



*** All present are expected to conduct themselves in accordance with our City's Core Values ***

OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of:	FINANCE COMMITTEE
Date/Time:	Tuesday, September 9, 2014 at 5:00 PM
Location:	City Hall, 2nd Floor Board Room
Members	Keene Winters (C), Karen Kellbach, Dave Nutting, David Oberbeck, Bill Nagle

AGENDA ITEMS FOR CONSIDERATION/ACTION

- 1 Public Comment on matters appearing on the agenda.
- 2 Minutes of the previous meeting(s).
- 3 Discussion and possible action regarding budget modification - Tax Increment District Ten for Linetec, Inc Development Assistance and related Debt Issuance - Werth, Linetec Staff
- 4 Discussion and possible action on 2015 Room Tax Applications and the development of the 2015 Room Tax Budget- Groat
- 5 Discussion and possible action on approving purchase of refuse and recycling services and amendment of Recyclable and Nonrecyclable Solid Waste Collection Service Agreements, extending current contract for one additional year. - Tipple
- 6 Discussion and action regarding the Resolution Awarding the Sale of \$6,560,000 General Obligation Promissory Notes, Series 2014A - Groat and Elhers
- 7 Discussion and action regarding the Resolution Awarding the Sale and Issuance of \$1,495,000 General Obligation Community Development Bonds, Series 2014B - Groat and Elhers
- 8 Discussion and possible action regarding 2014 midyear review budget modifications - Tipple/Groat
- 9 Consider purchase of 1006 N 1st Street - Werth
- 10 **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. (1006 N 1st Street) - Werth
- 11 **Reconvene into open session**, if necessary, to take action on closed session item: purchase of 1006 N 1st Street Wausau
- 12 Future agenda items for consideration
Adjournment

Keene Winters, Chair

This notice was posted at City Hall and emailed to the Wausau Daily Herald newsroom on 9-3-14 at 5:30 pm.

It is possible and likely that members of, and possibly a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau may be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids & services. For information or to request this service, contact the City Clerk at (715) 261-6620.

Other Distribution: Media, (Alderspersons: Wagner, Neal, Gisselman, Rasmussen, Abitz, Mielke), *Tipple, *Jacobson, *Groat, Rayala, Department Heads



STAFF REPORT ON BUDGET MODIFICATION LINETEC

TO: Economic Development Committee

FROM: Finance Director Groat

RE: Linetec Development Agreement

Date: August 27th, 2014

Attached are two spreadsheets depicting the financial assistance requested by Linetec. Linetec is located within Tax Increment District Number Ten that was created in 2013. Linetec is requesting developer assistance in the amount of \$1,200,000. The company also expects to complete a second expansion phase. To facilitate this request the City would issue a 15 year taxable bond. The projected interest on the debt is 3.25% and the annual debt payment would be \$102,500. Based upon current valuations by the state on facility expansion we expect the phase one and two expansion to generate an additional 90,000 in taxes for the district. These sources and uses of funds result in a 18 year rate of return which coincides with the mandated district termination date as presented on Schedule 1.

Schedule 2 provides the overall cash flow projection for District 10 based upon the 80th Avenue realignment project authorized by Council and currently under construction along with the Linetec developer request. On this schedule you will see that the district expects to receive its first increment in 2015 based upon the equalized values published by the DOR on August 1. This increment estimated at \$14,265 is likely due to the Linetec facilities expansion project completed in 2013.

LINETEC
TAX INCREMENT DISTRICT 10
18 YEAR RATE OF RETURN

DEVELOPER INCENTIVES

DEVELOPER GRANT	\$	1,200,000
PROJECTED TAX RATE		\$24.11
PROJECTED INCREASE IN VALUE PHASE 1		\$2,500,000
PROJECTED INCREASE IN VALUE PHASE 2		\$1,200,000
DEBT RETIREMENT 15 YEAR ISSUE 3.25%		

CASH FLOW PROJECTED BY YEAR

Budget Year	Increment		SOURCES OF FUNDS		USES OF FUNDS		Annual Surplus (Deficit)	Accumulated Surplus (Deficit)
	Value	Tax Rate	Increment Revenue Projection		Debt Retirement			
2015							-	-
2016	3,700,000	\$24.09	40,000		102,500		(62,500)	(62,500)
2017	3,700,000	\$24.09	90,000		102,500		(12,500)	(75,000)
2018	3,700,000	\$24.09	90,000		102,500		(12,500)	(87,500)
2019	3,700,000	\$24.09	90,000		102,500		(12,500)	(100,000)
2020	3,700,000	\$24.09	90,000		102,500		(12,500)	(112,500)
2021	3,700,000	\$24.09	90,000		102,500		(12,500)	(125,000)
2022	3,700,000	\$24.09	90,000		102,500		(12,500)	(137,500)
2023	3,700,000	\$24.09	90,000		102,500		(12,500)	(150,000)
2024	3,700,000	\$24.09	90,000		102,500		(12,500)	(162,500)
2025	3,700,000	\$24.09	90,000		102,500		(12,500)	(175,000)
2026	3,700,000	\$24.09	90,000		102,500		(12,500)	(187,500)
2027	3,700,000	\$24.09	90,000		102,500		(12,500)	(200,000)
2028	3,700,000	\$24.09	90,000		102,500		(12,500)	(212,500)
2029	3,700,000	\$24.09	90,000		102,500		(12,500)	(225,000)
2030	3,700,000	\$24.09	90,000		102,500		(12,500)	(237,500)
2031	3,700,000	\$24.09	90,000				90,000	(147,500)
2032	3,700,000	\$24.09	90,000				90,000	(57,500)
2033	3,700,000	\$24.09	90,000				90,000	32,500
Total			1,570,000		1,537,500			

CITY OF WAUSAU
TAX INCREMENTAL DISTRICT NUMBER TEN
CASH FLOW PROJECTION
EXISTING OBLIGATIONS

Year	USES OF FUNDS						SOURCES OF FUNDS			Annual Surplus (Deficit)	Cumulative Balance
	LINETEC Debt Service	*2014B Street Debt Service	Administrative, Organization, & Discretionary Costs	Developer Grant	Developer Grant	Capital Expenditures	Debt Proceeds	Existing Increment	Linetec Project Tax Increment		
2014			\$1,500		\$1,200,000		\$1,200,000			(\$1,500)	(\$1,500)
2015		\$26,497	\$1,000					\$14,265		(\$13,232)	(\$14,732)
2016	102,500	26,300	\$1,000					\$14,265	40,000	(75,535)	(90,267)
2017	102,500	26,170	\$1,000					\$14,265	90,000	(25,405)	(115,672)
2018	102,500	25,980	\$1,000					\$14,265	90,000	(25,215)	(140,887)
2019	102,500	25,725	\$1,000					\$14,265	90,000	(24,960)	(165,847)
2020	102,500	25,405	\$1,000					\$14,265	90,000	(24,640)	(190,487)
2021	102,500	25,020	\$1,000					\$14,265	90,000	(24,255)	(214,742)
2022	102,500	24,585	\$1,000					\$14,265	90,000	(23,820)	(238,562)
2023	102,500	24,120	\$1,000					\$14,265	90,000	(23,355)	(261,917)
2024	102,500	23,620	\$1,000					\$14,265	90,000	(22,855)	(284,772)
2025	102,500	23,075	\$1,000					\$14,265	90,000	(22,310)	(307,082)
2026	102,500	22,505	\$1,000					\$14,265	90,000	(21,740)	(328,822)
2027	102,500	21,910	\$1,000					\$14,265	90,000	(21,145)	(349,967)
2028	102,500	26,213	\$1,000					\$14,265	90,000	(25,448)	(375,415)
2029	102,500	25,413	\$1,000					\$14,265	90,000	(24,648)	(400,063)
2030	102,500		\$1,000					\$14,265	90,000	765	(399,298)
2031			\$1,000					\$14,265	90,000	103,265	(296,033)
2032			\$1,000					\$14,265	90,000	103,265	(192,768)
2033			\$1,000					\$14,265	90,000	103,265	(89,503)
TOTAL	\$1,537,500	\$372,538	\$20,500	\$0	\$1,200,000	\$0	\$1,200,000	\$271,035	\$1,570,000		

*80th Avenue Realignment

Economic Development Committee
STAFF REPORT
Agenda Item: Linetec
Date: September 2, 2014



Background:

Linetec started in Wausau, Wisconsin in June of 1983 with a 40,000 square foot facility and a single paint line. Today, Linetec is an industry leader offering anodizing, liquid paint and powder paint finishes. After numerous plant expansions and developments, Linetec employs 380 employees, operates three high-tech finishing plants and provides more than one-half million square feet of automated finishing capacity.

Linetec is operating at capacity and is overdue to expand with a third anodizing line. The company is weighing options between expanding in Wausau, Michigan or Texas. Linetec's total project cost is \$15 - \$18 million. An expansion in Wausau would include \$5 million in real property additions, increasing Linetec's property taxes approximately \$60,000 annually. It would also generate an immediate impact of 22 -25 jobs and a 79-104 jobs within five years.

The State of Wisconsin is very supportive of Linetec's expansion. The Wisconsin Economic Development Corporation authorized \$840,000 in job tax credits. The City of Wausau is asked to support Linetec's expansion with a grant of \$1,160,000.

Linetec is in Tax Incremental District #10. Linetec's facility is currently assessed at \$11,163,500. Linetec's 2013 tax bill was \$268,863

Confidential
Information

Executive Summary



OVERVIEW OF LINETEC

PROPOSED PROJECT

JOB CREATION

CLOSING COMMENTS

Linetec Overview



- **Largest toll architectural finisher in North America**
 - Anodizing, Painting, and Powder Coat Finishes
- **Owned by Apogee Enterprises (APOG)**
 - One of 8 Independent Business Units
- **Linetec established in 1983**
 - Started with 20 employees
 - Currently at 380 employees
- **Early resident to the Wausau Industrial Park**
 - Initial building was 40,000 SF
 - Currently 3 buildings totaling 550,000 SF
- **Added numerous value-added services for our customers**
 - Thermal barrier, Color matching, Paint blending, Warehousing, Sheet fabrication, Extrusion bending, Freight, etc.

Linetec Overview



- Long term employer with significant impact in the community and state

Employment Base

Total employees	380
Wausau	160 (42%)
Marathon County	305 (80%)

Supplier Base

Total spend (non-labor)	\$25M
Wausau based	\$6M
Marathon County	\$7M
Wisconsin based	\$17M(68%)
Out of State	\$8M

Linetec Overview

- Having a full service metal finisher gives local companies a competitive advantage in their markets
 - Residential Window
 - Metal Fabrication
- Having a full service finisher attracts other related industries to the area

- Arow Global – 140 Employees, 20+ years



- Southern Stretch Forming – 9 Employees, 1st year



- Polywood Fabrication – 62 Employees, 10 years



Linetec Overview



- **Linetec strives to be a strong corporate citizen**
 - Linetec Core Values
 - 2 time recipient of the Wisconsin Manufacturer of the Year award
 - WMC Friend of the Environment award 2012
 - WI Safety Council Finalist
 - United Way Circle of Excellence, Fill a Backpack, Relay for Life and other charitable sponsorship
 - Recognized by WI Dept of Vocational Rehabilitation

Project Overview

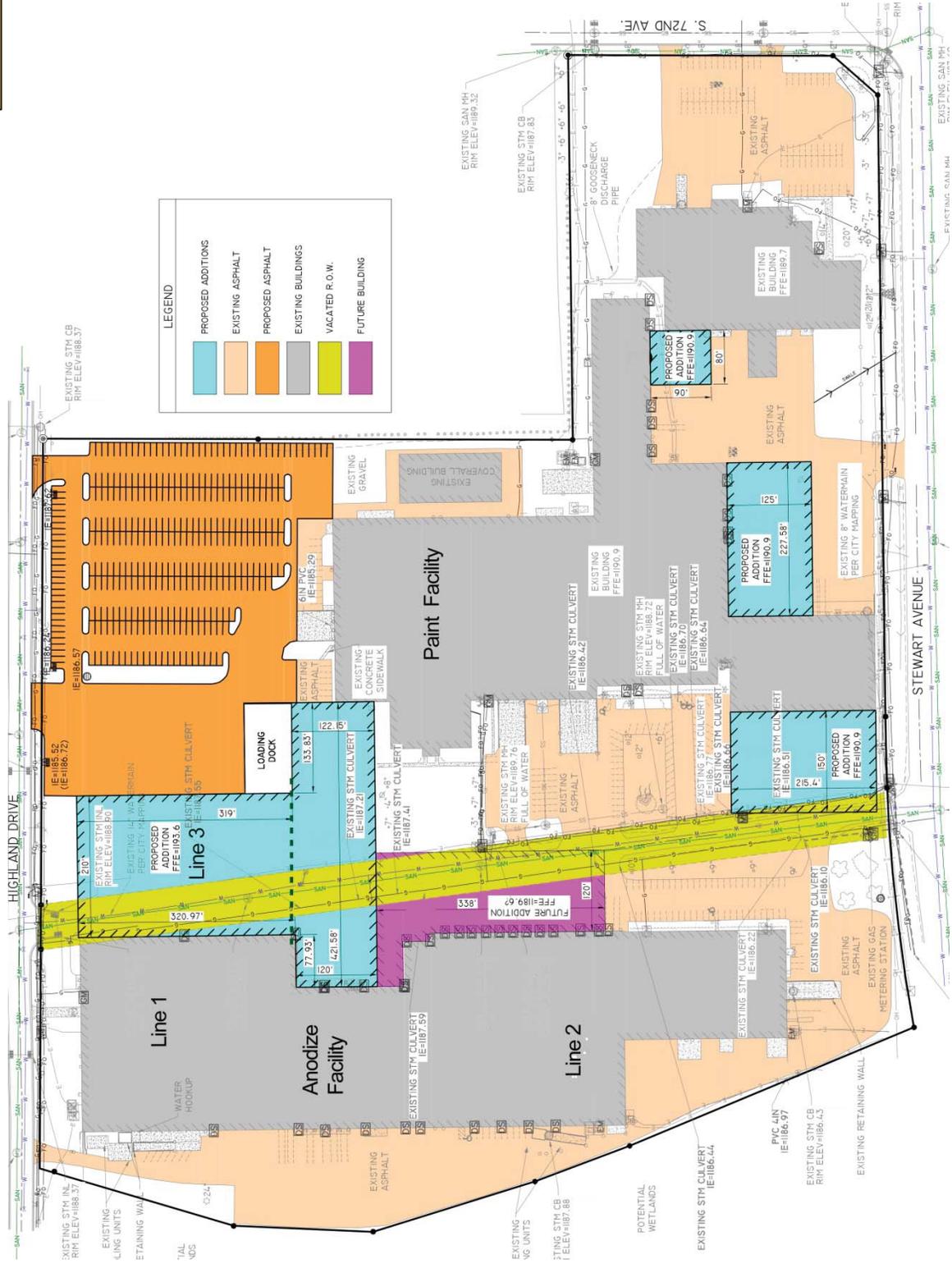
- Add 120,000 sf addition to house a 3rd Anodize line
- 5 year employment growth of 93 jobs
 - 87 Production (base rate \$15.50/hr) and 6 professional (\$56K/yr)
- Project cost of \$15.3M
- 12 month construction timeline
- Will drive growth in other areas of our operations requiring future expansions
 - Paint vault expansion (\$0.4M – 10,000 sf)
 - Paint facility expansion (\$3.3M – 64,000 sf)
 - Warehousing space (\$1.5M – 40,000 sf)
- **Projected total property tax increase \$60,000/yr**
 - Any additional \$30,000 (\$90,000 total) after future expansions
 - Rough approximations based off of square footage additions

Confidential Information

Aerial View of Linetec Campus



Site Master Plan



LEGEND

	PROPOSED ADDITIONS
	EXISTING ASPHALT
	PROPOSED ASPHALT
	EXISTING BUILDINGS
	VACATED R.O.W.
	FUTURE BUILDING

Direct Job Growth



	Yr 1	Yr 2	Yr 3	Yr 4	Total
Production	24	27	25	11	87
Professional	1	2	1	2	6

- Starting production base rate of \$14.40, escalates to \$15.50 in one year.
- Competitive benefits package, shift differential pay and OT pay
- Professional includes a combination of technical and supervisory positions.

Indirect Job Creation



- **Growth in finishing volume supports other area businesses**
 - Customers
 - Local bending service
 - Local aluminum extrusion businesses
 - Local chemical and paint suppliers
 - Local trades (HVAC, fabrication and dozens of industrial supply companies)

Closing Comments

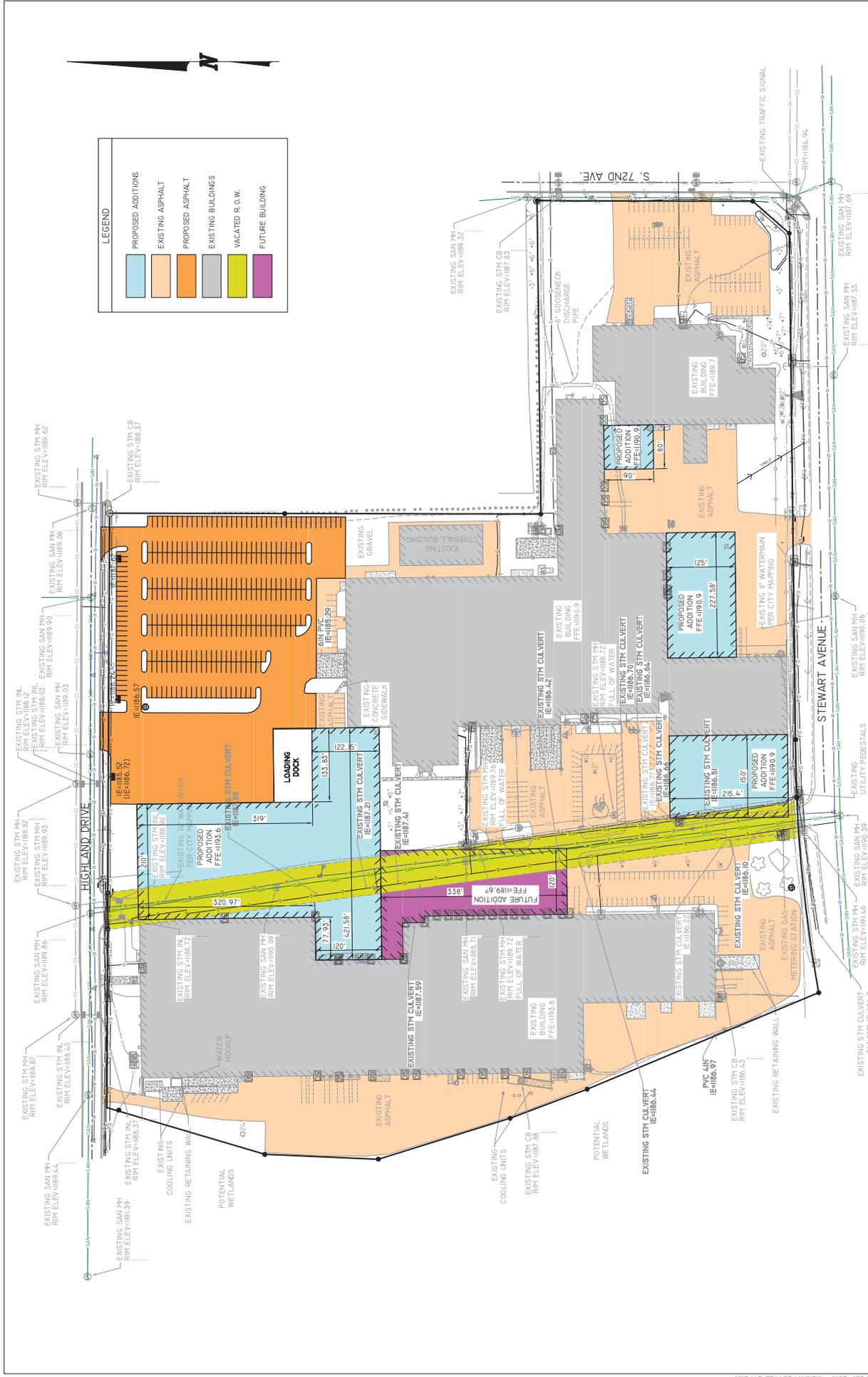


- Linetec has received a commitment from the state of WI for \$840,000 in the form of job tax credits.
- Linetec seeks approval of \$1,200,000 of TIF #10 funds to support this project.
- Projected 93 job additions over 5 years.
- Property taxes projected to increase \$60,000 with Anodize project and an additional \$30,000 with future projects.
- Linetec will fund the cost (\$75K-\$200K) to move the sewer line as needed.
- Preferential selection of local contracts and suppliers for the construction.

