

## **FINANCE COMMITTEE**

Date and Time: Tuesday, November 9, 2021 @ 5:15 pm., Council Chambers

Members Present: Lisa Rasmussen, Dawn Herbst, Sarah Watson, Michael Martens, and Deb Ryan (*arrived late*)

Others Present: Maryanne Groat, Emily Ley, Anne Jacobson, Bob Barteck, Eric Lindman, Liz Brodek, Katie Rosenberg, Rick Rubow, Ben Bliven, Jamie Polley, Toni Vanderboom, Mary 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 Chair, Lisa Rasmussen.

### **Minutes of the previous meeting(s): (10/14/21, 10/20/21, 10/26/21)**

Motion by Watson, second by Herbst to approve the minutes of the previous meeting (10/14/21, 10/20/21, 10/26/21). Motion carried 4-0.

### **Discussion and action on a budget transfer to complete an Intersection Screening Report for HSIP funding grant applications**

Eric Lindman explained HSIP is Highway Safety Improvement Program through the State which is 90% grant and 10% match from the city. He noted this was how we improved the intersections on Scott Street and TADI, Traffic Analysis & Design, is the engineering firm we used. He indicated they hired TADI to look at up to an additional 15 intersections throughout the city to see which ones would be feasible for applying for this grant. He stated the cost is just over \$19,000 for them to review and write up the grants. Rasmussen stated there are funds in the Curb & Gutter account that can be used for this cost.

Motion by Watson, second by Martens to approve the transfer. Motion carried 4-0.

### **Discussion and possible action regarding the 2022 Budget.**

Maryanne Groat stated we have received the apportionments from the two school districts as well as NTC. She indicated she received some preliminary numbers from Marathon County, but we are still waiting on the school tax credit, the Homestead credit, and the First Dollar credit. Based on the information received to date she expected both the Wausau School District and the D.C. Everest School District properties within the city to see a tax rate decrease. She anticipated the tax rate to decrease about \$0.30, depending on the school tax credit. Groat stated there is also the correction in the equalized value after estimates were used last year during the revaluation that is basically having the city's portion of these school, county, and technical college taxes being owed by city parcels. The amount of taxes that we are apportioning to each parcel is going down.

Motion by Watson, second by Herbst to approve the 2022 Budget. Motion carried 4-0.

### **Discussion and possible action regarding resolution opposing new assessment laws**

Rick Rubow, City Assessor, explained there are two bills in Madison, Senate Bill 630 and Assembly Bill 610. He noted Assembly Bill 610 was amended on October 15<sup>th</sup> to remove some of the bad language in the original bill, but it still is not a good law for the city and taxpayers. He felt the main focus should be on Senate Bill 630 because that is the full bill without any amendments. He explained we could potentially see a huge class shift if we are no longer allowed to value property using the income approach. Most of the city's commercial property is valued this way and it is how businesses buy and sell property based on the income stream that the property can produce. If we are no longer allowed to use the income approach, we are going to see a huge decrease in our commercial valuation, which will then have to be picked up by the other taxpayers or the other classes of property. The residential class, agricultural class, forest lands, etc., would have to pick up that commercial loss. He estimated for the City of Wausau, this could mean an almost \$1,100 - \$1,200 increase in the tax bill to the residential taxpayer. He also believed there would be a ripple effect to the equalization process the state uses to determine how much apportionment other townships are going to pay. If big municipalities lose their commercial tax base it is going to lower the tax burden overall for Marathon County and the other municipalities within the county will have to pick up that burden.

Rasmussen commented we have time to communicate with our state lawmakers and to tell them this is not the approach to use which would balance the revenue stream on the backs of homeowners. *Discussion followed.*

Motion by Herbst, second by Martens to draft a resolution opposing both Assembly Bill 610 and Senate Bill 630 and forward to Council. Motion carried 4-0.

**Discussion and possible action regarding budget modification for new freezer Police Department**

Rasmussen explained the transfer would come from Patrol Wages for \$4,295 to Other Machinery and Equipment. The current evidence freezer has malfunctioned and requires replacement.

Motion by Watson, second by Martens to approve the transfer. Motion carried 4-0.

*(Deb Ryan entered the meeting at 5:30 pm.)*

**Discussion and possible action regarding the State of Wisconsin Neighborhood Investment Fund Program**

Rasmussen stated at the Economic Development Committee last week they received an update on some grant applications that were to be submitted to this program. She noted this is new funding and there were a number of projects the staff wants to apply for. The reason this is before Finance Committee is to allow for a little more public facing discussion on what the program is and what is being applied for. She commented there has been some misunderstanding and miscommunication in the public that the only item set to be applied for is a bridge for the WOZ project that connects the open space with the Riverwalk. She stated there are other projects to discuss, but there isn't any action for Finance Committee to take.

