

FINANCE COMMITTEE

Date and Time: Tuesday, December 9, 2014 @ 5:00 pm., Board Room

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

Others Present: Tipple, Groat, Giese, Hardel, Jacobson, Hite, Kujawa, Werth, Stratz, Wagner, Rasmussen, Gisselman, Mielke, Abitz, Goede, Phil Valitchka, Mark Goffin, Cory Thorson.

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

Public Comment on matters appearing on the agenda.

- 1) Phil Valitchka spoke on behalf of Joe Mella, the President of the River District Main Street Program, in support and encouragement for the proposal for the Wausau Club redevelopment project.
- 2) Mark Goffin, Elk Creek Architectural LLC, stated it was important step in the process to apply for the grants/tax credits and until he receives at least a contingent green light from the city he cannot move forward with those applications.

Discussion and possible action on 2015 Municipality Held for Cause Services Agreement with the Humane Society of Marathon County, Inc. – Jacobson

Jacobson stated this contract is very close to the previous contract except for some language she added at the top of page 2 at the request of the Animal Control Officer.

Motion by Kellbach, second by Nutting to approve the 2015 Municipality Held for Cause Services Agreement with the Humane Society. Motion carried 5-0.

Discussion and possible action on 2015 Purchase of Animal Impound Services Agreement between the Humane Society of Marathon County, Inc. – Jacobson

Jacobson indicated there were several changes to this contract, pointing out the fiscal impact in an initial upfront payment of \$55,000 due January 31, 2015. She indicated we asked them to give us a credit for less than 300 animals brought in. The negotiated price is \$185 per animal and any brought in over 300 will be \$200 per animal. She noted in the event the agreement is terminated they will reimburse us. Oberbeck felt there should be a clause that if the owner comes in to pick up their stray that they would be responsible for the cost.

Motion by Oberbeck, second by Nutting to approve the 2015 Purchase of Animal Impound Services Agreement with the Humane Society contingent upon recovery costs from the owner for the city's costs. Motion carried 5-0.

Review of cost-recovery calculations for Town of Wausau fire inspection services. – Kujawa

Kujawa commented one of the things the fire service does is creates automatic aid agreements and mutual aid box alarm system agreements with area fire departments, because there is nobody that has enough resources to actually respond appropriately to a lot of the calls that we go to. These agreements enable other departments to come into the city to assist us on events as well as us going to assist them. She stated our call volume is very high compared to the surrounding communities and if we try to operate like a business with charges we may ultimately pay out more.

Discussion and possible action on terms of development agreement with Elk Creek Architectural LLC (Wausau Club) – Lawrence

Megan Lawrence summarized this project is called The Mercantile and it would incorporate a wine bar, a destination spa, a bakery, design center, and restore the banquet hall. It is an approximate \$1.9 million project and Mr. Goffin is combining some traditional financing sources along with applying for state and federal historic tax credits. She indicated they were working with him to apply for a grant for up to \$500,000 through Wisconsin Economic Development Corporation (WEDC) which is due at the end of January. She stated he is also seeking a \$150,000 grant from the City of Wausau through TID #3. Lawrence stated the City of Wausau currently owns the Wausau Club property, which the Council accepted as a donation about a year ago. An RFP process was conducted and Mr. Goffin's project was the only one submitted. The ED Committee has discussed the project twice and approved the grant with a 3-1 vote.

Oberbeck questioned how they came up with the value of \$874,000 for the property and felt the assessed value needs to be incorporated into the plan financially. Winters had some questions regarding the financial documents provided. Following with discussion with Goffin, Winters felt they needed to see cash flow projections year by year for 10 ten years to determine if the business will make it or run out of cash along the way.

Motion by Kellbach, second by Oberbeck to table the item to a January 6th Finance Committee meeting to review 10 year cash flow projections. Motion carried 5-0.

Discussion and possible action on terms of development agreement with Composite Envisions – Lawrence

Lawrence stated this is a relocation project for Composite Envisions, which is currently located in the Business Campus on 86th Avenue. The business is only a couple years old but is expanding quickly so a larger facility is required. She indicated the owner is requesting the donation of approximately 4.2 acres of land on Development Court, just south of Wausau Window and Wall and north of Planet Label. Owner, Cory Thorson's plan is to construct a new 7,500 square foot building next spring to be up and operational next year. He will be adding on an additional four employees and he also requested a \$100,000 grant. Lawrence indicated the ED Committee recommended a ten year forgivable loan for a \$100,000; each year they stay in business in Wausau, \$10,000 would be forgiven. She noted the business is in TID #5 and we sold them their current parcel for \$7,000 in 2012. Cory Thorson explained to the committee what his company produces.

Motion by Nagle, second by Kellbach to approve the terms of the development agreement with Composite Envisions. Motion carried 4-1.