Closing Comments



- Wausau is the prevailing location if the project begins in 2014 due to permitting and site selection elsewhere
 - Decision to delay one year allows for permitting elsewhere, possibly in Michigan, close to our largest anodize customer
 - ✦ Annual freight savings of \$1.0M per year for Apogee with Michigan location
 - ✦ Would result in lost volume in Wausau facility and less work



LEGEND

	PROPOSED ADDITIONS
	EXISTING ASPHALT
	PROPOSED ASPHALT
	EXISTING BUILDINGS
	VACATED R. O. W.
	FUTURE BUILDING



REI Engineering, Inc.
 480 N. 20th Ave
 Wausau, Wisconsin 54401
 Phone: 715.832.1650
 Email: info@reiengineering.com

CIVIL & ENVIRONMENTAL ENGINEERING, SURVEYING

REI

REI No. 2205A
 SHEET SP

SITE PLAN
 STEWART AVE
 WAUSAU, WISCONSIN 54401

DESIGNED BY:	CHK'D BY:	APPROVED BY:
DATE:	DATE:	DATE:

DATE: 08/06/14
 DRAWN BY: DDD
 SURVEYED BY:
 DESIGNED BY: DDD

REVISION

DATE	REVISION

SCALE: 0 80 160



City of Wausau TIF Application

Please complete the following information and return it along with a \$125 fee made payable to Community Development.

DEVELOPER

Legal Entity: Apogee Wausau Group, Inc

D/b/a: Linetec

Main Office Location: 7500 Stewart Avenue Wausau, WI 54401

Type of Business: Manufacturer offering anodizing, liquid paint and powder paint

Project Description:

Linetec is considering a 125,000 square foot addition to add a third anodizing line. The facility is currently operating at capacity and an expansion is necessary for the company to remain competitive. The \$15 million expansion will include \$10 million in equipment and \$5 million in real property. The project will add \$60,000 in annual property taxes and add 93 employees within 5 years.

Reason for Application Assistance:

Linetec is considering expansion options in Michigan and Ohio. Advantages of other locations include \$1.0 million in annual freight savings, diversified risk, and new market opportunities.

PROPERTY INFORMATION

Parcel 1

Address: 7500 Stewart Avenue Wausau, WI 54401

Size: 500,000 square feet

Current Use: manufacturing

Current Assessed Value: \$11,163,500

Current Property Taxes: \$268,863

Parcel 2

Address: N/A

Size:

Current Use:

Current Assessed Value:

Current Property Taxes:

PROPOSED IMPROVEMENTS

Describe improvement details

125,000 square foot building addition to add third anodize line – 4 anodize tanks; 30 foot capacity

RETURN ON INVESTMENT ANALYSIS

Project Costs

	Amount (\$)	Source of Funds
Purchase of Land		
Demolition Cost		
Site Improvements		
Purchase of Existing Facility		
Construction of New Building(s)	\$5 M	
Renovation of Existing Structure		
Machinery & Equipment	\$10 M	
Architectural & Engineering Fees		
Legal & Other Professional Fees		
Contingency		
Working Capital		
Other (please specify)		
Total Project Costs	\$15 M	

Value of Property

- **Lot Size (in acres):** 36.08
- **Improvement Square Footage:** 125,000
- **Current Assessed Value:** Land \$757,300 + Improvements \$ 10,406,200 = \$11,163,500
- **Calculated Property Value:** Land \$757,300 + Improvements \$5,000,000 = \$16,163,500

Projected Property Taxes

- **Current Property Taxes:** \$ 268,863
- **Calculated Property Taxes:** \$328,863
- **Calculated Tax Increment:** \$60,000

Zoning:

- Current Zoning: M2/IP
- Proposed Zoning: no change

REQUESTED CITY PARTICIPATION/FINANCING

Source	Amount	Terms: Years/Interest	Contact Information
Loans:			
Equity			
Requested City Participation:			
Loan:			
Grant:	\$1,200,000	N/A	City of Wausau
Other:			
Total Financing			

City of Wausau ROI: The City’s immediate return on investment benefits will be realized through job creation benefits to the local economy. Linetec will hire a minimum of 22 employees within year one of the expansion and up to 93 employees by year five. Both supervisory and production jobs will be created and receive full benefit packages. Production jobs start at \$14.40/hour. The payback excluding job creation is estimated to be 20 years.

Jobs Created

- Up to \$15,000: _____
- \$15,001-\$30,000: _____
- \$30,001-\$45,000: _____ 87 _____
- \$45,001-\$60,000: _____ 6 _____
- \$60,001 and above: _____
- Description of Employee benefits: _Health, Dental, Worker's Compensation, Vacation pay, Holiday Pay, 401K match, Life Insurance, Disability coverage, Incentive Pay, Clothing program, Employee Assistance Program, Safety Incentive, Vacation Incentive, Wellness programs and Paid Personal/Sick Time

Please return to Community Development, Attn: Megan Lawrence, 407 Grant Street, Wausau, WI 54403.

**JOINT RESOLUTION OF THE
ECONOMIC DEVELOPMENT AND FINANCE COMMITTEES**

Approving a Development Agreement between the City of Wausau and Linetec Inc.(A division of Apogee Wausau Group, Inc) to finance facility and equipment expansion located at 7500 Stewart Avenue, Wausau WI 54401

Committee Action: Finance – Approved
Economic Development Approved 5-0

Fiscal Impact: \$1,200,000 to be financed from Tax Increment District Number Ten through the issue of taxable Community Development Bonds

File Number: **Date Introduced:** September 9, 2014

WHEREAS, the City’s Economic Development strategy focuses on the attraction, retention and sustainability of business, community amenities, and industrial development activities and improving infrastructure to increase the property tax base and add new jobs; and

WHEREAS, Linetec, Inc. (a division of Apogee Wausau Group, Inc.) desires to construct a 125,000 square foot addition to facilitate a third anodizing line. The expansion will result in the financial investment of \$5 million in plant expansion and \$10 million in the acquisition of manufacturing equipment; and

WHEREAS, this expansion will drive future expansion of another 114,000 square feet to the painting and warehousing facility; and

WHEREAS, the expansion will expand manufacturing capabilities and product lines; and increase employment and capital and facility growth opportunities; and

WHEREAS, Linetec, Inc. (a division of Apogee Wausau Group, Inc.) has requested financial incentives of \$1,200,000 to reimburse and offset these expansion costs; and

WHEREAS, this financial assistance is deemed necessary due to the competing considerations if the company evaluated the business growth in alternate sites located in the State of Michigan; and

WHEREAS, Linetec, Inc. (a division of Apogee Wausau Group, Inc.) is willing to enter into a development agreement to commit to manufacturing expansion and increased employment by adding 93 full time positions paying an average wage of at least \$14.40 per hour at its facility located at 7500 Stewart Avenue, Wausau WI 54401; and

WHEREAS, the facility is located within the boundaries of Tax Increment District Number Ten; and

WHEREAS, the project plan objectives of TID #5 is to:

- Increase the employment opportunities in the community.
- Increase the per capita income in the community.
- Increase the industrial property tax base.
- Accommodate new industries and the expansion of existing industries.
- Increase the availability of industrial sites; and

WHEREAS, the Finance Committee and Economic Development Committee have reviewed the development incentive request and finds the following:

- That the Linetec Inc. (a division of Apogee Wausau Group, Inc.), business expansion and related growth would not occur without the financial assistance from the City of Wausau financed from Tax Increment District Number Ten.
- That the financial assistance will be supported by a development agreement signed by Apogee Wausau Group, Inc.
- The development incentives for facility expansion and fixture and equipment investment and installation are an eligible expense under the tax increment financing laws;
- That this project furthers the purposes of Tax Increment Financing and the objectives of the Tax Increment District Number Ten Project Plan objectives;
- That development incentives were listed as project plan costs within the Tax Increment District Ten Project Plan;
- That payment of the City's assistance to Linetec Inc, (a division of Apogee Wausau Group, Inc.) is necessary and convenient to effectuate the purposes for which Tax Increment District Number Ten was created and to implement its project plan; and
- That the expansion of manufacturing capabilities and product lines; and increased employment, capital and facility growth in the long and short term is in the vital and best interest of the City and its residents and in accordance with the public purpose and conditions of applicable state and local laws and the standards under which the tax increment district was undertaken and implemented;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Wausau as follows:

1. That the Common Council of the City of Wausau finds the following:
 - That the Linetec Inc. (a division of Apogee Wausau Group, Inc.), business expansion and related growth would not occur without the financial assistance from the City of Wausau financed from Tax Increment District Number Ten;
 - That the financial assistance will be supported by a development agreement signed by Linetec Inc,(a division of Apogee Wausau Group, Inc.);
 - The development incentives for facility expansion and fixture and equipment investment and installation are an eligible expense under the tax increment financing laws;
 - That development incentives were listed as project plan costs within the Tax Increment District Ten Project Plan;
 - That this project furthers the purposes of Tax Increment Financing and the objectives of the Tax Increment District Number Ten Project Plan objectives;
 - That payment of the City's assistance to Linetec Inc. (a division of Apogee Wausau Group, Inc.) is necessary and convenient to effectuate the purposes for which Tax Increment District Number Ten was created and to implement its project plan; and

- That the expansion of manufacturing capabilities and product lines; and increased employment, capital and facility growth in the long and short term is in the vital and best interest of the City and its residents and in accordance with the public purpose and conditions of applicable state and local laws and the standards under which the tax increment district was undertaken and implemented;
- 2. That the Mayor is authorized and directed to work on behalf of the City of Wausau to prepare a development agreement for the payment of development incentives of up to \$1,200,000 on a reimbursement basis within a period of 12 months for costs associated with the facility expansion and capital equipment investment and along with the creation of 93 full-time positions paying an average wage of at least \$14.40 per hour, within a five year period, and that final approval of the agreement is delegated to the Economic Development Committee.
- 3. That the Finance Director and proper City officials are here by authorized to modify the budget for Tax Increment District Number Ten Fund and publish the budget modification in the official newspaper as required.

148-351397200	Development Payments	\$1,200,000
148-345189120	Debt Proceeds	\$1,200,000

- 4. That the City Clerk mail a copy of the executed Development Agreement to the Joint Review Board Members.

Approved:

James E. Tipple, Mayor



2015 Room Tax Allocations

TO: Finance Committee
FROM: Maryanne Groat
DATE: September 2, 2014

Background Information

The City of Wausau collects and disburses room tax based upon the Wausau Code, the room tax policy, and the CVB contract. The City's room tax rate of 8% is the maximum allowed by State Statutes. The City of Wausau is exempt from the statute provision regulating expenditure of 70% of room tax on tourism promotion and development, since our rate was established prior to May 13, 1994.

Room Tax Policy

Attached is a copy of the room tax policy. The policy guarantees funding to those entities outlined in the Continuing Appropriation section of the policy. The City has a written contract with the CVB that commits room tax funds. These funds are remitted each quarter based upon collections.

Budget Process

Twice per year, August and February, not-for-profits can apply for room tax funds. The continuing appropriation members complete an abbreviated application each fall. The City includes the August requests and funding for the continuing appropriation entities within the next year's budget. In February the committee considers the additional applications and makes any final adjustments to the allocations as deemed appropriate.

2015 Room Tax Revenues

The Finance Committee at the August meeting recommended a conservative revenue estimate of \$700,000 in 2015 due to the Excel Inn closure and the possible change of use for the Plaza Hotel.

2015 Proposed Budget

The attached 2015 budget follows prior year methods in that it maximizes the allocations to the continuing appropriation group and distributes the balance of the room tax as a percentage of the 2015 request.

**CITY OF WAUSAU
ROOM TAX FINANCE COMMITTEE PROPOSED BUDGET 2015**

SOURCES OF FUNDS

PROJECTED FUND BALANCE December 31, 2014	\$ 55,000
2015 ESTIMATED REVENUES	\$ 700,000
TOTAL AVAILABLE	\$ 755,000

USES OF FUNDS

CONTRACTUAL OBLIGATIONS		
CVB	<i>(2.5% of Room Tax Rate or .3125%)</i>	\$ 218,750
SPORTS MARKETING FUND	<i>(.5% of Room Tax Rate or .0625%)</i>	\$ 43,750

CONTINUING APPROPRIATIONS	2014 PAYMENT	Maximum per Policy Based Upon 2014 Revenues	
WAUSAU EVENTS, INC	10.25% \$ 79,004	\$ 77,900	
MAIN STREET	5.00% 30,000	30,000	
PERFORMING ARTS	6.50% 50,100	49,400	
WOODSON ART MUSEUM	4.30% 33,143	32,680	
HISTORICAL SOCIETY	3.00% 23,123	22,800	
CONCERT BAND	1.00% 7,708	7,600	
CENTER FOR VISUAL ARTS	1.50% 11,562	11,400	
CITY FUNDING	25.00% 180,000	180,000	
TOTAL CONTINUING CONTRIBUTIONS	\$ 414,640	\$ 411,780	411,780

2015 ROOM TAX REQUESTS - EVENTS AND MARKETING	2014 PAYMENT	2015 REQUEST	Balance of Funds Prorated	
Fall Requests				
Wausau Kayak and Canoe Corporation - Event	\$ 12,000	\$ 12,000	\$ 11,070	
Jaycees Fourth of July - Event	7,700	10,200	9,410	
Wausau Events Spring Festival - Event	-	5,000	4,613	
Placeholder for Spring 2015 Requests				
Wausau Events - Screen on the Green	3,000	} 30,300	27,952	
Wausau Events - Balloon Rally	10,000			
Wausau Events - Market Place Thursdays	6,000			
Festival of Arts	5,000			
Wausau Community Theater	2,500			
Chalkfest	800			
Wausau Artrageous Weekend	3,000			
	\$ 50,000	\$ 57,500		
2015 ROOM TAX REQUESTS - CAPITAL				
Grand Theater - Stone Façade Replacement		\$ 30,000	27,675	\$ 80,720
PROJECTED FUNDS AVAILABLE 12/31/2015				\$ -

CITY OF WAUSAU, WISCONSIN ROOM TAX POLICIES

The City of Wausau maintains a room tax to assist with funding services necessary to support and attract visitors that would otherwise be borne by local taxpayers as well as to promote, protect, preserve and invest in activities and facilities that make Wausau a more attractive, safe and compelling destination for visitors and residents alike.

City of Wausau ordinance 3.25.030 Collection and Distribution shall be followed.

The annual budget for room tax revenues shall be determined by the Finance Director and approved by the Finance Committee based on actual receipts from the prior full calendar year for which data is available as the city's budget is being prepared along with reasonable projections. The following annual distributions shall occur:

CONTINUING ANNUAL APPROPRIATIONS:

The city shall contribute an amount equal to 31.25% of actual current collections to the Wausau/Central Wisconsin Convention & Visitors Bureau, and an additional 6.25% for Badger State Games as governed by agreement with CWCVB.

In addition to the CWCVB, the City of Wausau recognizes other not-for-profit organizations that have demonstrated their significance as a destination for visitors and residents. These organizations shall receive an annual allocation of room tax revenues which shall be apportioned as follows:

Wausau Area Events: An amount of \$65,600 but not greater than 10.25% of immediate prior year collections. It is intended that this amount be used to fund operating expenses. Additional amounts for specific events such as Chalkfest, Concerts on the Square, Wausau Hot Air Balloon Rally & Glow and certain other events will be funded separately through the Room Tax Grants portion.

Wausau Main Street: An amount of \$30,000 but not greater than 5% of immediate prior year collections, however, the total City contribution to Main Street shall not exceed one-third of the annual Main Street budget.

Grand Theater – Performing Arts Foundation: An amount of \$45,000 but not greater than 6.5% of immediate prior year collections.

Leigh Yawkey Woodson Art Museum: An amount of \$30,100 but not greater than 4.30% of immediate prior year collections.

Marathon County Historical Society: An amount of \$21,000 but not greater than 3% of immediate prior year collections.

Center for the Visual Arts: An amount of \$10,000 but not greater than 1.5% of immediate prior year collections.

Wausau Concert Band: An amount of \$6,500 but not greater than 1% of immediate prior year collections.

Each organization shall submit complete annual financial reports and include the City logo on promotional materials.

In addition to these allocations the City of Wausau operations will benefit from Room Tax Collections as follows:

- General Fund will be allocated a sum of 25% of projected room tax collections to offset operating costs.

ROOM TAX GRANT PROGRAM:

To the extent that funds are available, the Finance Committee will consider, semi-annually (August 30th and February 28th) applications for room tax grants from outside organizations which clearly show benefits to the City of Wausau in the following categories: economic development, tourism and special community events or projects which enhance the quality of life.

