contracts between the City of Wausau

and other local, state or federal governments or agencies except, cooperative purchasing agreements.

(f) Development Agreements – Contracts for the provision of infrastructure, financial assistance or other incentives by the City for the benefit of a developer or business venture.

(g) City Services – Contracts whereby the City of Wausau agrees to provide services to another party.

(h) Managed competition, outsourcing contracts – Contracts for labor or personal services to be performed by persons who are not city employees for work that has been performed by city employees within the past five (5) years and the contract will result in the elimination of positions and the layoff of personnel.

4. The common council delegates contract approval to the department level for the following:

(a) Community Development Housing and Commercial Development Loans and Grants issued from grants and related program income.

Contracts shall be signed by the Mayor and counter-signed by the City Clerk, City Finance Director and City Attorney. The City Finance Director shall certify that funds have been provided by the Council to pay the liability that may be incurred under the contract. The City Attorney shall approve the contract as to form and the City Clerk shall attest to the Mayor's signature. Contract change orders may be signed by the Board of Public Works as long as the change order does not materially change the work performed and funds are available within the budget. Purchase contracts for goods or services valued at $5,000 or less may be signed by individual department directors as long as the purchase is provided in the budget.

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

RESOLUTION OF THE FINANCE COMMITTEE	
Authorizing the amendment of fees to the City of Wausau Fees and Licenses Schedule adopted pursuant to Wausau Municipal Code §3.40.010(a) relating to open record copies.	
Committee Action:	
Fiscal Impact:	
File Number:	**Date Introduced:** January 28, 2020

FISCAL IMPACT SUMMARY				
COSTS	*Budget Neutral*	Yes ☒ No ☐		
	Included in Budget:	Yes ☐ No ☐	*Budget Source:*	
	One-time Costs:	Yes ☐ No ☐	*Amount:*	
	Recurring Costs:	Yes ☐ No ☐	*Amount:*	
SOURCE	*Fee Financed:*	Yes ☐ No ☐	*Amount:*	
	Grant Financed:	Yes ☐ No ☐	*Amount:*	
	Debt Financed:	Yes ☐ No ☐	*Amount*	*Annual Retirement*
	TID Financed:	Yes ☐ No ☐	*Amount:*	
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐			

RESOLUTION

WHEREAS, the City of Wausau currently charges $0.25 per page pursuant to Wis. Stats. § 19.31-19.39, an open records request. The current W.M.C. § 2.56.010(d)(6)(A) provides that the cost of photocopying for an open records request is not to exceed the actual, necessary, and direct cost of reproduction; and

WHEREAS, the City of Wausau has adopted a comprehensive Fees and License Schedule at W.M.C. §3.40.010; and

WHEREAS, your Finance Committee, at its January 14, 2020, meeting, recommended that the City adopt an open records request per page fee of $.035 per color page and $.0039 per black and white page and incorporate these fees as part of the City of Wausau Fees and Licenses Schedule.

NOW THEREFORE, BE IT RESOLVED, by the Common Council of the City of Wausau, that an open records request per page fee of $.035 per color page and $.0039 per black and white page are hereby adopted and incorporated into the City of Wausau Fees and Licenses Schedule pursuant to W.M.C. § 3.40.010 for per page costs of open records requests under W.M.C. § 2.56.010(d)(6)(A).

Approved:

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Robert B. Mielke, Mayor

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

RESOLUTION OF THE FINANCE COMMITTEE

Approving the 2020 budget modification for North Riverfront Planning

Committee Action:	Approved
Fiscal Impact:	not to exceed $9,000
File Number: 19-1109	**Date Introduced:** January 28, 2020

FISCAL IMPACT SUMMARY

COSTS	*Budget Neutral*	Yes☐No☒	
	Included in Budget:	Yes☐No☒	*Budget Source: TID #12*
	One-time Costs:	Yes☒No☐	*Amount:*
	Recurring Costs:	Yes☐No☒	*Amount:*
SOURCE	*Fee Financed:*	Yes☐No☒	*Amount:*
	Grant Financed:	Yes☐No☒	*Amount:*
	Debt Financed:	Yes☐No☒	*Amount* *Annual Retirement*
	TID Financed:	Yes☒No☐	*Amount:*
	TID Source: Increment Revenue ☐ *Debt* ☒ *Funds on Hand* ☐ *Interfund Loan* ☐		

WHEREAS, the City would like to develop a unified site plan for the North Riverfront area; and

WHEREAS, the City has received 3 proposals from interest parties; and

WHEREAS, the plan would include infrastructure and parcelization for the North Riverfront area; and

WHEREAS, the project falls within Tax Increment District Number 12 which had unspent budgeted funds in 2019; and

WHEREAS, your Finance Committee has reviewed and recommends a budget modification as follows:

Increase: Professional Services TID 12 241-250092193 $9,000

NOW, THEREFORE, BE IT RESOLVED, that the proper city officials modify the budget as presented above and publish the budget modification in the official city newspaper.

Approved:

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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.

