



*** 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.

*****REVISED*****

Meeting of:	FINANCE COMMITTEE
Date/Time:	Tuesday, July 28, 2015 at 5:00 PM
Location:	City Hall, 2nd Floor Board Room
Members:	David Oberbeck (C), Karen Kellbach, Dave Nutting, Bill Nagle, Robert Mielke

AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

- 1 Public Comment on matters appearing on the agenda.
- 2 ~~Update on City Wide Revaluation by Assessment Department~~
- 2 CLOSED SESSION: Pursuant to 19.85(1)(e) of Wisconsin Statutes for deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session - for providing continuing Contract Assessment Services to the City of Schofield.
RECONVENE INTO OPEN SESSION: to take action on closed item, if necessary: Discussion and possible action on continuing Contract Assessment Services to the City of Schofield.
- 3 Presentation of the 2014 audit - Schenck CPA's Jon Trautman/ Groat
- 4 Discussion and Possible Action on the consideration of the RESIDENTIAL SOLID WASTE AND RECYCLING SERVICE AGREEMENT
- 5 Discussion and Possible Action regarding 2015 Budget Modification - Orthophotography
- 6 Update on 5 Year Financial Strategic Plan
- 7 Update on 2016 Budget and Budget Projections - Groat
- 8 Discussion and Possible Action on the closure of TID #5 in 2016 - Groat
- 9 Discussion and Possible Action regarding the topic "Developing a Sustainable Fiscal Plan - Balancing the 2016 Budget"... possible special meeting dedicated only to this topic
- 10 Adjournment

David Oberbeck, Chair

IMPORTANT: THREE (3) MEMBERS NEEDED FOR A QUORUM: If you are unable to attend the meeting, please notify Mary by calling (715)261-6621 or via email mgoede@ci.wausau.wi.us

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.**

This Notice was posted at City Hall and faxed to the Daily Herald newsroom on 7/27/15 @ 9:30 AM

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, Winters, Rasmussen, Abitz), *Tipple, *Jacobson, *Groat, Rayala, Department Heads



TO: FINANCE COMMITTEE MEMBERS

FROM: MARYANNE GROAT

DATE: July 8, 2015

SUBJECT: 2014 Audit

Purpose: To present the results of the 2014 Audit

Background: Jon Trautman, of Schenck CPA's will be attending the meeting to present the 2014 audit work. I copy of the financial statements were placed in each council members mailbox for distribution. In addition, I have attached a PowerPoint presentation that provides additional information regarding the yearend results.



City of Wausau

2014 FINANCIAL REPORT



GENERAL FUND ACTIVITIES

-  Administration – Council, Mayor, HR, Attorney, Assessor, Customer Service, CCITC
-  Public Safety – Police, Fire,
-  Refuse
-  Transportation – Street Maintenance, Inspections, Storm Water, Engineering, Planning and GIS, Street Lighting
-  Parks and Recreation

General Fund Balance History

Total Fund Balance

2010	\$9,262,995
2011	\$9,718,615
2012	\$9,981,845
2013	\$9,641,545
2014	\$9,443,494

Nonspendable:

Advances:

TID #3	\$1,419,107
TID #6	\$611,984
TID #7	\$1,776,943
TID #9	\$90,985

Inventory \$415,912

Committed:

Contingency	\$ 266,250
Commercial Rehab	
Fund	\$ 500,000

Per Fund Balance Policy expenditures should unassigned fund balance should be no less than 16.67% or expenditures or \$5,267,534

\$12,000,000

\$10,000,000

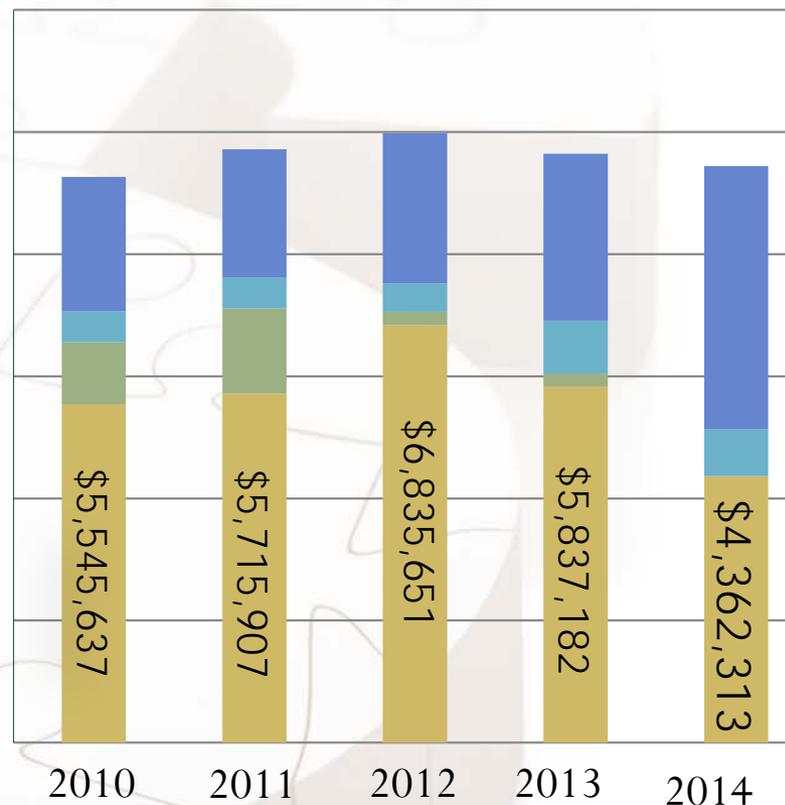
\$8,000,000

\$6,000,000

\$4,000,000

\$2,000,000

\$-



■ Nonspendable

■ Committed

■ Assigned to Future Budget

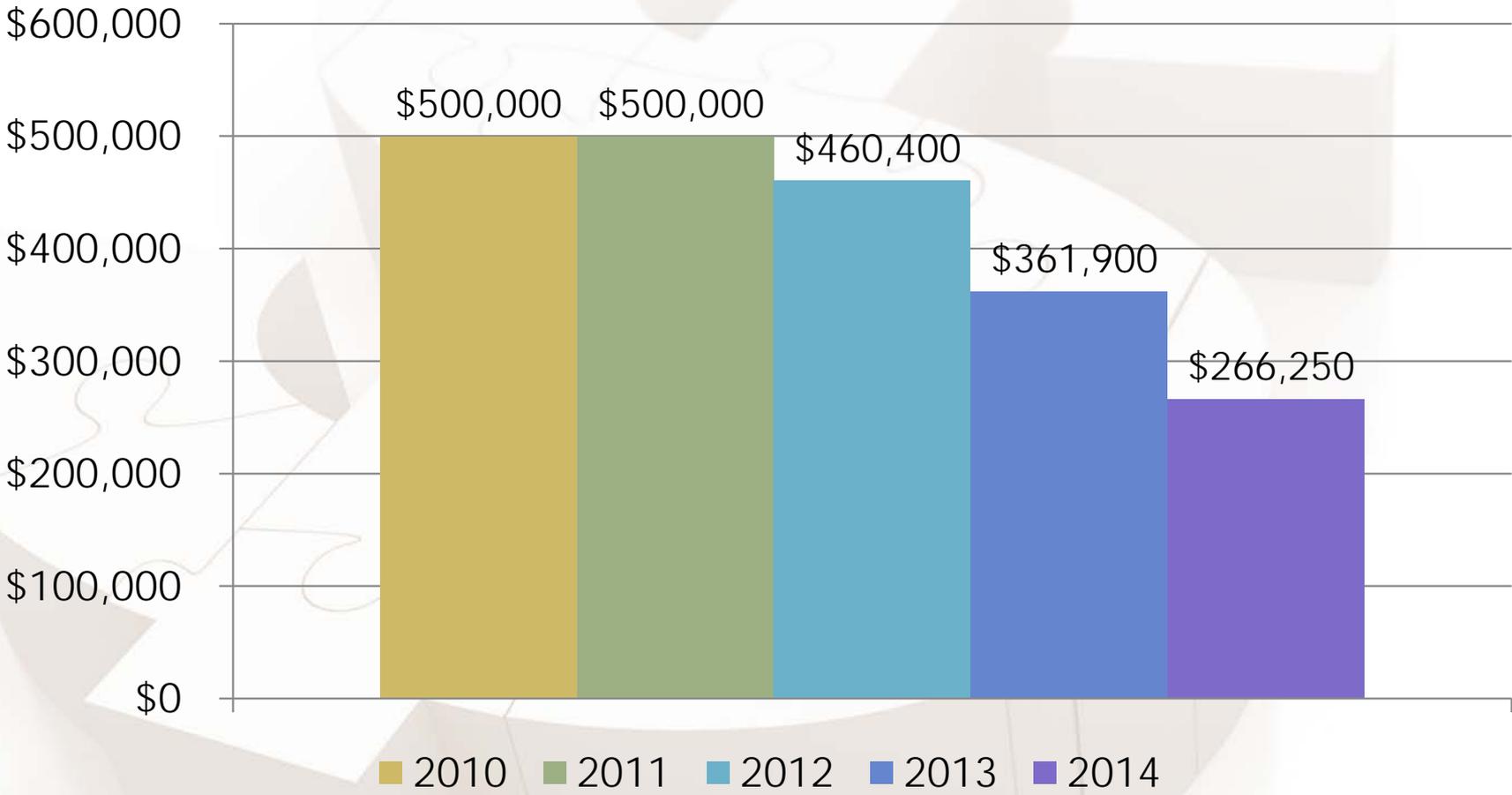
■ Unassigned



Advances to TID Funds History

	2010	2011	2012	2013	2014
TID 3			\$1,184,402	\$880,865	\$1,419,107
TID 4	\$1,447,489	\$1,037,208			
TID 5					
TID 6					\$611,984
TID 7	\$339,596	\$999,205	\$1,221,482	\$1,524,184	\$1,776,943
TID 8					
TID 9					\$90,985
TID 10					
TOTAL	\$1,787,085	\$2,036,413	\$2,405,884	\$2,405,049	\$3,899,019

Contingency Balance





2014 GENERAL FUND REVENUES

	2014 Budget	2014 Actual	Variance
Taxes	\$16,074,419	\$16,066,125	(\$8,294)
Intergovernmental Grants	8,071,044	8,097,414	26,370
Licenses and Permits	723,349	716,037	(7,312)
Fines and Forfeitures	405,000	355,105	(49,895)
Public Charges for Services	1,805,465	1,879,793	74,328
Intergovtl Charges	1,559,623	1,422,142	(137,481)
Commercial Revenue	312,000	531,589	219,589
Miscellaneous Revenue	373,510	440,875	67,365
Transfers In	<u>2,068,494</u>	<u>1,955,253</u>	<u>(113,241)</u>
Total	\$31,392,904	\$31,464,333	\$71,429



Property Tax Income

	2014	2013	Change
General Fund	\$15,843,883	\$15,570,606	\$273,277
Economic Dev Fund	50,000	-	50,000
Recycling Fund	497,750	473,462	24,288
Debt Service	4,088,000	4,088,000	-
Capital Projects Fund	371,080	337,345	33,735
Airport Fund	70,000	68,677	1,323
Transit Fund	679,289	679,289	-
Parking Fund	224,000	300,000	(76,000)
Total	21,824,002	\$21,517,379	\$306,623



2014 GENERAL FUND EXPENDITURES

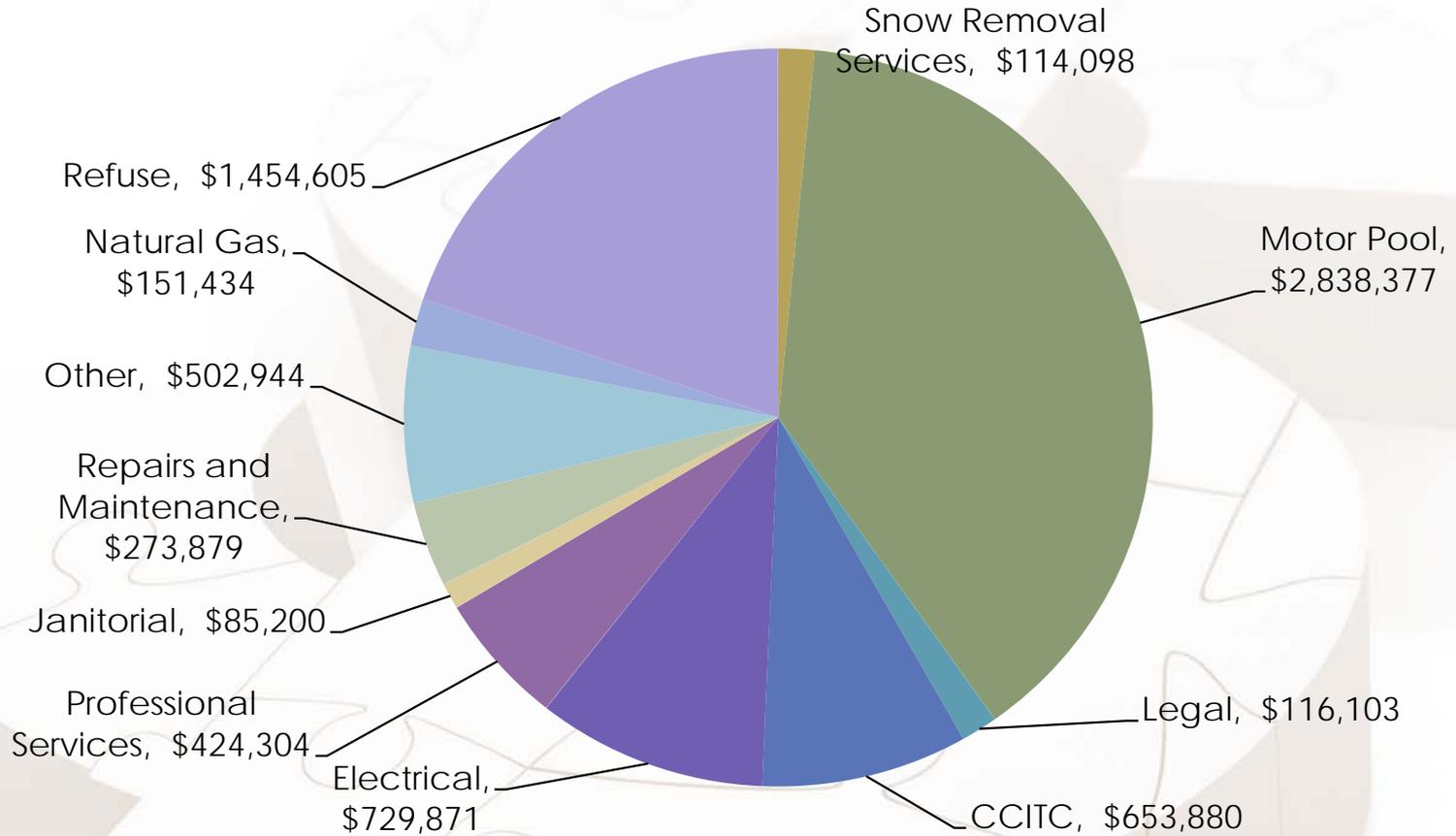
	2014 Budget	2014 Actual	Variance
General Government	\$4,130,112	\$4,067,801	62,311
Public Safety	15,475,239	15,604,592	(129,353)
Transportation/Streets	7,899,463	8,104,483	(205,020)
Sanitation/Health	1,481,300	1,490,395	(9,095)
Nat Resource/Parks	2,437,790	2,331,613	106,177
Transfers Out – Animal Control	<u>64,649</u>	<u>63,500</u>	<u>1,149</u>
Total	\$31,488,553	\$31,662,384	(173,831)