There are three categories in which grants are awarded. Capital projects, Events, and Marketing efforts:

Capital costs associated with acquisition, restoration, enhancement, construction or expansion of existing facilities, sites or attractions for the purpose of accommodating tourism or increased tourism attraction, or for the purpose of providing new or increased programming.

Events including festivals, celebrations, shows, performances, special exhibits or displays and other events, particularly those that will attract outside visitors will be considered in this category. The maximum grant available is \$15,000.

Marketing efforts including the development and implementation of a marketing plan designed to increase visitation to an attraction or event. The maximum grant available is \$7,500.

All organizations should attempt to demonstrate their plan towards event self-sufficiency. Interested organizations must submit timely and meet the requirements and specifications identified within the applications instructions. The Finance Committee will review the funding requests and forward a recommendation to Common Council for incorporation within the annual budget.

OTHER:

Any monies remaining at yearend will stay within the segregated room tax fund for allocations in subsequent budget cycles.

Chapter 3.25

ROOM TAX

Sections:

- 3.25.010 Definitions.
- 3.25.020 Imposition of tax.
- 3.25.030 Collection and distribution.
- 3.25.040 Permit—Requirements.
- 3.25.050 Permit—Revocation.
- 3.25.060 Sale of business.
- 3.25.070 Audit.
- 3.25.080 Failure to file.
- 3.25.090 Interest.
- 3.25.100 Penalty assessment.
- 3.25.110 Records and taxation.
- 3.25.120 Penalty—Forfeiture.

3.25.010 Definitions. (a) “Gross receipts” has the meaning as defined in Wisconsin Statutes, Section 77.51(4)(a), (b) and (c) insofar as applicable.

(b) “Hotel” or “motel” means a building or group of buildings in which the public may obtain accommodations for a consideration, including, without limitation, such establishments as inns, motels, tourist homes, tourist houses or courts, lodging houses, rooming houses, summer camps, apartment hotels, resort lodges and cabins, and any other building or group of buildings in which accommodations are available to the public, except accommodations rented for a continuous period of more than one month and accommodations furnished by any hospital, sanitariums, or nursing homes, or by corporations or associations organized and operated exclusively for religious, charitable or educational purposes, provided that no part of the net earnings of such corporation and associations inures to the benefit of any private shareholder or individual.

(c) “Transient” means any person residing for the continuous period of less than one month in a hotel, motel or other furnished accommodations available to the public. (Ord. 61-4489 §1(part, 1981.)

3.25.020 Imposition of tax. (a) Pursuant to section 66.0615, a tax is imposed on the privilege and service of furnishing, at retail, of rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for the use of the accommodations. Such tax shall be at the rate of eight percent of the gross receipts from such retail furnishings of rooms or lodging. Such tax shall not be subject to selective sales tax imposed by Wisconsin Statutes, Section 77.52(2)(a)1.

(b) Sales of rooms to the federal government, state of Wisconsin, Wisconsin local governmental units, and other entities holding tax-exempt certificates shall be exempt from the

imposition of the room tax imposed under this chapter. The exemption shall be granted only if the following conditions have been met for any sale of a room:

- (1) The retailer shall bill the lodging in the name of the exempt entity; and
- (2) The retailer must be provided with either:
 - (A) In the case of federal, state of Wisconsin or local governmental units, a tax-exempt status number and a letter of authorization or purchase order from the governmental unit, or
 - (B) In the case of other tax-exempt entities, the entities certificate of exempt status number.

(Ord. 61-4843 §1, 1994.)

3.25.030 Collection and distribution. (a) Collection of Tax. Collection shall be administered by the city treasurer. The tax imposed for each calendar quarter, or the first partial quarter, is due and payable on the last day of the month succeeding the calendar quarter for which imposed. A return shall be filed with the city treasurer, by those furnishing at retail such rooms and lodging, on or before the same date on which such tax is due and payable. Such return shall show the gross receipts of the preceding calendar quarter from such retail furnishing of rooms or lodging, the amount of taxes imposed for such period, and such other information as the city treasurer deems necessary. All such returns shall be signed by the person required to file a return or his duly authorized agent, but need not be verified by oath. The city treasurer may, for good cause, extend the time for filing any return, but in no event longer than one month from the filing date.

(b) Distribution of Tax. The room tax collection shall be allocated to a segregated fund of the city. Disbursement of room tax funds shall be governed by the finance committee and ratified by the common council. Room tax funds may be used for events, projects, or activities that generate or benefit tourism, or enhance the community and quality of life of the citizenship. (Ord. 61-5045, 1999; Ord. 61-4489 §1(part), 1981.)

3.25.040 Permit—Requirements. (a) Every person furnishing rooms or lodging under section 3.25.020 shall file with the city clerk an application for a permit to operate a hotel or motel for each place of business. Every application for a permit shall be made upon a form prescribed by the city clerk and shall set forth the name under which the applicant transacts or intends to transact business, the location of his place of business, and such other information as the city clerk requires. The application shall be signed by the owner if a sole proprietor and, if not a sole proprietor, by the person authorized to act on behalf of such sellers. At the time of making an application, the applicant shall pay to the city clerk a fee of ten dollars for each permit.

(b) In order to protect the revenue of the city, the city clerk may require any person liable for the tax imposed by this chapter to place with him or her, before or after a permit is issued, such security, not in excess of one thousand dollars as the city clerk determines, or bond suitable to the city in lieu thereof. If any taxpayer fails or refuses to place such security or bond, the city clerk may

refuse or revoke such permit. If any taxpayer is delinquent in the payment of the taxes imposed by this section, the city clerk may, upon ten days notice, recover the taxes, interest and penalties from the security or bond placed with the city clerk by such taxpayer. No interest shall be paid or allowed by the city to any person for the deposit of such security.

(c) After compliance with subsections (a) and (b) by the applicant, the city clerk shall grant and issue to each applicant a separate permit for each place of business within the city. Such permit is not assignable and is valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall at all times be conspicuously displayed at the place for which issued. (Ord. 61-4489 §1(part), 1981.)

3.25.050 Permit—Revocation. Whenever any person fails to comply with this chapter, the city clerk may, upon ten days notification and after affording such person the opportunity to show cause why his permit should not be revoked, revoke or suspend any or all of the permits held by such person. The city clerk shall give to such person written notice of the suspension or revocation of any of his permits. The city clerk shall not issue a new permit after the revocation of a permit unless he is satisfied that the former holder of the permit will comply with the provisions of this chapter. A fee of ten dollars shall be imposed for the renewal or issuance of a permit which has been previously suspended or revoked. (Ord. 61-4489 §1(part), 1981.)

3.25.060 Sale of business. If any person liable for any amount of tax under this chapter sells out his business or stock of goods or quits the business, his successors or assigns shall withhold sufficient money from the purchase price to cover such amount of tax until the former owner produces a receipt from the city treasurer showing that it has been paid or a certificate stating that no amount is due. If a person subject to the tax imposed by this chapter fails to withhold such amount of tax from the purchase price as required, he shall become personally liable for payment of the amount required to be withheld by him to the extent of the price of the accommodations valued in money. (Ord. 61-4489 §1(part), 1981.)

3.25.070 Audit. The city treasurer may, by audit, determine the tax required to be paid to the city or the refund due to any person under this chapter. This determination may be made upon the basis of the facts contained in the return being audited or on the basis of any other information within the city treasurer's possession, or information such as that which would be gained from income tax returns which shall be furnished upon request of the city treasurer. One or more such audit determinations may be made of the amount due for anyone or for more than one period. (Ord. 61-4489 §1(part), 1981.)

3.25.080 Failure to file. If any person fails to file a return as required by this chapter, the city treasurer shall make an estimate of the amount of the gross receipts under section 3.25.020. Such estimate shall be made for the period for which such person failed to make a return and shall be based upon any information which is in the city treasurer's possession of which may come into his possession. On the basis of this estimate, the city treasurer shall compute and determine the amount required to be paid to the city, adding to the sum thus arrived at a penalty equal to twelve percent thereof. One or more such determinations may be made for one or more than one period. (Ord. 61-4489 §1(part), 1981.)

3.25.090 Interest. All unpaid taxes under this chapter shall bear interest at the rate of twelve percent per annum from the due date of the return until the first day of the month following the month in which the tax is paid or deposited with the city treasurer. All refunded taxes shall bear interest at twelve percent per annum from the due date of the return until the first day of the month in which such taxes are refunded. An extension of time within which to file a return shall not operate to extend the due date of the return for purposes of interest computation. If the city treasurer determines that any overpayment of tax has been made intentionally or by reason of carelessness or neglect, or if the tax which was overpaid was not accompanied by a complete return, it shall not allow any interest thereon. (Ord. 61-4489 §1 (part), 1981.)

3.25.100 Penalty assessment. If due to negligence no return is filed, or a return is filed late, or an incorrect return is filed, the entire tax finally determined shall be subject to a penalty of twenty-five percent of the tax, exclusive of interest or other penalties. If a person fails to file a return when due, or files a false or fraudulent return with the intent in either case to defeat or evade the tax imposed by this chapter, a penalty of fifty percent shall be added to the tax required to be paid, exclusive of interest and other penalties. (Ord. 61-4489 §1(part), 1981.)

3.25.110 Records and taxation. (a) Every person liable for the tax imposed by this chapter shall keep or cause to be kept such records, receipts, invoices and other pertinent papers in such form as the city treasurer requires.

(b) All tax returns, schedules, exhibits, writings or audit reports relating to such returns, on file with the city treasurer, are deemed to be confidential, except the city treasurer may divulge their contents to the following and no others:

- (1) The person who filed the return;
- (2) Officers, agents, or employees of the Federal Internal Revenue Service or the State Department of Revenue;
- (3) The assessor, city attorney, mayor, and finance director;
- (4) Such other public officials of the city when deemed necessary.

(c) No person having an administrative duty under this chapter shall make known in any manner the business affairs, operations or information obtained by an investigation of records of any person of whom a tax is imposed by this chapter, or the amount or source of income, profits, losses, expenditures or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof to be seen or examined by any person, except as provided in subsection (b). (Ord. 61-4489 §1(part), 1981.)

3.25.120 Penalty—Forfeiture. Any person who is subject to the tax imposed by this chapter who fails to obtain a permit as required in section 3.25.040, or who fails or refuses to permit the inspection of his records by the city treasurer after such inspection has been duly requested by the city treasurer, or who fails to file a return as provided in this chapter, or who fails to pay the room tax when required, or who violates any other provisions of this chapter, shall, in addition to the other

charges and penalties imposed by this chapter, be subject to a forfeiture not to exceed two hundred fifty dollars for each violation. Each day in violation is deemed to constitute a separate offense. (Ord. 61-4489 §1(part), 1981.)



TO: FINANCE COMMITTEE MEMBERS

FROM: MAYOR JIM TIPPLE

DATE: SEPTEMBER 3, 2014

SUBJECT: REFUSE AND RECYCLING SERVICES CONTRACT 2015

As discussed and directed by the Finance Committee, staff and Advanced Disposal have been working to extend our existing refuse and recycling contract for a one year term. This extension will allow the city the opportunity to fully explore and communicate with the residents the benefits of a fully automated refuse and recycling system and the costs associated with such a program.

The renewal document proposed will provide the same level of services to the residents as provided under the expiring contract. The 4% increase equates to a total annual cost of \$71,837. Under the last five year contract the average rate increase was 4.70%. A summary of past charges and the one year extension are attached.

The City Attorney has reviewed the procurement policy and state law and provided recommendations regarding the Finance Committee and Council actions pertaining to the contract extension.

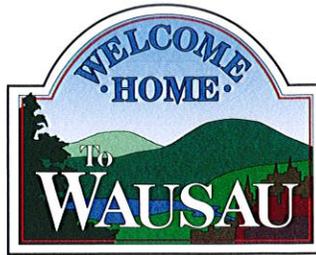
This item has been placed on the Common Council September 9th, 2014 agenda for consideration.

Attachments:

- Schedule of contract costs
- Attorney recommendation on contract renewal
- Contract extension
- Existing contracts
- September 9, 2014 proposed council resolution

Advance Disposal Monthly Household Rate Review

	<u>Refuse</u>	<u>Recycling</u>	<u>Total</u>	<u>Increase</u>	
				<u>\$</u>	<u>%</u>
2010 to 2014 Contract					
2010	5.80	1.70	7.50		
2011	6.25	1.80	8.05	0.55	7.3%
2012	6.60	1.90	8.50	0.45	5.6%
2013	6.75	2.00	8.75	0.25	2.9%
2014	6.90	2.10	9.00	0.25	2.9%
Average Increase				0.38	4.7%
Contract Extension					
2015	7.18	2.18	9.36	0.36	4.0%



Office of the City Attorney

Anne L. Jacobson
City Attorney

Tara G. Alfonso
Assistant City Attorney

MEMO

TO: Mayor James E. Tipple
Council Members

FROM: Anne Jacobson 

Date: September 2, 2014

RE: Extension of Refuse Contract for an Additional Year

I was asked whether procurement of publicly funded service contracts is regulated by state law. Does state law require the bidding of an "extension" of a refuse collection contract, where the original contract has an expiration date and does not provide for an automatic renewal or extension?

Our current Nonrecyclable and Recyclable Solid Waste Collection Service Agreements expire December 31, 2014, and the contracts do not provide for automatic renewals or extensions. They were awarded based upon responses to the City's request for proposals.

The answer is No.

This municipal contract is a service contract. Cities have no inherent powers. Rather, Wisconsin cities are expressly authorized to execute garbage removal services contracts pursuant to sec. 66.0405, Wis. States. As a general rule, no single official or employee can obligate a municipality to an agreement or contract without the governing body's authorization. Only the governing body or an officer or employee authorized by the governing body to enter into a contract on behalf of the municipality, may enter into a contract binding the municipality.

While the state statutes do not require a formal bid process, because garbage and refuse recycling do not constitute "public construction," we are bound then by our ordinances and policies. Our ordinances are silent on the matter. However, our Procurement Policy, first

adopted in 11/9/1999, and last modified on 4/22/2014, presents several options for consideration.

The Procurement Matrix, attached to illustrate the policy itself, lists refuse and recycling collection as the purchase of contractor services. Goods or service in excess of \$25,000 – requires a formal bid process, which requires that requests for bids shall be formally noticed, and sealed bids opened at a specified time and place. It states, “*Purchases* that do not meet these criteria and are not otherwise authorized by law, rule, regulation or this policy shall be separately authorized by the Common Council.”

Elsewhere in the policy, a sole source purchase of services exceeding \$25,000 must be approved by the Finance Committee. It is undisputed that this contract is the largest contract to which the City is a party in terms of amount of money expended annually for the service, and is well in excess of \$25,000 annually. The Department Head is responsible for providing written documentation justifying the valid reason to purchase from one source or that only one source is available. Applicable sole source criteria include:

- Urgency due to public safety
- Serious injury financial or other
- Other unusual and compelling reasons
- Service is available from only one source and no other service will satisfy the City’s requirements
- Lack of acceptable bids or quotes
- Continuity achieved in a phased project
- The service demonstrates a unique capability not found elsewhere
- Economical to the city on the basis of time and money of proposal development

Finally, if separately authorized by the Common Council, the purchase of refuse and recycling services and the contract amendment could be approved without regard to compliance with the bid process required by the procurement policy.

In checking with other municipalities, the City Attorney for Janesville indicated his city negotiates extensions with service vendors without an RFP. A municipal attorney for several local municipalities indicated he regularly negotiates contracts for refuse collection and hauling without a bid or RFP. The Village of Weston, our neighbor, let bids for their initial refuse/recycling contract on September 29, 1999, and awarded the contract to Deluxe Disposal Services, Inc. It was for a 4 year contract from January 1, 2000, to January 2, 2004. That contract did not provide for any extensions or renewals. Since that time, the contract was extended for an additional 4 years without an RFP by addendum; extended an additional 3 years by letter agreement; and extended an additional 3 years by letter agreement, to expire January 1, 2014.

To summarize, the options are three:

To authorize the purchase:

1. Follow a formal bid process contemplated by the procurement policy; or
2. Present and consider a service contract extension as a sole source purchase, to the Finance Committee, and have it authorized by the Common Council; or
3. Have the Finance Committee recommend approval of the expenditure of funds to finance a one-year extension of our current contract to the Common Council, and have the Common Council authorize it.

To authorize the contract amendment:

1. Have the Finance Committee recommend approval of the contract amendment to the Common Council, following review by the City Attorney, and have the Common Council approve the contract amendment as one requiring council approval by the procurement policy.

It is my recommendation that both the purchase and contract amendment for a one-year extension of our refuse and recycling contract be approved by the Common Council, upon recommendation by the Finance Committee.

ALJ



September 3, 2014

Mayor Tipple
City of Wausau
5203 N 69th Street
Wausau, WI 54403

RE: Contract For Refuse And Recyclables: Collection, Hauling & Processing Signed January 1, 2006 (the "Contract") By And Between City of Wausau (the City") and Advanced Disposal Services Solid Waste Midwest, LLC (formerly Veolia ES Solid Waste Midwest, LLC) (Advanced Disposal)

Mr. Tipple:

Thank you for allowing Advanced Disposal the opportunity to renew the Contracts for Refuse and Recyclables Collection Hauling and Processing between the City and Advanced Disposal.

This letter agreement documents the negotiations between Advanced Disposal and the City concerning the renewal of the Contracts. As we discussed, the Contracts shall be extended for an additional one year commencing January 1, 2015 and ending December 31, 2015. During the extended term, Advanced Disposal will continue to provide the same services as described in current Contract. For billing purposes, the same the house count used to calculate the number of trash and recycling units will be continued during the renewal term. In consideration for the renewal, effective January 1, 2015, a 4 % increase will be added to the rates charged to the City by Advanced Disposal for services provided during the renewal term.

Advanced Disposal will continue to be the City's exclusive provider for the services contemplated in the Contract during the renewal term. Collection does not include tires, appliances, or other materials that require special handling or that are prohibited by the Marathon County landfill for disposal.

If the terms of this letter agreement are acceptable to the City, please indicate the City's acceptance hereof by counter signing this letter below and returning a copy of the signed letter to me. Upon full execution, this letter agreement shall be binding upon and inure to the benefit of the parties. This letter agreement shall then serve as an extension of the Contracts amending the terms as set forth herein and together with the Contracts shall contain

Mr. Tipple
September 3, 2014
Page 2 of 2

the entire understanding between the parties with respect to the subject matter. The terms and conditions described above with respect to services performed and rates charged during the renewal term shall become effective on January 1, 2015. All other terms and conditions of the Contract shall remain in full force and effect throughout the extended term.

Please contact me at (715) 359-6637 with questions or concerns.

Thank you.

