

FINANCE COMMITTEE

Date and Time: Tuesday, March 4, 2014 @ 5:00 pm., Board Room

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

Not Present: Brezinski

Others Present: Tipple, Groat, Jacobson, Marquardt, M. Lawrence, Duncanson, Kellbach, Rasmussen, Wagner, Goede, various room tax applicant representatives.

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.

None.

Consider 2014 Room Tax Requests and establish the 2014 Room Tax Fund Budget

Groat stated as of the end of this year \$130,000 has accumulated in the room tax fund. She estimated the 2014 revenues at \$720,000; last year's revenue was \$770,000. She stated based on that \$720,000 estimate, we would have to provide 2.5% to the CVB - \$225,000 and .5% to the Sports Marketing Fund - \$45,000. The Room Tax Policy articulates that some of the organizations are considered what the policy classifies as continuing contributions, which are due the flat percent. It also has provisions for a percentage of the room tax collected based on the prior year collection. She noted the only one that doesn't function on a percent of revenues is Main Street because there is a second component to that calculation and it says that we can't provide more than one third of their budget; their BID tax is \$60,000, so the maximum amount we can contribute is \$30,000.

Groat stated the other component to look at on the continuing contributions is what we paid in 2013. She indicated if they use the flat payment amount there would be \$61,800 to distribute to other organizations. If we use the percentage component to calculate our continuing contributors, it would only be \$35,360 for the other organizations, so we could provide 62% of their request. She noted there was a one-time request in the group from Friends of Wausau Ice Hockey for a capital donation of \$75,000 to make improvements to the ice hockey arena that the county owns.

Chris Toner, on behalf of Friends of Wausau Ice Hockey, addressed the committee stated their group started raising funds to improve the rink at Marathon Park this past summer. They started with a budget figure of \$750,000 and to date have raised \$540,000. He stated their goal is to build out four new locker rooms for the youth program and two locker rooms for high school programs, as well as put up new bleachers. He noted the building has not been upgraded since 1991. He indicated if they received the full amount they felt they would be able to break ground this April. He stated they have received some room tax funds from Rib Mountain as well.

Nagle questioned if they had approached the County Board for funding. Toner indicated they approached the Marathon County Park Department Foundation, but they got the sense from the county that they did not have money for this program. Nutting questioned how many city residents are using the facility. Toner responded the breakdown would be about 70-30, Wausau kids to Rib Mountain kids. He explained the economic impact through the tournaments that bring families to the city hotels, restaurants and stores. It was pointed out the kids don't fit in the youth locker rooms with their equipment and that the girls do not currently have a locker room and must use the restrooms to change in. Oberbeck felt the program deserves a lot of support, but also felt we should issue a strong challenge to the county to support it as well, since it is a county-owned facility and they receive financial benefit through sales tax.

Nutting questioned if it was feasible to do the full payment option to the smaller organizations because he felt they were all worthy. Groat stated they would carryover \$55,000 fund balance to the next year if they use the 62% option or \$33,000 carryover with the full payment.

Motion by Nutting, second by Oberbeck to approve the Percent of Prior Year Revenues of \$414,640 to the Continuing Contributions and full payment of \$57,000 to the second tier applicants, as well as \$75,000 to Friends of Wausau Ice Hockey. Motion carried 4-0.

Establish 2014 East Riverfront Project Budget

Groat stated there is a 2013 project carryover to complete the Remediation and Stream Daylighting Project with a balance on the contract of \$1.3 million. She reviewed the estimates for the 2014 projects listed, followed by committee discussion.

Oberbeck commented the problem with developing parking lots before any other building development happens is they get ruined with any utilities that you have to bring to the building or other buildings and you also have construction as far as staging areas. He recommended they not do any parking lot construction until the development occurs. Nagle suggested funding it to have it ready and available, but hold off on the construction.

Nagle stated the approval of this project budget would include approving the start of the debt issuance. Oberbeck questioned what the best timeline was for moving forward. Groat stated we have reimbursement authority, so we can reimburse ourselves if we choose based on the market not to issue debt until later in the year.

Motion by Nutting, second by Winters to approve the 2014 East Riverfront Project Budget without funding for the parking lot construction. Motion carried 4-0.

Authorizing the execution of a contract with WPS regarding relocation of utility lines along the Riverfront

Marquardt stated the contract cost is \$1 million and WPS is spending \$5 million of their own money. Oberbeck commented it is great timing and it makes sense to do it all at once.

Motion by Oberbeck, second by Nutting to approve execution of the contract with WPS for relocation of utility lines along the Riverfront. Motion carried 4-0.

Approve 2014 Budget Modifications, Fund Transfers, Change of Purpose and the Establishment of Committed Fund Balances

Groat reviewed the list of carryovers for the capital budget and TIF districts.

Motion by Oberbeck, second by Nutting to approve the 2013 project reservations and fund carryovers to modify the 2014 budget as presented. Motion carried 4-0.

Consider Purchase of 401 S. 1st Avenue, Wausau WI

Groat indicated it was not necessary to go into closed session as we have an accepted offer for \$190,000 for the former L&S Printing property. She stated the Alexander Foundation indicated that they would provide us with an interest only loan for five years while we found a redevelopment opportunity for that site. She noted the interest rate is 2.75%.

Motion by Winters, second by Oberbeck to approve the purchase of 401 S. 1st Avenue for \$190,000 to be funded by an Alexander Foundation 5 year interest only loan. Motion carried 4-0.

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 negotiating the purchase of properties. (401 S. 1st Avenue)

Withdrawn

Consider Negotiations with CBL & Associates Properties, Inc. regarding tenant redevelopment and replacement plans

Nagle indicated it was necessary to discuss negotiations in closed session.

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Motion by Nutting, second by Winters to convene in closed session. Roll Call Vote: Ayes: Winters, Oberbeck, Nutting, Nagle. Noes: 0. Motion carried 4-0.

The committee adjourned in closed session at 7:10 p.m.