General Fund Salaries and Benefits

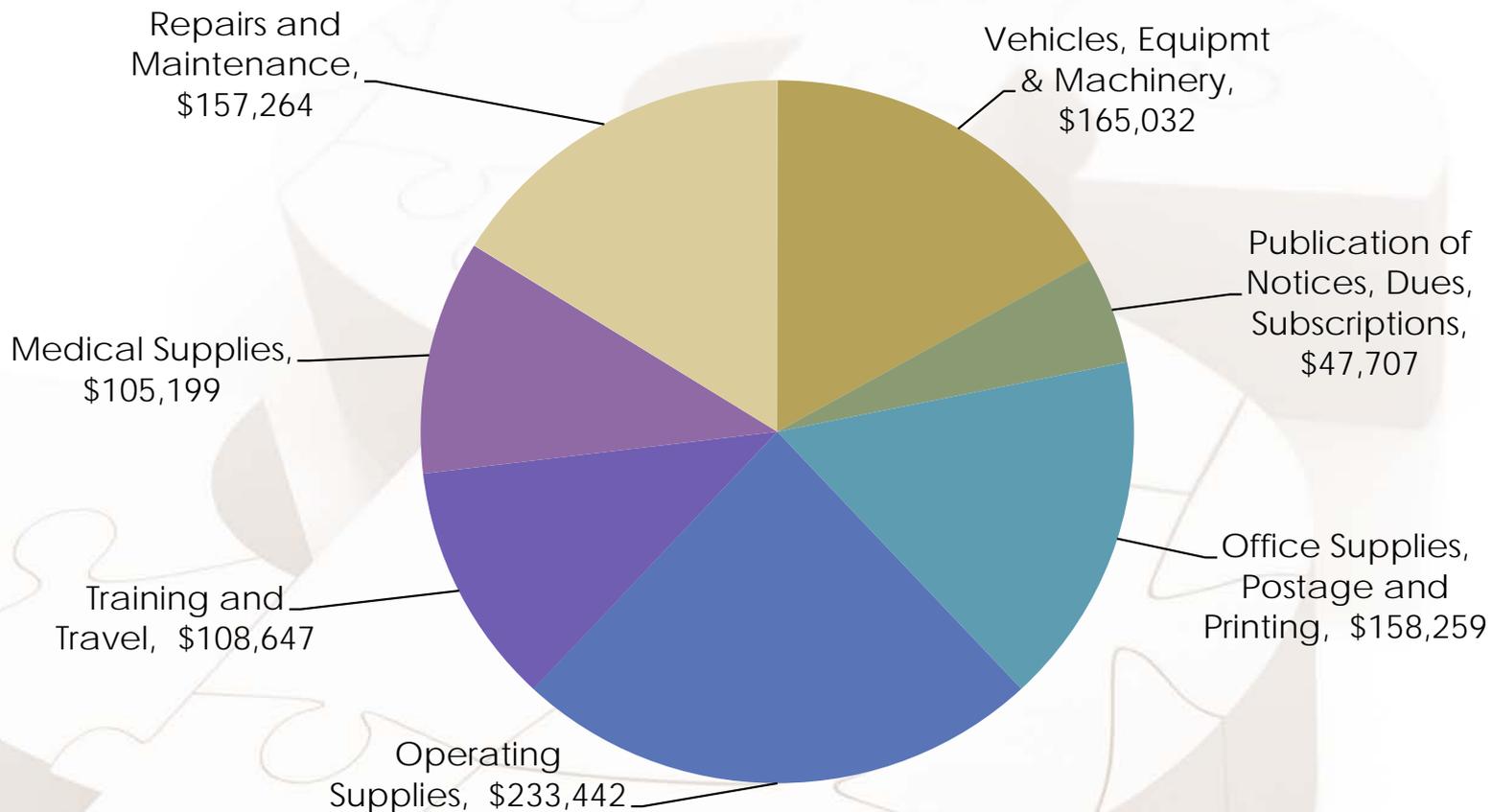
	2014 Budget	2014 Actual	Budget Variance
Salaries and Wages	\$15,474,231	\$15,602,265	(\$128,034)
FICA	954,066	877,362	76,704
Retirement - ER	1,516,046	1,510,656	5,390
Health Insurance	3,573,270	3,431,215	142,055
Dental Insurance	123,719	110,610	13,109
Workers Compensation	431,940	343,700	88,240
Life Insurance	5,633	4,112	1,521
Unemployment	1,271	4,459	(3,188)
TOTALS	\$22,080,176	\$21,884,379	\$195,797

General Fund Contractual Services



	2014 Budget	2014 Actual	2013 Actual
Contractual Services	\$6,913,326	\$7,344,695	\$6,686,829

General Fund Supplies and Expenses



	2014 Budget	2014 Actual	2013 Actual
Supplies and Expenses	\$1,055,845	\$975,550	\$1,030,901



General Fund Other Expenditures

ITEM 3

	2014 Budget	2014 Actual	Budget Variance
Building Materials	\$783,785	\$677,787	\$105,998
Fixed Charges	343,221	368,002	(24,781)
Capital Outlay	151,901	156,176	(4,275)
Other	160,299	255,795	(95,496)



Special Revenue Funds

	Fund Balance December 31,		
	2014	2013	2012
HUD Mortgage Fund	18,865	13,954	1,240
Economic Development Fund	375,403	410,458	547,844
Room Tax Fund	89,436	130,525	87,604
EMS Grant Fund	11,237	53,257	48,565
Holtz Krause Fund	1,685,936	1,810,082	1,798,349
Other Grants and Special Purpose Accounts	593,115	570,085	637,988
Housing Stock Improvement Fund	633,390	-	-

- The City of Wausau maintains a number of Special Revenue Funds that account for activity where the revenue source is restricted for specific purposes. The funds above experienced an increase in fund balance from the prior year



Special Revenue Funds

	Fund Balance		
	December 31, 2014	2013	2012
CDBG Grants Fund	1,226,588	1,218,804	\$1,273,995
DLAD Mortgage Program Fund	507,461	519,322	451,676
Federal Rent Rehabilitation Fund	344,865	349,147	349,525
WRRP Fund	1,337,190	1,106,167	1,050,943
HazMat Fund	94,079	90,898	132,991
Public Access Fund	5,764	3,643	572
Recycling Fund	2,701	-	-
Rental Licensing	13,489	-	-

Debt Service Fund

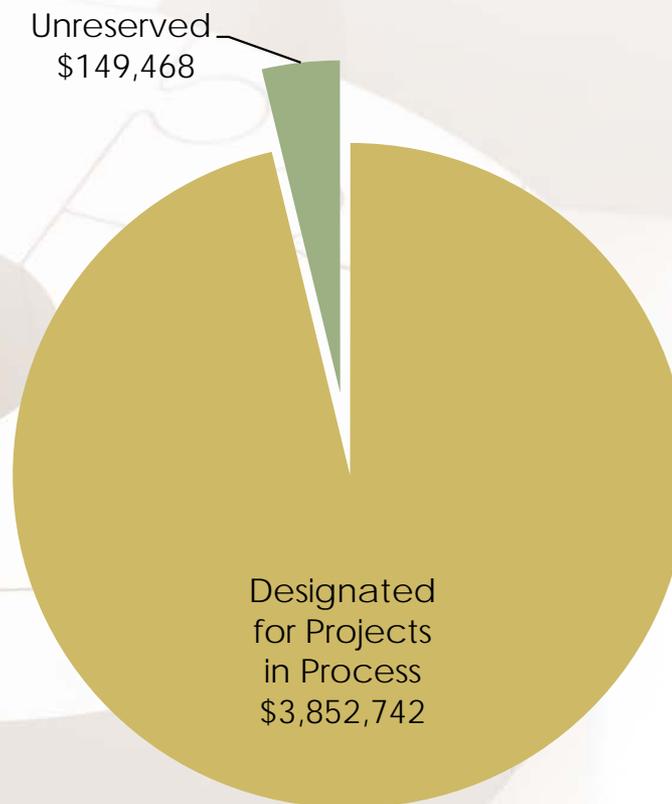
Debt Service Funds are used to account for governmental fund debt. Debt financed by the tax increment districts is funded through transfers into the Debt Service Fund

Revenues	
Taxes	\$4,088,000
Other Revenue	262,995
Issuance of Debt	2,450,000
Transfers In	<u>4,176,572</u>
Total Revenue	<u>10,977,567</u>
Expenditures	
Principal	9,799,708
Interest	<u>1,103,436</u>
Total Expenditures	<u>10,903,144</u>
Net Change in Fund Balance	74,423
Beginning Fund Balance	<u>666,846</u>
Ending Fund Balance	\$741,269

Capital Projects Fund

The Capital Projects Fund accounts for the annual CIP Plan. Revenues including Property Taxes, Debt Proceeds, Special Assessment Income, Grants and Transfers from Other Funds. At yearend, the Council considered a carryover resolution to complete projects in 2015 which were started in 2014.

**2014 Fund Balance -
\$4,002,210**





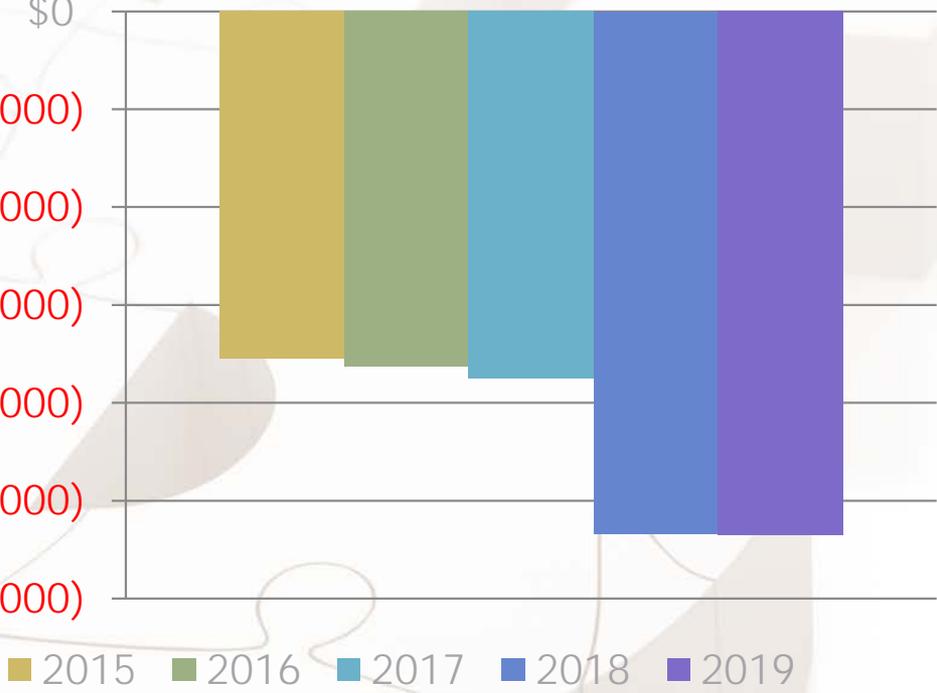
Tax Increment District Funds

ITEM 3

	Fund Balance December 31, 2014	2013	2012	2011
TID #2 - closed	\$-	\$261,676	\$-	\$-
TID #3	(3,248,091)	(2,105,440)	(1,132,734)	(2,828,726)
TID #4 - closed	-	-	(481,234)	(1,037,208)
TID #5	(198,888)	(309,353)	(841,371)	640,475
TID #6	(630,845)	(309,591)	1,015,973	1,870,897
TID #7	(1,776,943)	(1,524,184)	(1,222,334)	(999,205)
TID #8	105,706	(25,872)	(7,801)	-
TID #9	(90,985)	(9,872)	(139,167)	-
TID #10	69,627	(1,000)	-	-

TID #3

Current and Future Projects	\$0
• River Edge Trail	
• Remediation	(\$1,000,000)
• WOW	
• Savo Supply	(\$2,000,000)
• New Developments	
• 1 st Street	(\$3,000,000)
• McClellan	
• Wausau Club	(\$4,000,000)
• Church Site	
• Skywalk	(\$5,000,000)
• Parking Ramp	(\$6,000,000)