Respectfully,

Todd Mitchell
General Manager
Advanced Disposal Services Solid Waste Midwest, LLC

The terms and conditions set forth above are hereby accepted and agreed to as of the day and year first above written. By signing below, the City represents and warrants that it has fully power and authority to enter into this letter agreement for the extension of the Contracts and the City's Mayor has been duly authorized to execute and deliver this letter agreement in accordance with all applicable laws, rules, regulations and ordinances.

CITY OF WAUSAU

James E. Tipple, Mayor

Date

Attested by: _____

NONRECYCLABLE SOLID WASTE COLLECTION SERVICE AGREEMENT

THIS AGREEMENT made this 28th day of September, 2009, by and between the City of Wausau, a municipal corporation of the State of Wisconsin located in Marathon County, Wisconsin, hereinafter referred to as "CITY" and Veolia ES Solid Waste Midwest, LLC hereinafter referred to as "CONTRACTOR."

WITNESSETH:

WHEREAS, CITY provides nonrecyclable solid waste collection service to all residential households in the community pursuant to certain terms and conditions articulated in Chapter 6.44 of the *Wausau Municipal Code*, and CONTRACTOR is in the business of providing nonrecyclable solid waste collection service, and

WHEREAS, CONTRACTOR shall provide nonrecyclable solid waste collection service to CITY, and CITY shall pay a sum to CONTRACTOR for this service all under certain terms and conditions.

NOW, THEREFORE, in consideration of the covenants herein contained, and for other good and valuable consideration, the parties hereto agree as follows:

1. Services Provided. CONTRACTOR shall collect, pick up, haul away, and dispose of nonrecyclable solid waste from each residential unit within the corporate limits of the City of Wausau, except that which is specifically excluded. A "Residential unit" is defined as a single housing unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation. Residential units include, but are not limited to, single family homes, each unit of a duplex structure, and each apartment unit in an apartment building. A single-family dwelling unit shall be counted as one unit, a two-family dwelling as two units and so on.

CONTRACTOR shall make available to the occupants of each residential unit the use of a wheeled cart, with a volume of approximately 90 gallons, as a rental service, independent of this contract. The rental cost of the cart shall not be more than \$36 per cart per year during the entire five-year term of this contract. CONTRACTOR shall directly charge the owner/occupant of the residential unit electing to use this optional cart rental service. This cart rental service will not be paid for by CITY.

In addition, as part of this agreement and at no additional cost, CONTRACTOR shall collect, pick up, haul away, and dispose of all recyclable and nonrecyclable solid waste from the following locations at a frequency as directed by CITY:

- A. Wausau Downtown Airport and Airport lift station;
- B. City Hall;
- C. The Department of Public Works;
- D. The Wastewater Treatment Plant;
- E. The Water Treatment Plant;
- F. The Public Safety Building;
- G. Central Fire Station;
- I. The Bridge Street Fire House;
- J. 32nd Avenue Fire House;
- K. Metro Ride garage and offices; and
- L. Additional locations of municipal service which may be designated in the future.

2. Schedule. CONTRACTOR shall collect nonrecyclable solid waste not less than once each week in accordance with a specific collection schedule, established and maintained by the contractor, with CITY approval, designating collection area, date, and approximate time of collection. Collection activity shall not commence before 5:45 a.m.

CONTRACTOR shall, at no expense to CITY, notify all residential units within the collection area of any change in the days of collection, especially as the days may change for holidays. Such notification shall be made pursuant to advance publication by display ad in the *Wausau Daily Herald*. Unless contractor gives the required notice all collections shall be on the same day each week. At least 30 days prior to CONTRACTOR issuing a notice of schedule change, said notice shall be sent to CITY for review and approval.

CONTRACTOR shall not be required to collect or pick up any nonrecyclable solid waste from a residential unit if such waste has not been placed by 5:45 a.m. at the curb on the day of collection.

3. Service Standards. CONTRACTOR shall make collections with minimal noise and disturbance. All equipment shall be operated and maintained to minimize noise. All collection equipment shall be clean, well painted, and reasonably free of rust. There shall be no leakage of either motor oil or hydraulic oil onto the street surface. Loud squealing brakes shall be immediately repaired, upon order of the Director of Public Works and Utilities or his designee.

CONTRACTOR shall insure that no nonrecyclable solid waste spilled during the collection process or any containers are left or scattered on any property, public or private, to include any lawn, drive, boulevard, street, alley or roadway.

4. Nonrecyclable solid waste collection. "Nonrecyclable solid waste" means all putrescible and nonputrescible solid waste for which there exists no commercially demonstrated method of resource recovery, and includes such materials as Pyrex glass, window glass, light bulbs, mirrors, styrofoam items, waxed paper, garbage and other household wastes.

There is no limit on the volume or quantity of material the occupants of residential units may place at the curb nor the number of nonrecyclable solid waste containers that the occupants of a residential unit may place at the curb and CONTRACTOR shall collect and dispose of said material except as follows:

CONTRACTOR shall not be required to pick up and empty waste in individual waste containers weighting more than fifty (50) pounds. CONTRACTOR shall notify the occupants of any residential units violating this restriction of the proper method to prepare waste for collection.

CONTRACTOR shall not be required to collect or pick up major appliances as defined by s. 159.01(3), Wisconsin Statute, and as amended; tree stumps and roots or shrubs with intact root balls weighing more than 50 pounds; large furniture items; greater than seventy-five (75) pounds of construction debris from an individual residential unit every week; yard waste (except Christmas trees shall be picked up with the regular collection); tires; nonseparated solid waste; or hazardous waste all as specified in the City of Wausau Solid Waste Disposal ordinance, Chapter 6.44, *Wausau Municipal Code*, and as amended. "Nonseparated solid waste" means a mixture of two or more of the three types of waste: recyclable solid waste, nonrecyclable solid waste, and yard waste as defined in Chapter 6.44, *Wausau Municipal Code*.

Up to seventy-five (75) pounds of construction debris generated from a particular residential unit shall be collected weekly from that unit as a part of the normal solid waste pick-up. (For instance, debris from small homeowner remodeling projects shall be picked up.)

5. Disposal. CONTRACTOR shall deliver all nonrecyclable solid waste to Marathon County Landfill or any other landfill facility licensed by the State of Wisconsin, selected by CONTRACTOR and approved by CITY. Nothing shall be deposited anywhere without the prior approval of CITY.

6. Reports. CONTRACTOR shall furnish to CITY, on a monthly basis, reports with a calculated tonnage of the nonrecyclable solid waste collected within the CITY from residential units under this contract. Receipts for loads shall be included with these reports. CITY shall obtain any other information and reports as are required of CITY by the State of Wisconsin directly from the Marathon County Landfill.

7. Yard waste management. CITY shall provide a location for a yard waste drop-off collection site and CITY shall operate and manage the yard waste site and yard waste generated in CITY.

CITY shall adopt all necessary ordinances to implement the program and publicize the entire yard waste program.

Yard waste for the purposes of this agreement shall mean leaves, grass clippings, brush, tree limbs, branches, and yard and garden debris. This term does not include stumps, roots or shrubs with intact root balls.

CONTRACTOR shall make available to all residential units an optional curbside yard waste collection service. Such service shall be made available during the months of at least May through September. Payment for this service shall be made to CONTRACTOR by the owner or occupant of the residential unit choosing to utilize this service. CONTRACTOR may charge residential units whatever fee CONTRACTOR deems necessary to support this service. CITY shall not pay for this service.

8. Contractor's Equipment. CONTRACTOR understands and agrees that it will furnish and provide all necessary motor vehicles, apparatus, and equipment to do all the work, and it will perform all the services in this agreement, and that this shall be accomplished at the CONTRACTOR'S sole expense. All collection equipment shall be clean, well painted, and reasonably free of rust. There shall be no leakage of either motor oil or hydraulic oil onto the street surface. Loud squealing brakes shall be immediately repaired, upon order of the Director of Public Works and Utilities or his designee.

9. Compliance with Rules. CONTRACTOR agrees that all collection, pick-up, hauling, and disposal methods shall be accomplished according to and pursuant to all applicable laws, rules, orders, regulations, policies, ordinances and any other provisions as promulgated, adopted, passed and/or provided by the federal, state or municipal governments.

10. Compliance with CITY ordinances. CONTRACTOR shall report to CITY a list of all residential units that are not in compliance with the terms of any CITY ordinances, and CONTRACTOR shall cooperate with CITY in all enforcement activity.

11. Contractor's Employees. CONTRACTOR agrees to furnish at its expense all necessary employees and assistants to perform the obligations of the provisions of the Wisconsin Fair Employment Act, Subchapter II of Chapter 111 of the Wisconsin Statutes, as amended, pertaining to the practice of denying employment and other opportunities to, and discriminating against, properly qualified persons by reason of their age, race, creed, color, handicap, sex, national origin, ancestry, arrest record or conviction record. In addition, where required by federal law, CONTRACTOR shall comply with all provisions of the Civil Rights Act of 1964, Title VII as amended; the Federal Age Discrimination in Employment Act; and the Federal Rehabilitation Act of 1973. CONTRACTOR shall have sole control over its employees and be solely responsible for their supervision and pay.

12. Worker's Compensation Insurance. CONTRACTOR shall maintain for the life of this agreement worker's compensation insurance for all of its employees providing work or services pursuant to the terms of this agreement. The amount of such insurance shall be the statutory limit required under Wisconsin law, and shall be provided by such insurers licensed to do business in the State of Wisconsin. All worker's compensation insurance policies carried by CONTRACTOR shall bear an endorsement or shall have attached thereto a rider providing that in the event of cancellation or proposed cancellation of such policies for any reasons whatsoever, the CITY shall be notified by mail at least thirty (30) days prior to any such cancellation.

13. Liability Insurance. CONTRACTOR shall maintain during the life of this agreement public liability insurance and property damage insurance insuring CONTRACTOR and the CITY, its employees, officers, agents, and designees, whether appointed, hired and/or elected, as additional insureds, against liability for injury to property for at least five hundred thousand dollars (\$500,000) and against liability for injury to persons or for loss of life with limits of two million dollars (\$2,000,000) per person and per occurrence, and shall furnish evidence of such insurance satisfactory to CITY, such insurance to be specifically subject to the approval of CITY. Such policy shall bear an endorsement or shall have attached thereto a rider providing that in the event of cancellation or proposed cancellation of such policy for any reason whatsoever, the CITY shall be notified by mail at least thirty (30) days prior to any such cancellation.

14. Indemnification and Hold Harmless. CONTRACTOR agrees to indemnify CITY and to save and hold CITY free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, actions, and/or causes of action of any kind or of any nature, which may be sustained by reason of damage or damages or injury to any person or persons or property, or death to any person or persons, or by reason of any other liability imposed by law or by anything or by anyone else upon CITY, as the result of and/or due to CONTRACTOR's operations which are the subject of this agreement; and CONTRACTOR agrees to indemnify and save and hold free and harmless any of CITY's appointed, hired, and/or elected officers, agents, employees, and designees from the aforementioned judgments, damages, losses, costs, claims, expenses, suits, demands, actions, and/or causes of action of any kind or of any nature, and this specifically includes within this indemnification and hold harmless attorneys' fees and other costs of defense which may be sustained by and/or occasioned to CITY and/or any of CITY's appointed, hired, and/or elected officers, agents, employees, and designees.

15. Indemnification and Hold Harmless From Landfill Site. CONTRACTOR agrees to provide to CITY with an indemnification and hold harmless from the owner and/or operator and/or responsible party of the landfill site (the decision as to the provider of the hold harmless to be made by CITY) whereby the responsible party will indemnify and save and hold CITY and CITY's appointed, hired, and/or elected officers, agents, employees, and designees, free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, actions, and/or causes of action of any kind or of any nature, which may be sustained by reason of damage or damages or injury to any person or persons or property, or death to any person or persons, or by reason of any other liability imposed by law or by anything or by anyone else upon CITY, as the result of and/or due to RESPONSIBLE PARTY's operations at the landfill site, and especially in relation to the refuse from CITY; and RESPONSIBLE PARTY agrees to indemnify and save and hold free and harmless any of CITY's appointed, hired, and/or elected officers, agents, employees,

and designees from the aforementioned judgments, damages, losses, costs, claims, expenses, suits, demands, actions, and/or causes of action of any kind or of any nature, and this specifically includes within this indemnification and hold harmless attorneys' fees and other costs of defense which may be sustained by and/or occasioned to CITY and/or any of CITY's appointed, hired, and/or elected officers, agents, employees, and designees.

16. Selection of the disposal site. CONTRACTOR and CITY agree that CITY has not actually participated in selection of the disposal site and is neither arranging for disposal or transporting refuse and therefore is not a transporter arranger as defined in s. 292.35(g), Wis. Stats. Further, CITY is not a person who accepts or accepted any hazardous substance for transport to disposal or treatment facilities, incineration vessels or sites selected by such person from which there is a release, or a threatened release, which causes the incurrence of response costs, of hazardous substance as defined in 42 U.S.C. s. 9607(a) (4) as it has not been involved in the selection process nor was there direction given by CITY for said selection.

17. Payment for Services. For all services provided by CONTRACTOR to CITY, CITY shall pay to CONTRACTOR on a basis of sixteen thousand five hundred four (16,504) residential units, the estimated number of residential units existing in CITY as of January 1, 2010, with additions or subtractions from that amount being made as follows:

- A. Increase in base fee per month per unit for additional residential units. The number of residential units shall be adjusted on January 2 of each subsequent contract year after 2010, as follows: Increases shall be made for residential units annexed into the City and for newly constructed residential units to be determined on the basis of CITY's Building Inspections Department records of new construction permits issued between January 2 of each preceding year and January 2 of the subsequent year. Decreases shall be made as a result of residential unit demolitions as recorded in the records of CITY's Building Inspections Department. Except that adjustments will be made in the event that over twenty-five (25) residential units are annexed in any one (1) month period in which case adjustments will be made at the beginning of the month subsequent to the approval of the annexation.

The increase in the TOTAL ANNUAL BASE FEE for additional (or decreased) residential units during the appropriate year shall be on a per month per unit basis in accordance with the rates shown in column "C" of EXHIBIT III.

- B. CITY shall pay CONTRACTOR, on or before the 15th of each month for the service provided in the previous month, one twelfth of the amount shown in column "A" + "B" (TOTAL ANNUAL BASE FEE) of EXHIBIT III for the appropriate year and any increases in accordance with paragraph 17, A above. It is understood that said payment made to CONTRACTOR is for services rendered under this agreement and also for services rendered under the RECYCLABLE SOLID WASTE COLLECTION SERVICE AGREEMENT.

Payment shall be made as directed by CONTRACTOR

- C. It is understood that the cost of the services provided in this agreement is partially based upon a landfill tipping fee that must be paid by CONTRACTOR to the owner of the landfill where the waste is deposited. If State or Federal landfill excise fees are increased or decreased the annual payment made to CONTRACTOR by CITY shall be increased or decreased at a rate of eleven thousand dollars (\$11,000) for each whole dollar (\$1.00) change in the State or Federal landfill excise fees. This rate adjustment shall be effective as of the date that the increase or decrease is effective. If the increase or decrease is less than a whole dollar amount the partial dollar shall be pro-rated.

This charge is based upon an estimated 11,000 tons of landfilled waste per year and shall not be changed during the life of this agreement.

- D. **Fuel Surcharge:** For purposes of this agreement, the base cost of diesel fuel shall be established at three dollars and twenty five cents (\$3.25) per gallon. On the first day of every month of the term of this Agreement CITY shall determine if CONTRACTOR is eligible to receive a one hundred ninety six dollar (\$196) fuel surcharge payment for every whole ten cent (\$0.10) units that the cost of diesel fuel exceeds the base cost of diesel fuel. To determine if the cost of diesel fuel has exceeded the base cost of diesel fuel, on the first day of every month, the cost of fuel for the first Monday of the previous month shall be used in the calculation, as determined from data provided by the U.S. Energy Information Administration. The cost data to be used is the Weekly Retail On-Highway Diesel Prices-Average All Types, for the Midwest Region of the United States. This cost information is available on the website at:
<http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp>

If a fuel surcharge payment is due that month, said payment shall be made at the time the payment described in paragraph 17, B is made.

18. Similar and like-kind service. CITY shall, upon 30 days' notice to CONTRACTOR, have the option to request that CONTRACTOR provide the similar and like-kind service to CITY which CONTRACTOR provides to another community within the Wausau Urban Area served by CONTRACTOR. Within ten (10) days of CONTRACTOR's receipt of this request, CONTRACTOR shall set forth the factors influencing cost which differ between CITY and the community, and CITY and CONTRACTOR shall set forth the factors influencing cost which differ between CITY and the community, and CITY and CONTRACTOR shall negotiate a cost satisfactory to both parties within thirty (30) days of CITY's receipt of response from CONTRACTOR. Failure to agree to a cost may result in option of early termination under paragraph 21, B. This like-kind service would include the same cost of service paid by the other community, with allowances made for relevant factors influencing cost which may differ between the communities and which are documented by CONTRACTOR.

19. Term of Agreement. This agreement shall remain in effect for a period of five (5) years from January 1, 2010, through December 31, 2014.

20. Notice. Any notice required herein shall be sent by certified U.S. mail as follows:

- A. To the CITY: City Clerk, City of Wausau, City Hall, 407 Grant Street, Wausau, Wisconsin 54403-4783.
- B. To the CONTRACTOR: General Manager, Veolia ES Solid Waste Midwest, LLC, 5509 Fuller Street, Schofield, Wisconsin, 54476.

21. Early Termination.

- A. *For Default.* This agreement may be terminated by either party for default by the other party by giving sixty (60) days' prior written notice of the intended date of termination. Termination shall not become effective if the defaulting party remedies or cures the default within thirty (30) days of mailing the written notice of default.
- B. *For Unsatisfactory Service.* CITY may terminate the contract for unsatisfactory service upon sixty (60) days' written notice to CONTRACTOR. Unsatisfactory service shall include, but not be limited to, consistent or recurring failure to collect nonrecyclable solid waste placed at the curb side in a timely manner, omission of collections, failure to clean collection sites of nonrecyclable solid waste spilled during the collection process or similar deviations from the requirements.
- C. Should, for any reason, the agreement for collection of recyclable solid waste by CONTRACTOR be terminated, this agreement shall then terminate on the same date as the agreement for collection of recyclable solid waste.
- D. In the event that the State of Wisconsin laws governing nonrecyclables are amended or the Wisconsin Department of Natural Resources Administrative Rules governing nonrecyclables take effect during the term of this agreement the parties shall have ninety (90) days from the date of notice of change served by one party or the other to reach agreement as to any new or revised terms and conditions of this agreement. Failure to reach agreement within ninety (90) days shall cause this agreement to terminate automatically sixty days after the ninety (90) day period.

