

JOINT FINANCE AND ECONOMIC DEVELOPMENT COMMITTEES

Date and Time: Tuesday, November 11, 2014 @ 4:30 pm., Board Room

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

ED Members Present: Nagle, Rasmussen, Oberbeck, Wagner, Neal

Others Present: Tipple, Groat, Giese, Jacobson, Hardel, Hebert, Hite, Kujawa, Duncanson, Klein, M. Lawrence, Werth, DeSantis, Mohelnitzky, Abitz, Gisselman, Rayala, Lepinski, Joe Gehin, Karen Hawking, Mr. & Mrs. Wage

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

Public Comment on matters appearing on the agenda.

None

JOINT ITEM: Discussion and possible direction for staff regarding the Wausau Mine Company development agreement and the Bridge Street Investors Group development agreement (Community Development Staff)

Ann Werth explained these are two agreements that have noncompliance. The Bridge Street Investors Group agreement took down five dilapidated houses and in its space it created three businesses: Young's Drug Store, Biggy Coffee, and Subway. It serves a low to moderate income neighborhood. She indicated Karen Hocking was present to speak to the committee. Hocking commented this was definitely a bad neighborhood and during construction they were shot at, windows were shot out, and there were thefts, but now the project is wonderful and they feel they have cleaned up the neighborhood. She felt they made an error in 2008 when they estimated the project cost at \$1.2 million because they ended up spending a couple hundred thousand in site prep that was not anticipated. The other error was timing as just when they started the project the economy went down. She noted they doubled the jobs that they said they would bring in since then. She pointed out the agreement provides for amending or modifying and she was hoping to be able to do that to get it where it needs to be today.

Winters questioned if an invoice had ever been sent once it was discovered that we were owed money. Werth stated they did not send an invoice because there were several phone conversations and a request to appeal it. Nagle questioned what they owed to the city and Werth stated it was \$5,000. Hocking indicated they were at \$1.1 million in value. Winters questioned what they received from the city for the project and Hocking stated they did not ask for or receive any money from the city. Rasmussen stated they had three options: 1) forgive the debt; 2) compromise on a timeline for payment; or 3) demand immediate payment. Neal felt they should respect a developer who did what they said they would do and delivered what they said they would, except for what is beyond their ability to deliver.

Economic Development

Motion by Neal, second by Wagner to forgive the debt of \$5,000 owed by Bridge Street Investors Group. Motion failed 2-3.

Finance Committee

Motion by Kellbach, second by Nutting to accept \$5,000, payable at \$1,000 per year over the next five years, no interest and eliminate the provision for a \$1.2 million value going forward. Motion carried 3-1, with one abstention. (*Winters indicated he was abstaining because his wife works for Young's Drug Store.*)

Economic Development

Motion by Rasmussen, second by Neal to work out a deferred payment arrangement with Bridge Street Investors Group, LLC of \$1,000 per year for the next five years, no interest; and eliminate the provision for a \$1.2 million value going forward. Motion carried 3-2.

Ann Werth explained a number of years ago the city did reconstruction on Stewart Avenue and they did not relocate Wausau Mine Company in order to save money on the project. The reconstruction created a huge safety issue because the street was right next to the building. The city came to an agreement with Wausau Mine that the city would do in-kind services to tear down the existing building and Wausau Mine would build a new building. All

access was taken off of Steward Avenue. She indicated Wausau Mine Company has not met the obligation of the agreement on assessed value by \$10,000. Mr. Wage, owner, was present and stated they have been in the community 35 years and had they stayed in the old building the taxes were approximately \$60,000, but have gone up to \$105,000 with the new building. They have gone from 26 employees to 60. The building is unique and difficult to appraise.

Winters questioned what the value of the in-kind services was and Werth stated it was \$23,000.

Finance Committee

Motion by Nutting, second by Kellbach for an arrangement with Wausau Mine Company of deferred payment of \$1,000 per year for ten years, no interest; and eliminate the provision for value going forward. Motion carried 5-0.

Economic Development

Motion by Rasmussen for an arrangement with Wausau Mine Company of deferred payment of \$1,000 per year for ten years, no interest; and eliminate the provision for value going forward. Following discussion Rasmussen withdrew and indicated she would be willing to direct staff to go back to the table with Wausau Mine Company to work out an arrangement.

Motion by Neal to remedy both agreements in the same way so that both developers have the same of \$1,000 per year for the next five years, no interest; and eliminate the provision for value going forward. Motion died for lack of second.

Motion by Wagner, second by Rasmussen to send this back to staff to work with Wausau Mine Company to arrange a five year or ten year payback plan that works for them. Motion carried 4-1.

Adjournment of ED Committee

Motion by Wagner, second by Rasmussen to adjourn the Economic Development Committee. Motion carried unanimously. ED adjourned at 5:20 p.m.

Finance Committee continues:

Minutes of previous meeting(s) (Budget sessions -10/13/14, 10/14/14, and regular meeting-10/14/14)

Motion by Kellbach, second by Nutting to approve the minutes of previous meetings (10/13/14, 10/14/14). Motion carried 5-0.

Discussion and possible action on the 2015 City of Wausau Fee Schedule (Groat)

Groat explained as part of the budget process we submitted the fee schedule for each department and asked them to review it and provide recommendations for updates. She reviewed the recommended changes in detail.

Motion by Nutting, second by Nagle to approve the 2015 Fee Schedule as presented. Motion carried 5-0.

