

FINANCE COMMITTEE

Date and Time: Tuesday, April 27, 2021 @ 5:15 pm., Council Chambers

Members Present: Lisa Rasmussen, Michael Martens, Dawn Herbst, Sarah Watson, and Deb Ryan

Others Present: Maryanne Groat, Anne Jacobson, Ben Bliven, Brad Lenz, Katie Rosenberg, Sean Fitzgerald, Jamie Polley, Leslie Kremer

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 Chair, Lisa Rasmussen.

Minutes of the previous meeting(s). (4/13/2021)

Motion by Herbst, second by Watson to approve the minutes of the previous meeting on 4/13/2021. Motion carried 5-0.

Resolution Supporting continued State investment in local critical services and increased commitment to share revenue funding

Rasmussen stated that the City has been monitoring the state budget process. We are hoping our share of transportation aid and shared revenue increase. Mayor Rosenberg testified in Rhinelander, WI last week at a hearing about the budget process and the impact it has on municipal budgets. Mayor Rosenberg stated that the City of Wausau could see an increase in revenue of about \$81,000, which is the 2% increase.

Rasmussen stated that this Resolution is a way to speak as one voice to let legislators know that the City of Wausau wants them to continue to invest in the things that matter to us.

Motion by Martens, second by Herbst to approve the Resolution supporting continued State investment in local critical services and increased commitment to share revenue funding. Motion carried 5-0.

Resolution approving modification of the 2021 Budget and authorization to enter into a sponsorship contract for the laser show and balloon glow 2021 Taste and Glow Balloon Fest

Rasmussen explained that typically these kinds of requests are handled through Room Tax Commission, however, due to the pandemic, Wausau Events could not commit to hosting the annual Balloon and Rib Fest at the airport in the timeframe when a decision had to be made. The Balloon Fest was then organized and moved to an alternate location. Rasmussen noted that Wausau Events is not a City Department, so the City of Wausau had nothing to do with the decision not to host the event in Wausau this year. Rasmussen stated that she has received a volume of criticism for not hosting the Balloon Rally this year and she wants to make it clear that this was not the City of Wausau's decision. Wausau Events has its own governing board, it makes its own decisions and it made a decision that it thought could safely be made. Rasmussen stated that this does not, however, mean that there isn't a tourism impact on this event not occurring, so it is definitely a plus for everyone in the area for it to be held.

Groat explained that the state puts room tax dollars into two buckets. One is governed by Room Tax Commission and they established a semi-annual review process for tourism related grants. The Commission completed its first half of the season work in February, 2021 and this request came in after that. The Commission's second meeting is in August, so that would be too late for this event. Groat explained that a solution she thought of was to take this funding request out of the City's share of Room Tax funds, which the City is able to distribute to a variety of things. This would remedy having to go outside of the tourism calendar. Groat stated that she has now received another request for a grant and she believes that, due to the pandemic and uncertainty, a lot of events have been left not knowing what to do. Groat said that she has asked the Mayor whether the City may want to open up another tourism application request to see if there may be some other events that want to apply. Groat stated that the Wollers are looking for an answer on their funding request sooner rather than later, due to the significant costs involved in organizing an event as large as the Balloon Rally, and that is the reason they are at this meeting. Groat also stated that Wausau Events is supporting the Wollers' Event in the amount of \$2500, so they are partnering with them.

Rasmussen asked Groat if there would be any impact on the monies already awarded if we took this funding request out of the City's share of the Room Tax funds. Groat confirmed that there would not be an impact. Debra Ryan commented that the City of Wausau will save thousands of dollars in staffing costs by Stettin hosting the event.

Steve and Nancy Woller are organizing the event. The Wollers stated that they are working with the Sheriff's Department on traffic concerns and have also been working with the Town of Stettin. Wausau Events is partnering with the Wollers to provide bussing between Chalkfest on the 400 Block and their event on that Saturday. Rasmussen asked if the Wollers would commit to returning the event to the airport in 2022. The Wollers stated that Balloonists are not able to steer the balloons, so they go where they go based upon the wind. The Wollers stated that the Wausau airport has not been the safest area for balloonists to land and they believe the new area is much safer and better suited for balloonists to land. Due to the location of the airport and the direction of the wind, Mr. Woller stated that many times balloonists have to find alternative places to land in the City, which makes for a very unsafe situation. With the new location, the wind direction will not be a factor as there is much more area for the balloonists to land. Nancy Woller stated that Wausau Events had told them a few years ago that, as the Wausau airport continues to expand, the Balloon Rally will be forced to move from the location at some point. The Wollers see this new location as a win-win for everyone. The Wollers stated that they want to partner with Wausau Events to host a successful event and have no intention to take the event away from them. They will not commit to any plans for returning to the Wausau airport next year at this time.