22. Assignment. CONTRACTOR may not assign or sublet this agreement or any of the services provided under this agreement without the approval of CITY, such approval to be manifested only by a resolution adopted by a majority of the Common Council.

23. Miscellaneous. This agreement contains the entire agreement of the parties and any agreement hereafter made shall be ineffective to change, modify, discharge, or effect abandonment of it in whole or in part unless such agreement is in writing and signed by all the parties. The failure of either party of this agreement to object to, or to take affirmative action with respect to, any act or omission of the other which is a violation of the terms of this agreement shall not be construed as a waiver thereof, or of any future breach or subsequent wrongful conduct.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

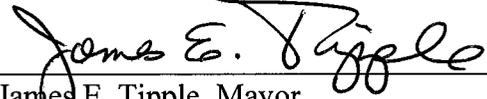
CONTRACTOR:

Veolia ES Solid Waste Midwest, LLC

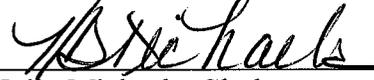


David E. Sonnentag
Regional Manager

CITY OF WAUSAU BY:



James E. Tipple, Mayor



Kelly Michaels, Clerk

Prepared: May 18, 2009

Revised: May 19, 2009

June 9, 2009

June 12, 2009

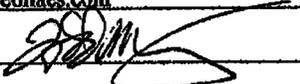
June 15, 2009

September 10, 2009

September 28, 2009

October 28, 2009

Alternate 1 **EXHIBIT III**
5-YEAR COST SUMMARY
CITY OF WAUSAU WASTE MANAGEMENT PROPOSAL / CONTRACT

CONTRACTOR NAME: Veolia ES Solid Waste Midwest, LLC
 ADDRESS: 5509 Fuller Street
Schofield WI, 54476
 TELEPHONE NUMBER: 715-359-6637
 FAX: 715-359-2123
 EMAIL ADDRESS: todd.mitchell@veoliaes.com
 AUTHORIZED SIGNATURE:  DATE: 09/18/2009

YEAR	"C" INCREASE (DECREASE) IN BASE FEE PER MONTH PER UNIT FOR ADDITIONAL RESIDENTIAL UNITS	"A" 16,504 units NON-RECYCLABLE PICK-UP AND DISPOSAL	"B" 16,504 units RECYCLABLE PICK-UP, PROCESSING, AND MARKETING	"A" + "B" TOTAL ANNUAL BASE FEE	"D" INCREASE COST PER YEAR IF WASTE IS DISPOSED IN THE MARATHON COUNTY LANDFILL (11343 tons)
2010	\$5.80 + \$1.70 = \$7.50 (For annexations larger than 25 units during 2010)	\$1,148,678.40	\$336,681.60	\$1,485,360.00	\$0
2011	\$6.25 + \$1.80 = \$8.05	\$1,237,800.00	\$356,486.40	\$1,594,286.40	\$0
2012	\$6.60 + \$1.90 = \$8.50	\$1,307,116.80	\$376,291.20	\$1,683,408.00	\$0
2013	\$6.75 + \$2.00 = \$8.75	\$1,336,824.00	\$396,096.00	\$1,732,920.00	\$0
2014	\$ 6.90 + \$2.10 = \$9.00	\$1,366,531.20	\$415,900.80	\$1,782,432.00	\$0
TOTALS FOR 5-YEARS		\$6,396,950.40	\$1,881,456.00	\$8,278,406.40	\$0
GRAND TOTAL BASE FEE FOR 5 YEAR PROPOSAL: \$8,278,406.40					TOTAL LANDFILL COST INCREASE FOR 5 YEAR CONTRACT \$ 0

Name of initial State of Wisconsin licensed landfill to be utilized: Veolia - Cranberry Creek Landfill

Contractor cost per ton for disposal at this landfill: \$ 29.60

The 2010 base rate in this alternative bid is discounted in an effort to help the City with their budgetary constraints. Total 5 year cost proposal remains the same.

Drafted: May 19, 2009
 Revised: June 12, 2009

RECYCLABLE SOLID WASTE COLLECTION SERVICE AGREEMENT

THIS AGREEMENT made this 28th day of September, 2009, by and between the City of Wausau, a municipal corporation of the State of Wisconsin located in Marathon County, Wisconsin, hereinafter referred to as "CITY" and Veolia ES Solid Waste Midwest, LLC hereinafter referred to as "CONTRACTOR."

WITNESSETH:

WHEREAS, CITY provides recyclable solid waste collection service to its citizens pursuant to an effective recycling program under Chapter 159, Wisconsin Statutes and NR544 Wisconsin Administrative Code and pursuant to certain terms and conditions articulated in Chapter 6.44 of the *Wausau Municipal Code* and CONTRACTOR is in the business of providing recyclable solid waste collection service, and

WHEREAS, CONTRACTOR shall provide recyclable solid waste collection service to CITY, and CITY shall pay a sum to CONTRACTOR for this service all under certain terms and conditions.

NOW, THEREFORE, in consideration of the covenants herein contained, and for other good and valuable consideration, the parties hereto agree as follows:

1. Services Provided.

- A. Curb-Side Pickup. CONTRACTOR shall collect, pick up, and haul away, from each residential unit, as defined within the corporate limits of the City of Wausau, all recyclable solid waste as listed herein and as specified in the City of Wausau Solid Waste Disposal ordinance, Chapter 6.44, *Wausau Municipal Code*, and as amended, unless CITY has been notified that a variance has been granted to CITY by the Department of Natural Resources which exempts an item listed from mandatory recycling requirements and CITY elects to remove from the recyclables list: Newspapers, mixed paper, glass containers, aluminum containers, steel containers, automotive waste oil, lead acid batteries, PETE plastic containers, HDPE plastic containers, magazines, corrugated cardboard or other container board, bi-metal containers, PVC plastic containers, LDPE plastic containers, PP plastic containers, polystyrene plastic containers, and foam polystyrene packaging. CONTRACTOR shall collect and haul these recyclables, from a plastic bin or other container(s) agreed upon by CITY and CONTRACTOR set out by CITY residents at curb side. Recyclables shall be separated into the categories agreed upon by CITY and CONTRACTOR in an effort to maximize the amount of refuse recycled, provide for an efficient collection process and maintain a high market value for the material collected. The collection,

processing and marketing program of CONTRACTOR shall comply with all State Statutes and Administrative Rules and regulations.

- B. CITY, upon sixty (60) day notice, may designate materials to be added to or deleted from the list of recyclables to be collected by CONTRACTOR. The parties may agree to adjust compensation, except that such adjustment shall be limited to those additional or reduced expenses related to the added or deleted items(s).
- C. CONTRACTOR shall collect recyclable solid waste at least once every two weeks in accordance with a specific collection schedule. Collection of recyclable and nonrecyclable solid waste shall be on the same day of the week in each collection area. Collection activity shall not commence before 5:45 a.m. CONTRACTOR shall maintain all recyclables in a marketable condition and keep all source-separated items separate throughout the collection processing and marketing of the materials as required by NR544.05(1) Wisconsin Administrative Code.
- D. CONTRACTOR shall, at no expense to CITY, notify all residential units within the collection area of any change in the days of collection, such notification being made pursuant to advance publication by display ad in the *Wausau Daily Herald*. At least 30 days prior to CONTRACTOR issuing a notice of schedule change, said notice shall be sent to CITY for review and approval.
- E. CONTRACTOR shall make collections with minimal noise and disturbance. All equipment will be operated and maintained to minimize noise.
- F. CONTRACTOR shall insure that no recyclable solid waste spilled during the collection process or any containers are left or scattered on any property, public or private, to include any lawn, drive, boulevard, street, alley or roadway.
- G. CONTRACTOR shall cause the delivery of all source-separated recyclable materials to an appropriate recycling facility.
- H. CONTRACTOR shall furnish to CITY on a quarterly basis, reports with a calculated tonnage of each recyclable solid waste collected within the CITY under this contract. Available documentation such as receipts for loads shall be included in these reports.
- I. CONTRACTOR shall provide CITY with contracts they have for the processing and marketing of all recyclable materials and reports indicating the weight of rejected recyclable material for each recyclable item collected and the weight of accepted and processed recyclable material for each recyclable material collected.
- J. CONTRACTOR shall not be required to collect or pick up any recyclable solid waste from a residential unit if such waste has not been deposited in City-approved containers and placed by 5:45 a.m. at the curb on the day of collection.

K. CONTRACTOR shall, on a monthly basis, provide CITY with a list of all households whose recyclable material was either in an unacceptable condition or who failed to properly separate the material and CONTRACTOR shall cooperate with CITY in all enforcement activity.

2. Contractor's Equipment. CONTRACTOR understands and agrees that it will furnish and provide all necessary motor vehicles, apparatus, and equipment to do all the work, and it will perform all the services in this agreement, and that this shall be accomplished at the contractor's sole expense. All collection equipment shall be clean, well painted, and reasonably free of rust. There shall be no leakage of either motor oil or hydraulic oil onto the street surface. Loud squealing brake noise shall be investigated and repaired to minimize complaints.

3. Compliance with Rules. CONTRACTOR agrees that all collection, pick-up, hauling, sorting, processing and marketing methods shall be accomplished according to and pursuant to all applicable laws, rules, orders, regulations, policies and any other provisions as promulgated, adopted, passed and/or provided by the federal, state or municipal governments.

4. Contractor's Employees. CONTRACTOR agrees to furnish at its expense all necessary employees and assistants to perform the obligations of the provisions of the Wisconsin Fair Employment Act, Subchapter II of Chapter 111 of the Wisconsin Statutes, as amended, pertaining to the practice of denying employment and other opportunities to, and discriminating against, properly qualified persons by reason of their age, race, creed, color, handicap, sex, national origin, ancestry, arrest record or conviction record. In addition, where required by federal law, CONTRACTOR shall comply with all provisions of the Civil Rights Act of 1964, Title VII as amended; the Federal Age Discrimination in Employment Act; and the Federal Rehabilitation Act of 1973. CONTRACTOR shall have sole control over its employees and be solely responsible for their supervision and pay.

5. Worker's Compensation Insurance. CONTRACTOR shall maintain for the life of this agreement worker's compensation insurance for all of its employees providing work or services pursuant to the terms of this agreement. The amount of such insurance shall be the statutory limit required under Wisconsin law, and shall be provided by such insurers licensed to do business in the State of Wisconsin. All worker's compensation insurance policies carried by CONTRACTOR shall bear an endorsement or shall have attached thereto a rider providing that in the event of cancellation or proposed cancellation of such policies for any reasons whatsoever, the CITY shall be notified by mail at least thirty (30) days prior to any such cancellation.

6. Liability Insurance. CONTRACTOR shall maintain during the life of this agreement public liability insurance and property damage insurance insuring CONTRACTOR and the CITY, its employees, officers, agents, and designees, whether appointed, hired and/or elected, as additional insureds, against liability for injury to property for at least five hundred thousand dollars (\$500,000) and against liability for injury to persons or for loss of life with limits of two million dollars (\$2,000,000) per person and per occurrence, and shall furnish evidence of such insurance satisfactory to CITY, such insurance to be specifically subject to the approval of the City of Wausau. Such policy shall bear an endorsement or shall have attached thereto a rider providing that in the event of

cancellation or proposed cancellation of such policy for any reason whatsoever, the CITY shall be notified by mail at least thirty (30) days prior to any such cancellation.

7. Indemnification and Hold Harmless. CONTRACTOR agrees to indemnify CITY and to save and hold CITY free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, actions, and/or causes of action of any kind or of any nature, which may be sustained by reason of damage or damages or injury to any person or persons or property, or death to any person or persons, or by reason of any other liability imposed by law or by anything or by anyone else upon CITY, as the result of and/or due to CONTRACTOR's operations which are the subject of this agreement; and CONTRACTOR agrees to indemnify and save and hold free and harmless any of CITY's appointed, hired, and/or elected officers, agents, employees, and designees from the aforementioned judgments, damages, losses, costs, claims, expenses, suits, demands, actions, and/or causes of action of any kind or of any nature, and this specifically includes within this indemnification and hold harmless attorneys' fees and other costs of defense which may be sustained by and/or occasioned to CITY and/or any of CITY's appointed, hired, and/or elected officers, agents, employees, and designees.

8. Indemnification and Hold Harmless From Landfill Site. CONTRACTOR agrees to provide to CITY with an indemnification and hold harmless from the owner and/or operator and/or responsible party of the landfill site (the decision as to the provider of the hold harmless to be made by CITY) whereby the responsible party will indemnify and save and hold CITY and CITY's appointed, hired, and/or elected officers, agents, employees, and designees, free and harmless from and against any and all judgments, damages, losses, costs, claims, expenses, suits, demands, actions, and/or causes of action of any kind or of any nature, which may be sustained by reason of damage or damages or injury to any person or persons or property, or death to any person or persons, or by reason of any other liability imposed by law or by anything or by anyone else upon CITY, as the result of and/or due to RESPONSIBLE PARTY's operations at the landfill site, and especially in relation to the refuse from CITY; and RESPONSIBLE PARTY agrees to indemnify and save and hold free and harmless any of CITY's appointed, hired, and/or elected officers, agents, employees, and designees from the aforementioned judgments, damages, losses, costs, claims, expenses, suits, demands, actions, and/or causes of action of any kind or of any nature, and this specifically includes within this indemnification and hold harmless attorneys' fees and other costs of defense which may be sustained by and/or occasioned to CITY and/or any of CITY's appointed, hired, and/or elected officers, agents, employees, and designees.

9. Selection of the disposal site. CONTRACTOR and CITY agree that CITY has not actually participated in selection of the disposal site and is neither arranging for disposal or transporting refuse and therefore is not a transporter arranger as defined in s.292.35(g), Wis. Stats. Further, CITY is not a person who accepts or accepted any hazardous substance for transport to disposal or treatment facilities, incineration vessels or sites selected by such person from which there is a release, or a threatened release, which causes the incurrence of response costs, of hazardous substance as defined in 42 U.S.C. s. 9607(a) (4) as it has not been involved in the selection process nor was there direction given by CITY for said selection.

10. Payment for Services. Payment for all services provided by CONTRACTOR under this agreement and adjustments to those payments to CONTRACTOR are covered in

the companion agreement entitled, "NONRECYCLABLE SOLID WASTE COLLECTION SERVICE AGREEMENT".

11. Term of Agreement. This agreement shall remain in effect for a period of five (5) years from January 1, 2010, through December 31, 2014.

12. Similar and like-kind service. CITY shall, upon thirty (30) days' notice to CONTRACTOR, have the option to request that CONTRACTOR provide the similar and like-kind service to CITY which CONTRACTOR provides to another community served by CONTRACTOR. Within ten (10) days of CONTRACTOR's receipt of this request, CONTRACTOR shall set forth the factors influencing cost which differ between CITY and the community, and CITY and CONTRACTOR shall negotiate a cost satisfactory to both parties within thirty (30) days of CITY's receipt of response from CONTRACTOR. Failure to agree to a cost may result in option of early termination under paragraph 14, B. This like-kind service would include the same cost of service paid by the other community, with allowances made for relevant factors influencing cost which may differ between the communities and which are documented by CONTRACTOR.

13. Notice. Any notice required herein shall be sent by certified U.S. mail as follows:

A. To the CITY: City Clerk, City of Wausau, City Hall, 407 Grant Street, Wausau, Wisconsin 54403-4783.

B. To the CONTRACTOR: General Manager, Veolia ES Solid Waste Midwest, LLC, 5509 Fuller Street, Schofield, Wisconsin, 54476.

14. Early Termination.

A. *For Default.* This contract may be terminated by either party for default by the other party by giving sixty (60) days' prior written notice of the intended date of termination. Termination shall not become effective if the defaulting party remedies or cures the default within thirty (30) days of mailing the written notice of default.

B. *For Unsatisfactory Service.* CITY may terminate the contract for unsatisfactory service upon sixty (60) days' written notice to CONTRACTOR. Unsatisfactory service shall include, but not be limited to, consistent or recurring failure to collect recyclable solid waste placed at the curb side in a timely manner, omission of collections, failure to clean collection sites of recyclable solid waste spilled during the collection process, or similar deviations from the requirements.

C. Should, for any reason, the agreement for collection of nonrecyclable solid waste by CONTRACTOR be terminated, this agreement shall then terminate on the same date as the agreement for collection of nonrecyclable solid waste.

D. In the event that either the laws of the State of Wisconsin or the new Wisconsin Department of Natural Resources Administrative Rules governing recycling take effect during the term of this agreement, the parties shall have ninety (90) days from the date

of notice of change to both parties to reach agreement as to new/revised terms and conditions of this agreement, otherwise this agreement shall terminate.

15. Assignment. CONTRACTOR may not assign or sublet this agreement or any of the services provided under this agreement without the approval of CITY, such approval to be manifested only by a resolution adopted by a majority of the Common Council.

16. Miscellaneous. This agreement contains the entire agreement of the parties and any agreement hereafter made shall be ineffective to change, modify, discharge, or effect abandonment of it in whole or in part unless such agreement is in writing and signed by all the parties. The failure of either party of this agreement to object to or to take affirmative action with respect to, any act or omission of the other which is a violation of the terms of this agreement shall not be construed as a waiver thereof, or of any future breach or subsequent wrongful conduct.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

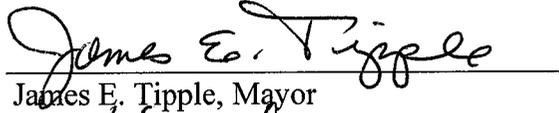
CONTRACTOR:

Veolia ES Solid Waste Midwest, LLC



David E. Sonnentag
Regional Manager

CITY OF WAUSAU BY:


James E. Tipple, Mayor
Kelly Michaels, Clerk

Prepared: May 19, 2009
Revised: September 10, 2009
September 28, 2009
October 28, 2009

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF FINANCE COMMITTEE

Approving purchase of refuse and recycling services and amendment of Recyclable and Nonrecyclable Solid Waste Collection Service Agreements, extending current contract for one additional year

Committee Action:

Fiscal Impact: \$1,881,685 (this includes an estimated \$13,916 for fuel surcharge based upon historical spending)

File Number: 92-1009

Date Introduced: September 9, 2014

RESOLUTION

WHEREAS, the City of Wausau refuse and recycling contracts expire on December 31, 2014; and

WHEREAS, your Finance Committee, at their September 9, 2014 meeting, approved the purchase of refuse and recycling services and amendment of Recyclable and Nonrecyclable Solid Waste Collection Service Agreements, extending the current contracts for one additional year with Advanced Disposal Services Solid Waste Midwest, LLC effective January 1, 2015 to December 31, 2015, at an increased rate of 4%; and

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Wausau that the purchase of refuse and recyclable services for an additional year, commencing on January 1, 2015, is hereby approved.