Discussion and possible action to provide fire inspection services to the Town of Wausau (Kujawa)

Dave DeSantis explained the Town of Wausau had contracted with retired Fire Inspector, Jim Binkowski, who had worked for the City of Wausau. He has now re-retired and will be giving up doing inspections for some of the outlying townships. DeSantis indicated he was approached by the Fire Chief of the Town of Wausau and was asked if the city would be able to take on their fire inspections. He stated with MABAS coming on board we will be potentially responding to fires in their area and we need to get familiar with those facilities and what they have in them. The total number is 48 – 52 inspections and the Town of Wausau would pay \$25 per inspection plus mileage. He explained the process would be for us to go out and do the initial inspection on the property; email the chief and the building owner a violation notice or an inspection with no violation; their staff would follow-up with any re-inspections; and we would assist them with preparing any necessary reports through the state. He anticipated the first time around to take him two and half days to gather information and build it into the system; after that they should be able to complete them in two days' time.

Oberbeck stated he would like to see a cost analysis that looks at our actual time and expenditures. He felt their town residents should be paying for this service. We have the training invested and all of the assets in Wausau which our residents are paying for. He found it a challenge that they could get that service for lower cost than what our residents pay. Kujawa stated what they will be providing to us monetarily was a fair assessment of our actual costs. Nagle commented these agreements have always troubled him because the townships always compare their taxes to Wausau's. He felt in the future going forward they should consider a fire district of 50,000-60,000 people. Winters suggested in the future the department might take into consideration the employees' wages, fringe benefits, plus a 9% overhead rate to get an hourly cost.

Motion by Winters, second by Nagle to approve the agreement to provide fire inspections to the Town of Wausau. Motion carried 5-0.

Discussion and possible action regarding transfer of funds for the Police Department - (Hardel)

Chief Hardel stated they budget \$3,000 to cover all of the K-9 needs, including food and veterinarian bills. He explained this past year there were two significant injuries to the K-9's resulting in two surgeries and one of the K-9's died following its surgery. He indicated they were currently more than \$1,000 under budget because we don't have the funds to pay for those vet bills at this time. He noted it is unusual to have significant surgeries in one year like this. He requested a transfer from the PD salary fund because there were a number of open positions.

Motion by Nutting, second by Kellbach to approve the transfer for the Police Department. Motion carried 5-0.

Discussion and possible action on the implementation of a \$5 convenience fee for pet licenses issued at City Hall - (Council Member Rasmussen)

Rasmussen explained we have been looking at ways to adjust pet licensing revenue and flow into the animal control account. Public Health & Safety Committee undertook a number of things, one of which was a wholesale license fee increase for all pet owners, but we decided not to do that this year. The bottom line is that we still pay \$3.90 for every license we sell to PetData for the online service and we are paying it for licenses we sell across the counter as well. She indicated our Weston partners are only using PetData and no longer sell over the counter; they installed a kiosk for people to use and will help them if they need it. She noted when you renew your license plates at Trig's or go to the DMV to do it, there is a \$5.00 service fee. She felt a counter fee may incentivize citizens to use the online service more and we would get back some of the money we are paying to PetData.

Oberbeck felt \$5 was excessive and it would especially target the elderly who may not have computers and who come in to pay their taxes and pet license fees. Nutting clarified the fee should be \$5 no matter how many pet licenses an individual may need, not \$5 per license. Groat noted there are a number of people who mail in their pet license fee with their tax bill and questioned if they would be required to pay the counter fee. Rasmussen felt it should be the face to face personal service that is charged the counter fee.

Motion by Nutting, second by Kellbach to approve a \$5 convenience fee per visit for pet licenses issued at City Hall. Motion carried 3-2.

Discussion and possible action on review of position changes in the 2015 budget - (Hite)

Myla Hite stated the proposal for the 2015 Mayor's budget includes the addition of four FTE's. She explained how the positions were calculated from 2014 to 2015. The additions would be two positions for the Police Department and two within the City/County IT Department.

Consider approval of lease agreement of city-owned property adjacent to 206 Grand Avenue (Koz Holdings LLC d/b/a Pro Players Sports Bar and Grill)

Jacobson stated since it was last renewed five years ago the Bureau of Aeronautics has put in place a compliance review plan. She stated instead of being a five year lease renewable in five year increments the Bureau of Aeronautics requested that it be an annual renewable lease term. A requirement of the BOA is that we obtain fair market value for the leasing of any property that is airport property that is not currently used for airport purposes. BOA also suggested that the revenue generated from this lease go to the airport to be used for airport purposes, not into the city general fund. She indicated the lessee has requested that the airport provide snow and ice removal

from the leased premises. Currently the lease provides that the lessee do that and he has indicated it costs him approximately \$4,000 per year. Winters pointed out this is just a tiny portion of Pro Players parking lot.

Motion by Nagle, second by Oberbeck to approve the lease agreement with Koz Holdings LLC on a one year basis without snow removal. Motion carried 5-0.

Winters called for adjournment and indicated the remaining items would be brought back to the next meeting.

Discussion regarding the list of properties owned by the city but not used for parks or government services - (Community Development Staff)

Update on the City of Wausau Strategic Planning process (Tipple, Groat)

Discussion and possible action regarding five year financial projections (Groat)

September 2014 General Fund Financial Report (Groat)

Review of existing vacant positions.

Adjournment

Motion by Kellbach, second by Oberbeck to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 5:50 pm.