The City would like to develop a unified site plan for the North Riverfront area following proposals from at least 3 interested parties- this plan needs to be developed by a firm with the requisite professional skills, knowledge of the area, and the City's ongoing redevelopment strategy. There are just a few professional service firms who would meet this need.

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

An engineered site plan including infrastructure and parcelization of the North Riverfront area.

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.

There are limited firms with the knowledge and skills to complete the plan, we expect to reach out to those firms and choose a firm who can complete it in a timely fashion.

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

City staff will contact qualified professional engineering and planning firms who are knowledgeable of the Wausau riverfront and have the skillset to complete the plan.

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

We expect this plan not to exceed $9,000.

6. 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: Community Development

Preparer: C. Schock

Vendor Name: TBD

Expected amount of purchase or contract: $5000

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

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

Riverlife Phase 2 Residential Term Sheet

The Developer will construct/cause the construction of a residential multifamily building with a minimum of $5mil in construction value, subject to final zoning approval.

The Developer shall commence construction on the proposed residential multifamily building before May 31, 2021 and complete the project before June 30, 2022.

The City shall construct the remaining segments of the Fulton Street extension, associated parking and infrastructure based on a plan that is mutually-acceptable to the City Plan Commission and Developer.

The City shall provide 70% of available increment associated with the project annually until a maximum incentive total of $485,000 is reached.

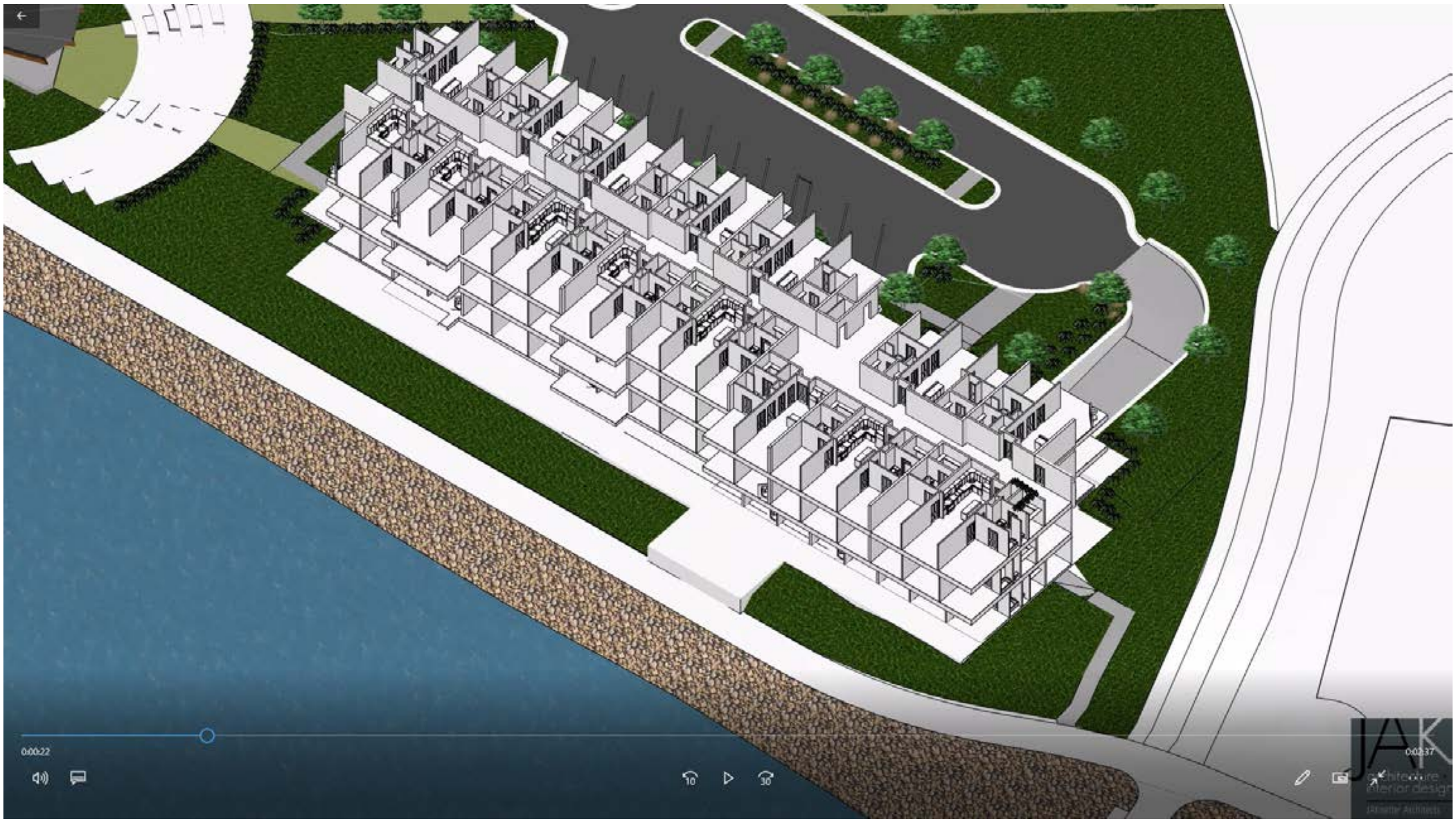
The City shall work collaboratively with the Developer to build a performance amphitheater facility adjacent to the site and the Developer shall fund and/or fundraise a portion of the construction costs to be determined by a plan approved by the Parks and Recreation Committee and the Developer.

