

FINANCE COMMITTEE

Date and Time: Tuesday, August 13, 2013 @ 4:30 pm., Board Room

Members Present: Nagle (C), Brezinski, Oberbeck, Winters, Nutting

Others Present: Mielke, Wagner, Kellbach, Abitz, Gisselman, Tipple, Groat, Jacobson, Loy, Lenz, Giese, Marquardt, Knotek, Werth, Goede, Debra Ryan, Cindy Gwidt-Schibe, Gerald Patnode.

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by Chairperson Nagle.

Public Comment on matters appearing on the agenda.

- 1) Cindy Gwidt- Schibe, 1033 S. 5th Avenue, felt that the committee should not be considering the purchase of property on Thomas Street until the matter of the close session issue is completed.
- 2) Gerald Patnode, 708 W. Thomas Street, wanted to know when and if the Thomas Street project was going to take place.
- 3) Debra Ryan 702 Elm Street, spoke regarding the Boys & Girls Club issue.

Minutes of the previous meetings (6/25/2013, 7/23/2013)

Motion by Nutting, second by Brezinski to approve minutes of previous meetings on 6/25/13 and 7/23/13 as submitted. Motion carried 5-0

Consider Purchase of 1010 N. 1st Street – McDevco and Related Budget Modification and Authorize Promissory Note

Groat explained this was on the last Finance Committee meeting agenda but there was a typo referring to 1010 N. 1st Avenue rather than 1010 N 1st Street, so it is back on this agenda to follow proper procedure.

Motion by Brezinski, second by Oberbeck to approve the purchase of 1010 N. 1st Street – McDevco and related Budget Modification and Authorize Promissory Note. Motion passed 5-0.

Consider purchase of 1331 West Thomas Street

Marquardt stated the offer was \$35,000 and the property is assessed at \$86,000. Winters stated he would consider approving it if we make it clear that we will follow the eminent domain procedures and give the bank the brochure, the notice of right to appraisal, and the notice of right of relocation. He felt that now that the design of the Thomas Street project is out and there is an actual list of properties that we would purchase, the people on the list have had the private market for their properties collapse. Oberbeck stated the bank approached us and the property is vacant and therefore doesn't require any relocation. Marquardt pointed out we don't have a right-of-way plat and this Council has not authorized us to follow the condemnation procedure; we are purchasing a property that was for sale from the bank at a straight arm's length transaction. Jacobson agreed without a right-of-way plat we would not be required to follow eminent domain. Winters still felt this was the only fair thing to do. Werth pointed out there is a waiver they can sign that they want to sell it for this price.

Oberbeck commented this property is in foreclosure and is blighted. He questioned if the neighborhood would want this property to continue as is and not be sold and corrected. He stated this is a TIF district which was intended to bring about change that is for economic good for the city and he believed with the purchase of this property we are doing that. Winters stated given the wide knowledge that the project is coming through there we should treat every sale from now on the same, just to be safe. We can purchase the property, the bank can sign the waiver and it will be done. Oberbeck motioned to table until additional information regarding the legality of purchasing the property was brought back. Motion died for lack of a second. Nagle commented he was afraid if the city doesn't buy it the bank could sell it to someone who could turn it into something that would be bad for the neighborhood.

Motion by Winters, second by Brezinski to purchase the property for \$35,000 and follow the eminent domain procedures as prescribed by federal and state law. Motion carried 5-0.

Transfer of Funds Change of Purpose - Park Improvements - Athletic Park

Peter Knotek explained we are planning on constructing a park next to Athletic Park along with the improvements at Athletic Park. We have some work that has to be done this year although the majority of the park will be built next year. There are some remediation costs to pay for and utility relocations that have to happen now. They had moving cranes in there to start some work on the building and since we will be starting the project very early in spring we don't want to get hit with winter costs to relocate because it is all going to be underground. He indicated they need \$42,000 to take care of this and get it done in the near future.

Groat stated when we did the borrowing earlier this year the bidder bid a premium of which a portion of the premium went to retire the debt and an amount of approximately \$60,000 was left unallocated which we could apply that to this project.

Motion by Nutting, second by Oberbeck to approve the transfer of funds for park improvements (Athletic Park). Motion carried 5-0.

Consider the creation of Tax Increment District Number 10

Werth stated we have two local businesses that have contributed to our community for a number of years; one of them is Linetec, part of the Apogee Corporation. They built in the Industrial Park in the early 80's and have expanded and grown their business. Recently they went to CISM to request vacation of 75th Avenue for land to put in a \$1.2 million addition; they are bringing in some added machinery and extra work into the community. She referred to a picture of flooding as a result of a huge downpour a month ago, on page 3 of the TID Plan, which they refer to as "Lake Lintec." In addition to the vacation of the street, they would like to city to take care of the flood management and repair of the street. She noted over the next three to five years they are looking at hiring 50 more employees and binging in new business.

