

**COMMUNITY DEVELOPMENT AUTHORITY**  
**MINUTES**

07/28/2015

**MEMBERS PRESENT:** Russ Wilson, Andy Witt, Gary Gisselman, Dorothy Korzilius, Romey Wagner, David Welles

**MEMBERS ABSENT:** Sarah Napgezok

**OTHERS PRESENT:** Ann Werth, Betty Noel, Kevin Fabel, Mayor Tipple, Jamie Landwehr, Mary Vandebusch (Schenck SC)

**(1) Call Meeting to Order**

Meeting was called to order at 12:08 pm in the WCDA Boardroom at 550 E Thomas Street, Wausau, Wisconsin.

**(2) Approval of Minutes**

Witt moved to approve the minutes from 05/26/2015. Wells seconded the motion. Motion was approved unanimously.

**(3) 2014 Audit Presentations – Schenck SC**

Mary Vandebusch from Schenck SC began by reviewing the 2014 Riverview Towers LLC audit and reviewed the financial statements, liabilities and assets. She reported that there were no compliance issues or findings.

Vandebusch then reviewed the 2014 Wausau Community Development Authority audit and reviewed the financial statements, liabilities, and assets. She mentioned that the audit also tested for compliance with regulations and reported that there were no compliance issues or audit findings. Vandebusch also stated that there were no deficiencies noted with internal controls.

Werth formally thanked Vandebusch, Schenck SC and WCDA staff for their assistance in the successful completion of these audits.

**(4) 303-305 S. 2<sup>nd</sup> Avenue – Status Update**

Fabel presented an update on the property at South 2<sup>nd</sup> Avenue. He stated recently, a DNR report had been completed and submitted, an operations and maintenance manual was completed and submitted and ground water sampling was conducted. He said upcoming tasks include a vapor sampling event and compiling a report for the ground water sampling to be submitted to the WDNR. Fabel stated that looking forward; there were two potential possibilities for the property. The minimum amount of required environmental clean-up would take approximately 3 more years and would likely deplete the remaining funds in the DERF fund but should not require much more expense than that. With this option, the property would still have restrictions and would be able to be used as a parking lot, but not much else. The second option would clean up the property to the point of no restrictions or usage. He said it would take approximately 5 to

6 years and requires an additional \$250,000 above and beyond what is left in the DERF fund and would be an additional out-of-pocket expense to the WCDA. Werth stated that the WCDA does not have the funding for the second option, and recommended bringing closure to the site by capping the contamination as a parking lot. Fabel stated that currently, these options are only long-range projections utilizing current assumptions and are subject to change based on future sampling and clean-up activities along with potential WDNR regulation and staff changes.

#### **(5) 2102 N 2<sup>nd</sup> Street – Status Update**

Fabel explained that there were two different contamination areas on this property. One area on the south side is petroleum based and excavation clean-up of that area would be reimbursed by the PECFA Fund. The second area is located on the north side of the building and is solvent based. He said recently, REI did some sampling which confirmed PCE contamination on the north side of the building. He stated this would likely require some minor excavation to remediate. Fabel furthered that because this area is not petroleum based, it would not be reimbursable by the PECFA Fund and the clean-up cost would be an additional out-of-pocket expense to the WCDA. That being said, the two excavations could be done simultaneously to minimize this expense. Fabel said REI will propose this solution to WDNR for approval in the near future. Once approval is granted, the excavation work can be completed in a relatively short amount of time. Werth noted that interest has been expressed in renting the building for storage. She recommended the WCDA pursue this option in order to generate some revenue while this property is remediated.

#### **(6) Consideration and Action on Resolution 15-003 – Capitalization Policy Revision**

Noel reviewed a revised Capitalization Policy raising the capitalization threshold from \$200 to \$500 and including an exception for stoves and refrigerators to be capitalized even if they are under the \$500 threshold. She mentioned the policy revision would take effect August 1, 2015 and would apply to the management and maintenance of both WCDA and Riverview Towers LLC property. Motion to approve Resolution 15-003 by Wagner, seconded by Witt. Roll call vote was taken with unanimous consent. Resolution 15-003 is approved.

#### **(7) Operational Issues and Current Activities**

- **Occupancy Overview** – Noel stated that Terrace occupancy was low as residents have needed to vacate due to health issues. She said incentives have been offered, so the waiting list is growing and new applicants are being processed to fill the vacancies.
- **Scattered Sites Project** – Werth informed the board that staff is having issues with the contractor. A majority of the project is done and the punch list was created, but there has not been a response from the contractor on when that will be completed. There are also some Davis Bacon compliance items that are still outstanding.
- **Housing Software Update** – Noel stated that staff has narrowed options down to two companies in the La Crosse area, HAB Inc. and Housing Data Systems (HDS). She said they look to be finalizing in the next couple of weeks and converting prior to the end of the Yardi contract, which is November 30, 2015
- **Rental Assistance Demonstration (RAD) Application Update** – Werth indicated that the WCDA's application was approved. She said they were approved to receive HAP payments based on 2014 contract rents, which are lower amounts than the 2012 contract rents that were originally expected. Noel indicated that the WCDA would no longer receive Capital Funding or Operating Subsidy, but would instead receive a HAP payment

per unit. Staff has hired Baker-Tilly to complete an analysis on whether it would be advantageous to convert to RAD.

- **NEF Annual LIHTC File Review Update – RVT, LLC** – Werth noted that the review indicated that the files were in excellent condition and in complete compliance. Wilson commended Juli Birkenmeier for all her knowledge and hard work in achieving this recognition from NEF.
- **WHEDA Management & Property Review Update – RVT, LLC** – Werth stated that WHEDA noted minor paperwork inspection issues that needed correction, all of which have since been corrected. She stated that the inspector was very pleased with the above-average property and maintenance.
- **State of Wisconsin DHS Inspection – Riverview Terrace** – Noel noted that Riverview Terrace received a surprise visit from the State of Wisconsin Department of Health Services on May 28, 2015. She said the inspector reviewed caregiver and nurse files, maintenance certifications, tenant statistics and conducted a property inspection. Noel was happy to report that there were no findings.

**(8) Adjourn**

Wagner moved to adjourn, Witt seconded. Meeting adjourned.

Respectfully Submitted,



Russ Wilson  
Chairperson