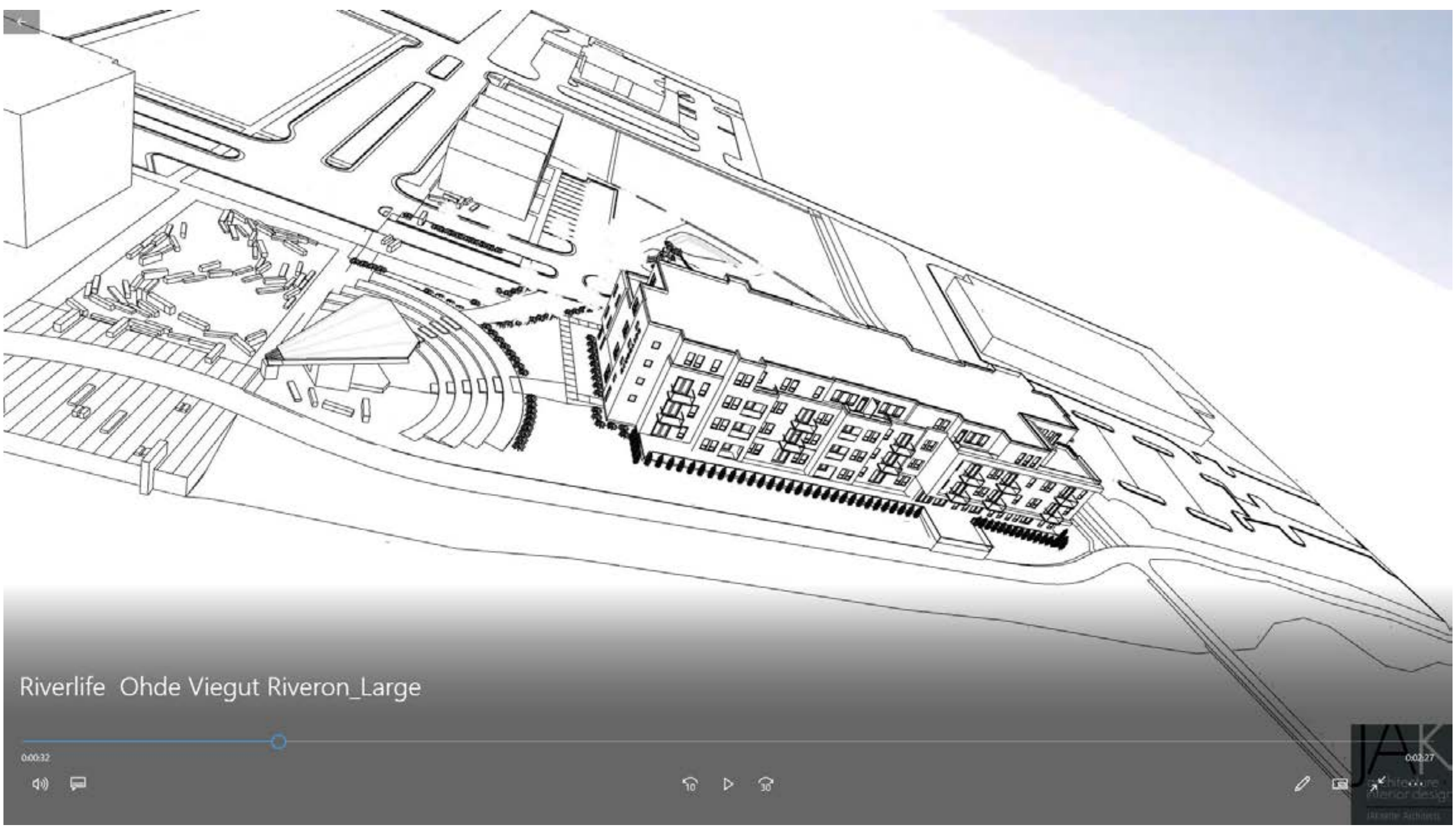
The City shall transfer a parcel (to be surveyed) for $1 to the developer.