Werth stated the other business is Wausau Coated, which was also founded in the early 80's, but have outgrown their space. They have made an offer to purchase the vacant buildings located across the street for an addition and are requesting the realignment of 77th Avenue. She noted they are looking to potentially hire another 50 people over the next five years in growth.

Werth stated the TIF also includes a huge building on 60th Avenue that went into foreclosure and is owned by Anchor Bank. She noted it is a property that they receive a number of calls from businesses that are looking for high ceilings, electrical and welding stations which this building offers.

Brezinski commented both of these companies have been stellar corporate citizens and we are benefiting from their growth. Oberbeck agreed this is long overdue because it is the front door to our Industrial Park and we need to redevelop the area and create a new look for it. Winters indicated he would vote for it but felt 15 years was too long and they should bring projects that are under 10 years.

Motion by Brezinski, second by Oberbeck to approve the creation of TID #10. Motion carried 5-0.

Consider approval of Regional Animal Control Services Contract between the City of Wausau and Everest Metropolitan Police Department for the provision of certain animal control services from 9/1/13-12/31/2013.

Jacobson stated the goal is to approve this by September 1st so it can be implemented for the remainder of 2013.

Winters stated the Everest Metro group has gone back and forth the last couple weeks as to whether they want to contract singularly or together. It makes sense to collaborate because we don't want to have different rules from jurisdiction to jurisdiction. The key concept behind the Everest Metro contract, besides the fact that it is urban and they do cats, is that it is a cost sharing agreement. Everest Metro is a major consumer of this service, approximately 18 % and they will be splitting the cost with us, whereas the townships will be charged a rate per capita.

Oberbeck had real concerns that the scope of services was growing and growing and we are going beyond enforcement for dogs and cats. He did not feel one person could handle this and patrol Everest Metro and Wausau. Winters did not feel there would be a lot of patrolling and it would be mainly call out. Brezinski stated the humane officer will be expected to prioritize his/her time.

Motion by Nutting, second by Brezinski to approve the Regional Animal Control Services Contract between the city and Everest Metro PD. Motion carried 4-1 (*Oberbeck was the dissenting vote.*)

Consider approval of Regional Animal Control Services Contract between the City of Wausau and the Towns of Harrison, Norrie, Plover, Ringle, Wausau, Weston and Hewitt for the provision of certain animal control services from 9/1/13 – 12/31/2014.

Jacobson indicated this contract is for 16 months through 2014. She indicated the cats are not included in the town contracts. She noted a typo that Weston should not be included in the title and that Easton should be added.

Motion by Brezinski, second by Winters to approve the Regional Animal Control Services with the townships with the corrections noted by City Attorney. Motion carried 4-1 (*Oberbeck was the dissenting vote.*)

Consider the Acquisition of 1216 Junction Street for the purchase price of \$15,000 for the furtherance of Holtz Krause Soccer Fields - Salzman Trucking

Werth explained this property was the old Salzman Trucking business and this would be the entry way into the new multi-million dollar soccer facility; as part of that project they were asking to purchase the property for \$15,000. She noted they will do a Phase 1 on the property before the purchase.

Marquardt indicated he received a call today from the Holtz Krause Steering Committee who had offered \$15,000 to the city to buy this property, but there are some strings attached to the offer. He explained the steering committee was working with the Cemetery Association and the Park Department to build a combined storage shed, however, those negotiations fell through, so the Park Department is going to build a separate one on the east side of Curling Way. The city would then have to go through the condemnation process with the cemetery to acquire the property to relocate two buildings. The strings attached would be that the steering committee would give the city \$160,000; they would walk away from the negotiations and it would be up to the city to pursue the combined building if we still wanted to with the county parks and Cemetery Association. Marquardt noted the risk is that if city and cemetery can't come to terms, the process would take longer and the street could be built but relocation wouldn't happen until it settled. This could result in the Park Department being without a storage shed when it came time to maintain their facility. Werth stated the alternative is to use our land acquisition account to buy this property for \$15,000. Groat noted another concern was there was no contingency in that \$160,000 budget for rising steel prices should negotiations stall, which shifts quite a bit of risk onto the city.

Marquardt recommended the city purchase the Salzman Trucking property from the land acquisition account because of the unknown strings attached and how difficult negotiations appear to be with the Cemetery Association. The property needed from the cemetery would go through the condemnation process for street purposes.

Motion by Winters, second by Nutting to purchase the Salzman Trucking property for \$15,000. Motion carried 5-0.

Consider entering into development agreement with the Catholic Diocese for the construction of a parking ramp on property located on the 100 Block of Grant Street (Church of the Resurrection)

This item was withdrawn to be brought back to the next meeting.

CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes 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 for the purpose of negotiating the terms of a development agreement with the Catholic Diocese referenced in Item #11.

This item was withdrawn to be brought back to the next meeting.

Adjourn

Motion by Brezinski, second by Winters to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 5:35 pm.