Discussion and possible action on the purchase of 525 McClellan Street – Stratz

Tammy Stratz explained Marathon Savings has owned this property for many years and rented it out to a nonprofit for several years; however, due to its condition and the repairs required, they are looking to get it off their inventory. She stated they are offering it to the city for \$39,500; it is assessed at \$120,400. She indicated she walked through it and there are quite a few issues with the property that would have to be resolved to make it livable. This property is next to the municipal parking lots where all employees are currently parking and there are not enough stalls because the city no longer has the use of the Presbyterian Church parking lot across the street from City Hall. Acquisition of the property for additional parking would help alleviate that problem. She noted the building on the corner of 6th and McClellan is also a nonprofit and has had parking issues as well and may be interested in leasing some stalls.

Winters questioned where the money would come from for acquisition. Groat stated it could come from the Parking Fund if we use it for parking. She noted there have been a couple of businesses approach the city looking for less expensive employee parking. The IT Data Center pays for parking to the Unitarian Church which is also over parked, so we could charge them; we could charge ourselves for parking; and lease it out to other employers in the community for a revenue source.

Oberbeck commented he did not like to see more surface parking done because it creates holes within the city making it hard to maintain the fabric of an urban neighborhood. He did not feel it was the best use of land. Nutting questioned what the bank would do with it if we did not purchase it. Werth responded that there was another buyer lined up to use it as a rental. She noted a number of years ago the city approached the bank to purchase it because of parking in the area, but they wouldn't sell it at that time. Now it is vacant and available. Oberbeck felt it should be used for an infill project and not taken off the tax roll. He pointed out the mall ramps have available parking. Tipple commented we have a current need for parking for our employees and he didn't feel they should have to walk six blocks.

Motion by Nagle, second by Kellbach to approve the acquisition of 525 McClellan Street for \$39,500 from the Parking Fund. Motion carried 3-2.

Discussion and possible action regarding the authorization to accept the donation of property 717 Park Avenue – Stratz

Withdrawn

Discussion & possible action on an education program for the April referendum on city administrator – Winters

and

Discussion & possible action on wording for an April 2015 referendum on city administrator – Jacobson

Wagner stated the Council is scheduled to be educated on the different forms of government responsibilities in a meeting in January. He thought these things would be determined as a Committee of the Whole because in talking with Steve Hintz, he was convinced the wording is the most important thing.

Discussion & possible action on wording for an April 2015 referendum on establishing a stormwater sewer utility – Nagle

Nagle stated he was looking at the staff survey results and clearly there is an understanding out there that a lot of money is being spent on stormwater utility issues, the handling, disposal and routing of clear water and stormwater. He felt the city needs to create a utility and if the Council won't take the initiative, maybe the people will. Winters stated there was draft wording in their packets and questioned if they wanted to go forward with a referendum. Nagle questioned how much was currently being spent on stormwater and Groat replied the estimate was approximately \$1.8 million per year for capital and maintenance, which would include leaf pickup.

Winters read the proposed draft wording and an explanation of what a utility is from the packet. Groat noted in October the City of Middleton approved a stormwater utility as part of a referendum and perhaps we could look at that wording. Oberbeck questioned how the public will be educated about this with only a couple months left. He had thought we were going to roll this out with the garbage collection because they are somewhat related. Nagle stated this was a way to take \$1.8 million off the levy and make it fair.

Motion by Nagle, second by Nutting to put a referendum question for establishing a stormwater utility on the April 2015 Spring Election ballot. Motion carried 4-1.

Discussion & possible action on a procurement policy for legal services – Jacobson

Jacobson summarized her research and noted with the exception of one or two opinions that totaled \$10,000, all were under that or under \$5,000. The only thing that would exceed \$10,000 would be tax litigation, which is the one area we significantly spend well over \$10,000 - \$20,000. Winters questioned the committee as to how big they felt a legal bill can get before the Finance Committee is alerted.

Motion by Nutting, second by Kellbach to set a \$25,000 threshold per issue for legal services. Motion carried 5-0.

Establishment of a Gantt Chart for the citywide revaluation process – Winters

Nan Giese stated the Assessment Department uses Gantt charts, timelines and schedules that they go by every year. She reviewed charts provided to the committee in advance. Winters requested a chart to summarize the activities for the revaluation that includes some of the software installation.

Discussion and possible action on sole source purchase self-contained breathing apparatus.

Kujawa explained the price is going up after the 1st of the year so she was looking for approval in advance of that so she can reserve them and avoid the price jump. The reason for the request is for continuity, familiarity and financial savings. She noted they anticipate purchasing a total of 30, which would be approximately \$240,000 for a capital request along with it testing equipment for an additional \$20,000.

Motion by Oberbeck, second by Kellbach to approve the sole source purchase for self-contained breathing apparatus. Motion carried 5-0.

Distribution of survey results from the GFOA process - Groat

Winters indicated the document was in their packets and since we have been tasked with kick starting the strategic planning process he wanted them to keep this survey for that.

Adjournment

Motion by Nutting, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:50 p.m.