Riverlife Condos South End Mitch Viegut Developer 715 571 2274

Riverlife Condos South End Mitch Viegut Developer 715 571 2274

Riverlife Condos South End Mitch Viegut Developer 715 571 2274

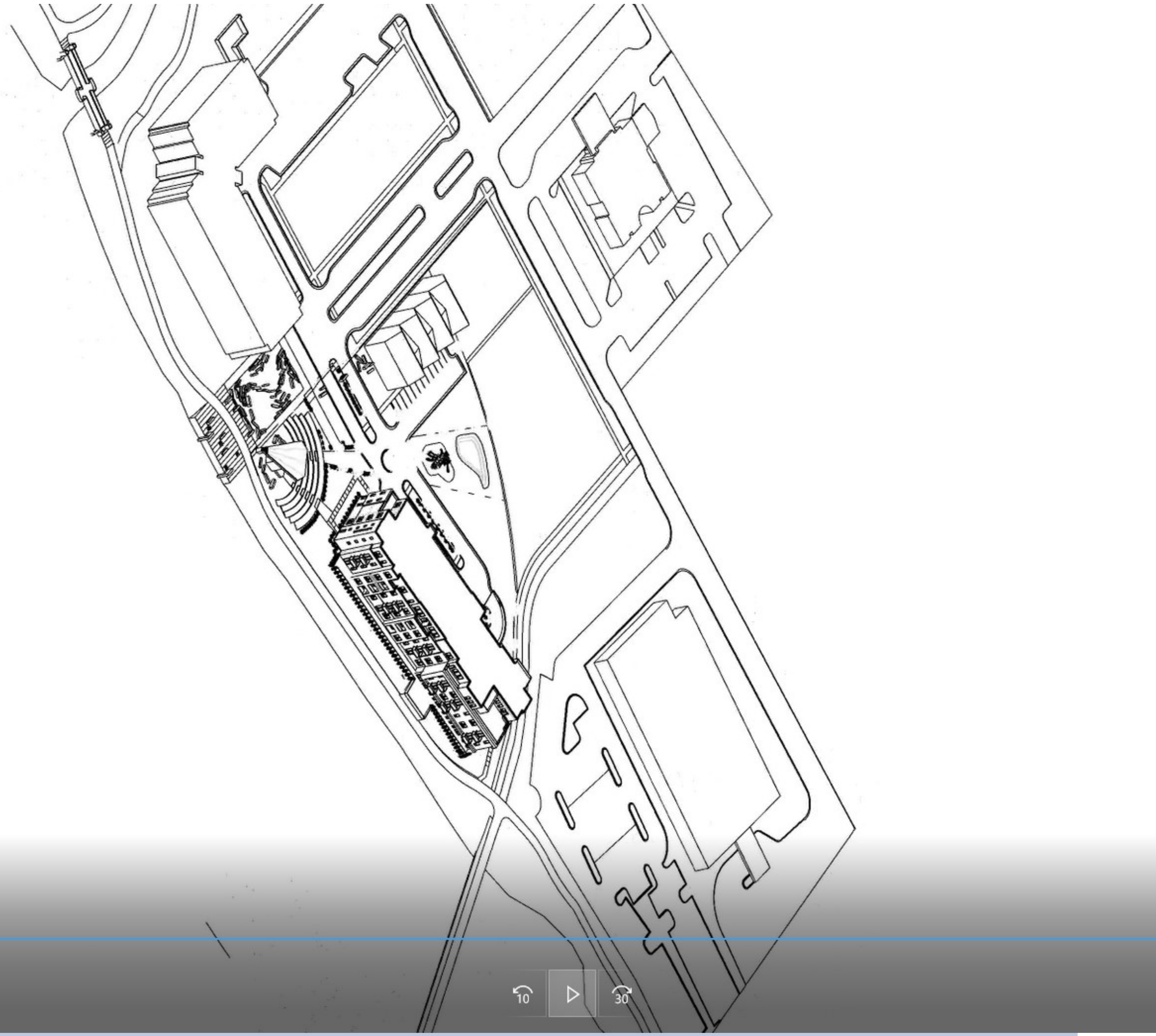




Riverlife Condos South End

Mitch Viegut Developer 715 571 2274

Riverlife Condos South End Mitch Viegut Developer 715 571 2274



Memorandum

From: Tracey Kujawa, Chief
To: Finance Committee
Date: January 9, 2020
Subject: Station 1 Remodel Sole Source Request

Purpose:
It is important that we follow the required procurement process set forth by the City during the remodel effort at Station 1. We are beginning this project with the administrative office space with the majority of that cost being replacement furniture. We would like to request a sole source purchase of this furniture.

Recommendation:
We would like to request the following item be considered as a sole source purchase along with the reasoning for the request:

Administrative Office Remodel	Budgeted Amount	Reason to Request Sole Source
Furniture	$21,500	Customer Service/Dependability/State Pricing/Consistency/Local Vendor Environments/Herman Miller Product

Facts OR Considerations:
The furniture being purchased is compatible with what we already own so the maintenance, use and repair will be consistent and standardized.

Drafted by: Tracey Kujawa, Chief

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.

   We are looking to purchase furniture for the administrative office remodel at Station 1. The vendor is Environments which is located in Wausau. The cost is estimated at #21,500.

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

   This furniture is replacement furniture for the 6 work stations within the administrative office.

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.

   We would like to remain compatible with the current furniture we currently own.

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

   For compatibility reasons we did not look at any other vendors.

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

   The vendor does give the City of Wausau state pricing.