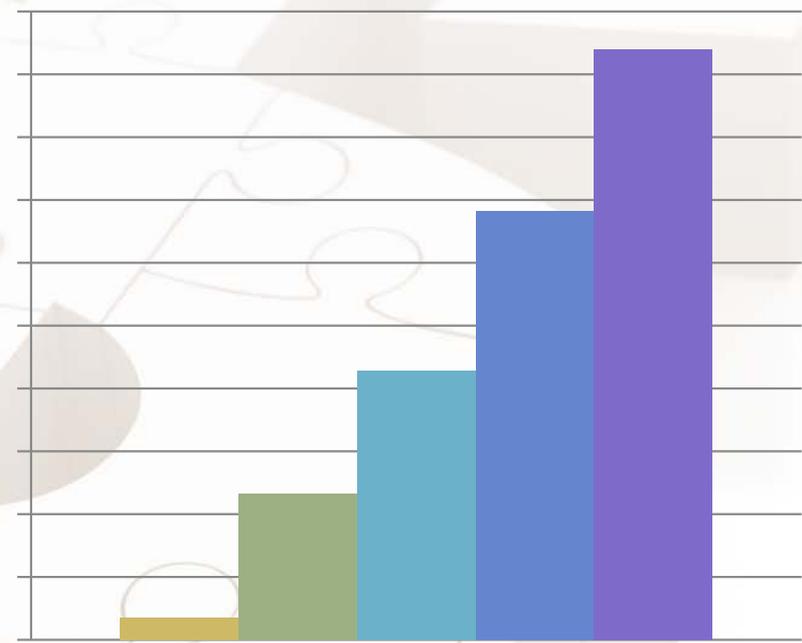
FUND DEFICIT

TID #5

Current/Future Projects
Wausau Window Wall
Composite Invision

Expenditure Period Closed
7/2015

\$5,000,000
\$4,500,000
\$4,000,000
\$3,500,000
\$3,000,000
\$2,500,000
\$2,000,000
\$1,500,000
\$1,000,000
\$500,000
\$-

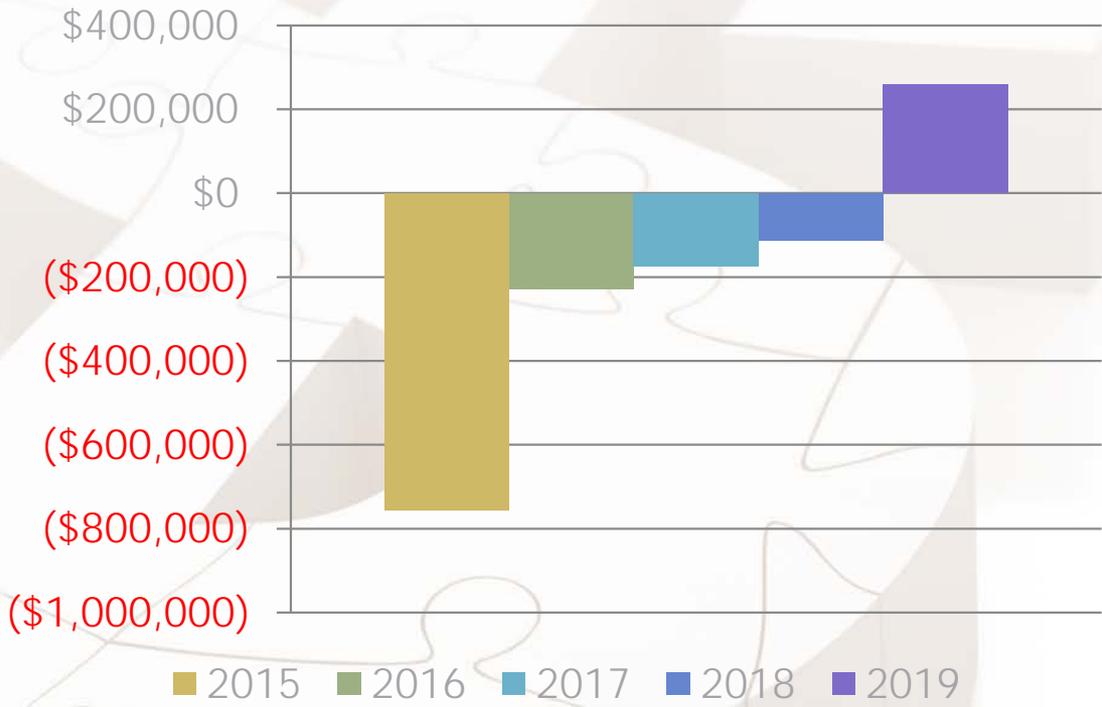


2015 2016 2017 2018 2019

FUND BALANCE

TID #6

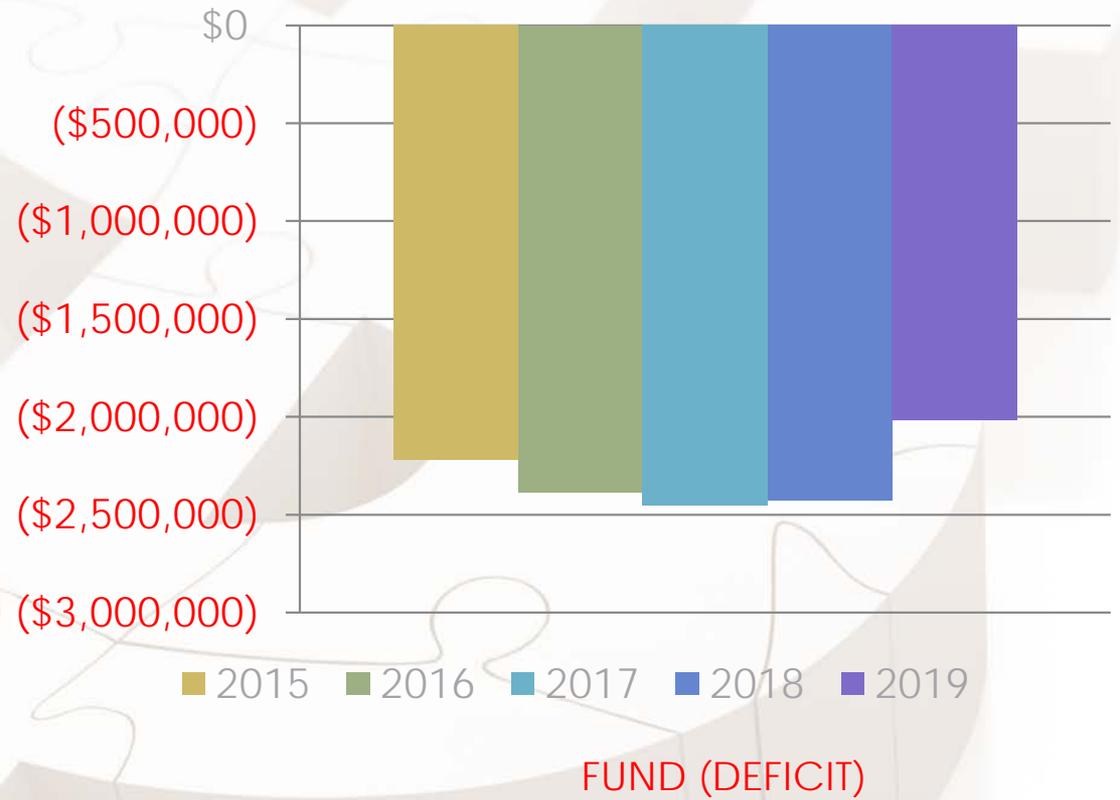
Current/Future Projects
Thomas Street
Developer Payments



FUND BALANCE/ (DEFICIT)

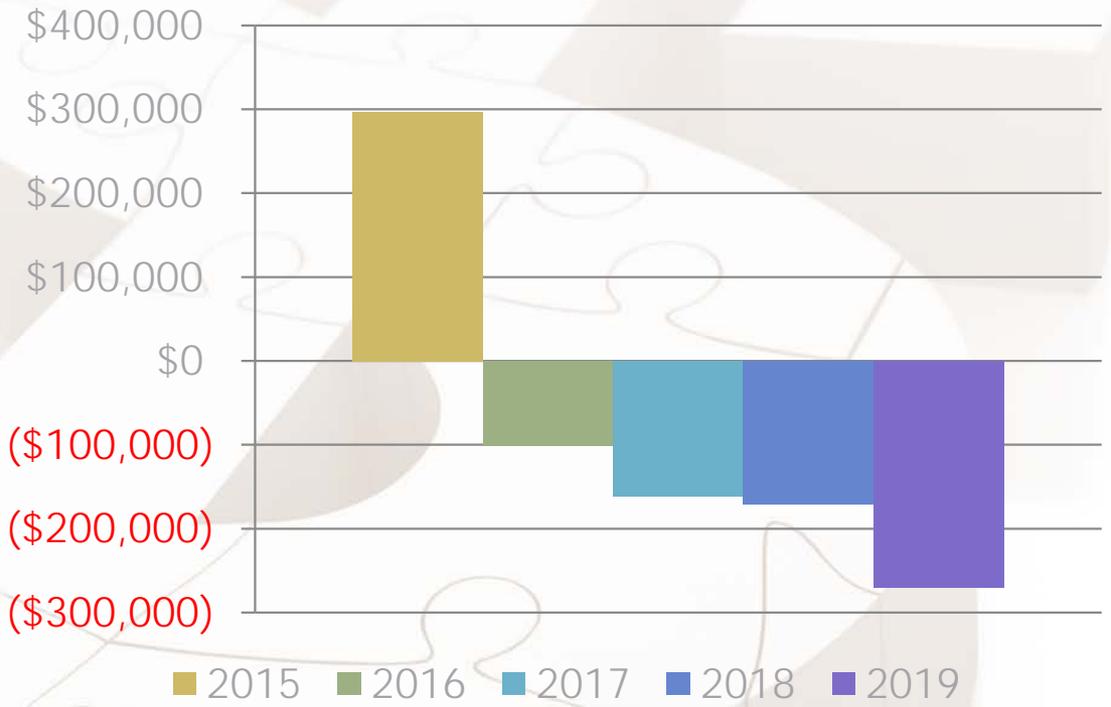
TID #7

Current/Future Projects
New Development



TID #8

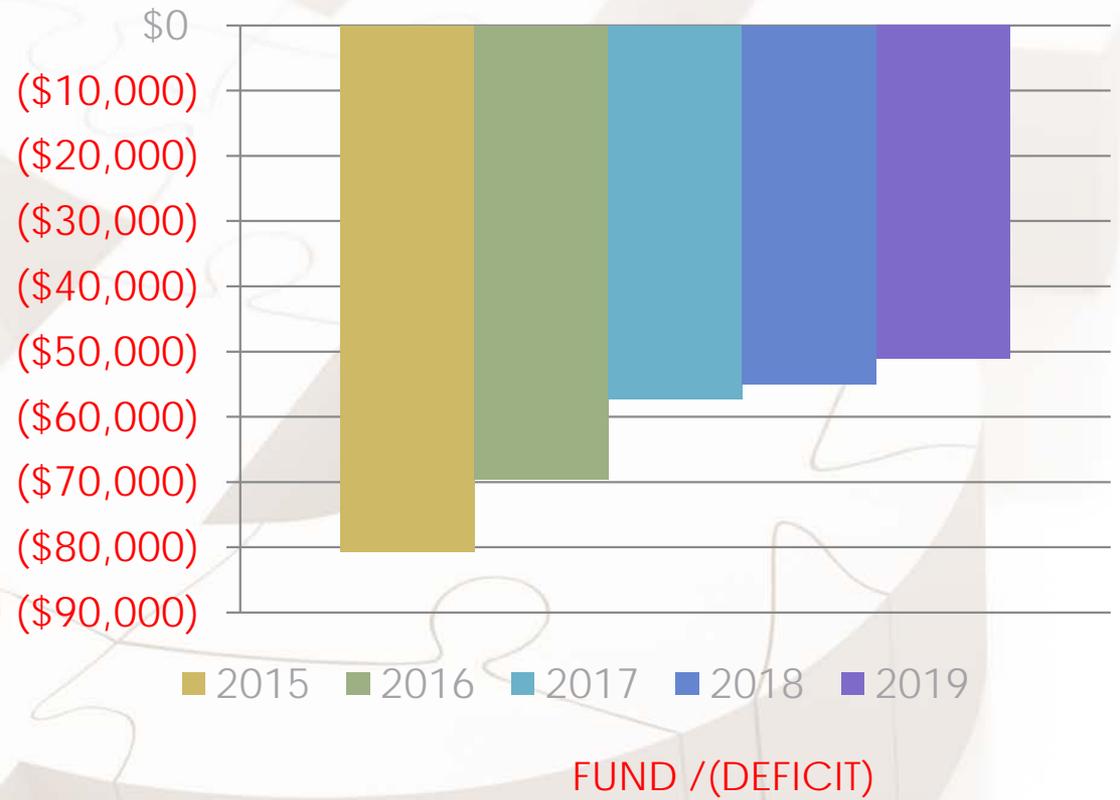
Current/Future Projects
2nd Avenue & Clark
Schierl Project



FUND BALANCE/(DEFICIT)