Dawn Herbst said she completely supports the Wollers' Event and is so pleased to see local vendors and food trucks being invited to participate. The Wollers are working on obtaining additional space at the new venue for parking and believe they would be able to accommodate 20,000 cars, which is much more than the airport grounds could accommodate. Deb Ryan commented that she is also supportive of the Wollers' event due to the local vendors being able to participate and believes the plans for accommodating traffic and parking at the new location are a positive step as well. Rasmussen stated that she does want to emphasize that the neighbors on the Southeast side of Wausau viewed the Balloon Rally as a source of pride for their neighborhood and she has received comments from those residents that they did not view the parking or increased traffic during the event as a problem they were looking to get rid of.

Mike Martens asked if awarding this funding request will set a precedent for other events to request funding outside of the Room Tax Commission funding periods. Rasmussen stated that the only reason this event is being considered by the Finance Committee is due to the timing aspect. The Finance Committee would not be looking to handle any additional funding requests, especially since a second application period may be opened. Groat also confirmed that funding this request would use up all of the remaining funds in the City's share of Room Tax funds, so all other requests for funding would have to come before the Room Tax Commission this year.

Motion by Herbst, second by Ryan to approve the Resolution approving modification of the 2021 Budget and authorization to enter into a sponsorship contract for the laser show and balloon glow 2021 Taste and Glow Balloon Fest. Motion carried 5-0.

Discussion and possible action regarding storm water and garbage fees and municipal code Chapter 3.10 Fees for Municipal Service 3.10.010 Referendum

Rasmussen explained that the City is hamstrung by legislation that does not allow a municipality to create uniform and fair charges for people for services, especially for garbage and storm water. Currently these fees are based on the levy, even though everyone receives exactly the same service. For example, some residents are paying hundreds of dollars for garbage service while others are paying less than twenty dollars, and all are receiving the same level of service with exactly the same size garbage tote.

Finance Director Groat explained that the Council had approved the creation of a storm water utility back in 2005. Prior to that Resolution, the City had done some research and work on the issue to provide the Council with information. The City was in the stage of finalizing the fee schedule and implementation when a grassroots effort went door to door to obtain signatures on a Petition that would require the City to go to Referendum before implementing any new source of revenue. The question that the group wanted the City to ask the constituents was whether the City shall hold a Referendum requesting city authorization to institute a fee for any municipal service and the question went on to list fees such as garbage, police protection, municipal sewer, fire protection, road repair, recycling, and stated that there would be an exception to that rule only if the fee affects equal to or less than 10% of City residents. Groat explained that this means we can increase existing fees but we can't create new fees. Groat discussed that the lack of diversity the City of Wausau has in available revenues is something the Council has

struggled with over the years. When the grassroots effort filed the Petition with the City Clerk years back, the Council had two choices under State Statute. The Council could adopt the language in our municipal code for a period of at least two years or the Council could move ahead with a Referendum. The Council at that time decided to adopt the language with the thought we would repeal it after the 2 years and give the power back to the Council, however, this section 3.10.010 has remained in our Code. In 2014, the issue to repeal the section came before Council, but failed. Groat explained that the Council then moved forward with two referendum on the April, 2015 ballot that asked:

May the City of Wausau institute a fee for garbage pickup and recycling, while removing the cost for this service from the tax levy? and

May the City of Wausau institute a fee for storm water management, while removing the cost for this service from the tax levy?

The information provided to residents on the referendum included the fact that these fees would be budget neutral, meaning that the revenue generated from the new fee would be subtracted from the levy in the year of implementation. Both referendum questions failed at that time and, consequently, the City of Wausau has been required to rely on the same revenue sources for more than 20 years. Other municipalities have diversified their revenue sources. Groat gave examples of Madison's Urban Forest charge, while other communities have gone to a wheel tax. Groat discussed that when people compare our taxes to taxes of other communities, it is important to keep in mind the lack of diversity the City of Wausau has. Groat further noted that state law now requires that any newly implemented fees be budget neutral in that first year of implementation, so even if we wanted to generate new revenues, we would not be allowed to.