6. 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: Wausau Fire Department

Preparer: Tracey Kujawa, Chief

Vendor Name: Environments

Expected amount of purchase or contract: $21,500

Department Head Signature:	***Date:*** 1/9/2020

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

CITY OF WAUSAU 2019 GENERAL FUND BUDGET VS. ACTUAL HIGHLIGHTS

STATEMENT OF REVENUES AND EXPENDITURES
NOVEMBER 30, 2019
NARRATIVE

REVENUES

When comparing current year to prior year some revenue timing differences are apparent, yet not indicative of problems.

License Revenue - License revenue is surpassed its 2019 budget by 10% and outpaces 2018 revenues by nearly $20,000. 70% of the revenues in this line item are from class A and B liquor and operator licenses. Another positive development has been the sale of burn licenses which have more than doubled from 2018, bringing in almost $20,000 so far this year.

Permit Revenue – For the third year in a row permit revenues have grown and exceeded their annual budget. Every category of permits the City sells (i.e. building, plumbing, electrical, etc.) have realized more revenue than was budgeted for 2019, and revenues far exceed 2018's pace – up 17%. Through November, permit revenues have surpassed their budget by 80%.

Fines, Forfeitures and Penalties – Municipal Court revenue is at only 77% of its budgeted pace, with 92% of the year complete. Collections are only 86% of what they were in 2018, down over $47,000. As discussed in prior months, the quantity of citations issued in 2019 are down over 25% from last year. Finance did not receive an indication that a major shift in traffic citation issuances was going to occur in 2019, and therefore a decrease in collections was not budgeted for.

Interest on General Investments – This line item far exceeds is 2019 budget*. The City's main LGIP account alone has realized over $300,000 in interest through November. The interest rate in the LGIP currently is 1.71%, which has been trending downward since April when the interest rate was 2.49%. The City adjusts its investments to market value on a monthly basis, and the vast majority of the investments (93.7%) are in different federal agency bonds, with lesser amounts invested in CD's and other municipal bonds. Those investments netted the City total realized and unrealized gains of nearly $900,000 through November.

EXPENSES

Department of Public Works – Due to the record breaking amount of snowfall witnessed during the winter months of 2019, this line item has exceeded its budgeted pace. Such a large amount of snowfall created a vital need for snow removal services including overtime hours by plow drivers, equipment use (depreciation), and fuel, salt, and brine costs, among other related costs. The winter maintenance budget makes up about 28% ($1.938M) of the overall DPW budget, and is now nearly $250,000* overspent for the year through November. The Department of Public Works overall budget is 97.9% spent, with 91.67% of the year complete.

> ** The Finance Committee passed a resolution to increase the Winter Maintenance budget by $300K, while concurrently raising the Interest on General Investments budget in light of the surplus realized to date. Council has yet to vote on the resolution and therefore the $300K has <u>not</u> been included in the budget amounts reported.*

Overall, the expenses to date appear to be in good shape, with 89.6% of the budget spent and 91.7% of the year complete. This year's spending is slightly more that last year when 86.4% of the budget was spent through November.

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
Period Ended November 30, 2019

	Budgeted Amounts		2019	Variance with	2018
	Original	Final	Actual	Final Budget	Actual
TAXES					
General property taxes	$ 18,232,895	$ 18,232,895	$ 18,232,895	$ -	$ 17,863,207
Mobile home parking fees	26,600	26,600	26,325	(275)	23,906
Payments in lieu of taxes	113,000	113,000	37,126	(75,874)	16,600
Other taxes	67,184	67,184	249,689	182,505	70,314
Total Taxes	18,439,679	18,439,679	18,546,035	106,356	17,974,027
INTERGOVERNMENTAL					
State shared taxes	4,729,956	4,729,956	4,764,651	34,695	4,472,785
Expenditure restraint	853,021	853,021	853,021	-	871,260
Fire insurance tax	115,000	115,000	124,674	9,674	113,244
Municipal services	145,000	145,000	148,232	3,232	146,389
Transportation aids	2,725,725	2,725,725	2,725,149	(576)	2,684,374
Other grants	160,434	160,434	234,672	74,238	70,310
Total Intergovernmental	8,729,136	8,729,136	8,850,399	121,263	8,358,362
LICENSES AND PERMITS					
Licenses	185,968	185,968	203,821	17,853	184,108
Franchise fees	340,000	336,000	251,430	(84,570)	164,433
Permits	254,153	254,153	457,297	203,144	390,412
Total Licenses and Permits	780,121	776,121	912,548	136,427	738,953
FINES, FORFEITURES AND PENALTIES	380,030	380,030	290,974	(89,056)	338,846
PUBLIC CHARGES FOR SERVICES					
General government	84,630	84,630	101,457	16,827	112,893
Public safety	1,743,170	1,743,170	1,509,189	(233,981)	1,464,987
Streets and related facilities	138,950	166,750	206,243	39,493	165,031
Recreation	177,900	177,900	160,024	(17,876)	169,999
Public areas	119,910	119,910	112,545	(7,365)	121,086
Total Public Charges for Services	2,264,560	2,292,360	2,089,458	(202,902)	2,033,996
INTERGOVERNMENTAL CHARGES FOR SERVICES					
State and federal reimbursements	11,350	11,350	15,133	3,783	17,595
County and other municipalities	230,641	230,641	80,354	(150,287)	156,214
City departments	840,085	840,085	425,850	(414,235)	411,366
Total Intergovernmental Charges for Services	1,082,076	1,082,076	521,337	(560,739)	585,175