BE IT FURTHER RESOLVED that the proper City officials are hereby authorized and directed to execute the attached amendment to the Recyclable and Nonrecyclable Solid Waste Collection Service Agreements between the City of Wausau and Advanced Disposal Services Solid Waste Midwest, LLC, a copy of which amendment is attached hereto and incorporated herein by reference.

Approved:

James E. Tipple, Mayor

CITY OF WAUSAU, WISCONSIN

PROCUREMENT POLICY

POLICY OBJECTIVE

The City of Wausau has adopted this procurement policy in order to provide City employees with uniform guidance in the purchase of supplies, equipment, services and property. The controls and procedures set forth are intended to provide reasonable assurance that the lowest cost, highest quality good or service is obtained, while balancing the need for flexibility and efficiency in departmental operations.

COVERAGE

This policy applies to the purchases of all departments and divisions of the City of Wausau. The provisions of Wisconsin Statutes s 62.15 and Wausau Municipal Code 12.08 apply to the procurement of public construction and take precedence over any portion of this policy that may conflict with that statute. Procurement activities for MetroRide are subject to the provisions of the Federal Transit Administration and take precedence over any portion of this policy which may conflict with their guidelines. More restrictive procurement procedures required by grants, aids, statutes or other external requirements or funding sources will take precedence.

GOALS

1. To encourage open and free competition to the greatest extent possible.
2. To receive maximum value and benefits for each public dollar spent.
3. To ensure that all purchases are made in compliance with federal, state and local laws.
4. To prevent potential waste, fraud, abuse and conflicts of interest in the procurement process.
5. To assure proper approvals are secured prior to the purchase and disbursement of public funds.

ETHICAL STANDARDS

1. All procurement shall comply with applicable federal, state and local laws, regulations, policies and procedures. Municipal Code 2.03 Code of Ethics for Public Officials and Employees provides general ethical standards and conduct expectations.
2. In general, employees are not to engage in any procurement related activities that would actually or potentially create a conflict of interest, or which might reasonably be expected to contribute to the appearance of such a conflict.
3. No employee shall participate in the selection, award or administration of a contract if a conflict of interest would be involved. Such a conflict would arise when the employee, any member of his immediate family, business partner or any organization that employs, or is about to employ, any of the above, has a financial interest or other interest in the firm selected for award.
4. To promote free and open competition, technical specifications shall be prepared to meet the minimum legitimate need of the City and to the extent possible, will not exclude or discriminate against any qualified contractors.
5. No employee shall solicit or accept favors, gratuities, or gifts of monetary value from actual or potential contractors or subcontractors.
6. Employees must maintain strict confidentiality in the procurement process and shall not impart privileged information to any contractors that would give them advantage over other potential contractors.

7. Personal purchases for employees by the City are prohibited. City employees are also prohibited from using the City's name or the employee's position to obtain special consideration in personal purchases. Employee purchase programs may be established with vendors with prior approval from the Mayor, provided that the vendor provides similar programs to employees of other private entities.

GENERAL GUIDELINES

These general guidelines shall be adhered to as closely as possible by all departments in the procurement of goods and services.

1. Procurements are classified into the following two major categories:
 - Purchasing Goods is defined as equipment, furnishings, supplies, materials and vehicles or other rolling stock. The rental, leasing of these items is also considered to fall within this category and the cost shall be determined by considering the maximum total expenditure over the term of the agreement.
 - Purchase of Services is classified into additional categories of professional services, contractor services, construction services and combined goods and service contracts.
2. Buy Local - It is the desire of the City to purchase locally when possible. This can be accomplished by ensuring that local vendors who have goods or services available are included in the competitive solicitation process that will precede major purchases. It is also the desire of the City to purchase from disadvantaged enterprise businesses whenever possible as defined by Wisconsin Statute 84.06(1).
3. Cooperative Procurement Programs – Departments are encouraged to use cooperative purchasing programs sponsored by the State of Wisconsin or other jurisdictions. Purchases of goods and services secured through these programs are considered to have met the requirements of competitive procurement outlined in this policy. Additionally, if identical products can be obtained at a lower price than current cooperative purchasing contracts, no additional quotes are required.
4. Purchasing Oversight – Department heads have the responsibility for procurement issues in their individual departments. A department head is defined as the City employee having responsibility for the department on behalf of which moneys were appropriated in the City budget for purchases.
5. Emergencies – When an emergency situation does not permit the use of the competitive process outlined in the policy, the applicable department head, Finance Director and Mayor may determine the procurement methodology most appropriate to the situation. Appropriate documentation of the basis for the emergency should be maintained and filed with the City Clerk. All emergency purchases exceeding \$50,000 shall require the Department Head to provide written notice to the Common Council.
6. Identical Quotes or Bids – If two or more qualified bids/quotes are for the same total amount or unit price, and quality or service is considered equal the contract shall be awarded to the local bidder. Where this is not practical the contract will be awarded by drawing lots in public.
7. Serial Contracting – No contract or purchase shall be subdivided to avoid the requirements of this policy. Serial contracting is the practice of issuing multiple purchase order to the same vendor for the same good or service in any 90 day period in order to avoid the requirements of the procurement policy.
8. Purchase Orders – Shall be issued for all purchases of goods and services in excess of \$5,000 unless such payment is authorized by a written contract or agreement.
9. Policy Review – This policy will be reviewed by the Finance Committee every two years or sooner at the discretion of the Common Council.

10. Protest Procedures – Any interested party who wishes to protest at any point in the procurement process, evaluation, award, or post-award, may do so. An “interested party” must, however, be an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract. Protests must be submitted timely, in writing to the City Clerk, 407 Grant Street, Wausau WI 54403 but no later than five (5) working days following the City’s procurement decision. The protest must contain a detailed statement of the grounds for the protest and any supporting documentation. Upon the receipt of the written protest, the City Clerk will notify the City Attorney and Finance Director who will work to resolve the matter within five (5) working days. If the protester is not satisfied and indicates the intention to appeal to the next step the award will be temporarily suspended unless it is determined that: 1)the item to be procured is urgently required; 2) delivery or performance will be unduly delayed by failure to make the award promptly; 3) Failure to make the prompt award will otherwise cause harm to the City; or 4) The protest has no merit. If the protester wishes to appeal the decision of the City Attorney and Finance Director the matter will be forwarded to the City of Wausau Finance Committee and the Common Council for the ultimate local disposition.

PURCHASE OF GOODS

1. Purchase of Goods under \$5,000 – may be made based on the best judgment of the department head or division director. However, it is recommended that competitive quotes be obtained. Specific procurement documentation is not required.
2. Purchase of Goods \$5,000 to \$25,000 – requires department head approval PRIOR to placing the order and the issuance of a purchase order. The cost of the purchase must have been included within the approved department budget. The department **MUST** obtain (3) three written quotations, if possible. Quote summary, request for quote documentation and written quotes must be submitted to the Finance Department with the purchase order request. Purchase orders will not be processed without the proper documentation.
3. Purchase of Goods in excess of \$25,000 – a formal bid process is required.
 - a. Requests for such bids shall be formally noticed. All notices and solicitations of bids shall state the time and place of the bid opening.
 - b. All bids shall be submitted sealed to the City Official designated in the bid packet and shall have the bid name and date identified on the envelope.
 - c. All sealed bids shall be opened and recorded by the Board of Public Works. The department head shall be responsible for the preparation of all plans, bid specifications, notices and advertising. Prequalification of bidders may be done at the discretion of the department head. A tabulation of bids received shall be available for public inspection. The Board of Public Works shall have the authority to award the contract when the costs of the purchase have been included within the approved City budget. Purchases that do not meet this criteria and are not otherwise authorized by law, rule or regulation, shall be authorized separately by the Common Council. All bid documentation shall be placed on file with the City Clerk.
 - d. In general, the contract shall be awarded to the lowest priced responsible bid, taking into consideration the following factors: the qualities of the goods supplied, conformity with specifications, product compatibility, maintenance costs, vendor support and delivery terms. Written documentation or explanation shall be required if the contract is awarded to other than the lowest responsible bidder. This documentation will include a justification as to why it was in the City’s best interest to award the contract to other than the lowest responsible bidder.
4. Commodities \$5,000-\$50,000 – commodities subject volatile pricing, such as fuel, shall seek competitive purchase via written quotes. These purchases require department head approval prior to placing the order and the issuance of a purchase order. The cost of the purchase must have been included within the approved department budget. The department must document efforts to obtain (3) written quotations. Quote summary, written quotes and any other available documentation must be submitted to the Finance Department with the purchase order request.
5. The department head shall administer the purchase.

6. The following items must be purchased using a centralized purchasing process:
 - a. Copiers - coordinated by the CCITC.
 - b. Computer hardware/software - coordinated by CCITC.
 - c. Cellular telephone, telephones, security cameras and similar communication and technology equipment – coordinated by CCITC.
 - d. Furniture – coordinated by Department of Public Works.
 - e. Office Supplies – coordinated by the Finance Department.
 - f. Janitorial Services – coordinated by Department of Public Works.
 - g. Vehicles and other rolling Stock – coordinated by Department of Public Works.
 - h. Facility Maintenance, Repair and Improvement – coordinated by Department of Public Works.

PURCHASE OF SERVICES

Whenever practical the purchase of services should be conducted based upon a competitive process:

- Contractor services is defined as the furnishing of labor, time or effort by a contractor, usually not involving the delivery of specific goods or products other than those that are the end result of and incidental to the required performance. Examples of contractor service include: refuse and recycling collection, snow removal, EMS billing services, janitorial, elevator maintenance, mailing, or delivery services. Contractor services shall follow the competitive procurement policy for the Purchase of Goods subject to the same spending guidelines. The cost shall be determined by considering the maximum total expenditure over the term of the contract.
- Construction services is defined as substantial repair, remodeling, enhancement construction or other changes to any City owned land, building or infrastructure. Procedures found with in State of Wisconsin Statute 62.15 and Wausau Municipal Code 12.08 shall take precedence. In absence of guidance in these areas, construction services shall follow the competitive procurement policy for the Purchase of Goods subject to the same spending guidelines.
- Combined Goods and Services in situations where the purchase combines goods and services (exclusive of construction and contractor services), such as many technology projects, the purchase shall be treated as a purchase of professional services.
- Professional services is defined as consulting and expert services provided by a company, organization or individual. Examples of professional services include: attorneys, certified public accountants, appraiser, financial and economic advisors, engineers, architect, planning and design. Professional services are generally measured by the professional competence and expertise of the provider rather than cost alone.
 1. If it is estimated that the service being solicited has a total cost of over \$25,000 a formal Request for Proposal shall be used to solicit vendor responses. The department head shall be responsible for the preparation of all Requests for Proposal specifications, notices and advertising. Prequalification of proposers may be done at the discretion of the department head.
 - a) The Purpose of an RFP is to solicit proposals with specific information on the proposer and the service offered which will allow the City to select the best proposal. The best proposal is not necessarily the proposal with the lowest cost.
 - b) Based upon the services or project and the magnitude of the outcome a selection committee may be advisable.
 - c) Requests for proposals shall be formally noticed. All notices and solicitations of proposals shall state the time and place of the proposal opening.
 - d) Information to be requested of the proposer should include: Years of experience in the area desired services, financial strength of the company, examples of similar services/projects completed, resumes of staff associated with the project/service, list of references, insurance

information, In addition the proposal should provide information about the City, scope of

services requested and desired outcomes or deliverables. The proposal should also identify evaluation factors and relative importance.

- e) Establish selection criteria and include this information with the RFP. It is generally advisable to establish a numeric ranking matrix. This reduces the subjective nature of the rating process.
 - f) Proposals should be solicited from an adequate number of qualified sources. Requests for proposal should be formally noticed. All notices and solicitations should provide the issue date, response due date, date and time of opening responses and a contact person.
 - g) Proposals shall be opened and recorded by the Board of Public Works. A tabulation of proposals received shall be available for public inspection. All proposal documentation shall be placed on file with the City Clerk. The Department Head and selection committee (if applicable) will then review the proposals and make a selection.
- Service contracts or agreements should be reviewed by the City Attorney and placed on file with the City Clerk.

SOLE SOURCE

Purchase of goods or services under \$25,000 may be made without competition when it is agreed in advance between the Department Head and Finance Director. Sole source purchasing should be avoided unless it is clearly necessary and justifiable. The justification must withstand public and legislative scrutiny. The Department Head is responsible for providing written documentation justifying the valid reason to purchase from one source or that only one source is available. Sole source purchasing criteria include: urgency due to public safety, serious injury financial or other, other unusual and compelling reasons, goods or service is available from only one source and no other good or service will satisfy the City's requirements, legal services provided by an attorney, lack of acceptable bids or quotes, an alternate product or manufacturer would not be compatible with current products resulting in additional operating or maintenance costs, standardization of a specific product or manufacturer will result in a more efficient or economical operation, aesthetic purposes or compatibility is an overriding consideration, the purchase is from another governmental body, continuity achieved in a phased project, the supplier or service demonstrates a unique capability not found elsewhere, economical to the city on the basis of time and money of proposal development.

1. Sole source purchase under \$5,000 shall be evaluated and determined by the Department Head.
2. Sole source purchase of \$5,000 to \$25,000 a formal written justification shall be forwarded to the Finance Director who will concur with the sole source or assist in locating additional competitive sources.
3. Sole source purchase exceeding \$25,000 must be approved by the Finance Committee.

BUDGET

All purchases shall be made in accordance with the budget approved by the Common Council. The department head has the responsibility for managing departmental spending to ensure the line item budget is not overspent and for initiating Transfer of Funds Requests when appropriate.

CONTRACT AUTHORIZATION

The Mayor is authorized to enter into contracts on behalf of the City of Wausau if the contracts meet the following criteria:

1. Purchase of Goods – The City may purchase equipment, furnishings, goods, supplies materials and rolling when the costs of the same have been included in the approved City Budget.
2. Purchase of Services – The City may contract for the purchase of services without Council resolution when ALL of the following conditions have been met:
 - a) The funds for services are included in the approved City budget.
 - b) The procurement for services complies with the procurement policy.
 - c) The City Attorney has reviewed and approved the form of the contract.
 - d) The contract complies with other laws, resolutions and ordinances.
 - e) The contract is for a period of one year or less, or the contract is for a period of not more
 - f) than three years and the annual average cost of the services does not exceed \$25,000.

3. The following contracts require council approval:
 - (a) Collective Bargaining Agreements – Any contract between the City of Wausau and any collective bargaining unit representing City employees.
 - (b) Real Estate Purchases – Contracts for the sale or purchase of real estate where the City of Wausau is the proposed seller or purchaser. Council approval is **not** required for commencement of foreclosure action to collect a loan or other debt owed to the City when the debtor has failed to cure any default in payment of the loan or other obligation.
 - (c) Leases – Contracts for lease of real estate where the City is either a proposed landlord or a proposed tenant exclusive of airport hangar, parking stall rentals and short term park facilities rentals.
 - (d) Easements and Land Use Restrictions – Contracts for easements, restrictive covenants or other limitations which may be placed upon the use of any City-owned property.
 - (e) Intergovernmental Contracts– Contracts between the City of Wausau and other local, state or federal governments or agencies except, cooperative purchasing agreements.
 - (f) Development Agreements – Contracts for the provision of infrastructure, financial assistance or other incentives by the City for the benefit of a developer or business venture.
 - (g) City Services – Contracts whereby the City of Wausau agrees to provide services to another party.
 - (h) Managed competition, outsourcing contracts – Contracts for labor or personal services to be performed by persons who are not city employees for work that has been performed by city employees within the past five (5) years and the contract will result in the elimination of positions and the layoff of personnel.
4. The common council delegates contract approval to the department level for the following:
 - (a) Community Development Housing and Commercial Development Loans and Grants issued from grants and related program income.

Contracts shall be signed by the Mayor and counter-signed by the City Clerk, City Finance Director and City Attorney. The City Finance Director shall certify that funds have been provided by the Council to pay the liability that may be incurred under the contract. The City Attorney shall approve the contract as to form and the City Clerk shall attest to the Mayor's signature. Contract change orders may be signed by the Board of Public Works as long as the change order does not materially change the work performed and funds are available within the budget.

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TO: FINANCE COMMITTEE

FROM: MARYANNE GROAT

DATE: SEPTEMBER 3, 2014

RE: 2014 DEBT SALE

BACK GROUND INFORMATION

The 2014 budget and other actions adopted by the Common Council anticipated financings through the issuance of debt. The projects proposed for the 2014 issue and the other budget modifications are noted on the attached project list.

The City works with Quarles and Brady as bond counselor and Elhers Associates, Inc. as financial advisors to accomplish this borrowing. Elhers will competitively bid these issues to obtain the lowest rates possible.

The Finance Committee and Common Council authorized initial resolutions on August 13th. Since that time the City, with assistance of our financial advisors, has issued an Official Statement and requested a credit rating from Moody's. The credit rating is expected to be released on Friday September 5th. The competitive sale of the debt will be conducted by our Financial Advisors and the bids are due Tuesday September 9th. Our financial advisors will attend both the Finance Committee and Common Council meetings to review and recommend the sale.

Attached are the resolutions crafted by our Bond Counsel, Quarles and Brady. As you can see these resolutions contain blank information which will be completed when the results of the sale are known.

Two changes occurred during the borrowing planning process:

The Community Development Bonds were reduced by \$400,000 to reflect the delay in the 1st Street project for TID #3.

The CIP debt was reduced by \$366,000 to reflect that the 2013C debt issue had sufficient funds to finance the construction of Kaiser Pool along with the engineering work on the two additional pools.



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Naples
Phoenix
Tampa
Tucson
Washington, D.C.

September 2, 2014

VIA EMAIL

Ms. Maryanne A. Groat
Finance Director/Treasurer
City of Wausau
407 Grant Street
Wausau, WI 54403

Re: City of Wausau - \$6,560,000 General Obligation Promissory Notes, Series 2014A
and \$1,495,000 General Obligation Community Development Bonds, Series
2014B

Dear Ms. Groat:

Attached is a draft of each of the **Award Resolutions** to be adopted in connection with the above-referenced financings. We have prepared the Resolutions with the information provided to us by Ehlers & Associates, Inc. ("Ehlers"). Please review them carefully.

It is our understanding that the Resolutions will be considered by the Common Council at its regular meeting on September 9, 2014 after the bid opening earlier that day.

If you have not already done so, please include the titles of the Resolutions on the agenda for the meeting. Please then post the agenda in at least three public places and provide it to the official newspaper of the City (or if the City has no official newspaper, to a news medium likely to give notice in the area) and to any other requesting media at least twenty-four hours prior to the meeting (see Section 19.84(1)(b), Wisconsin Statutes). The attached **Certificate of Compliance with Open Meeting Law** must be completed in connection with the meeting at which the Resolutions are adopted.