Rasmussen commented that she recalls the Referendum discussed by Groat. Rasmussen stated that several public hearings were held and were not well attended by residents. After the Referendum failed and questions on the City's mill rate surfaced, Rasmussen stated that residents said if they had understood how they would have been impacted positively by the Referendum, they would have voted in the affirmative. Rasmussen also commented that resident homeowners are currently taking the brunt of the fees for storm water management while others with large parking lots are not having to pay anything due to being exempted out. Two examples of this are schools and churches. A storm water utility fee captures some of that lost revenue. Currently, the City cannot capture any of that, so residents that are paying taxes carry the full load. Rasmussen also noted that during the Scott Walker era, state law was changed, so there is now a safeguard in place that prevents municipalities from implementing new fees while also increasing the tax levy. Therefore, the political climate is very different now than it was in 2015 when the referendums failed. Rasmussen pointed out that when people contemplate buying a house in the City of Wausau and compare the tax bill to a similar value property in another municipality, all that person sees is the large difference in property taxes in the City of Wausau because we do not have the diversity of fees option. Rasmussen stated that if we repeal the Sec. 3.10.010, set up a storm water utility, and remove the garbage and recycling off of the tax bill as a percentage of property tax paid and instead implement a flat fee, we would see a substantial positive impact to our mill rate over time. Rasmussen stated that she believes the Finance Committee needs to take action on this before the next budget cycle is upon us.

Ryan commented that she is concerned about how these potential new fees would impact residents on limited fixed incomes, especially senior citizens. Ryan stated that there are clusters of senior citizens living in her area and there are many that do not accumulate much garbage. Ryan explained that she suggested to this group of 4 that they share one garbage receptacle, since between them all, they may fill one receptacle once per week or perhaps twice per month. Ryan stated that her main concern is how (this change in fees) it will affect those on fixed income. Ryan further stated that she is concerned about how a storm water utility fee would impact these resident groups and tax exempt groups such as churches that are in major financial crisis due to the pandemic. Ryan discussed that she is going to collect rain water at her home and therefore would be at a net zero for stormwater runoff. She questioned how a stormwater utility fee would apply in her situation, and for others in the City choosing to do the same type of thing, and also questioned whether storm water utility fees would be homeowner responsibility or if businesses and financially strapped churches would also be assessed fees. Rasmussen said that it is important to recognize that repealing Section 3.10.010 does not authorize a storm water utility and there would be a lot of analysis that would need to be done prior to considering a stormwater utility fee. All that repealing this section does is allow the Council to take some power back to be able to fairly distribute fees for services.

Watson commented that it would be better to move to a benefits received type of system and questioned what the next steps would be for the City if this section of the Code was repealed. Groat stated that we would need to repeal the Ordinance and then Finance can put together some information on what it would look like if the garbage and recycling was taken off of the levy and charged as a flat fee. As for the Storm water utility, some analysis would have to be done on the goal of the storm water utility and what costs we are hoping to recover relative to the storm water utility and maintenance thereof. We still have the budget analysis done in 2005 by the consultant that was hired to evaluate at that time and could use that as a starting point for discussions.

Rasmussen explained that it is not the goal of the City to repeal this Ordinance and then start implementing a bunch of new fees. Rather, the goal is to remove roadblocks created and institute some type of fair play where taxpayers are treated fairly and equally. The garbage fees are one area that can be looked at right away by this Committee, through our fee schedule.

Motion by Watson, second by Herbst to approve repealing WMC Section 3.10.010 Referendum, which includes Ordinance 61-5312. Motion carried 4-1. Ryan was the dissenting vote.

Discussion and possible action on Airport Ground Lease – Owen Jones and Wynn O. Jones II

Motion by Martens, second by Herbst to approve the Airport Ground Lease – Owen Jones and Wynn O. Jones II. Motion carried 5-0.

Discussion and possible action regarding February 2021 General Fund Financial Statements

Deferred to next meeting of the Finance Committee.

Discussion and possible action regarding status of COVID loan and ground lease deferments

Deferred to next meeting of the Finance Committee.

CLOSED SESSION pursuant to Section 19.85(1) (e) for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session regarding the purchase of property

Motion by Watson, second by Ryan to convene in CLOSED SESSION pursuant to Section 19.85(1) (e) for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session regarding the purchase of property. Roll call vote: Motion carried 5-0.

Convened back in Open Session at 6:17 p.m.

Adjourn

Motion by Martens, second by Watson to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:19 p.m.