CITY OF WAUSAU, WISCONSIN

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (Continued)

Period Ended November 30, 2019

	Budgeted Amounts		2019	Variance with	2018
	Original	Final	Actual	Final Budget	Actual
COMMERCIAL					
Interest on general investments	$ 328,256	$ 328,256	$ 1,251,013	$ 922,757	$ 526,490
Interest on special assessments	5,000	5,000	501	(4,499)	470
Other interest	18,000	18,000	66,358	48,358	102,069
Total Commercial	351,256	351,256	1,317,872	966,616	629,029
MISCELLANEOUS REVENUES					
Rent of land and buildings	203,800	203,800	189,576	(14,224)	182,367
Sale of City property/loss compensation	20,600	20,600	14,683	(5,917)	39,395
Other miscellaneous revenues	18,305	18,305	45,359	27,054	34,117
Total Miscellaneous Revenues	242,705	242,705	249,618	6,913	255,879
OTHER FINANCING SOURCES					
Transfers in	1,841,280	1,841,280	1,621,071	(220,209)	1,507,916
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 34,110,843	$ 34,134,643	$ 34,399,312	$ 264,669	$ 32,422,183

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Period Ended November 30, 2019

	Budgeted Amounts			Variance with	2018
	Original	Final	Actual	Final Budget	Actual
GENERAL GOVERNMENT					
City Council	$ 93,653	$ 93,653	$ 74,748	$ 18,905	$ 74,831
Mayor	216,424	216,424	174,491	41,933	187,757
City Promotion	125,000	125,000	120,710	4,290	109,284
Finance department	519,405	519,405	462,321	57,084	472,161
Data processing	792,645	792,645	682,678	109,967	693,867
City clerk/customer service	426,372	426,372	349,415	76,957	352,334
Elections	48,779	48,779	18,340	30,439	81,718
Assessor	536,454	536,454	428,207	108,247	377,010
City attorney	621,590	621,590	476,586	145,004	483,300
Municipal court	143,654	143,654	108,396	35,258	126,892
Human resources	377,819	398,819	307,930	90,889	303,584
City hall and other municipal buildings	285,329	285,329	250,540	34,789	263,878
Unclassified	80,000	80,000	113,148	(33,148)	8,826
Total General Government	4,267,124	4,288,124	3,567,510	720,614	3,535,442
PUBLIC SAFETY					
Police department	9,756,572	9,756,572	8,784,764	971,808	8,276,221
Fire department	3,792,737	3,792,737	3,711,331	81,406	3,485,491
Ambulance	3,595,753	3,655,773	2,869,569	786,204	2,622,989
Inspections	890,841	928,841	809,439	119,402	799,679
Total Public Safety	18,035,903	18,133,923	16,175,103	1,958,820	15,184,380
TRANSPORTATION AND STREETS					
Engineering	1,368,493	1,368,493	1,222,112	146,381	1,170,120
Department of public works	6,627,821	7,005,621	6,857,135	148,486	5,944,136
Total Transportation and Streets	7,996,314	8,374,114	8,079,247	294,867	7,114,256
SANITATION, HEALTH AND WELFARE					
Garbage and refuse collection	929,000	925,000	754,753	170,247	821,878
NATURAL RESOURCES/RECREATION					
Parks and recreation	2,882,502	2,882,502	2,379,620	502,882	2,439,713
OTHER FINANCING USES					
Transfers out	-	310,000	310,000	-	48,088
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 34,110,843	$ 34,913,663	$ 31,266,233	$ 3,647,430	$ 29,143,757

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SUMMARY OF BUDGET MODIFICATIONS
Period Ended November 30, 2019

BUDGET REVENUES RECONCILIATION		
2019 ADOPTED BUDGET	$	34,110,843
Cable Franchise Fees - Adjust for Expected Decrease in Cable Franchise Fee Payments		(4,000)
Streets and Related Facilities - Adjust for Unbudgeted Reimbursement from Aspirus and Marathon County		27,800
2016 MODIFIED BUDGET	$	34,134,643
BUDGET EXPENDITURES RECONCILIATION		
2019 ADOPTED BUDGET	$	34,110,843
Street Maintenance - Prior Year Carryover for Repair Services and Seal Coating		350,000
Ambulance - Prior Year Carryover for Capital Equipment		60,020
Inspections - Prior Year Carryover for Building Code Professional Services		38,000
Human Resources - Prior Year Carryover for Salary Study Professional Services		21,000
Transfers Out - Transfer to Capital Improvements Fund for Salt Barn Roof Replacement		310,000
Garbage Collection - Adjust for Expected Decrease in Garbage Collection Expenditures		(4,000)
Department of Public Works - Adjust for Unbudgeted Traffic Lines and Crossing Signs for Medical Campus		27,800
2019 MODIFIED BUDGET	$	34,913,663