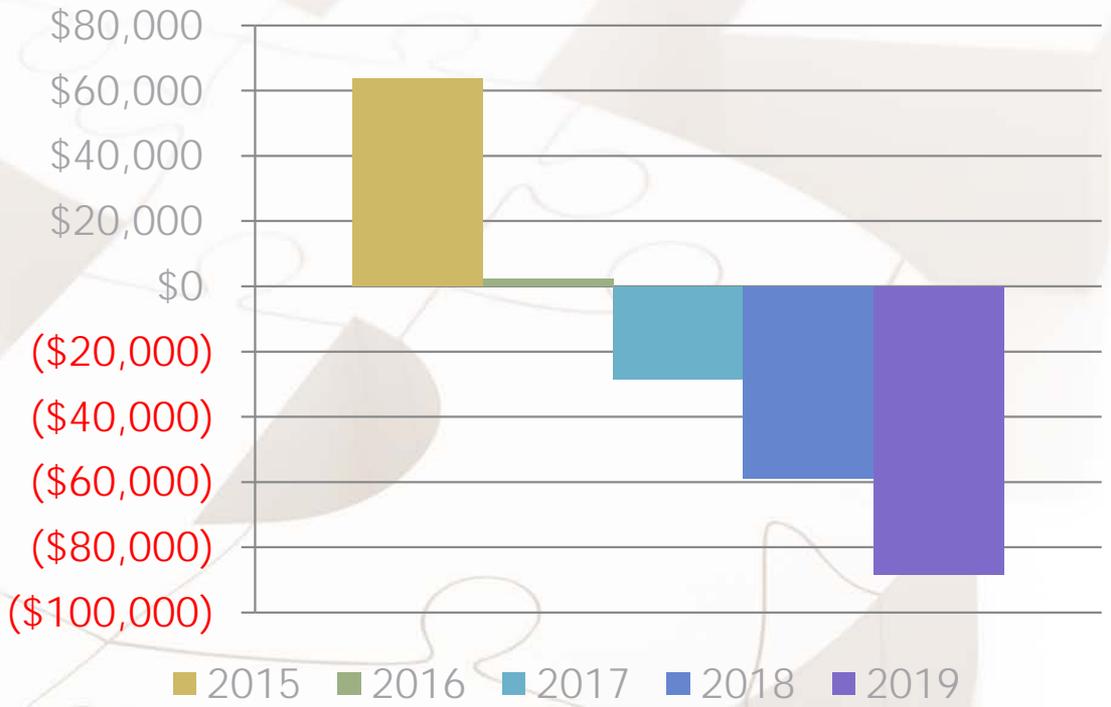
TID #9

Current/Future Projects
None



TID #10

Current/Future Projects
None



FUND BALANCE / (DEFICIT)



Internal Service Funds

	Motor Pool	Insurance Fund	Employee Benefit Fund
Change in Net Assets	\$287,334	\$169,034	(\$392,291)
Unrestricted Net Position 12/31/2014	504,462	465,891	325,294
Unrestricted Net Position 12/31/2013	788,675	296,857	717,585



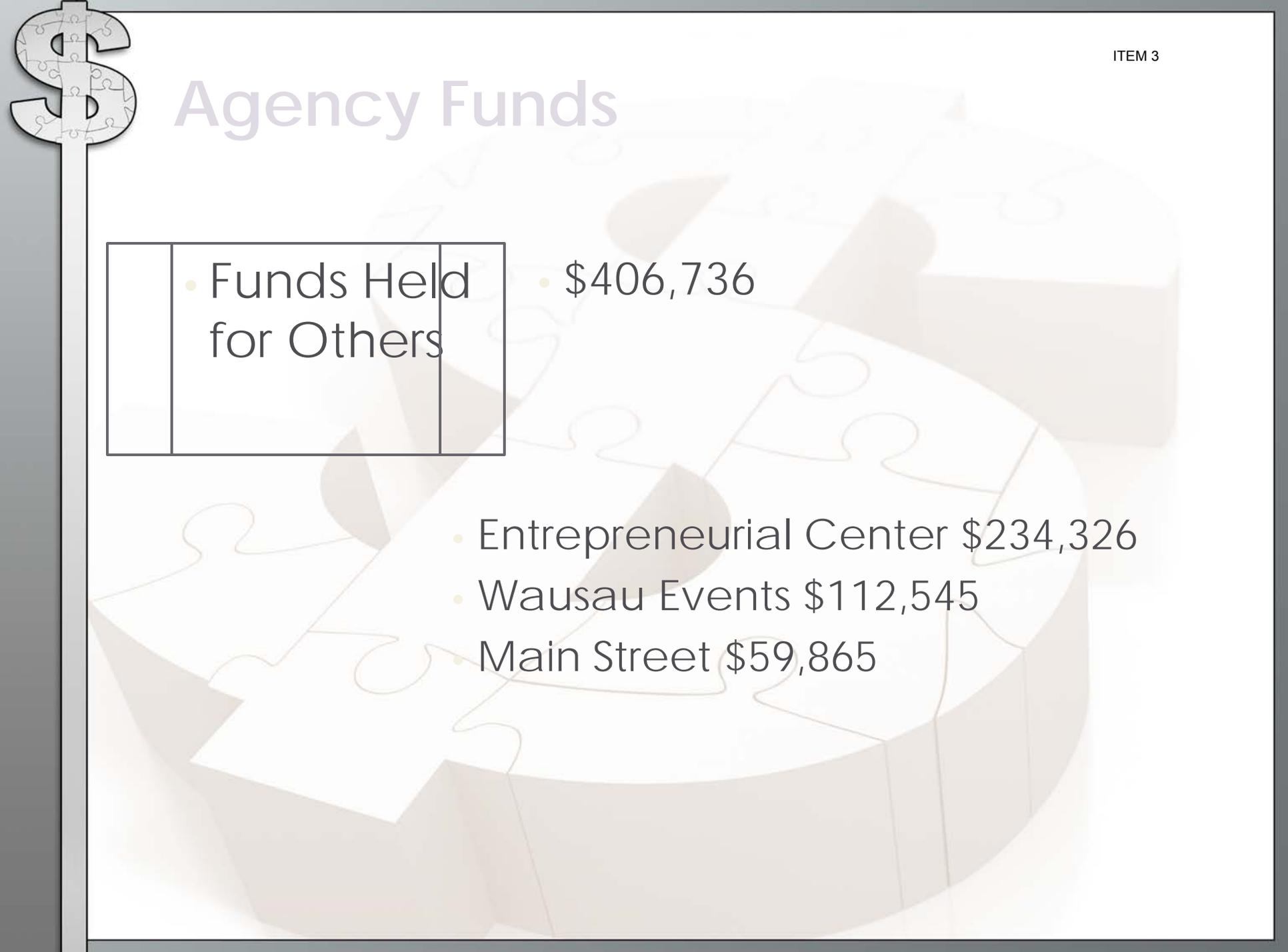
Enterprise Funds

	Water Utility	Wastewater Utility	Parking Fund	Metro Ride
Change In Net Position	(\$306,427)	\$901,525	(\$488,257)	(\$491,872)
Unrestricted Net Position 12/31/2014	431,801	2,461,789	652,365	304,205
Unrestricted Net Position 12/31/2013	1,152,406	2,450,052	544,808	229,303



Enterprise Funds

	Airport Fund	Animal Control Fund
Change in Net Position	(\$166,157)	(\$3,046)
Unrestricted Net Position 12/31/2014	17,683	17,186
Unrestricted Net Position 12/31/2013	55,142	20,232



Agency Funds

	<ul style="list-style-type: none">Funds Held for Others	
--	---	--

- \$406,736

- Entrepreneurial Center \$234,326
- Wausau Events \$112,545
- Main Street \$59,865



Economic Development

- Business Campus \$8 million
 - Four Facility Expansions
 - Relocation of Plant from Colorado
- Medical Facilities \$14 million
 - Two New Facilities
- Commercial Construction \$19.5 million
 - Seven Facilities
- Multi Family Housing \$ 9 million
 - 200 Units
- Redevelopment Projects
 - 4 Significant Projects
 - Riverfront RFP's this fall
 - Downtown Brownstone Project
 - Culinary School/Food Incubator/Public Market
- Athletic Park Improvements \$3 M



A large, empty rectangular box with a thin black border, intended for text or a drawing.



MANAGEMENT COMMUNICATIONS
CITY OF WAUSAU, WISCONSIN
DECEMBER 31, 2014

CITY OF WAUSAU, WISCONSIN
December 31, 2014

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Schenck
sc

CPAs AND SO MUCH MORE.

To the Honorable Mayor and City Council
City of Wausau, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Wausau, Wisconsin (the "City") for the year ended December 31, 2014. The City's financial statements, including our report thereon dated June 26, 2015, are presented in a separate audit report document. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on major federal and state programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. Also in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and the *State Single Audit Guidelines* applicable to each of its major federal and state programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our correspondence about planning matters.



Significant Audit Findings

Consideration of Internal Control

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control. Our report on internal control over financial reporting and on compliance and other matters is presented on pages 1 - 2 of the single audit report.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. To the best of our knowledge, all significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates included in the financial statements were:

Management's estimate of the fair value of investments is based upon the report of investment managers and custodians. We evaluated the key factors and assumptions used in developing the fair value estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post employment benefits is based on an actuarial report. We evaluated the key factors and assumptions used to develop the other post employment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the depreciable life of the capital assets is based upon analysis of the expected useful life of the capital assets. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of accumulated sick leave is based upon analysis of the employees sick leave balance. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the accumulated sick leave liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management estimated an allowance for uncollectible accounts for accounts receivable outstanding. These estimates are based upon management's knowledge of, and past experience with the outstanding balances. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The financial statements reflect all accounting adjustments proposed during our audit. Copies of the audit adjustments are available from management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 26, 2015. The management representation letter follows this communication.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and, to the best of our knowledge, our responses were not a condition to our retention.

In addition, during our audit, we noted certain other matters that are presented for your consideration. We will review the status of these comments during our next audit engagement. Our comments and recommendations are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these matters in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized in the comments and observations section of this report.

Other Matters

We applied certain limited procedures to the budgetary comparison schedule and the schedule of funding progress, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the nonmajor fund combining statements, individual fund statements, supporting schedules, and statistical data, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the City Council, and management of City of Wausau and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Certified Public Accountants
Wausau, Wisconsin
June 26, 2015

SUMMARY FINANCIAL INFORMATION

1. Governmental Fund Balances

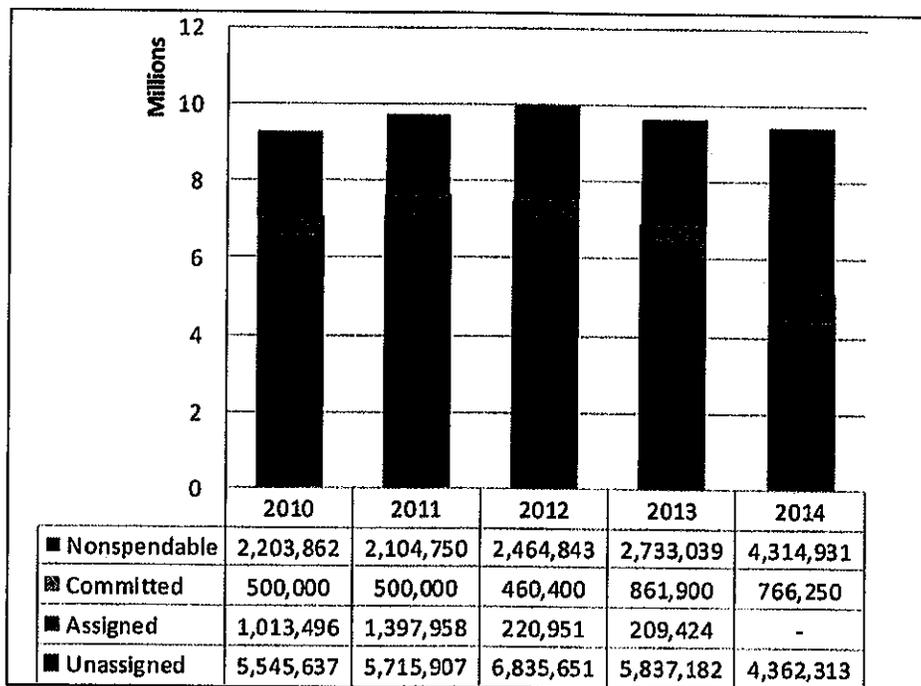
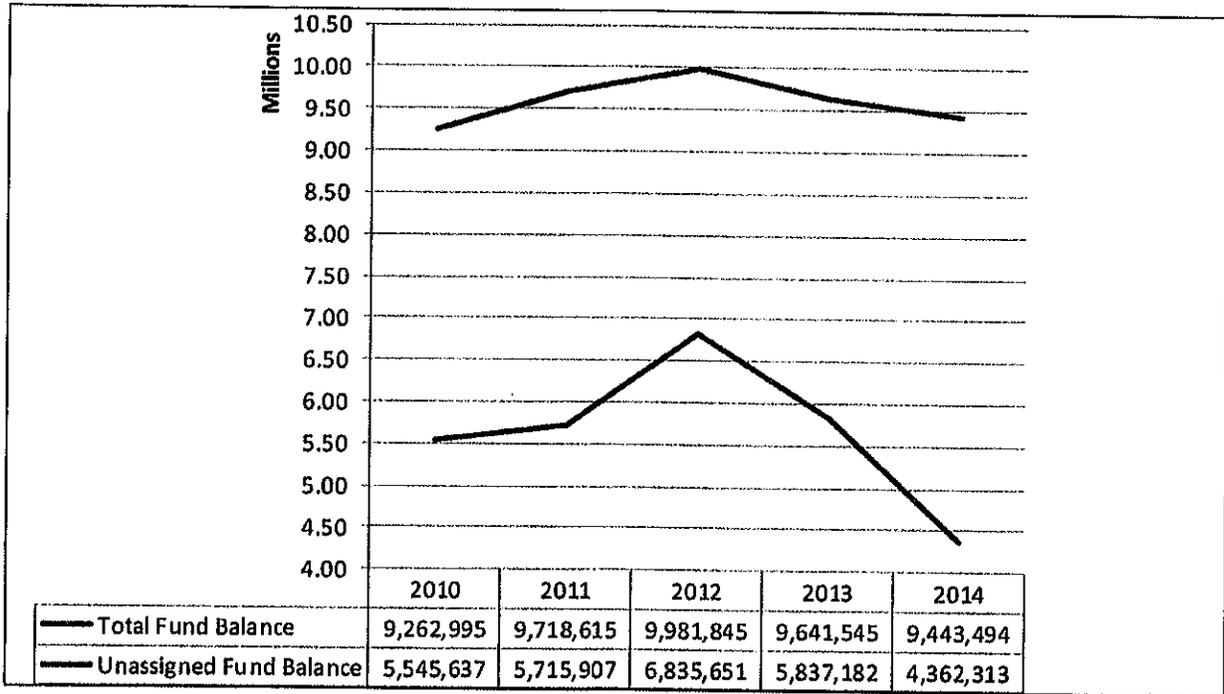
Presented below is a summary of the various City governmental fund balances on December 31, 2014, including a comparison to the prior year. This information is presented for assisting management in assessing financial results for 2014 and for indicating financial resources available for the start of the 2014 budget year.

