

## **FINANCE COMMITTEE**

Date and Time: Wednesday, June 25 2014 @ 5:30 pm., Board Room

Members Present: Nagle, Oberbeck, Winters, Kellbach, Nutting

Others Present: Tipple, Giese, Mielke, Wagner, Werth, Lenz, Whalen, Rayala, Representatives from Apogee, media, Marie Schmidt, Deb Ryan

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 Winters.

### **Public Comment on matters appearing on the agenda.**

Marie Schmidt, 1205 Parcher St, asked questions regarding the refuse & recycling contract and commented on the Murdock Parking Lease Agreement.

### **Minutes of the previous meeting(s). (5/27/14 & 6/10/14)**

Motion by Kellbach, second by Nagle to approve the minutes of the previous meetings (5/27/14 and 6/10/14) with one correction made to June 10, 2014 minutes as noted by Oberbeck. Motion carried 5-0.

### **Consider RFP for Refuse & Recycling (Brad Lenz)**

Brad Lenz stated the current five year refuse & recycling contract with Advance Disposal is up at the end of the year. He indicated that now is the time to do RFPs and to consider if we are interested in staying with the same service or going with a fully automated / fully carted system. If we change our service we have a couple of different options: We could let haulers bid on the current service we have now or also get bids on a fully automated system. Another option would be to extend our current contract one year while we look into the issues a little further.

Oberbeck questioned if we could allow the hauler that is selected a period of time to transition with their equipment rather than waiting with the RFP. He suggested giving them a year to transition from the current method to the new method.

Wagner questioned if the spring cleanup would be included in the RFP. Lenz noted that large item pickup is through a contract with DPW. This would have to be reviewed if large item pick up was part of the RFP.

Nutting questioned if the carts will have to be paid for by the taxpayer or the service company. Lenz indicated that is something that will be part of the contracts that can be reviewed.

Tipple commented there may be some push back from home owners who have a one car garage and may have space concerned to store these carts out of sight.

Motion by Oberbeck, second by Kellbach to approve RFPs starting at the current service then moving onto an automated service. Motion carried 5-0.

### **Review of Past Development Agreements with Apogee/Wausau Window & Wall**

Werth summarized the past and current agreements with Apogee/Wausau Window & Wall and the obligations of both parties in each agreement. She addressed the obligations of the second agreement that was done in 2011: 1) obtain the rezoning; 2) clear the site and maintain it as grassland; and 3) sale proceeds in excess of \$1.2 million would be equally split between Wausau Window & Wall and city to a maximum amount of \$400,000. The first and second obligations have been met and in regard to the third, they are actively marketing the property, however to date there are no prospective buyers. The city obligation was reimbursement of demolition and clearing costs of no more than \$400,000; the final total cost was \$259,670. Winters requested staff to obtain the current assessed value of the property.

Werth addressed the first agreement (Scannell) which lays the following obligations on the site of Wausau Window & Wall: 1) construct a 370,000 square foot non-tax exempt facility by October 31, 2008; 2) employ approximately 450 workers by September 1, 2009; 3) minimum taxable value of \$19 million before December 31, 2008; 4) provide appraisal no later than December 31, 2008 or other evidence of value; 5) beginning in 2009 pay guaranteed tax

increment, if applicable; 6) may not petition for a decrease in assessed valuation; 7) maintain site in good order and condition; and 8) maintain necessary insurance. She indicated all obligations were completed except #3 which they were addressing. The city was obligated to provide 20 acres option for 10 years at a price of \$21,250 per acre; she noted they have not exercised that option to date. The city would also contribute \$2,957,000 to the project as a grant.

Winters indicated that we are working on developing a format for development agreements. He suggested in order to help them as policy makers, that when some part of a development agreement has been met that the staff would state such in parentheses on something like a check off sheet. Werth noted her department is going through passed agreements to see where things are so we can develop the same type of spreadsheets to see what remains out there. Winters also requested that when funding is listed the TIF District it is coming from be shown, as well as when the TIF expires.

Discussion took place regarding the \$19 million valuation requirement that was not met. Jim Waldren, President of Wausau Window & Wall, updated the committee on the progress of the company and explained the issue with not meeting the valuation. He proposed restarting the clock on the minimum valuation, so starting in 2014 they will pay the minimum valuation of \$19 million or market value, whichever is higher, and extend the agreement five more years. Winters indicated they would bring the proposal back to a future Finance Agenda for consideration.

Oberbeck commented we can't control assessed value and suggested putting a construction value into agreements instead of a fair market value because we don't have that control.

#### **Report Feedback on CBL & Associates**

Werth indicated that CBL after receiving our offer is stepping back and taking another look at the entire building and what they need to do. She stated it was brought up at the Retreat for Central Wausau Progress that the community and the county don't have any information on CBL because everything has been in closed session. She indicated they were putting together a "town hall" meeting to be put on by the Business Improvement District, Main Street, the city, the county and Central Wausau Progress. It would be an open forum for questions and input at which CBL representatives would be present.

#### **Consider General Fund Financial reports May 2014 (Dick Whalen)**

Whalen presented the General Fund Statement of Revenues and Expenditures – May 31, 2014. (Access to report online: <http://www.ci.wausau.wi.us/Departments/Finance/FinancialDocuments.aspx>)

Winters suggested having a resolution prepared to reflect the action taken on the ground lease to modify the budget. Oberbeck felt we should do this moving forward whenever the budget is modified. He presented some graphs for committee review and budget discussion.

#### **Consider Review of Animal Control Revenue (Dick Whalen)**

Whalen presented the Animal Control report of revenue. Winters felt they should make a recommendation to PH&S Committee that when the licensing compliance for cats goes below a specific amount, about 40%, the fee for licensing a pet would increase.

#### **Authorize Sole Source Purchase – Decorative Low Level Lighting (Brad Marquardt)**

Oberbeck questioned if we need to have the same lights throughout the city or if different neighborhoods can have different light fixtures. Kellbach pointed out that this forces the city to keep huge stocks of various lights for replacements. Nagle liked the idea of creativity.

Motion by Kellbach, second by Nagle to approve the sole source purchase for decorative low level lighting. Motion carried 5-0.

The committee requested that DPW evaluate the type of lighting we are currently providing and doing the maintenance on; the history of those lights; what stock is on hand; how much stock should we have; how long will this stock last; how many replacements have occurred over the last five years; and assess if other suppliers can be instituted.

**Discussion and possible action on amendment to Parking Space Lease Agreement between City of Wausau Murdock Wausau Limited Properties (Brad Marquardt)**

Winters stated the request is that they will buy a few more stalls, but they want a significant price cut for doing that moving into the future. He noted we also still are still anticipating results of the parking and traffic study and questioned if they wanted to table it. Nutting questioned if there was something pending on it. Mayor Tipple stated there is a pending sale on it and it is critical to that potential sale; they need to know if they can count on parking spaces. He did not feel the parking study affected the agreement.

Motion by Oberbeck, second by Nutting to amend the agreement to lock the price in for one year, but at the conclusion of the parking study (at least one year out), the price will be reviewed. Motion carried 4-1 (*Winters was the dissenting vote.*)

Motion by Kellbach, second by Nutting to approve the Parking Space Lease Agreement as amended. Motion carried 5-0.

**Possible Future Agenda Items**

Winters indicated Ann Werth would be bringing back a revised Wausau Window & Wall summary sheet.

**Adjourn**

Motion by Kellbach, second by Nagle to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:15 p.m.