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

RESOLUTION OF THE FINANCE COMMITTEE	
Opposing legislation that limits municipal Tax Increment District powers	
Committee Action:	Approved
Fiscal Impact:	Legislative resolution no fiscal impact
File Number:	**Date Introduced:** January 28 2020

FISCAL IMPACT SUMMARY			
COSTS	*Budget Neutral*	Yes☐No☐	
	Included in Budget:	Yes☐No☐	*Budget Source:*
	One-time Costs:	Yes☐No☐	*Amount:*
	Recurring Costs:	Yes☐No☐	*Amount:*
SOURCE	*Fee Financed:*	Yes☐No☐	*Amount:*
	Grant Financed:	Yes☐No☐	*Amount:*
	Debt Financed:	Yes☐No☐	*Amount* *Annual Retirement*
	TID Financed:	Yes☐No☐	*Amount:*
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐		

RESOLUTION

WHEREAS, 2019 Senate Bill 560 proposes a number of changes to the tax increment statutes which would limit municipal powers; and

WHEREAS, the changes will include financial constraints on cash grants provided to developers and requiring unanimous Joint Review Board approval on TID amendments that add territory or extend the termination date; and

WHEREAS, Tax Increment Financing is one of the limited tools the City has to redevelop and attract new development in the community; and

WHEREAS, the existing statutes provide appropriate checks and balances in developer grants and TID creation and modification; and

WHEREAS, your Finance Committee has reviewed the proposed legislation and recommends City officials go on record opposing this proposed legislation

NOW THEREFORE BE IT RESOLVED, that proper city officials submit this resolution to our state representatives opposing this legislation.

Approved:

____

Robert B. Mielke, Mayor

State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-4515/1
MES:cjs

2019 SENATE BILL 560

November 15, 2019 – Introduced by Senators STROEBEL, ERPENBACH, CRAIG and NASS, cosponsored by Representatives OTT, BOWEN, SARGENT, WICHGERS, BORN, RAMTHUN, GUNDRUM, BROOKS, BRANDTJEN, KULP, STEFFEN, SUBECK, CONSIDINE, HUTTON, PETERSEN and SKOWRONSKI. Referred to Committee on Government Operations, Technology and Consumer Protection.

AN ACT *to amend* 66.1105 (2) (f) 2. d., 66.1105 (4) (f), 66.1105 (4) (h) 2. and 66.1105 (4m) (b) 2.; and *to create* 66.1105 (4m) (b) 2e. of the statutes; **relating to:** changes to a tax incremental district joint review board's voting requirements, requiring that a tax incremental district's project plan include alternative economic projections, and limiting the amount of cash grants a city or village may provide to a developer.

Analysis by the Legislative Reference Bureau

This bill changes the voting requirements for a tax incremental district's joint review board (JRB), generally limits the amount of cash grants that a city or village may make to a person for a tax incremental financing district's project costs, and requires an additional item to be included in a tax incremental district's project plan.

Under the current tax incremental financing program, a city or village may create a TID in part of its territory to foster development under certain conditions. Currently, towns and counties also have a limited ability to create a TID under certain limited circumstances. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, preparation and adoption by the local planning commission of a proposed project plan for the TID, approval of the proposed project plan by the common council or village board, approval of the city's or village's proposed TID by a joint review board that consists of members who represent the overlying taxation districts, and adoption of a resolution by the common council or village board that creates the TID as of a date provided in the resolution.

Currently, a project plan must include a number of elements, such as information regarding the kind, number, and location of all proposed public works or improvements within the district, an economic feasibility study, a detailed list of estimated project costs, and a description of financing methods for the project costs. Generally, project costs are defined to include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. Certain items are specifically prohibited from being considered project costs, such as the cost of constructing or expanding certain municipal buildings and cash grants to developers, although exceptions are allowed. For example, current law authorizes a city or village to make cash grants to owners, lessees, or developers of land in a TID if the grant recipient has entered into a development agreement with the city or village.

Under this bill, the total of all such allowable cash grants may not exceed 20 percent of the total project costs of a TID, including financing costs attributable to the grants, unless the grant recipient's development agreement with the city or village specifies that the developer agrees to finance the cost of all public infrastructure improvements within the proposed TID, and further agrees to receive reimbursement for these costs solely from the payment of cash grants.

This bill requires the project plan to also include alternative economic projections of the TID's finances and feasibility under different economic situations, including a slower pace of development and lower rate of property value growth than expected in the TID.

Generally, under current law, a JRB consists of five members, three members who represent the TID's overlying taxation districts (school board, county, and technical college districts), one member from the city or village that created the TID, and one public member. To take certain actions, such as approving the creation of a TID, amending a TID's project plan, or having a TID's tax incremental base redetermined, a majority vote is required.