	12/31/14	12/31/13
General Fund		
Nonspendable		
Advances	\$ 3,899,019	\$ 2,405,049
Inventories and prepaid items	415,912	327,990
Committed	766,250	861,900
Assigned to subsequent year's expenditures	-	209,424
Unassigned	4,362,313	5,837,182
Total General Fund	9,443,494	9,641,545
Special Revenue Funds		
Grants	1,226,588	1,218,804
HUD Mortgage	18,865	13,954
DLAD Mortgage Program	507,461	519,322
Economic Development	375,403	410,458
Federal Rent Rehabilitation	344,865	349,147
WRRP Rehabilitation	1,337,190	1,106,167
Holtz-Krause Clean Up	1,685,936	1,810,082
Hazardous Materials Emergency Response	94,079	90,898
Housing Stock Improvement	633,390	-
Room Tax	89,436	130,525
Public Access Cable	5,764	3,643
Recycling	2,701	-
TID #2	-	261,676
EMS Grant	11,237	53,257
Rental Licensing	13,489	-
Other grants & Special Purpose Accounts	593,115	570,085
Total Special Revenue Funds	6,939,519	6,538,018
Debt Service Fund	741,269	666,846
Capital Projects Funds		
Capital Improvements	4,002,210	5,709,269
TID #3	(3,248,091)	(2,105,440)
TID #5	(198,888)	(309,353)
TID #6	(630,845)	(309,591)
TID #7	(1,776,943)	(1,524,184)
TID #8	105,706	(25,872)
TID #9	(90,985)	(9,872)
TID #10	69,627	(1,000)
Total Capital Projects Funds	(1,768,209)	1,423,957
Total Governmental Fund Balances	\$ 15,356,073	\$ 18,270,366

The unassigned general fund balance of \$4,362,313 represents a balance of 13.9% of the annual general fund budget. As a general guideline, cities should maintain a minimum of two months expenditures as unassigned general fund balance or approximately 16.67% of the annual general fund budget. We recommend the City monitor the unassigned fund balance levels during the budget process.

2. Fund Balance Analysis - General Fund

Presented below is a fund balance analysis of the General Fund for the years 2010-2014. This information is presented for assisting management in assessing fund balance at the end of fiscal year 2014 and how it compares to prior years.



3. Water Utility

Presented below is a comparative summary of revenues, expenses and changes in net position for the water utility enterprise fund for the years ended December 31, 2014 and 2013.

	2014	2013
Operating Revenues		
Charges for services	\$ 4,513,955	\$ 4,607,291
Operating Expenses		
Operation and maintenance	2,562,127	2,211,938
Depreciation	1,134,041	932,824
Total Operating Expenses	<u>3,696,168</u>	<u>3,144,762</u>
Operating Income	<u>817,787</u>	<u>1,462,529</u>
Nonoperating Revenues (Expenses)		
Interest expense	(59,160)	(82,155)
Interest income	91	574
Amortization	(9,550)	(31,516)
Total Nonoperating Revenues (Expenses)	<u>(68,619)</u>	<u>(113,097)</u>
Income before Capital Contributions and Transfers	749,168	1,349,432
Capital contributions	10,768	33,475
Transfers	<u>(1,066,363)</u>	<u>(1,073,712)</u>
Change in Net Position	(306,427)	309,195
Net Position - January 1	<u>34,342,364</u>	<u>34,059,400</u>
Net Position before Cumulative Effect of Change in Accounting Principle	34,035,937	34,368,595
Cumulative Effect of Change in Accounting Principle	-	<u>(26,231)</u>
Net Position - December 31	<u>\$ 34,035,937</u>	<u>\$ 34,342,364</u>

The water utility had a change in net position of (\$306,427) for 2014 compared to a change in net position of \$309,195 for 2013. This was mostly due to an increase in operating expenses.

4. Wastewater Utility

Presented below is a comparative summary of revenues, expenses and changes in net position for the wastewater utility enterprise fund for the years ended December 31, 2014 and 2013:

	2014	2013
Operating Revenues		
Charges for services	\$ 5,365,411	\$ 5,291,328
Operating Expenses		
Operation and maintenance	2,782,434	2,597,587
Depreciation	1,193,943	1,197,176
Total Operating Expenses	<u>3,976,377</u>	<u>3,794,763</u>
Operating Income	<u>1,389,034</u>	<u>1,496,565</u>
Nonoperating Revenues (Expenses)		
Interest expense	(47,018)	(53,055)
Interest income	3,438	5,632
Gain (loss) on sale of assets	14,500	-
Total Nonoperating Revenues (Expenses)	<u>(29,080)</u>	<u>(47,423)</u>
Income before Capital Contributions and Transfers	1,369,954	1,449,142
Capital Contributions	16,571	49,399
Transfers	<u>(475,000)</u>	<u>(450,000)</u>
Change in Net Position	901,525	1,048,541
Net Position - January 1	<u>36,991,481</u>	<u>35,954,645</u>
Net Position before Cumulative Effect of Change in Accounting Principle	37,893,006	37,003,186
Cumulative Effect of Change in Accounting Principle	-	<u>(11,705)</u>
Net Position - December 31	<u>\$ 37,893,006</u>	<u>\$ 36,991,481</u>

The wastewater utility generated a change in net position of \$901,525 for 2014 compared to a change in net position of \$1,048,541 for 2013. This was mostly due to an increase in operating expenses.

5. Parking Utility

Presented below is a summary of revenues, expenses and changes in net position for the parking utility enterprise fund for the year ended December 31, 2014 and 2013:

	2014	2013
Operating Revenues		
Charges for services	\$ 1,139,420	\$ 1,088,714
Operating Expenses		
Operation and maintenance	1,121,179	1,305,602
Depreciation	668,498	666,786
Total Operating Expenses	<u>1,789,677</u>	<u>1,972,388</u>
Operating Income (Loss)	<u>(650,257)</u>	<u>(883,674)</u>
Nonoperating Revenues (Expenses)		
Property taxes	<u>224,000</u>	<u>300,000</u>
Income (Loss) before Capital Contributions	(426,257)	(583,674)
Capital contributions	-	294,991
Transfers	<u>(62,000)</u>	<u>-</u>
Change in Net Position	(488,257)	(288,683)
Net Position - January 1	<u>19,793,584</u>	<u>20,082,267</u>
Net Position - December 31	<u>\$ 19,305,327</u>	<u>\$ 19,793,584</u>

The parking utility generated a change in net position of (\$488,257) for 2014 compared to (\$288,683) for 2013. This was mostly due to a decrease in capital contributions.

6. Metro Ride Transit

Presented below is a summary of revenues, expenses and changes in net position for the metro ride transit enterprise fund for the year ended December 31, 2014 and 2013:

	2014	2013
Operating Revenues		
Passenger fares	\$ 497,431	\$ 501,262
Intergovernmental	2,227,192	1,976,766
Other	-	376
Total Operating Revenues	<u>2,724,623</u>	<u>2,478,404</u>
Operating Expenses		
Operation and maintenance	3,314,735	3,030,531
Depreciation	581,049	582,721
Total Operating Expenses	<u>3,895,784</u>	<u>3,613,252</u>
Operating Income (Loss)	<u>(1,171,161)</u>	<u>(1,134,848)</u>
Nonoperating Revenues (Expenses)		
Property taxes	<u>679,289</u>	<u>679,289</u>
Income (Loss) before Capital Contributions	(491,872)	(455,559)
Capital contributions	<u>-</u>	<u>50,902</u>
Change in Net Position	(491,872)	(404,657)
Net Position - January 1	<u>5,265,063</u>	<u>5,669,720</u>
Net Position - December 31	<u>\$ 4,773,191</u>	<u>\$ 5,265,063</u>

Metro ride transit generated a change in net position of (\$491,872) for 2014 compared to \$(404,657) in 2013 mostly due to an increase in operating expenses for the year.

COMMENTS AND OBSERVATIONS

1. Capital Asset Inventory

The City conducts an inventory of capital assets for reporting purposes in the City's financial statements on a periodic basis. Typically this is done once every few years. While we did not note any issues with the capital assets as reported in the City's financial statements, we did notice that full inventory counts or department surveys were not conducted annually.

We recommend the City conduct a department survey on a yearly basis to more accurately update the capital asset records for the financial statements. This would entail giving a list of assets to each department or responsible person toward the end of the year and having them update the list. This would involve adding in new assets and removing assets that are no longer in service. The finance department would then have verification from the department to support the financial transactions during the year. Any discrepancies could be investigated in a timely manner and the financial statements updated. We also recommend a full inventory be taken on a periodic basis to support the annual surveys.

MANAGEMENT RESPONSE: Thank you for recognizing our recent efforts to improve fixed asset accounting. When the Finance Department's utility accountant position became vacant in early 2014, the position was evaluated and accounting duties were reprioritized and clarified within the job description. The new staff member, hired on March 31, 2014 under this new job description, was successful in automating the old paper fixed asset detail records of the water and sewer utility. She also worked extensively with the individual departments to review existing asset inventory and update the general city fixed assets at the December 31 of 2014. The job description includes ongoing management of the fixed assets which will include regular inventory updates and surveys.

2. Financial Statement Lead Schedules

Formal "lead schedules" that support each number on the City's financial statements are an important part of the internal documentation that is needed for the financial statements each year. During the audit we were able to obtain all the necessary documentation that supports the financial statements. However, we feel these formal lead schedules are a "best practice" that can improve the internal control over your financial statements.

We recommend the City finance department formalize and retain lead schedules for all numbers on the financial statements. Most of the numbers on the financial statements tie directly to the City's general ledger system so this task is easily obtainable. However, there are a number of components on the financial statements that require adjustments. These items are the main reasons for the formal lead schedules and would provide the most benefit for your internal controls over financial statements. Examples could be a spreadsheet or utilizing the general ledger system along with notations of adjustments.

We can provide examples that other municipalities use and provide assistance if needed.

MANAGEMENT RESPONSE: Our financial system does generate lead schedules as described in the management letter and we utilize this capability to generate our financial statements and evaluate for accuracy. In the future we will generate the lead schedules prior to the auditor's arrival for their review.

COMMENTS AND OBSERVATIONS (Continued)**3. Inspection Department Billing**

During our interim audit phase, we noted that the Inspection Department was behind in billing invoices. We followed up during the final audit phase and the billing situation had not changed. We also noted that a receivable adjustment of over \$15,000 was made to bring the accounts receivable balance on the City's financial statements to the current, updated level. This adjustment was for approximately 5 months of invoices that hadn't been billed prior to year end.

We recommend the finance department work with the inspections department and set up a plan to get caught up and be current in billing all invoices in a timely manner to be in compliance with the City ordinance. This plan could include additional assistance to get caught up or developing a more efficient process to keep current. Timely billing of invoices is important for many reasons including the fact that the collection percentage is much greater on billings kept current versus invoices that are 4-5 months late. Also, the adjustment for receivables on the City's financial statements would be minimal and therefore less chance of an error being made.

MANAGEMENT RESPONSE: 2014 invoicing was brought up-to-date in April and we are up-to-date for 2015.

2014 was especially taxing on staff with the development and implementation of the rental licensing and inspection program initiated by Council, and then unfortunately a delay in receiving a court decision on the validity of the program caused much more additional work in December in order to process those licenses before year-end. Other challenges that caused delays are cumbersome processes between our current permitting system and Cayenta; we were assisting the Water Department with their cross connection and private well permit programs which they are under mandates by the WDNR; staff shortages/reductions (without a Plumbing Inspector from October 2014 to April and without a full-time Electrical Inspector for five years); as well as the change to Active Directory in December 2013 impacted processing of invoices.

Our new permitting and inspection software will significantly benefit the City with any invoicing being automatically generated in that system and it will allow for better reporting and tracking capabilities.

4. Unassigned Fund Balance

As noted on page 4 and 5, unassigned general fund balance as a percentage of City expenditures is under 14%. Total general fund balance also decreased by just under \$200,000. Having an unassigned fund balance be a minimum of 2 months expenditures (or 15-20% of expenditures) is the industry standard for minimum unassigned fund balance. Having an adequate carryover balance in unassigned fund balance is important to help offset any emergencies that come up during the year.

As noted on the first graph on page 5, unassigned fund balance has been decreasing since 2012 and has decreased a total of \$2,473,338 from 2012 to 2014.

We recommend care be taken during the budget process to work toward increasing the unassigned general fund balance. This could be done by making sure the final adopted budget is obtainable to avoid the situation where the actual expenditures are over budget. Another important step is to work with departments throughout the year to keep actual expenses at or under budget. To be successful this needs to be a joint effort by both management and elected officials in preparing an accurate, yet obtainable budget within the levy limits and monitoring the results throughout the year.

MANAGEMENT RESPONSE: Over the last five years total fund balance has fluctuated between from a low in 2010 of \$9,262,995, a high in 2012 of \$9,981,845 and the current balance in 2014 of \$9,443,494. The major cause for the reduced unassigned fund balance is the long term advances to Tax Increment Districts Three and Seven. The City has a number of options to deal with tax increment district deficits:

1. Fund the deficits with dollars from other funds on a long term basis
2. Levy for these deficits
3. Delay city investment in redevelopment until after development has occurred
4. Structure TID debt repayment for longer term debt issues, deferred principal repayment or balloon payments
5. Look to establish Tax Increment District Five as a donor district to bring additional revenues to Tax Increment District Number Three and reduce the deficits
6. Increase marketing and development efforts within the city to bring higher property values to the community and increased taxes.