Rasmussen explained the State of Wisconsin is taking applications from cities all over and ranks them according to their qualification criteria and decides which projects are fundable, worthy, and qualified. She pointed out this grant application does not have a local match. Grant applications that can only increase your revenue and decrease your expenses are applied for by staff and if they are awarded, we then later vote to accept the funding. The only time we vote on a grant in advance of applying is if we must approve a match and budget for it.

Groat explained similar to how the city received entitlement of ARPA funds, the state did as well and created several programs to meet needs within the state they felt appropriate. This grant program is known as the Neighborhood Investment Fund and was released on September 30<sup>th</sup> with a very short application period that has been extended from the initial November 4<sup>th</sup> deadline to November 11<sup>th</sup>. The state is going to award up to \$200 million in grants to cities, counties, and tribal entities. The projects must be between \$1 million and \$15 million. Projects of less than \$1 million cannot be bundled together to meet the \$1 million threshold. More than one application can be submitted, but each application has to be at least \$1 million and the total available to any one community is \$15 million. The awards will be provided on a competitive basis and the expenses must be incurred between March 2021 and December 31, 2024, and the project must be completed by December 31, 2024. The expenses must comply with the American Rescue Plan provisions. The rules are to target areas that are in qualified census tracts and if the project is within a qualified census tract it is presumed to meet the eligibility requirements that it is benefiting disproportionately impacted individuals by the pandemic.

Groat stated the documents provided examples of eligible projects, such as innovation centers, workforce housing initiatives, transit solutions, childcare initiatives, and public space development. They anticipate awarding the grant funds in December 2021. Groat noted this does not deplete the city's ARPA funds or prevent other applications. She commented the state is going to give away \$200 million and if we don't apply for it, it will go to another community. She encouraged the Council to think broadly and maximize the usage.

Liz Brodek, ED Director, explained there were three projects they were considering applying for to max out the \$15 million available. One of the projects is for the mall redevelopment site for approximately \$11.7 million, to include the pedestrian bridge, the streets and street infrastructure, including water, sewer, and stormwater. The second project is to assist the Community Partners Campus for \$1.5 million, to fund some construction costs and pay off their loan to the CDA. The third project, if Gorman is selected for the Westside Battery RFP response, would be submitted for \$1.76 million which is their gap financing that they would otherwise look to TID funds for assistance. Gorman is proposing a 50-unit workforce housing initiative.

Rasmussen stated the Community Partners Campus is a local project that brings together a volume of non-profit organization with the express goal of reducing homelessness in the community. The Gorman Project is exclusively low-income housing affordable rent apartments.

Rasmussen stated the pedestrian bridge is a public space project meant to connect public spaces. She stated part of the goal of park projects in general is being able to improve public spaces to get people outside and active. The area would eventually hold an open public market with the Riverwalk. Brodek stated it is both about stimulating

economic development and providing that public space. The program talks about a significant transformational project that helps a neighborhood recover from the negative effects of the Covid pandemic and provide long term benefits to the neighborhood. The goal of this particular neighborhood investment fund is to enable high impact projects that need significant up-front investments to achieve long term goals. The most successful criteria are shovel ready, increasing the tax base and public/private partnerships. She pointed out the mall redevelopment space encapsulates both the pedestrian bridge and the street infrastructure. She noted street infrastructure by themselves are ineligible as projects, but when combined with a broader application, as this is, then they are eligible. This particular street construction is meant to be an outdoor space. Groat added that it is in a qualified census tract which will garner points, as well. Rasmussen felt that given the timeline on the submissions, there is not time to propose, vet, and plan new projects.

Brodek pointed out that WOZ received calls from folks higher up at the WEDC that encouraged them to apply specifically for the pedestrian bridge and the streets in the mall redevelopment site, indicating it was well qualified for this grant.

Deb Ryan suggested they should use the grant money for audio crossings for 100 blocks, every block downtown and build in the Gorman financing, the gap financing, the watermain and the electrical lines to bring it over \$1 million. She stated the transit station needs restrooms and the shelters to be brought up to ADA compliance. Groat stated the cost of an audio signal is approximately \$11,000. She reiterated the project must cost at least \$1 million and you are not allowed to group projects together to reach the million.

Ryan questioned the mayor about what has been done with the Badger Bounce Back grant and the deadlines. Mayor Rosenberg stated there was an internal meeting regarding what to do with that grant from the State of Wisconsin. Rasmussen pointed out Badger Bounce Back was not on the agenda.

Ryan questioned the mayor as to her grant process on the Neighborhood Investment Program. Mayor Rosenberg explained a couple of internal meetings were held to discuss potential projects and they began filling out the grant application. She noted the ED Committee provided an update at its last meeting. *Discussion continued.*

#### **Discussion and possible action regarding September 2021 financial report**

Groat stated things are proceeding as reported in the past and looking good for 2021. *(The full report can be found in the packet on the website.)*

#### **Adjourn**

Motion by Herbst, second by Watson to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:20 pm.