<u>JOINT FINANCE COMMITTEE and HUMAN RESOURCES COMMITTEE</u>

Date and Time: Wednesday, November 9, 2022 @ 6:30 pm., Council Chambers
Finance Members Present: Lisa Rasmussen, Michael Martens, Carol Lukens, Doug Diny, and Sarah Watson
HR Members Present: Becky McElhaney, Michael Martens, Tom Kilian, Gary Gisselman, Dawn Herbst
Others Present: Maryanne Groat, Eric Lindman, Anne Jacobson, Anne Keenan, Ben Bliven, Liz Brodek, Kaitlyn Bernarde, Mary Goede, Solomon King, Dustin Kraege

Joint HR & Finance Items:

<u>Discussion and possible action amending the Extended Retirement Notice Incentive</u>

Anne Keenan stated this was a timing basically a timing issue. She explained the incentive was approved by HR Committee and the Finance Committee in June but was adopted by the Council in July. Between June and July there had been some retirement notices given, especially by union employees and now that we are in negotiations with the unions, we feel it would be fair to backdate the retirement notice to June.

Doug Diny questioned if there was a sunset to this incentive. Keenan indicated there was no sunset. Rasmussen commented the goal was primarily for succession planning and the ability to have time to train with the person retiring from the position.

Becky McElhaney pointed out succession planning is something HR Committee looks at all the time, not just in a tight job market. It takes a long time to recruit and hire, so if a short retirement notice is given a department may be short a person for an extended period.

Finance Committee

Motion by Watson, second by Diny to approve the amendment to the Extended Retirement Incentive. Motion carried 5-0.

HR Committee

Motion by Gisselman, second by Martens to approve the amendment to the Extended Retirement Incentive. Motion carried 5-0.

<u>CLOSED SESSION pursuant to Section 19.85(1)(b) of the Wisconsin State statutes for deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, for the purpose of considering the following: Discussion of committee recommendation regarding upcoming negotiations of City Employee Union contracts with: Wausau Firefighters Association, Local 415 / Wausau Professional Police Association</u>

Motion by Watson, second by Lukens to convene the Finance Committee into Closed Session. Roll Call Vote: Ayes: Watson, Lukens, Martens, Diny, and Rasmussen. Motion carried unanimously.

Motion by Kilian, second by Herbsst to convene the Human Resources Committee into Closed Session. Roll Call Vote: Ayes: Herbst, Martens, Kilian, Gisselman, and McElhaney. Motion carried unanimously.

HR adjourned in closed session.

*Watson exited the meeting after Closed Session. **FINANCE RECONVENED into Open Session**.*

<u>Discussion and possible action approving sale of 110 S. 84th Avenue in the Business Campus to Wausau Coated Enterprises II, LLC (Fifrick)</u>

Rasmussen indicated this is the piece that Wausau Coated wanted to purchase for expansion which is a parcel adjacent to their property. Liz Brodek commented it appeared to be a land locked parcel that nothing else could really be done with it. It would be for parking currently with the option of expanding the facility later.

Motion by Diny, second by Lukens to approve the sale. Motion carried 4-0.

<u>Discussion and possible action regarding EMS Flex Grant Award and related budget modification</u>

Rasmussen indicated Chief Barteck was unable to attend but his memo in the packet explains that much like the State ARPA grant the Police Department received; the Fire Department is set to receive this Flex Grant which is an allocation of some of the State's ARPA funds. One of their intended uses was the early purchase of an ambulance on their replacement schedule.

Motion by Diny, second by Martens to approve the acceptance of the grant and related budget modification. Motion carried 4-0.

Discussion and possible action regarding the change of ARPA project classifications to "revenue replacement" to allow for greater flexibility and reduced compliance.
Maryanne Groat explained the committee previously authorized setting a $10 million threshold of what we were going to consider as revenue loss. She indicated the federal government subsequently created quite a bit of relaxation of the rules for those things that are categorized as revenue loss. The city was successful in getting state ARPA dollars for two projects: $1.5 million for the Community Partners Project (CPC) and Affordable Housing with Gorman on the west side. Community Development has been working with the state to get the contract for CPC signed and was successful towards the end of October. That project was part of the Neighborhood Investment Project, so they had targeted Negative Economic Impact. Recently the state wanted to submit a contract amendment because they were changing the classification of that grant from Negative Economic Impact to the Revenue Loss category. She explained one of the rules the federal government recently changed was if we give revenue replacement money to another entity, they are not considered a subrecipient of federal dollars because it is technically our money as revenue replacement and therefore, does not establish that subrecipient relationship. This eliminates a lot of the compliance requirements. She recommended they move as many of these projects into the Revenue Replacement category as possible.

Motion by Diny, second by Lukens to change ARPA project classifications to revenue replacement. Motion carried 4-0.

Discussion and possible action regarding budget modification for Hot Mix
Rasmussen indicated this was a transfer of $10,000 from cold mix to hot mix.

Motion by Lukens, second by Martens to approve. Motion carried 4-0.

Budget Discussions and Actions regarding Recommending a 2023 Budget including setting the 2023 Fee Schedule
Groat stated it was discussed at a previous meeting that the tax equivalent for the water utility is a formula governed by the PSC and because the new plant is coming on, it has increased the tax equivalent. This is a payment made by the water utility to the city. In the 2022 budget the city would get just under $1.6 million from the water utility. Groat's estimate for what is still owed for 2022 is just under $2 million—$400,000 more than the budget was relying on. The 2023 budget would be about $2.1 million but she did not increase the 2023 budget the from 2022 budgeted amount. To give rate payers time to adjust to the rate increase, they could pass a resolution that would set aside what the utility owes in 2022 and set $1.59 million for 2023, that would bring $400,000 to water utility to help with new rates being contemplated.

Rasmussen asked if the committee would consider $500,000 in the 2023 budget, and Groat create a resolution with the amount for 2022 that was included in the budget and remove the excess.

Diny asked if the water utility general fund has a shortfall in 2023. Groat confirmed the shortfall for 2022 and 2023. Rasmussen stated that the Council controls the sewer rate, the PSC controls the water rate. We are lifting off the financial obligations the utility is shouldering, forgiving the unforeseen revenue, the utility generated.

Groat stated the PSC determines what the rate increase is for the water utility. The city is submitting the rate study to the PSC next week after Council, because if you approve the 2023 capital grants out of ARPA, that will be included in projections. We will submit another rate study once pfas costs are known and could reconsider it year by year.

Rasmussen mentioned that the 2022 budget modification was not agendized, so will hold for a future meeting. By consensus, agree $500,000 forgiveness on the pilot for the 2023 budget.

Groat noted the draft budget was published in the newspaper per state statutes and that publication will be in the packet for the public hearing on November 15th.

Motion by Diny, second by Martens to approve the draft 2023 Budget and forward to Council. Motion carried 3-1. (*Diny was the dissenting vote*.)

Adjourn

Motion by Diny, second by Lukens to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 8:03 pm.