This may not be an exhaustive list and each option will have other positive and negative impacts. The options can be considered alone or jointly.

The second major impact to the unassigned fund balance and the total fund balance change is annual general fund profits or losses. The General Fund experienced a loss in 2014. The major influences in the 2014 financial outcome were: significant snowfalls which dramatically increased street winter maintenance expenses, extraordinary amount of water main breaks reduced service revenue to the general fund from the water utility since the repair work was outsourced, four yearend sick leave payouts in the fire department which eliminated the ability to recover the costs during staffing vacancies, further declines in fines and forfeitures revenue, the reduced pilot payment from the water utility due to the reduced NTC tax rate and significant spikes in facility heating costs. Continued downward pressure on the tax rate results in leaner budgets which are less able to withstand negative financial influences. The department continues to communicate the known financial risks and advocates appropriate budget levels.

APPENDIX



June 26, 2015

Schenck SC
311 Financial Way
Suite 100
Wausau, WI 54401

This representation letter is provided in connection with your audit of the financial statements of the City of Wausau, (the "City"), which comprise the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of December 31, 2014, and the respective changes in the financial position and where applicable, cash flows for the year then ended, and the related notes to the financial statements for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items in No. 51 are considered material based on the materiality criteria specified in OMB Circular A-133 and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 26, 2015, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 20, 2014, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. In regards to accounting estimates:
 - The measurement processes used by management in determining accounting estimates is appropriate and consistent.

Schenck SC
June 26, 2016
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- **The assumptions appropriately reflect management's intent and ability to carry out specific courses of action.**
 - **The disclosures related to accounting estimates are complete and appropriate.**
 - **No subsequent event has occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.**
4. **We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.**
 5. **We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.**
 6. **Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.**
 7. **Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.**
 8. **Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.**
 9. **The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.**
 10. **Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.**

Information Provided

11. **We have provided you with:**
 - a. **Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.**
 - b. **Additional information that you have requested from us for the purpose of the audit.**
 - c. **Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.**
 - d. **Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.**
12. **All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedules of expenditures of federal awards and state financial assistance.**

13. We made an assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have disclosed the results of our assessment as follows:
 - a. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - i. Management,
 - ii. Employees who have significant roles in internal control, or
 - iii. Others where the fraud could have a material effect on the financial statements.
 - b. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
14. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
15. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
16. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government - specific

17. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
18. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
19. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred inflows/outflows of resources, or equity.
20. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
21. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
22. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
23. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

24. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
25. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
26. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
27. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
28. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
29. The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
30. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
31. Components of net position (net investment in capital assets, restricted, and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
32. Provisions for uncollectible receivables have been properly identified and recorded.
33. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
34. Revenues are appropriately classified in the statement of activities within program revenues or general revenues.
35. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
36. Deposits and investment securities and derivative transactions are properly classified as to risk and are properly disclosed.
37. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
38. Joint ventures, jointly governed organizations, and other related organizations have been properly disclosed in the financial statements.
39. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

40. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes
41. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
42. We acknowledge our responsibility for presenting the nonmajor fund combining statements, individual fund statements, supporting schedules, and statistical data (the supplementary information) in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
43. We agree with the findings of specialists in evaluating the other post-employment benefits, and incurred but not reported claims and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
44. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the City's name" during the period significantly exceeded the amounts in those categories as of the balance sheet was properly disclosed in the financial statements.
45. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
46. The methods and significant assumptions used to determine fair values of financial instruments are as follows: Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
47. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
48. Provision has been made for any material loss that is probable from environmental remediation liabilities associated with Holtz-Krause Landfill Site. We believe that such estimate is reasonable based on available information and that the liabilities and related loss contingencies and the expected outcome of uncertainties have been adequately described in the financial statements.
49. We believe that the actuarial assumptions and methods used to measure OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Schenck SC
June 28, 2016
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50. We do not plan to make frequent amendments to our post-retirement benefit plans.

51. With respect to federal and state award programs:

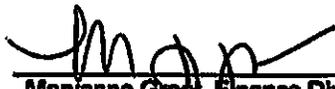
- a. We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, including requirements relating to preparation of the schedule of federal awards and the schedule of state financial assistance.**
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 §310.b and the schedule of state financial assistance (SSFA) in accordance with the requirements of the *State Single Audit Guidelines* and we believe the SEFA and SSFA, including their form and content, are fairly presented in accordance with the Circular and the Guidelines. The methods of measurement or presentation of the SEFA and SSFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA and SSFA.**
- c. If the SEFA and SSFA are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and SSFA information no later than the date we issue the SEFA and SSFA and the auditors' report thereon.**
- d. We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and the *State Single Audit Guidelines* and have included in the SEFA and SSFA expenditures made during the audit period for all awards provided by federal and state agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.**
- e. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal and state program.**
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provide reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended.**
- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal and state programs and related activities.**
- h. We have received no requests from a federal or state agency to audit one or more specific programs as a major program.**

- i. **We have complied with the direct and material compliance requirements, (except for noncompliance disclosed to you) including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines*, relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal and state awards.**
- j. **We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.**
- k. **We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.**
- l. **Amounts claimed or used for matching were determined in accordance with relevant guidelines in *OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments*, and *OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.**
- m. **We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.**
- n. **We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.**
- o. **We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.**
- p. **There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.**
- q. **No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.**
- r. **Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.**
- s. **The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal and state agency or pass-through entity, as applicable.**
- t. **We have charged costs to federal and state awards in accordance with applicable cost principles.**
- u. **We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by *OMB Circular A-133* and the *State Single Audit Guidelines* and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.**

Schenok SC
June 26, 2015
Page 8

- v. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
 - w. We are responsible for preparing and implementing a corrective action plan for each audit finding.
52. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Signed:



Maryanne Great, Finance Director

Signed:



Richard Whalen, Assistant Finance Director



STAFF REPORT ON REFUSE AND RECYCLING SERVICES CONTRACT

TO: PUBLIC HEALTH AND SAFETY COMMITTEE

FROM: MARYANNE GROAT

DATE: July 21, 2015

BACK GROUND INFORMATION

Attached is the contract for Refuse and Recycling Services with Harter's Fox Valley Disposal, LLC. This contract is based upon the RFP submitted to the City and awarded by the Common Council. The basic terms of the contract are:

- January 1, 2016 to March 31, 2026
- Option to renew for an additional 7 years at the option of Common Council
- Fees as stated in the RFP
- Contractor provides a 65 and 95 gallon cart to each single, duplex, triplex, fourplex and each condominium building with 6 or less units within the City
- Single Stream biweekly curbside pickup of recycling materials contained within the contractor provided cart
- Curbside pickup of refuse materials contained within the contractor provided cart
- Collection of refuse and recycling within City Facilities
- Roll Off Containers for Spring Clean Up if conducted by the City
- Christmas Tree collection for the month of January
- Provisions for resident cart size changes or extra carts and related additional charges to the resident after a 90 day implementation period
- Establishing the curbside cart locations and the 4 foot separation from obstacles
- Optional residential yard waste and bulk item pick up

The Public Health and Safety Committee approved the ordinance modification which will be implemented January 1, 2016 to support the contract terms. The ordinance and the contract will be presented to the Common Council for consideration on August 11.

RESIDENTIAL SOLID WASTE AND RECYCLING SERVICE AGREEMENT

THIS AGREEMENT made this ____ day of _____, 2015, 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 Harter’s Fox Valley Disposal LLC, hereinafter referred to as “Contractor.”

WHEREAS, City provides residential solid waste and recyclable collection services to its citizens and Contractor is in the business of providing such residential solid waste and recyclable collection services; and

WHEREAS, the granting of an exclusive Agreement to a private company for the collection, transportation and disposal of solid waste and recyclables is a valid function of City authority to act for the government and good order of the City; and

WHEREAS, City and Contractor are desirous of entering into this Agreement, under the terms of which Contractor shall have an exclusive Agreement for the period of time specified herein for the collection of solid waste and recyclables; and,

WHEREAS, the City and Contractor have agreed to the conditions, terms, rates, provisions and considerations under which Contractor shall perform such solid waste and recyclable collection and for the compensation as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1.0 Definitions. For purposes of this Agreement the following terms and phrases shall be defined as follows:

1.1. “Bulk Items” means discarded residential items that are heavier than fifty (50) pounds in weight, or are otherwise not able to fit within an approved empty Cart. Such items include but are not limited to furniture, chairs, couches, tables, mattresses, box springs, carpeting/padding, snow blowers, push and riding lawn mowers, disassembled outdoor play equipment, large toys, bicycles, and fish aquariums.

1.2. “Cart” means a wheeled rollout receptacle for the collection of Residential Solid Waste and for Recyclables. Carts shall be constructed of plastic, have fitted hinged lids, handles of adequate strength for lifting and be compatible with standard automated lifting collection systems. Carts may be changed by customers at Residential Units only as provided in Section 2.7.

1.3. “City Facilities” means those locations within the City set forth on Exhibit 1 attached to this Agreement and made a part hereof.

1.4. “Curbside” means a location that is within three (3) feet of the curb and on the paved surface of the public or private road, within the resident drive approach or along the alley way, or other location designated by Contractor.

1.5 “Dumpster” means the larger steel containers up to eight (8) cubic yards that are used at City Facilities.

1.6. “Electronic Devices” means any of the following devices as defined in Wis. Stat. §287.07(5), including but not limited to facsimile machines, digital video players, video cassette recorders, televisions, consumer computers, consumer printers, and telephones.

1.7. “Major Appliances” includes but is not limited to residential or commercial air conditioners, clothes dryers, clothes washers, dishwashers, freezers, refrigerators, microwave ovens, stoves, ovens, furnaces, boilers, dehumidifiers, and water heaters.

1.8. “Recyclables” means those materials collected for beneficial reuse or remanufacturing, including but not limited to plastic containers labeled 1-7; HDPE containers; PET containers; glass, aluminum, and steel containers; containers for carbonated or malt beverages primarily made of a combination of steel and aluminum; corrugated cardboard or other container board; newspaper or other material printed on newsprint; magazines or other material printed on similar paper; office paper; foam polystyrene packaging and aseptic containers.

1.9. “Residential Unit” means the following dwelling units located within the City of Wausau: single family detached dwellings; each unit of a duplex, triplex, or fourplex; mobile homes; and, residential condominium units located in a structure which contains not more than eight (8) residential dwelling units. Residential multi-family dwellings of five (5) or more units other than the foregoing described residential condominium units are excluded.

1.10. “Residential Solid Waste” means all normal domestic household garbage and rubbish generated by a Residential Unit including but not limited to all kitchen and table food waste, animal or vegetative waste attendant with or that results from the storage, preparation, cooking or handling of food materials, paper, rags, cardboard, cartons, wood, rubber, crockery, glassware, metallic ware, sweepings, or other similar wastes. Residential Solid Waste shall also include during the month of January, Christmas trees cut into four (4) foot lengths. Residential Solid Waste excludes Unacceptable Waste.

1.12. “Single Stream” means the process of accumulating all Recyclables within one Cart without separation or sorting of materials by the City or customers with the materials to be separated for reuse or recycling by Contractor.

1.13. “Solid Waste” means that garbage and rubbish generated by City Facilities in the ordinary course of the facility’s daily operations including but not limited to food waste,

animal or vegetative waste attendant with or that results from the storage, preparation, cooking or handling of food materials, paper, rags, cardboard, cartons, wood, rubber, crockery, glassware, metallic ware, sweepings, or other similar wastes.

1.14. “Unacceptable Waste” means hazardous waste as defined in Wis. Stat. s. 291.05(1), (2) or (4); all materials or items prohibited from disposal or incineration at a solid waste disposal facility pursuant to Wis. Stat. s. 287.07 including but not limited to waste tires, lead acid batteries, remodeling or demolition materials, new construction debris, concrete, bricks, paving materials, and soil; and, large tree debris, stumps, and shrubs with intact root balls and Electronic Devices.

1.15. “Yard Waste” means that solid waste consisting of solely vegetative matter resulting from landscaping maintenance such as leaves, grass clippings, yard and garden debris and brush including clean woody vegetative materials no greater than six (6) inches in diameter. Yard Waste excludes stumps, roots or shrubs with intact root balls.

2.0. Services Provided. Contractor shall collect and dispose of Residential Solid Waste and Recyclables from every Residential Unit located within the City in an efficient manner with emphasis on providing quality customer service to the residents of the City of Wausau. Contractor shall also collect and dispose of Solid Waste and Recyclables from City Facilities. Title to Residential Solid Waste, Solid Waste, and Recyclables shall pass to the Contractor once it is placed in the vehicle under control of the Contractor.

2.1. Residential Solid Waste. Contractor shall collect Residential Solid Waste that is timely placed in a Cart from each Residential Unit at Curbside one (1) time per week. All Residential Solid Waste collected by Contractor shall be delivered to Wisconsin DNR licensed and approved landfill.

2.2. Recyclables. Contractor shall collect Single Stream Recyclables that are timely placed in a Cart from each Residential Unit at Curbside biweekly on the same day as Residential Solid Waste collection. Contractor shall collect Single Stream Recyclables from City Facilities on the days and as provided in the schedule set forth on Exhibit 1. Contractor shall cause the delivery of all Recyclables to a WI DNR licensed and self-certified material recovery facility.

2.3. Solid Waste at City Facilities. Contractor shall collect Solid Waste from City Facilities according to the schedule set forth on Exhibit 1. Rates for Solid Waste collection and Recyclables from City Facilities for the initial year of this Agreement shall be as set forth on Exhibit 2. The rates paid to Contractor for such collection shall escalate on January 1 of each year thereafter by two (2) percent. The City shall be invoiced monthly for such services with the invoice detailing each specific facility location and cost.

2.4. Collections.

2.4.1. Time. Collection of Residential Solid Waste and Recyclables shall begin no earlier than 5:45 a.m. and shall be completed no later than 6:00 p.m. Collection shall be performed Monday through Friday and only on Saturday in the event Contractor is responding to a complaint at a Residential Unit, extraordinary weather conditions or Holiday adjustments.

