FINANCE COMMITTEE
Date and Time: Tuesday, January 14, 2020 @ 5:30 pm., Council Chambers
Members Present: Rasmussen, Smith, Martens, Nutting, Lawrence
Others Present: Groat, Barnes, Bliven, Barteck, Jacobson, Mielke, Kujawa, Lindman, Mohelnitzky, Schock, Stratz, Vanderboom, Neal, 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 (12/10/19)
Motion by Nutting, second by Smith to approve the minutes of the previous meetings on 12/10/19. Motion carried 5-0.

Discussion and possible action regarding sole source purchase asbestos abatement Great Lakes Cheese 101 Devoe Street
Martens questioned if the abatement had already started and if this was additional remediation that had to be done. Tammy Stratz explained the initial inspection was done and a quote was received, but after the work started more suspect materials were discovered as the deconstruction was happening. She indicated they stopped and worked with the DNR to find out what additional work needed to be done, as well as the most economical way of doing it.

Motion by Martens, second by Lawrence to approve the sole source for asbestos abatement. Motion carried 5-0.

Discussion and possible action regarding modification of the procurement policy
Rasmussen explained for a number of years it has been in the policy that documentation or committee approval is not required to expedite small purchases under $5,000. This allows staff to make small incidental purchases to get a job done without having to wait to go through a committee process. She indicated the intent is to clarify the policy so it reads the way it has always been applied and our methods and procedures match.

Groat stated once the purchase is over $5,000 there is a lot of red tape to go through, such as obtaining a purchase order, getting at least three quotes or submitting a sole source request. She indicated she has advised departments to do the best they can for the taxpayers when making a purchase under $5,000. She explained the changes being made here are just clarifying that in addition to not having to provide procurement documentation, the sole source documentation is not necessary either.

Motion by Nutting, second by Martens to approve the modification of the procurement policy. Motion carried 5-0.

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
Martens stated the current fee is 25 cents per page and questioned if it would now by 3.5 cents for color and .04 cents for black & white. Jacobson indicated Assistant Attorney Nate Miller and IT Director Gerry Klein worked on this because there were complaints from the media that what we were charging was too high. This reflects more accurately the true costs for copies.

Motion by Nutting, second by Lawrence to approve the modification of fees relating to open record copies. Motion carried 5-0.

Discussion and possible action regarding sole source purchase planning services North Riverfront and related budget modification
Smith asked for clarification on what they were actually voting on. Chris Schock explained this was in reference to the North Riverfront, which is the area north of Wausau Avenue, a separate item from the Riverlife Development. It is the Great Lakes Cheese facility, for which three proposals were received, including two commercial users and a residential user. The ED Committee felt it might be valuable to hire a professional planning and engineering firm to work with the three proposers and staff to come up with a site plan. This is being called a unifying plan that unifies together the three proposals rather than selecting one of the proposals and not the others. He indicated from a staff perspective they felt there was opportunity to incorporate all three interested parties into this large site. The work

that needs to be done is to plan and layout where the roads, stormwater, parking facilities, and future utility corridors will go, as well as how the different users will be placed on their sites. He stated the request was for up to $9,000.

Motion by Lawrence, second by Martens to approve the sole source purchase and related budget modification for planning services North Riverfront. Motion carried 5-0.

Discussion and possible action regarding terms of development agreement Riverlife Condos and related developer incentives

Rasmussen stated the ED Committee recommended approval of this plan, which is Phase II of Riverlife located south of the current area. Schock clarified this Phase II of Riverlife is south of Fulton Street and south of where the current building is under construction; it is between the current building and the Eye Clinic.

Smith questioned if there was a projected payback when the city will break even on its investment. Schock stated this project is not receiving a great deal of incentive. It has a minimum of $5 million in construction value and its incentive is under 10% of that. He stated it is unknown what the property will assess for, but it will pay significant taxes fairly quickly. Groat noted it is in TID #3. *Discussion followed regarding high-end housing versus affordable housing for lower incomes.*

Motion by Nutting, second by Lawrence to approve the terms of development agreement Riverlife Condos and related developer incentives. Motion carried 5-0.

Discussion and possible action regarding sole source purchase Fire Station Furniture

Rasmussen noted they would like to keep the same vendor for all furniture for interchangeable parts and service.

Motion by Nutting, second by Smith to approve the sole source. Motion carried 5-0.

Discussion and possible action regarding the November General Fund financial report

Groat presented the Financial Report: http://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx
She commented the General Fund will make a profit, however, there are going to be some pretty significant differences in our results at the end of the year. The biggest stars in revenue performance are investment income and permit fees. She stated the biggest concern in expenses continues to be a decline in Municipal Court fines. She reiterated we will show a profit at the end of the year, but our budget to actual will show the budget as overspent.

Groat stated the most problematic area is the Engineering Budget (DPW) due to snow removal and the winter event. In November a budget amendment of $300,000 was approved to increase that budget for Public Works to offset some of that winter maintenance, but it most likely won't be enough. She indicated she would have a report for the next meeting.

Groat estimated an overall profit of approximately $500,000. Lawrence commented we are not here to make a profit because city government isn't a business, it is a service provider, where there are a lot of unknowns when setting the budget.

Discussion and possible action opposing SB 560 limiting Tax Increment Districts

Rasmussen stated we get a newsletter every month from the Wisconsin League of Municipalities which tracks the legislative things happening in Madison that cities might be interested in. She felt this is one of those things because it makes changes to how TID financing works and to some of the requirements for us to locally manage our tax increment districts. She felt there were a couple of troubling caveats in it. The regulations that cities must go through to manage TID's per the mapping and the Joint Review Board are already fairly stringent. This bill would require a unanimous vote, not a majority vote, of any Joint Review Board to either increase the size of a TID or extend its life. This would be statewide and have far reaching impacts for cities like Wausau and many others that would be forced to seek that unanimous vote to increase a TID or extend the life. Sometimes activity like that can completely change the success of a TID and the revenue stream that comes from it.

Groat felt that creating a higher threshold for approval for the Joint Review Board seems unreasonable. There are checks and balances for our developer agreements because we have to provide that to the Joint Review Board through the Project Plan, so they are able to review our desire to give developer incentives as part of their approval.

Smith indicated he would not support a resolution opposing this legislation because he felt we need to do a better job of managing the TID's or the state would not be bringing this forward.

Rasmussen responded our financial planners each year state that we are doing a good job of managing our TIDs and are in a good financial situation because of that management. She commented we know that there are municipalities throughout the state that don't do that good of job but she did not believe Wausau was among them. The city utilizes TIDs as a development tool, but she did not believe they use it irresponsibly.

Lawrence stated you need to increase your tax base and use whatever tool the state lets you have. She pointed out we don't have sales tax or wheel tax and the state has limited what can be done with room tax. She believed the TIDs in the city were managed well and it is the only tool we have.

Motion by Lawrence, second by Nutting to approve the resolution opposing SB 560 limiting Tax Increment Districts. Motion carried 4-1. (*Smith was the dissenting vote*.)

Adjourn
Motion by Martens, second by Nutting to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:30 pm.