Under this bill, on October 1, 2020, a majority vote will generally require three affirmative votes. However, the bill requires unanimous JRB approval for a vote to amend a TID's project plan that would either add territory to the TID or extend its original termination date. After October 1, 2020, the bill also removes the limit of four amendments to a TID's project plan to modify the TID's boundaries.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 66.1105 (2) (f) 2. d. of the statutes is amended to read:

66.1105 **(2)** (f) 2. d. Cash grants made by the city to owners, lessees, or developers of land that is located within the tax incremental district unless the grant recipient has signed a development agreement with the city, a copy of which shall be sent to the appropriate joint review board or, if that joint review board has been dissolved, retained by the city in the official records for that tax incremental district. <u>The total of all cash grants that are made under this subd. 2. d. may not exceed 20 percent of the total project costs of the tax incremental district, including financing costs attributable to the grants, except that this limitation does not apply if, in the signed development agreement, the private developer or another private entity, agrees to create improvements in the proposed district and agrees to finance the cost of all public infrastructure improvements associated with that district in return for the city's agreement to repay the developer or other entity for those infrastructure costs solely through the payment of cash grants as described in this subd. 2. d.</u>

SECTION 2. 66.1105 (4) (f) of the statutes is amended to read:

66.1105 **(4)** (f) Adoption by the planning commission of a project plan for each tax incremental district and submission of the plan to the local legislative body. The plan shall include a statement listing the kind, number and location of all proposed public works or improvements within the district or, to the extent provided in sub. (2) (f) 1. k. and 1. n., outside the district, an economic feasibility study, a detailed list of estimated project costs, and a description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred. <u>The project plan shall also contain alternative projections of the district's finances and economic feasibility under different economic scenarios, including the scenario in which work on a public work or improvement specified in the project plan begins 3 years later than expected and the scenario in which the rate of property</u>

value growth in the district is at least 10 percent lower than expected. The plan shall also include a map showing existing uses and conditions of real property in the district; a map showing proposed improvements and uses in the district; proposed changes of zoning ordinances, master plan, if any, map, building codes and city ordinances; a list of estimated nonproject costs; and a statement of the proposed method for the relocation of any persons to be displaced. The plan shall indicate how creation of the tax incremental district promotes the orderly development of the city. The city shall include in the plan an opinion of the city attorney or of an attorney retained by the city advising whether the plan is complete and complies with this section.

SECTION 3. 66.1105 (4) (h) 2. of the statutes is amended to read:

66.1105 **(4)** (h) 2. Except as provided in subds. 4., 5., 7., 8., 9., 10., and 11., the planning commission may adopt an amendment to a project plan under subd. 1. to modify the district's boundaries, not more than 4 times during the district's existence, by subtracting territory from the district in a way that does not remove contiguity from the district or by adding territory to the district that is contiguous to the district and that is served by public works or improvements that were created as part of the district's project plan. A single amendment to a project plan that both adds and subtracts territory shall be counted under this subdivision as one amendment of a project plan. The limitations on the number of allowable amendments to a project plan specified in this subdivision do not apply after October 1, 2020.

SECTION 4. 66.1105 (4m) (b) 2. of the statutes is amended to read:

66.1105 **(4m)** (b) 2. No tax incremental district may be created and no project plan may be amended unless the board approves the resolution adopted under sub.

(4) (gm) or (h) 1., and no tax incremental base may be redetermined under sub. (5) (h) unless the board approves the resolution adopted under sub. (5) (h) 1., by a majority vote within 45 days after receiving the resolution. Except as provided under subd. 2e., for actions described under this subdivision, a majority vote is required, and, except for a multijurisdictional tax incremental district, 3 affirmative votes are required to constitute a majority. With regard to a multijurisdictional tax incremental district created under this section, each public member of a participating city must be part of the majority that votes for approval of the resolution or the district may not be created. The board may not approve the resolution under this subdivision unless the board's approval contains a positive assertion that, in its judgment, the development described in the documents the board has reviewed under subd. 1. would not occur without the creation of a tax incremental district. The board may not approve the resolution under this subdivision unless the board finds that, with regard to a tax incremental district that is proposed to be created by a city under sub. (17) (a), such a district would be the only existing district created under that subsection by that city.

SECTION 5. 66.1105 (4m) (b) 2e. of the statutes is created to read:

66.1105 **(4m)** (b) 2e. A unanimous vote of the board is required for any of the following actions:

a. An amendment of a project plan under sub. (4) (h) 1. if the amendment adds any territory to a district.

b. An amendment of a project plan if the amendment would extend the original termination date of the district.

SECTION 6. Initial applicability.

(1) The treatment of s. 66.1105 (2) (f) 2. d. and (4) (f) first applies to a tax incremental district that is created on October 1, 2020, or whose project plan is amended on October 1, 2020.

SECTION 7. Effective dates. This act takes effect on the day after publication, except as follows:

(1) The treatment of s. 66.1105 (4m) (b) 2. and 2e. takes effect on October 1, 2020.

(END)