2.4.2. Holidays. The following legal holidays shall be observed by the Contractor (“Holiday”): New Year’s Day, Memorial Day, Independence Day (4th of July), Labor Day, Thanksgiving Day, and Christmas Day. During the week of a Holiday, if the normally scheduled collection day falls on or after the Holiday, the Contractor shall provide collection services on the next business day.

2.4.3. Manner of Collection. Contractor shall make collections with minimal noise and disturbance. Contractor shall ensure that no Solid Waste, Residential Solid Waste, or Recyclable spilled during the collection process or any containers or Carts are left or scattered on any property, public or private, to include any lawn, drive, boulevard, street, alley or roadway.

2.4.4 Delay of Collection. In the event of weather conditions, equipment failure, or other cause that delays or necessitates a change of collection schedule, the Contractor shall notify the City of Wausau, Director of Public Works within thirty (30) minutes of its determination that such delay or schedule change will occur.

2.5. Collection Routes; Modifications. Contractor shall provide the City within thirty (30) days of execution of this Agreement a collection schedule and route plan for services provided under this Agreement. Such schedule and route plan shall be subject to the approval of the City, which approval shall not be unreasonably withheld. Contractor shall, at no additional expense to City, notify all Residential Units within the collection area of any change in the days of collection, including those changes occurring as a result of a Holiday, such notification being made pursuant to advance publication by display ad in the *Wausau Daily Herald*. At least thirty (30) days prior to Contractor issuing a notice of schedule or route change, said notice shall be sent to City for review and approval, such approval not to be unreasonably withheld; provided, however, during the initial implementation period of this Agreement, from January 1, 2016, through February 15, 2016, the Contractor may make changes to the schedule and route plan subject to the approval of the City upon five (5) days written notice to the City.

2.6. Customer Obligations. Contractor shall not be required to collect any Residential Solid Waste or Recyclables if such Residential Solid Waste or Recyclables have not been deposited in the appropriate Cart and timely placed at Curbside in accordance with this Agreement. Notwithstanding the foregoing, Contractor acknowledges, however, as a result of alleyways or other tight spaces, or where the number of Carts to be placed for

collection are too great for the available area, access by Contractor's automated trucks to a minor number of Residential Units may be impractical or infeasible and Contractor shall provide manual collection for these Residential Units. Contractor has the right to refuse to collect all Unacceptable Waste.

2.7. Carts. Contractor shall furnish and deliver one (1) sixty five (65) (or the nearest equivalent depending upon the manufacturer) gallon Residential Solid Waste Cart and one (1) ninety five (95) (or the nearest equivalent depending upon the manufacturer) gallon Recyclables Cart to each Residential Unit by December 23, 2015. Carts required to be provided under this Agreement shall be provided at Contractor's expense. Contractor shall attach educational materials to the top of each Cart upon delivery of the Cart. The educational materials will be provided to Contractor by the City at no cost to Contractor. The Cart body color will be universal for all Carts with a lid color to vary in order to distinguish between Residential Solid Waste Carts and Recyclable Carts.

2.7.1 Cart Inventory. Contractor shall develop and provide to City, an inventory and electronic database of the Cart sizes, Cart barcode number and corresponding address of all Carts delivered by December 30, 2015. Contractor shall provide City with an updated annual report for the previous calendar year by February 1, of the Cart sizes, bar code number and corresponding address. Contractor shall maintain, repair or replace Carts as needed, at its expense, throughout the term of this Agreement.

2.7.2. General. Each Residential Unit has the responsibility to properly use and safeguard Contractor's carts. Contractor shall have the right to charge a Residential Unit customer Seventy Five and No/100 Dollars (\$75.00) per Cart (including delivery fee) for the cost of replacement of any Cart if such replacement is required as a result of abuse, misuse, damage, fire, or theft. Upon the initial delivery of Carts to a Residential Unit, a customer at such Residential Unit shall not be permitted to exchange the delivered Residential Solid Waste Cart for a different size for a ninety (90) day period.

2.7.3 Cart Size Changes. Cart size changes will be limited to one change per year for each Residential Unit. Contractor shall have the right to charge a customer at a Residential Unit requesting a change in Cart size a one-time fee of Twenty Five and No/100 Dollars (\$25.00). In addition, Residential Units electing a ninety five (95) gallon Residential Solid Waste Cart shall be obligated to pay the contractor Twenty Five and No/100 Dollars (\$25.00) annually. The Contractor shall receive no compensation from the City for any change in Cart size requested by a customer at a Residential Unit.

2.7.4. Additional Carts. Customers at Residential Units may request additional Carts beyond the two (2) Carts to be provided under this Agreement. Customers at Residential Units requesting such additional Carts shall make arrangements for collection of Residential Solid Waste or Recyclables from such extra Carts directly with Contractor and shall be billed by and pay the collection rates for such additional Cart collection and the cost of any additional Carts directly to Contractor as set forth in

Exhibit 3. The Contractor shall receive no compensation from the City for any collection service due to additional Carts.

2.7.5 Location of Carts for Collection. The City shall require occupants of each Residential Unit to place Carts Curbside for collection service or placed as close to the roadway or alleyway as practicable without interfering with or endangering the movement of vehicles or pedestrians and at least four (4) feet away from obstructions. The City shall require the occupants of each Residential Unit not accessible to automated collection vehicles to place Carts at an accessible location on a publicly-owned roadway as determined by the Contractor. Contractor may decline to collect any Residential Solid Waste or Recyclables not placed in the Cart.

2.8. Customer Service; Complaints; Missed Collections.

Contractor shall furnish each Residential Unit with instructions for contacting Contractor by local telephone or through email correspondence for information or for service complaints and maintain staff to respond to such telephone calls or email correspondence during normal business hours. Contractor shall also maintain a public web page containing such contact information. Contractor shall receive directly through such local telephone or email correspondence, and shall respond to, complaints on missed collection, container damage, spillage and the like. All complaints regarding missed collection shall be responded to within thirty-six (36) hours of the complaint; all other complaints shall be resolved in a timely and reasonable manner. All complaints shall be given courteous attention.

2.9. Recordkeeping.

2.9.1. Recycling Reports. Contractor shall provide City with copies of contracts it maintains 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 which it shall provide quarterly to the City. Contractor shall further provide, on a monthly basis, a list of all households whose recyclable material was in an unacceptable condition.

2.9.2. Ordinance Compliance. Contractor shall provide a report to City of all those Residential Units of which it is aware that are not in compliance with the terms of City ordinances relating to Residential Solid Waste and Recyclable disposal and Contractor shall cooperate with City in all such enforcement activity.

2.10. Equipment; Personnel.

2.10.1. Equipment. Contractor shall furnish and provide adequate number of motor vehicles, apparatus, and equipment as necessary to perform the services required under this Agreement at Contractor's sole expense. All collection vehicles and equipment shall be in good repair, normal wear and tear excepted, clean, well painted, and

reasonably free of rust. There shall be no leakage of either motor oil or hydraulic oil onto the street surface and loud squealing brake noise shall be investigated and repaired to minimize complaints. Each collection vehicle shall have clearly visible on each side the identity and local telephone number of the Contractor. All Residential Solid Waste and Recyclables collected and hauled by Contractor shall be contained, tied, covered, or enclosed to prevent leaking, spilling, or blowing.

2.10.2. Personnel. Contractor shall provide adequate number of qualified personnel as necessary to perform the services required under this Agreement at Contractor's sole expense. Contractor shall have sole control over its employees and be solely responsible for their supervision and pay. Every Contractor employee who operates a vehicle in in connection with the performance of this Agreement shall, at all times, carry a valid Wisconsin driver's license permitting operation of the type of vehicle the driver is operating. Contractor shall provide operating and safety training for all personnel. Contractor shall 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.

2.11. Compliance with Rules. Contractor shall, without expense to City, comply with all federal, state and local laws, codes, regulations, ordinances, rules, orders, and policies, as well as the giving of notices, applicable to the performance of the services under this Agreement. Contractor shall submit satisfactory evidence of compliance with all federal, state and local laws, codes, regulations, ordinances, rules, orders, and policies to the City upon request.

2.12. Licenses, Fees and Permits. Contractor shall secure and pay for and shall maintain during the term of this Agreement any and all federal, state and local licenses and permits required in order to perform the required services under this Agreement.

3.0. Optional Services.

3.1. Yard Waste. Contractor shall annually make available to all Residential Units an optional Curbside Yard Waste collection service. The service shall be available from mid-April through the end of October. Collection and proper management of Yard Waste shall be provided by the Contractor with automated ninety five (95) gallon Carts which are separate from those provided under Section 2.7. Customers at Residential Units requesting Yard Waste service shall be billed directly by the Contractor based upon the fee schedule set forth on Exhibit 4. The Contractor shall receive no compensation from the City for any Yard Waste service.

3.2 Bulk Items. Contractor shall make available to all Residential Units at a reasonable rate, at least one (1) monthly collection of Bulk items, Major Appliances, and Electronic Devices at the request of a customer at a Residential Unit based upon the fee schedule set forth on Exhibit 5. Customers at Residential Units requesting Bulk Item collection shall be billed directly by the Contractor for such services. The Contractor shall receive no compensation from the City for any Bulk Item collection service.

3.3. Annual Spring Bulk Item Collection. The City has the option upon twenty one (21) days' written notice to Contractor to notify Contractor that the City will be performing a two week springtime Bulk Item, Major Appliance and Electronic Devices collection from all Residential Units, the timing of which shall be scheduled at the sole option of the City. This collection is in addition to the Bulk Item collection set forth in Section 3.2. Items for the springtime Bulk Item and Major Appliance collection shall be collected by the City or dropped off by residents to the City's Department of Public Works (DPW) site. The Contractor shall place up to six (6) forty (40) cubic yard roll-off containers in the DPW site yard to be filled by City employees. Placement of the roll off containers shall be coordinated between Contractor and City employees. Such roll-off containers must permit the City to fill the roll-off containers with an excavator fitted with a grapple. Contractor shall deliver approximately four (4) to six (6) roll-off containers per day for the two week collection period from the DPW site to the Marathon County Landfill. The roll-off containers shall be delivered to the DPW site the week before the springtime Bulk Item and Major Appliance is to begin. Landfill tipping fees will be paid directly by the City to the Marathon County Landfill. The City will compensate the Contractor for each forty (40) cubic yard container dump based upon the fee schedule set forth in Exhibit 6.

4.0. Insurance. Contractor shall, at its sole expense, maintain in effect at all times during the term of this Agreement, insurance coverage with limits not less than those set forth below issued by a company or companies authorized to do business in the State of Wisconsin and satisfactory to the City. Such coverage shall be primary. Prior to execution of the Agreement, the Contractor shall furnish to the City a Certificate of Insurance and upon request, certified copies of the required insurance policies. The Certificate shall name the City, its employees, agents, representatives, and elected or appointed officials as additional insureds. The policy of insurance shall state that coverage shall not be cancelled by the insurer in less than thirty (30) days after the insured and the City have received written notice of such cancellation.

Workers' Compensation Insurance in the amount of the statutory limits under Wisconsin law, and Employer's Liability Insurance in the amount of \$500,000.00.

General Liability Insurance including Products or Completed Operations, Bodily Injury, and Property Damage Liability: \$5,000,000.00

Auto Liability for bodily injury and property damage: \$2,000,000.00

Environmental Impairment Liability or Pollution Liability with coverage of at least \$1,000,000.00 per occurrence and \$1,000,000.00 annual aggregate.

5.0. Indemnification. Contractor shall defend indemnify and hold harmless the City, its employees, agents, representatives, and elected or appointed officials, from and against any and all liabilities, losses, judgments, actions, suits, obligations, debts, demands, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys' fees, of any kind or of any nature whatsoever which may be imposed, incurred, sustained or asserted against the City, its employees, agents, representatives, and elected or appointed officials as a result of any act or omission on the part of the Contractor or others whose services are engaged in by the Contractor or anyone directly or indirectly employed by or controlled by the Contractor arising directly or indirectly in the course of the performance of the work provided for in the Agreement.

6.0. Compensation for Residential Solid Waste and Recyclables.

6.1. Base. Contractor shall receive monthly compensation based upon the unit rate and fee schedule set forth in Exhibit 7. The unit rate includes the cost of all landfill tipping fees and related federal and state taxes, all of which are to be paid by Contractor at its sole cost and expense. A final Residential Unit count shall be performed based upon the actual number of Residential Units at the time of implementation of this Agreement and the City shall be invoiced and billed monthly for services for the first full year of this Agreement based upon such final Residential Unit count. Additions or subtractions to the number of Residential Units shall be made as provided below. The per unit rate(s) shall be charged based upon the actual Residential Unit count and size of Carts delivered to Residential Units upon implementation of this Agreement and adjustments shall be made as provided below:

- A. The Residential Unit count shall thereafter be adjusted annually effective January 2 of each subsequent contract year for the duration of this Agreement as follows: increases shall be made for Residential Units annexed into the City and for newly constructed Residential Units as determined on the basis of the City Department of Public Works, Division of Inspections and Zoning records of new construction permits issued between January 2 of the preceding year and January 2 of the adjustment year. Decreases shall be made as a result of Residential Unit demolitions as determined by the same records and for the same period.
- B. Additions or subtractions of Residential Units may occur effective the first full month following an annexation or detachment of ten (10) or more Residential Units

notwithstanding the provisions of subsection 6.1.B.

- C. The Contractor and City shall make good faith effort to reconcile Residential Unit changes to the Cart additions and deletions.
- D. The unit rate for the Residential Solid Waste Collection and Recyclables shall be adjusted automatically based upon the fee schedule set forth in Exhibit 7.