Unless the Common Council has adopted special rules regarding the adoption of borrowing resolutions, a vote of at least a majority of the members of the Common Council is necessary to adopt the Resolutions. We will provide you with an Excerpts of Minutes form for you to complete which records the vote on the Resolutions on the day of the meeting.

You will note in reviewing the Resolutions that some of the exhibits will be provided to the City on the day of sale. It is our understanding that Ehlers will provide this information to you and to us after the bid opening and prior to the meeting on September 9, 2014. We will review and confirm that information. We will email a final copy and Ehlers will deliver final

Ms. Maryanne A. Groat
September 2, 2014
Page 2

copies of the Resolutions, including all exhibits, on the day of sale (September 9, 2014) prior to the meeting for the Common Council to review and approve. We will also provide hard copies of the complete finalized Resolutions at the time we send the closing documents to be reviewed and signed.

Following the adoption of the Resolutions, we request that you return two executed copies of the Resolutions, as well as two executed copies of the Certificate and Excerpts, to us for our review. All of these originally signed documents will be included in the closing transcripts. A copy of the Resolutions should be incorporated into the minutes of the September 9, 2014 meeting.

If you have any questions regarding the attached documents or any other matter, please do not hesitate to call us at any time.

Very truly yours,

QUARLES & BRADY LLP



Rebecca A. Speckhard

RAS:TAB:mbp
Enclosures
#940025.00002

cc: Mayor James E. Tipple (w/enc. via email)
Ms. Toni Rayala (w/enc. via email)
Ms. Mary Goede (w/enc. via email)
Anne Jacobson, Esq. (w/enc. via email)
Mr. Phil Cosson (w/enc. via email)
Mr. James A. Mann (w/enc. via email)
Ms. Kathy Myers (w/enc. via email)
Ms. Sue Porter (w/enc. via email)
Ms. Mary Zywiec (w/enc. via email)

RESOLUTION NO. _____

RESOLUTION AWARDING THE SALE OF
\$6,560,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2014A

WHEREAS, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City of Wausau, Marathon County, Wisconsin (the "City") to raise funds for public purposes, including paying the cost of Wisconsin Department of Transportation projects, street improvements, street lighting, sidewalk and storm sewer improvements and extensions, park improvements and pool improvements and reconstruction (the "Project"), and refinancing certain outstanding obligations of the City, specifically, the City's General Obligation Promissory Notes, Series 2007A, dated May 29, 2007 and General Obligation Refunding Bonds, Series 2007B, dated May 29, 2007 (collectively, the "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding"), and there are insufficient funds on hand to pay said cost;

WHEREAS, pursuant to a resolution adopted on August 12, 2014, the Common Council has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell general obligation promissory notes (the "Notes") to pay the cost of the Project and the Refunding;

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Notes and indicating that the Notes would be offered for public sale on September 9, 2014;

WHEREAS, the City Clerk (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the Notes for public sale on September 9, 2014;

WHEREAS, the City has duly received bids for the Notes as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Notice of Sale and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1A. Ratification of the Notice of Sale and Offering Materials. The Common Council of the City hereby ratifies and approves the details of the Notes set forth in Exhibit A attached hereto as and for the details of the Notes. The Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the City and Ehlers in connection with the preparation and

distribution of the Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Authorization and Award of the Notes. For the purpose of paying the cost of the Project and the Refunding, there shall be borrowed pursuant to Section 67.12(12), Wisconsin Statutes, the principal sum of SIX MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$6,560,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal of the Purchaser offering to purchase the Notes for the sum set forth on the Proposal (as modified on the Bid Tabulation and reflected in the Pricing Summary referenced below and incorporated herein), plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal (as modified on the Bid Tabulation) is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer until the closing of the note issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Notes shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes, Series 2014A"; shall be issued in the aggregate principal amount of \$6,560,000; shall be dated September 25, 2014; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on April 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2015. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Notes is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Notes maturing on April 1, 2022 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on April 1, 2021 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If the Proposal specifies that any of the Notes are subject to mandatory redemption, the terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference.

Section 4. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the

taxable property of the City a direct annual irrepealable tax in the years 2014 through 2023 for the payments due in the years 2015 through 2024 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Notes remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Notes, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Notes when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Promissory Notes, Series 2014A, dated September 25, 2014" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. The City Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Notes; (ii) any premium not used for the Refunding which may be received by the City above the par value of the Notes and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full and the Notes canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Notes may be used to

reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Notes as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Notes have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 7. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of the Notes (the "Note Proceeds") (other than any premium not used for the Refunding and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the City and disbursed solely for the purposes for which borrowed or for the payment of the principal of and the interest on the Notes. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purposes shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Notes to the Purchaser which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Notes and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Notes or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing

the Notes shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Notes provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Notes and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Designation as Qualified Tax-Exempt Obligations. The Notes are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Notes, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Notes is hereby ratified and approved in all respects.

Section 12. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent").

Section 13. Persons Treated as Owners; Transfer of Notes. The City shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such

transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Note surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Note or Notes necessary to effect any such transfer.

Section 14. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the City at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 16. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Notes allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota at Closing for further distribution as directed by Ehlers.

Section 17. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Notes and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda to be distributed to the Purchaser.

Section 18. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure

Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 19. Redemption of the Refunded Obligations. The Refunded Obligations are hereby called for prior payment and redemption on October 16, 2014 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with Ehlers to cause timely notice of redemption, in substantially the forms attached hereto as Exhibit F and Exhibit G and incorporated herein by this reference (the "Notices"), to be provided at the times, to the parties and in the manner set forth on the Notices. All actions heretofore taken by the officers and agents of the City to effectuate the redemption of the Refunded Obligations are hereby ratified and approved.

Section 20. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

DRAFT

Section 21. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Notes, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Note proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Notes by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 22. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded September 9, 2014.

James E. Tipple
Mayor

ATTEST:

Toni Rayala
City Clerk

(SEAL)

EXHIBIT A

Notice of Sale

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

[EXHIBIT MRP

Mandatory Redemption Provision

The Notes due on April 1, _____, _____, _____ and _____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on April 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on April 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on April 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on April 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on April 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)]

EXHIBIT E

(Form of Note)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
MARATHON COUNTY
NO. R-____ CITY OF WAUSAU \$_____
GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2014A

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
April 1, _____ September 25, 2014 _____% _____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$_____)

FOR VALUE RECEIVED, the City of Wausau, Marathon County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2015 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by the City Clerk or City Treasurer (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Note is one of an issue of Notes aggregating the principal amount of \$6,560,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of Wisconsin Department of Transportation projects, street improvements, street lighting, sidewalk and storm sewer improvements and extensions, park improvements and pool improvements and reconstruction, and refunding certain outstanding obligations of the City, all as authorized by resolutions of the Common Council duly adopted by said governing body at meetings held on August 12, 2014 and September 9, 2014. Said resolutions are recorded in the official minutes of the Common Council for said dates.

The Notes maturing on April 1, 2022 and thereafter are subject to redemption prior to maturity, at the option of the City, on April 1, 2021 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

[The Notes maturing in the years _____, _____ and _____ are subject to mandatory redemption by lot as provided in the resolution awarding the Notes at the redemption price of par plus accrued interest to the date of redemption and without premium.]

In the event the Notes are redeemed prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Notes of a maturity are to be called for redemption, the Notes of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Notes called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Notes shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable.

This Note has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Note is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the City appoints another depository, upon surrender of the Note to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Note in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Notes (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

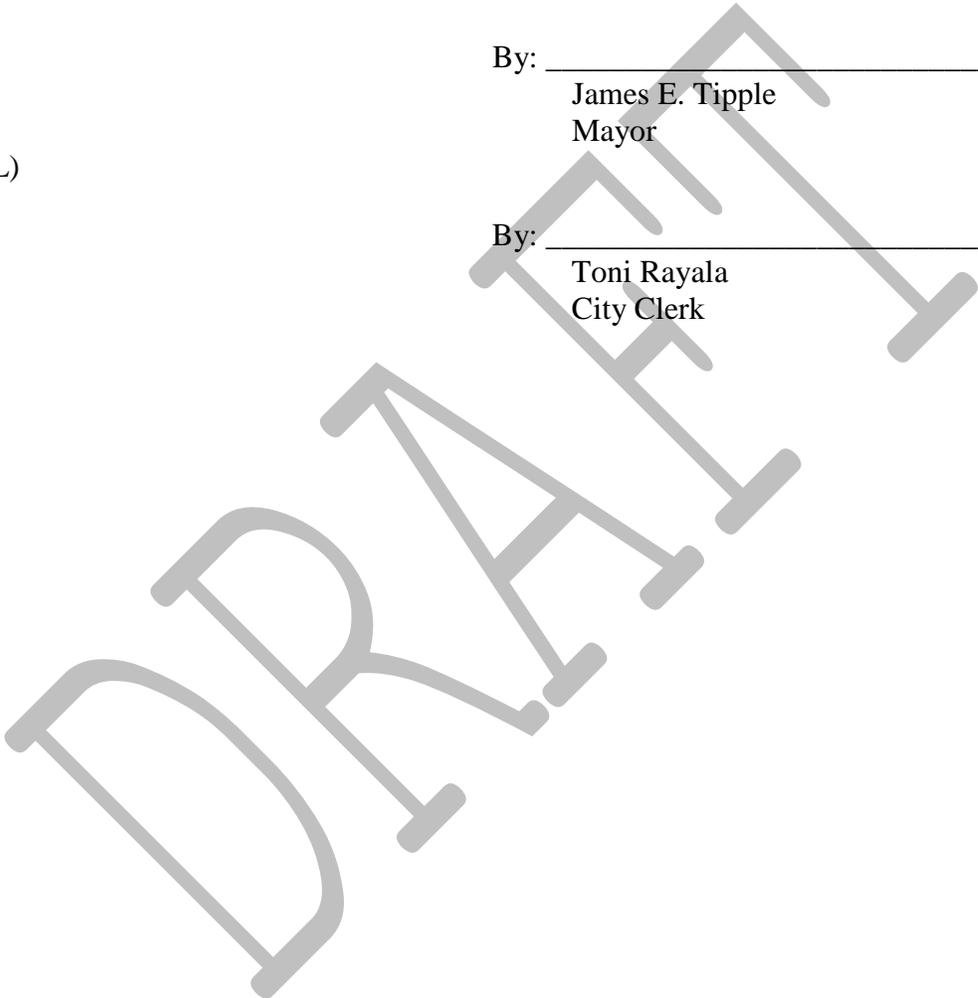
IN WITNESS WHEREOF, the City of Wausau, Marathon County, Wisconsin, by its governing body, has caused this Note to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF WAUSAU,
MARATHON COUNTY, WISCONSIN

By: _____
James E. Tipple
Mayor

(SEAL)

By: _____
Toni Rayala
City Clerk



ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

EXHIBIT F

NOTICE OF FULL CALL*

Regarding

CITY OF WAUSAU
MARATHON COUNTY, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2007A
DATED MAY 29, 2007

NOTICE IS HEREBY GIVEN that the Notes of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the City for prior payment on October 16, 2014 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
05/01/15	\$455,000	3.70%	943334YG1
05/01/16	455,000	3.75	943334YH9
05/01/17	455,000	3.80	943334YJ5

The City shall deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before October 16, 2014.

Said Notes will cease to bear interest on October 16, 2014.

By Order of the
Common Council
City of Wausau
City Clerk

Dated _____

* To be provided to The Depository Trust Company, in the manner required by the Depository, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to October 16, 2014 and to the MSRB.

In addition, this Notice should be filed electronically with the MSRB through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

EXHIBIT G

NOTICE OF FULL CALL*

Regarding

CITY OF WAUSAU
MARATHON COUNTY, WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007B
DATED MAY 29, 2007

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the City for prior payment on October 16, 2014 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
05/01/15	\$230,000	3.80%	943334YS5
05/01/16	230,000	3.85	943334YT3
05/01/17	230,000	3.85	943334YU0
05/01/18	230,000	3.875	943334YV8
05/01/19	240,000	3.90	943334YW6

The City shall deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before October 16, 2014.

Said Bonds will cease to bear interest on October 16, 2014.

By Order of the
Common Council
City of Wausau
City Clerk

Dated _____

* To be provided to The Depository Trust Company, in the manner required by the Depository, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to October 16, 2014 and to the MSRB.

In addition, this Notice should be filed electronically with the MSRB through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

RESOLUTION NO. _____

RESOLUTION AWARDING THE SALE OF
\$1,495,000 GENERAL OBLIGATION COMMUNITY DEVELOPMENT BONDS, SERIES
2014B

WHEREAS, on August 12, 2014, the Common Council of the City of Wausau, Marathon County, Wisconsin (the "City") adopted an initial resolution (the "Initial Resolution") authorizing the issuance of General Obligation Community Development Bonds, Series 2014B (the "Bonds") in an amount not to exceed \$1,900,000 for the public purpose of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, in the City's Tax Incremental District Nos. 3 and 10 (the "Project");

WHEREAS, pursuant to the provisions of Section 67.05, Wisconsin Statutes, within 15 days following the adoption of the Initial Resolution, the City Clerk caused a notice to electors to be published in the Wausau Daily Herald, stating the purpose and maximum principal amount of the bond issue authorized by the Initial Resolution and describing the opportunity and procedure for submitting a petition requesting a referendum on the bond issue authorized by the Initial Resolution;

WHEREAS, no petition for referendum has been filed with the City Clerk, and the time to file such a petition will expire on September 11, 2014;

WHEREAS, the City has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell the Bonds in the amount of \$1,495,000;

WHEREAS, Ehlers in consultation with the officials of the City, prepared a Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on September 9, 2014;

WHEREAS, the City Clerk (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on September 9, 2014;

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Notice of Sale and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1A. Ratification of the Notice of Sale and Offering Materials. The Common Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the City and Ehlers in connection with the preparation and distribution of the Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Award of the Bonds. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal (as modified on the Bid Tabulation and reflected in the Pricing Summary referenced below and incorporated herein), plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal (as modified on the Bid Tabulation) is hereby accepted (subject to the condition that no valid petition for a referendum is filed by September 11, 2014 in connection with the Initial Resolution). The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer until the closing of the bond issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Community Development Bonds, Series 2014B"; shall be issued in the aggregate principal amount of \$1,495,000; shall be dated September 25, 2014; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum; and mature on April 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2015. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds maturing on April 1, 2024 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on April 1, 2023 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference.

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2014 through 2028 for the payments due in the years 2015 through 2029 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Bonds when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Community Development Bonds, Series 2014B, dated September 25, 2014" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. The City Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds

canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the City and disbursed solely for the purposes for which borrowed or for the payment of the principal of and the interest on the Bonds. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose for which the Bonds have been issued has been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the ownership, management and use of the projects will not cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of

the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 12. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent").

Section 13. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 14. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 16. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota at Closing for further distribution as directed by Ehlers.

Section 17. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda to be distributed to the Purchaser.

Section 18. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 19. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 20. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 21. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded September 9, 2014.

James E. Tipple
Mayor

ATTEST:

Toni Rayala
City Clerk

(SEAL)

EXHIBIT A

Notice of Sale

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

[EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on April 1, _____, _____, _____ and _____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on April 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on April 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on April 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on April 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on April 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)]

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
MARATHON COUNTY
NO. R-____ CITY OF WAUSAU \$_____
GENERAL OBLIGATION COMMUNITY DEVELOPMENT BOND, SERIES 2014B

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
April 1, _____ September 25, 2014 _____% _____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$_____)

FOR VALUE RECEIVED, the City of Wausau, Marathon County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2015 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by the City Clerk or City Treasurer (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$1,495,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, in the City's Tax Incremental District Nos. 3 and 10, all as authorized by resolutions of the Common Council duly adopted by said governing body at meetings held on August 12, 2014 and September 9, 2014. Said resolutions are recorded in the official minutes of the Common Council for said dates.

The Bonds maturing on April 1, 2024 and thereafter are subject to redemption prior to maturity, at the option of the City, on April 1, 2023 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

[The Bonds maturing in the years _____, _____ and _____ are subject to mandatory redemption by lot as provided in the resolution awarding the Bonds at the redemption price of par plus accrued interest to the date of redemption and without premium.]

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of Wausau, Marathon County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF WAUSAU,
MARATHON COUNTY, WISCONSIN

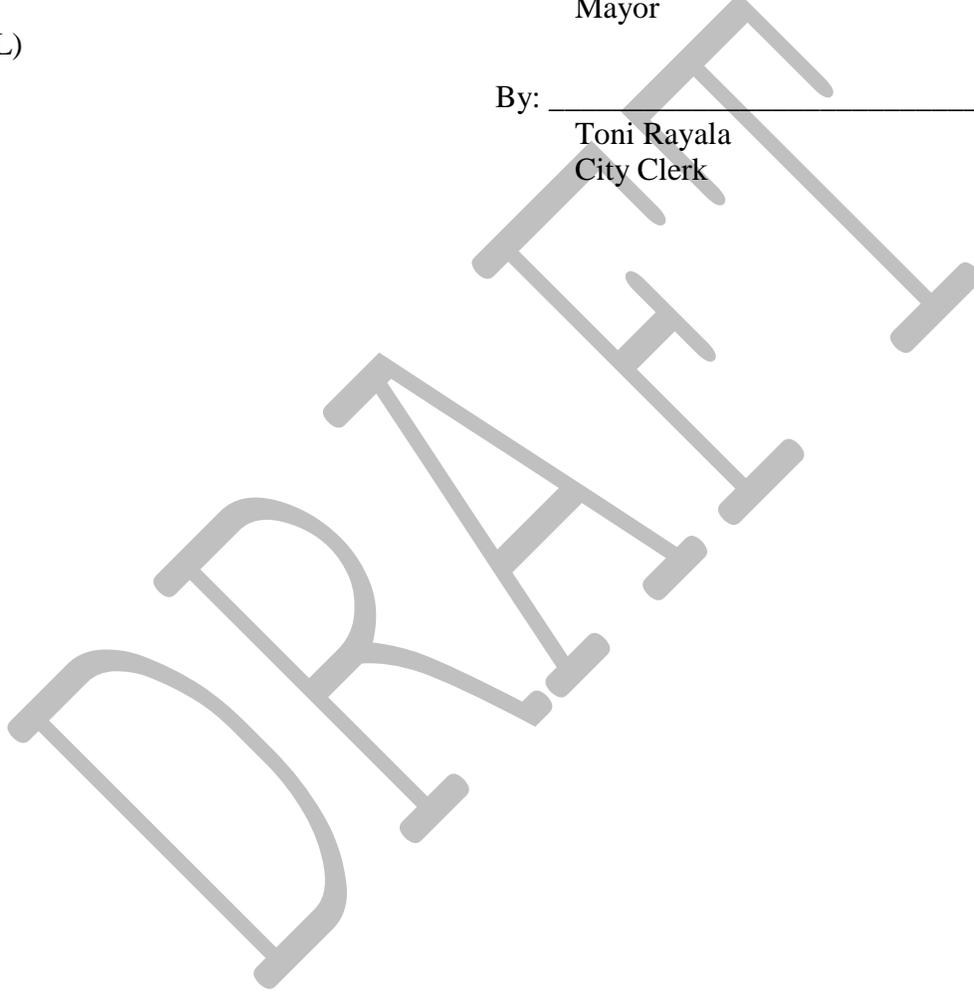
By: _____

James E. Tipple
Mayor

(SEAL)

By: _____

Toni Rayala
City Clerk



ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)



TO: FINANCE COMMITTEE MEMBERS
FROM: JIM TIPPLE AND MARYANNE GROAT
DATE: SEPTEMBER 3, 2014

SUBJECT: MIDYEAR BUDGET ADJUSTMENTS

The Finance Committee has informally expressed concerns regarding the general fund operating carryovers authorized by the Finance Committee and Common Council in the spring of 2014. The committee asked that we find funding sources for each of these carryovers. In addition, a few new budget modifications are necessary to fund the special audit procedures and the contractual services for the Director of Public Works recruiting. Each of the budget items on the attached schedule outline the origin of the funding need and a funding source. If approved by the Finance Committee this will be sent for approval to the Common Council on September 23rd.

