**FINANCE COMMITTEE – BUDGET SESSION #2**
Date and Time: Wednesday, October 20, 2021 @ 5:15 pm., Council Chambers
Members Present: Lisa Rasmussen, Dawn Herbst, Sarah Watson, Michael Martens, Deb Ryan
Others Present: Maryanne Groat, Emily Ley, Anne Jacobson, Bob Barteck, Eric Lindman, Matt Barnes, Toni Vanderboom, Jamie Polley, Greg Seubert, Liz Brodek, Mary Goede, Michelle Van Krey, Katie Rosenberg

*Link to video of Budget Session #2:* https://www.youtube.com/watch?v=2t_-2JPOFeU

**Discussion and possible action approving recruitment and retention initiatives**
Toni Vanderboom, HR Director, summarized the HR committee discussed two different types of recommendations; things to implement immediately and things to be considered for the 2022 budget because they are more expensive.

Vanderboom stated the immediate recommendations are to temporarily suspend usage of pay steps 1 & 2. Any employees who are currently on these pay steps would be moved to Step 3 and future recruitments would start at Step 3. The fiscal impact to implement is $16,000. The other immediate recommendation is adjusting the vacation policy so that new hires can borrow up to a week of vacation in their first six months instead having to wait for that time to accrue to allow people to take paid time off a little bit earlier. She stated they were also looking at ways to amend the vacation accrual schedule for people to advance and to start with more vacation time. She indicated they would draft something separate on this and bring it directly to Council.

Vaderboom stated the recommendations to be considered for next year's budget were to move people to midpoint faster by giving people a six month increase and a year increase until they reach midpoint of the salary range. Employees below midpoint would receive two 3% increases until they reach midpoint. This would shorten the time to get to midpoint from eight years to four years. Because that only benefits employees below midpoint, or the less senior employees, we are also looking at something to balance that out and to recognize our more tenured employees. The consideration is for a onetime lump sum bonus for employees above midpoint and is likely to come before the Council as an ARPA request because it is a onetime payment.

Vanderboom stated another item for consideration in next year's budget is a culture survey. One of the items that was heard most from feedback from the employee survey was that there are some culture issues going on. The culture survey is like the process the County has be undergoing for several years and would give us a good baseline of where we are at now, as well as identifying areas most needing improvement.

Lisa Rasmussen questioned if there was another fund source other than ARPA for the onetime lump sum payment for more tenured employees. She indicated she did not feel they should use rescue plan funding for bonuses because that funding, as it relates to workers and employees, is to recover the loss for responding to the pandemic and exposure to hazardous situations on the job. She felt ARPA funds should be used to make an impact in our community that taxpayers can see and feel. She suggested looking at carryover or surplus as fund sources in planning for 2022. Vanderboom stated she would resubmit it as a supplemental request. Longevity pay was discussed as a possible alternative to a onetime bonus.

Motion by Martens, second by Herbst to temporarily suspend Step 1 and 2 on the wage scale; move current employees in those steps to Step 3; recruit employees starting at Step 3; and adjust vacation policy to allow new hires to borrow up to a week of vacation in their first six months. Motion carried 5-0.

**2022 Budget Deliberations**
Maryanne Groat stated Transit received funds in 2020 available for not only capital, but also operating. In the 2021 budgeting the city levied for MetroRide similar to prior years. $889,000 was levied, but at that point we didn't know if it would all be needed or not because of CARES funds.

Greg Seubert, Transit Director, stated in 2020 MetroRide received approximately $3.2 million in CARES funds. The use of funds for Transit was pretty broad and allows us to address lost revenues and increased expenses for the response to Covid. The overall definition was assumed that any expenditures after January 20, 2020, were in response to Covid. He indicated CARES funds were applied in 2020 to reduce the levy amount for Transit and create a larger amount in their reserve fund. He stated in 2021, they received a second round of $1.3 million, but have not yet applied for those funds or determined exactly what they will be used for. He proposed to draw down the city's levy amount for Transit again in 2021 and 2022, and most likely again in 2023. His only concern was that when the CARES funds are exhausted in 2023 or 2024, that the Metro levy be restored.

***Supplemental Budget Requests***:
https://www.ci.wausau.wi.us/Portals/0/Departments/Finance/Documents/2022%20Supplemental%20Requests.pdf
Groat explained because of the structural gap in the budget we took out the increase of non-personnel costs and asked department heads to submit supplemental requests, so the first two pages are those items. It was each department's prerogative to determine how much they wanted to highlight was critical to add back in. They classified them as contractual obligations, anticipated inflation, service demands, or an administrative need. She indicated the total impact to the general fund of all of those are $177,412. The departments are asking to have their budgets reinstated with those amounts. The third page of the Summary are what are called traditional supplemental requests; enhancements or something new to the budget.

*Summary of committee consensus following discussion and departmental input*:
Requests 1 – 6 Contractual Obligations of $84,625 – remove and build back into the budget.
Requests 7 – 13 Inflation of $41,500 – remove and build back into the budget
Request 14 – Subtract $10,000 for a Service Demand of $4,412 to build back into the budget
Requests 15 – 16 Service Demands of $5,450 build back into the budget
Strike Item 17 from list - $44,825 - funded by Wausau School District
Request 18 – Service Demands $50,000 for Hot Mix will remain on list for ranking/scoring.
Strike Item 19 – Covered in HR request
Strike Items 20 – 22 from list - funded by Central Capital Purchasing.
Request 23 – Administrative Need of $6,500 – remove and build back into the budget
Request 24 – Administrative Need of $25,500 for Wage Study – fund it out of carryover
Strike Item 25 – Fund from PC Replacement

Rasmussen indicated the committee would score and rank #18 Hot Mix request along with all 10 items on New Supplemental Requests list for next meeting.

Groat noted health insurance numbers are in, but still waiting on values and the levies from the other taxing jurisdictions, as well one grant amount Municipal Service Aid revenue.

**NOTE:** *Budget Session #3 scheduled for Thursday, November 21st was canceled. The next meeting is Tuesday, October 26, 2021.*

**Adjourn**
Motion by Watson, second by Martens to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:40 pm.