CITY OF WAUSAU MIDYEAR REVIEW

		<u>Funding Requirement</u>	<u>General Fund</u>	<u>Funding Source Description</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Expanded Audit Work	New Project	19,000.00	19,000.00	Council Membership Dues and Professional Services		
Inspections Ipads	Carryover Request	9,200.00	9,200.00	Fund from Council Agenda Management Software		
Police Body Armor	Carryover Request	7,438.00	7,438.00	Contingency		
Street Sealcoat	Carryover Request	174,028.00	159,108.79 14,919.21	Tid #6 for Thomas Street Overlay Contingency		
Tree Removal, Grinding and Planting	Carryover Request	18,758.00	10,115.00 8,643.00	Grant Funding Contingency		
Director of Public Works Recruiting	New Funding Request	16,000.00	10,560.00	Office Equipment/Seasonal DPW	3,360.00	2,080.00
		<u>244,424.00</u>	<u>238,984.00</u>		<u>3,360.00</u>	<u>2,080.00</u>
Total Contingency Transfer			31,000.21			



TO: FINANCE COMMITTEE MEMBERS

FROM: ANN WERTH

DATE: SEPTEMBER 3, 2014

SUBJECT: ACQUISITION OF 1006 N 1ST STREET – RIVERFRONT REDEVELOPMENT

The City has one remaining unassembled parcel crucial to the redevelopment of the riverfront, 1006 N 1st Street. This parcel will allow the City to develop Fulton Street as a significant promenade to the waterfront as depicted in the attached redevelopment rendering. The Economic Development Committee reviewed and recommended the purchase of the property and the Finance Committee provided acquisition directives in closed session on May 13th, 2014. I would like to provide an update to the committee on the acquisition efforts in closed session. The assessed value, along with pictures of the site and a map providing its location are attached.

All information pertaining to negotiations or bargaining will be provided to the committee in closed session.

AGENDA ITEM
13
(FOR CLOSED SESSION)

City of Wausau REQUESTED BY: WEBUSER Run: 12:58 PM 05/07/2014 Page: 1 of 1 Parcel: 291 2902-253-449

COSMOS PROPERTIES LLC
COSMOS PROPERTIES LLC,
7020 PACKER DR
WAUSAU, WI 54401

1008 N 1ST ST
WAUSAU

STEWART PARCHER & MANSONS
ADD THAT PT OF LOTS 4 & 5 &
THE N 56' OF LOT 3 BLK F
LYG E OF R/R RW
Appraiser : MEL

Appr Date :
Prop Use : 2
Schl Dist : W00
TID : 03
Entrance : 0
Nbnhd Code : 000202.00
Value By : C
Class Code: 2

AREA	GR AREA	PCT	AJ AREA
BSTOR	864	100	864
SCAR	864	100	864

Basement storage
Garage, service

LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE	TOTAL VALUE	VALUE BR	OVERRIDE
37,100	0	15,900	0	53,000		

NEHD 000202.00
Factors: L100 M100 B100

Building Values:

STYLE COMM BLDG NO. 001
Groupcode: IND
Bldg Use: SGAR Service Garage
Perimeter: 0120
Stories : 01
Quality : AV Average
Roof Type: GBL Gable
Ext Wall : CB Concrete Block
Int Fin : NA Not applicable
Rms/Units: 0001
Baths/RR : 001
Air Cond : NONE
Heating : NO
Frame : D Wood/steel frame
Elev Adj : NA Not Applicable
Story Hgt: 11
Act Year : 1930
Rem Year : 0000
Eff Year : 1977
Condition: AV Average
Depr Tab : 0D
Pc Dp(Bd) : 055
Obs Code : NA
Func Obs : 000
Econ Obs : 000
Overrides: 000.00
Appraiser:

GRANTOR NAME	BOOK/PAGE	SI DATE	OL	VI	SALE PRICE
WINTERHOFF, CHRISTIAN & TRANS	156/6250	03/10	X	I	66,500
CORLIZ LLC, & SHERIFF'S DEED	156/5366	03/10	X	I	40,000
JANSEN, WAYNE W & KATHLEEN M	142/3136	09/05	N	I	45,000
	477/636	04/88	X	I	6,500

AMOUNT

REC BLDG CODE	DESCRIPTION	LENGTH	WIDTH	UNITS	EYB

Appr Date:
TOT LIV UNITS
#1BR #2BR #3BR
Pct Compl:
Rntl Sgft:

REC	LUSE	DESCRIPTION	ZONING	FRONTAGE	DEPTH	UNITS	TP	ADJ CODES
1	260	Commercial	M2	.00	.00	5304	00 S	

Pictometry® View for Geocortex

Preferences Help

Image Date:

Pan Rotate Counter Clockwise Clockwise Explorer

Measure Height Measurement Measure Elevation Area Measure Bearing Area Tasks

20120329

Distance

Measure

Height

Measurement

Measure

Elevation

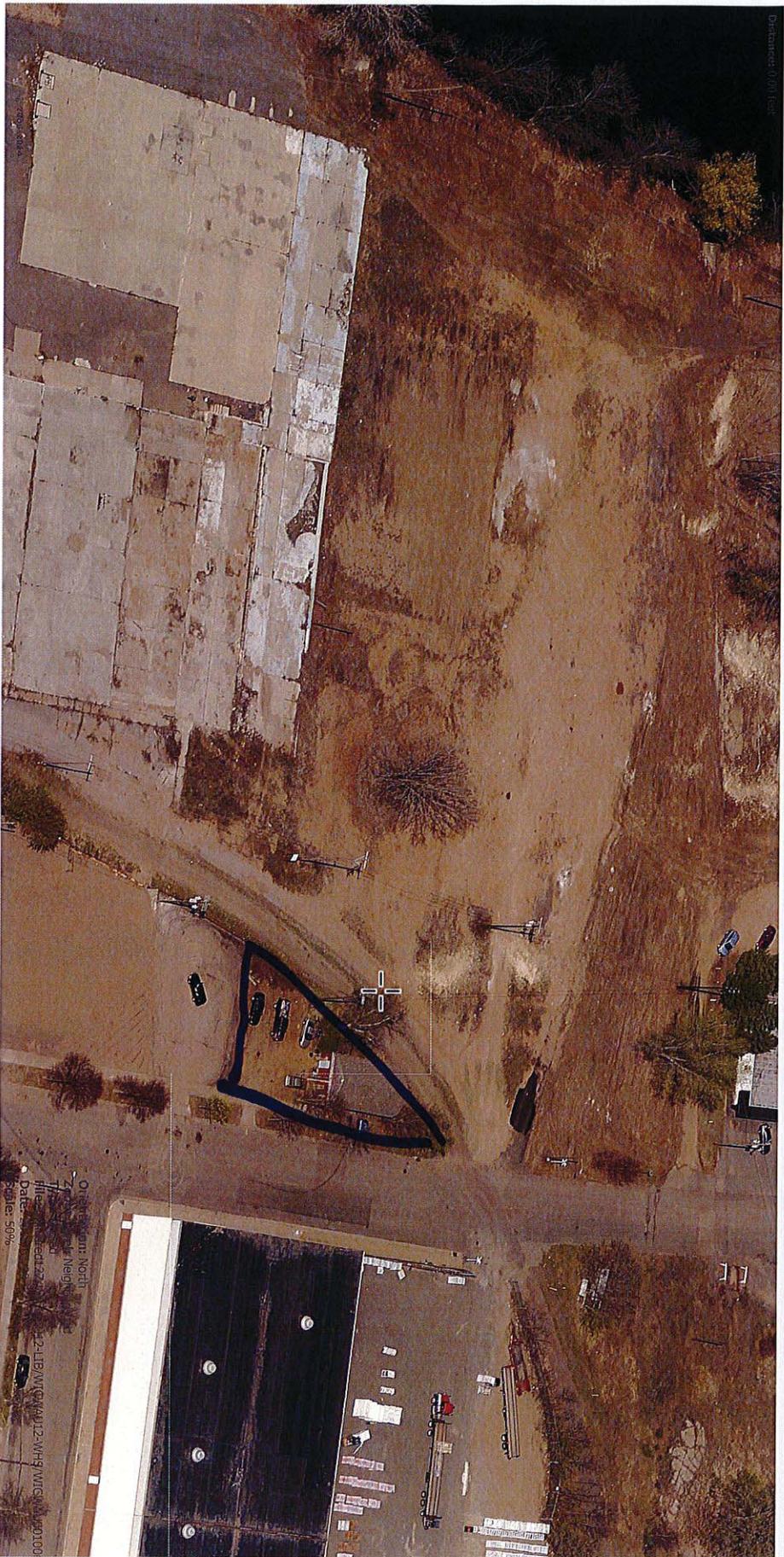
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Measure

Bearing

Area

Tasks



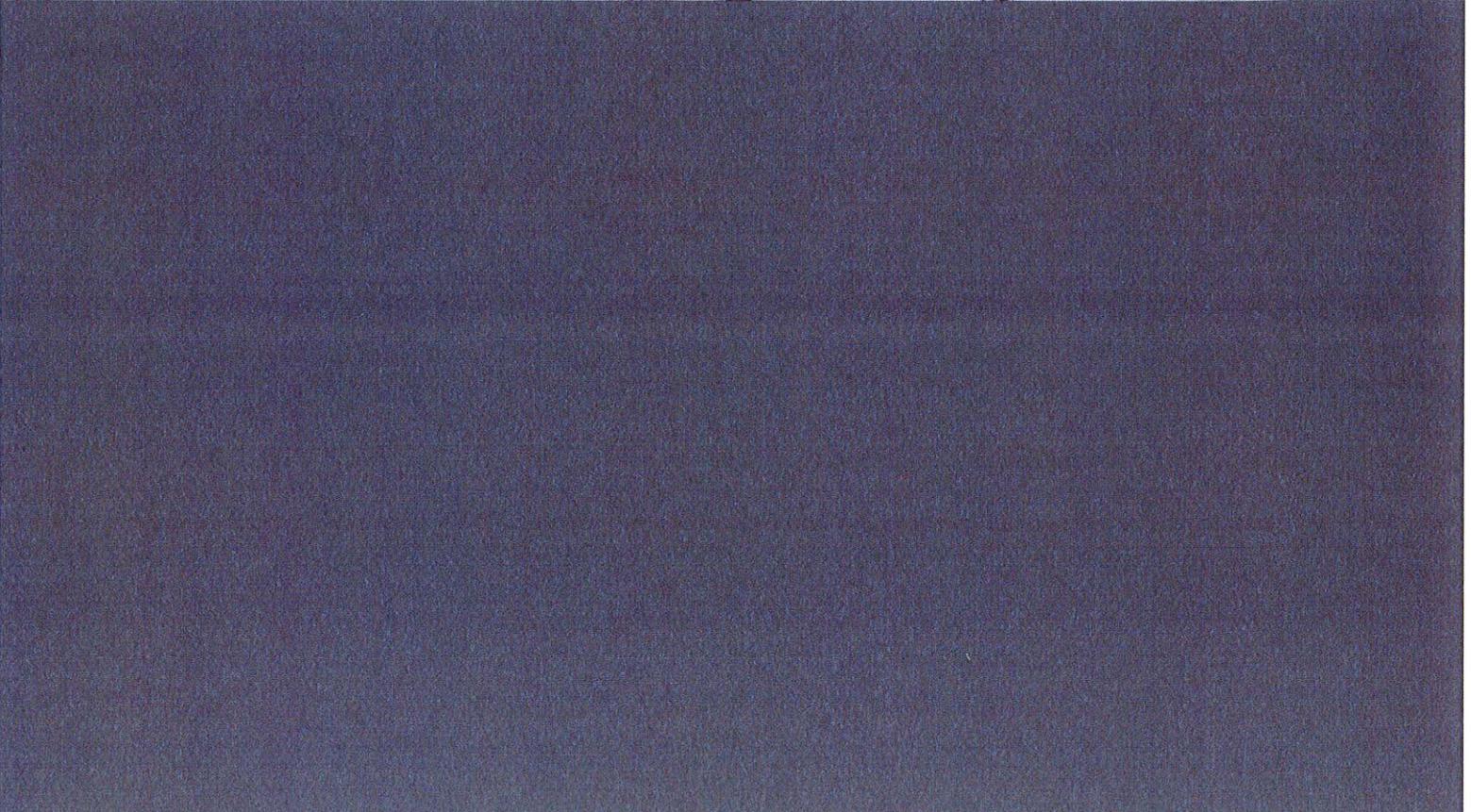
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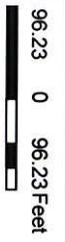
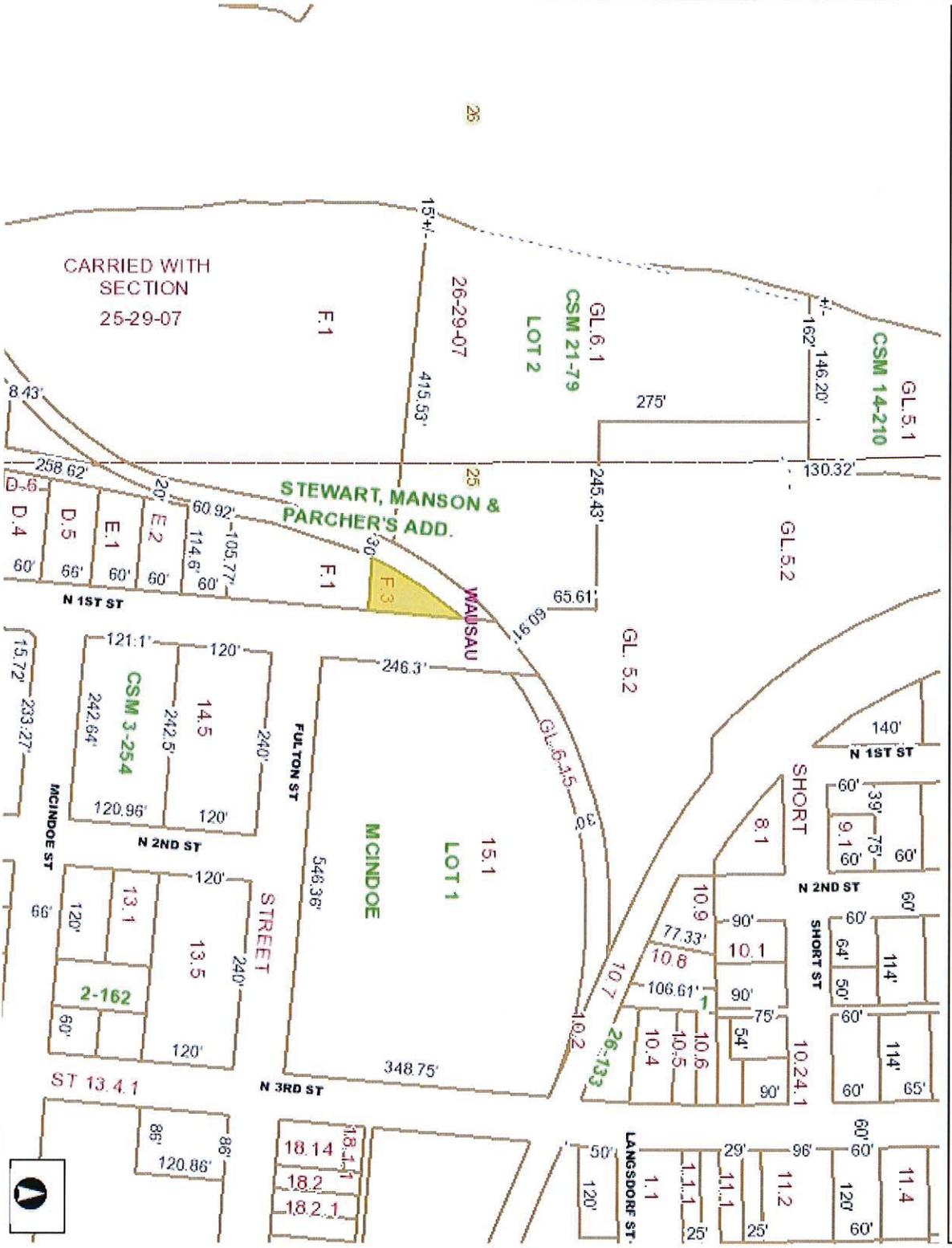


01/03/2013



01/03/2013





User_Defined_Lambert_Conformal_Conic

DISCLAIMER: The information and depictions herein are for informational purposes and Marathon County-City of Wausau specifically disclaims accuracy in this reproduction and specifically admonishes and advises that if specific and precise accuracy is required, the same should be determined by procurement of certified maps, surveys, plats, Flood Insurance Studies, or other official means. Marathon County-City of Wausau will not be responsible for any damages which result from third party use of the information and depictions herein or for use which ignores this warning.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

- HAUSEY
- BERN
- MAINE
- TEXASHEWITT
- HOLTON
- STETSON
- LEASTON
- HULL
- WIENCASSER
- RINGLE
- BRIGHT
- QUEMMET
- REID
- SPENCER
- DAY
- MOSINE
- BEVENT
- BERGEN
- FRANZEN

- Legend**
- Parcel Annotations
 - Parcels
 - Section Lines/Numbers
 - Municipalities

Notes

Blank area for notes.