6.2. Landfill Fees. An adjustment for compensation paid under this Agreement shall be made annually beginning on January 1, 2017, and continuing each year thereafter for the term of this Agreement by comparing a base rate to be applied for purposes of this adjustment of Thirty Two and 22/100 Dollars (\$32.22) for landfill tipping fees (inclusive of all taxes) to the amount of landfill tipping fees (inclusive of taxes) charged at the Marathon County Landfill Disposal Site as established on January 1 and multiplying the difference to the total tonnage of Residential Solid Waste hauled to the landfill in the prior year. The amount of any increase so calculated shall be paid in a lump sum to the Contractor and the amount of any decrease so calculated shall be paid in a lump sum to the City. Such lump sum, if any, shall be paid to the party so entitled within forty five (45) days.

6.3. Fuel Surcharge. For purposes of this Agreement, the base cost of compressed natural gas is established at Two and 10/100 Dollars (\$2.10) per gallon equivalent. On January 1 and July 1 of each year, the City shall compute and pay within thirty (30) days any fuel surcharge payment due to the Contractor calculated in accordance with this section as follows: on the first day of every month of the term of this Agreement the City shall determine if the cost of compressed natural gas exceeds the base cost of compressed natural gas by comparing the cost of compressed natural gas on the first Monday of the month sold at the lowest cost retail station within the Wausau Metro area to the base cost. The payment shall equal Two Hundred Eighty Four and No/100 (\$284.00) for every whole ten cent (\$0.10) units the cost of compressed natural gas exceeds the base cost of compressed natural gas as provided in this section.

7.0 Exclusivity. So long as Contractor is not in default under this Agreement, City will not enter into any agreement or understanding with any other person or entity for performance of the services contemplated hereby during the term hereof. If the City wishes to add services which are not within the scope of this Agreement but which Contractor may consider offering, the City shall first negotiate in good faith with Contractor for provision of such additional services before negotiating with third parties, but the City shall not be in violation of this subsection for negotiating with third parties for such additional services.

8.0. Term. The term of this Agreement shall be for ten (10) years beginning on January 1, 2016, and ending on March 31, 2026, unless otherwise terminated as provided in Section 9.

To the extent authorized by the City Common Council, the City shall have an option to renew this Agreement upon the same terms and conditions, for an additional seven (7) year term or any lesser

period as the City Common Council shall deem reasonable, by providing the Contractor with a written notice of intent to extend no later than March 31, 2025.

9.0. Termination. The following shall constitute events of default:

9.1. Default. This Agreement may be terminated by either party for failure by the other party to perform any material obligation under the terms of this Agreement, upon sixty (60) days written notice specifying the nature of such default or failure. Termination shall not become effective if the defaulting party remedies or cures the default within thirty (30) days.

9.2. Unsatisfactory Performance. City may terminate this Agreement for unsatisfactory performance upon sixty (60) days written notice to Contractor. Unsatisfactory service shall include, but not be limited to consistent or recurring failure to provide timely collection, omission of collection, failure to leave collection sites in good order, delivery of recyclables to landfills, or a failure to provide a regular and accurate accounting for the disposal of Residential Solid Waste or Recyclables or similar deviations from the requirements of the Agreement. Termination shall not become effective if the Contractor remedies or cures the default within thirty (30) days.

9.3. Insolvency and Bankruptcy. Contractor becomes insolvent or bankrupt and cannot pay its debts or obligations when they become due, files a petition in bankruptcy or has such a petition filed against it, has a receiver appointed with respect to all or substantially all of its assets; makes an assignment for the benefit of creditors; or ceases to do business in the ordinary course.

9.4. Rights are Cumulative. The rights and remedies under this section shall be in addition to those otherwise allowed by law or in equity. Any and all rights and remedies which either party may have under this Agreement, at law or in equity, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of all such rights and remedies may be exercised at the same time insofar as permitted by law.

9.5 Right in Contractor's Equipment.

9.5.1. Possession of Equipment and Carts. In the event this Agreement shall be terminated by mutual consent, or default by Contractor in the performance thereof, City shall have the option, at its discretion, of taking immediate possession and control of all equipment and Carts of every nature or kind used or useful in the performance of this Agreement and to use such equipment and Carts or make them available to another contractor in the continued performance of services similar to those provided under this Agreement. City shall pay the reasonable value of such equipment and Carts, less encumbrances, as mutually agreed to between City and Contractor. It is the express intention of this provision to enable the City to continuously perform the services provided for under this Agreement by the use of Contractor's equipment and Carts for the reason that the equipment and Carts are specialized in nature and not readily obtainable by the City and such services are an essential public service which must not be interrupted.

9.5.2. Arbitration. In the event the City and Contractor cannot agree to the reasonable value of equipment and Carts, the reasonable value shall be determined by arbitration between the parties hereto, such arbitration to be accomplished by the City selecting one individual, Contractor selecting another, and the two so chosen, selecting a third. Such panel of arbitrators shall then determine the reasonable value of the equipment and Carts which shall be paid by the City to the Contractor as full and complete payment for such equipment and Carts. The decision of the panel of arbitrators shall be made within five (5) days after its appointment. The value determined by arbitration shall be final. Upon the award and decision of the panel of arbitrators as set forth herein, the City shall have the right of either accepting or rejecting such award and decision. Upon rejection, the equipment and Carts shall be immediately redelivered to Contractor. Each party shall pay one half of the expense of arbitration.

10. Miscellaneous.

10.1. Amendments. No modification, waiver or amendment of this Agreement shall be binding unless in writing and signed by or on behalf of the parties.

10.2. Authority to Contract. The parties represent and warrant that they have obtained all authorizations and approvals necessary to enter into this Agreement and that the undersigned individual(s) acting on behalf of each party have been duly authorized to execute this Agreement on behalf of the respective party.

10.3. Notices. Any notice or other communication required or permitted under this Agreement shall be in writing and delivered in person, sent by a nationally recognized overnight delivery service, or certified U.S. mail, postage prepaid as follows:

City:

City Clerk
 City of Wausau City Hall
 407 Grant Street
 Wausau, WI 54403-4783.

Contractor:

Harter's Fox Valley Disposal LLC
 W17620 County Rd. Q
 Wittenberg, WI 54499

Notices shall be effective upon delivery or refusal of delivery at the above specified address. Changes in respective address may be made from time to time by written notice.

10.4. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Wisconsin and venue for any legal action between the parties shall be in the Marathon County Circuit Court.

10.5. Survival. All representations, indemnifications, and guarantees made in, required by, or given in accordance with this Agreement, as well as all continuing obligations, will survive any payment, final or otherwise, and termination or expiration of this Agreement.

10.6. Severability. If any portion of this Agreement shall become illegal, null or void, or against public policy, for any reason, or shall be held to be invalid or unenforceable by any court of competent jurisdiction, the remaining portions of this Agreement shall not be affected thereby and shall remain in full force and effect to the fullest extent permissible by law.

10.7. Entire Agreement. This Agreement, together with any Exhibits, constitutes the entire agreement between the parties hereto and all prior and contemporaneous agreements, representations, negotiations, and understandings of the parties hereto, oral or written, are hereby superseded and merged herein.

10.8. Waiver. The failure of either party to enforce any of the provisions of this Agreement shall not be construed as a waiver of such provision or the right of the party thereafter to enforce each and every such provision.

10.9. Assignment. Neither party may assign this Agreement or any of the services provided under this Agreement without the express written approval of the other party. The approval of the City may be manifested only by a resolution adopted by a majority of the Common Council.

10.10. Force Majeure. In the event either party is rendered unable, in whole or in part, to perform its duties or obligations hereunder as a result of acts of God, authority of laws,

strikes, lockouts, labor disputes, riots or other causes beyond its control, it shall notify the other party of such event in writing and the obligations of such party may be suspended during the continuation of any inability to perform so caused by such event.

10.11. Independent Contractor. Contractor, in the performance of this Agreement, is acting as an independent contractor and not as an employee, agent, partner or joint venture of City and neither party shall hold itself out as such or knowingly permit another to rely on such belief. Nothing in this Agreement is intended or shall be construed to create any association, partnership, joint venture or employment relationship between the parties, nor shall either party have any right to enter into any agreement or commitment on behalf of the other. Contractor shall bear sole responsibility for all the acts of its employees, agents or subcontractors and for all payroll and employment taxes relating to Contractor's personnel.

10.12. Captions. The titles or headings preceding any section or paragraph are for reference and convenience only and shall in no way be construed to be a material part of this Agreement.

10.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

10.14. Public Records Law. Contractor shall assist City in complying with any public record request in connection with this Agreement submitted to City pursuant to the Wisconsin Public Records Law, Wis. Stat. §§19.31-19.39.

11.0. Performance Bond. Contractor shall provide the City, in order to assure performance of the Agreement during its term, a performance bond issued by a surety company licensed to do business in the State of Wisconsin or a letter of credit in the amount of not less than \$500,000.00. Proof of ability to furnish the performance bond or letter of credit shall be furnished to the City prior to execution of this Agreement. Any performance bond shall be rated "B" or better in the latest edition of "Best's Guide" and otherwise satisfactory to the City. Such a bond shall be maintained during the entire duration of this Agreement.

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

CITY OF WAUSAU, WISCONSIN

James E. Tipple, Mayor

Attest:

Toni Rayala, Clerk

CONTRACTOR

By: _____

Name: _____

Title: _____

Attest: _____

CITY FACILITIES**CITY HALL**

Garbage Pickup	Tuesday & Friday
Paper Pickup	Monday, Wednesday & Friday
Co-mingle Recycling	Thursday

PUBLIC SAFETY BUILDING

Garbage Pickup	Friday
Paper Pickup	Friday
Co-mingle Recycling	Thursday

WATER UTILITY

Garbage Pickup	Weekly
Co-mingle Recycling	Weekly

DEPARTMENT OF PUBLIC WORKS

Garbage Pickup	Weekly
	As Needed
	As Needed

CENTRAL FIRE STATION

Garbage Pickup	Weekly
Co-mingled Recycling	Every Two Weeks

FIRE STATION #2

Garbage Pickup	Weekly
Co-mingled Recycling	Every Two Weeks

FIRE STATION #3

Garbage Pickup	Weekly
Co-mingled Recycling	Every Two Weeks

AIRPORT

Garbage Pickup	Weekly
Co-mingled Recycling	Weekly
Yard Waste	Weekly

TRANSIT

Garbage Pickup	Weekly
Cardboard Recycling	Twice per Year
Plastic Recycling	Monthly

CITY OF WAUSAU REFUSE AND RECYCLING PROPOSAL FORM

CITY FACILITIES

Provide the monthly fee schedule for the collection and disposal of refuse and recycling for city facilities. Rates listed will reflect 2016 rates.

Container Size	REFUSE			RECYCLING		
	Pick-Up Frequency Per Week			Pick-Up Frequency Per Week		
	1	2	3	1	2	3
90 Gallon	\$5.00	\$10	\$18	\$2.00	\$4	\$7
.5 Yard	\$8	\$15	\$22	\$3	\$5	\$9
1 Yard	\$45	\$95	\$140	\$35	\$45	\$55
2 Yard	\$55	\$100	\$150	\$40	\$50	\$60
3 Yard	\$70	\$130	\$195	\$43	\$53	\$64
4 Yard	\$75	\$140	\$210	\$45	\$55	\$65
6 Yard	\$100	\$180	\$260	\$55	\$65	\$75

Detail annual future cost increases if any: 2% per year

EXTRA CART SERVICES

Extra Cart service arranged directly between the customer and contractor.

Annual Fee	65 Gal	96 Gal
2016	\$ 55.00	\$ 60.00
2017	\$ 55.00	\$ 60.00
2018	\$ 55.00	\$ 60.00
2019	\$ 57.00	\$ 62.00
2020	\$ 57.00	\$ 62.00
2021	\$ 59.00	\$ 64.00
2022	\$ 59.00	\$ 64.00
2023	\$ 61.00	\$ 66.00
2024	\$ 61.00	\$ 66.00
2025	\$ 63.00	\$ 68.00

This pricing is for Refuse pickup. Extra Recycling carts would be half the above price.
If manual pickup is chosen cart rental is \$36 per year.

CITY OF WAUSAU REFUSE AND RECYCLING PROPOSAL FORM**SEASONAL YARD WASTE WEEKLY CURBSIDE COLLECTION
SUBSCRIPTION SERVICE**

Seasonal yard waste collection shall be provided on a subscription service only. Collection and disposal shall be provided by the contractor with automated carts only. Cart size shall be 95 gallon class only. Residents requesting service shall be billed directly by the contractor.

The rates quoted will be for 2015 and shall include cart delivery and pickup, rental, collection and recycling of the yard waste.

Length of Season Monthly Fee	<u>April through October</u>
2016	\$ 20.00
2017	\$ 20.25
2018	\$ 20.50
2019	\$ 20.75
2020	\$ 21.00
2021	\$ 21.25
2022	\$ 21.50
2023	\$ 22.75
2024	\$ 23.00
2025	\$ 23.25

The length of these services will ultimately coincide with the contract term.

CITY OF WAUSAU REFUSE AND RECYCLING PROPOSAL FORM**BULK ITEMS AND ELECTRONICS SUBSCRIPTION SERVICE PROPOSAL**

Large items shall be collected and disposed of by direct service request from residents. The contractor shall schedule the pickup at their discretion. The contractor shall direct bill and receive payment directly from the resident. The fee schedule can be adjusted annually upon approval by the Board of Public Works. Attach or enter the initial collection and disposal fees in the table below or provide a similar attachment.

This list is not intended to be inclusive.

Sofa	\$30
Love Seat	\$30
Upholestered Chair	\$30
Rocker Recliner	\$30
Mattress	\$25
Box Springs	\$25
Dining Table and Chairs	\$30
Refrigerator	\$40
Stove	\$25
Dishwasher	\$25
Washer	\$25
Dryer	\$25
Microwave	\$25
Lumber	\$30
Tire	\$15
Snowblower	\$40
Lawnmower - Push	\$30
Lawnmower - Riding	\$60
Outdoor Play Equipment - Disasser	\$75
Computer	\$15
TV - Large Screen	\$40
TV	\$20

*** Reduced pricing for multiple items

CITY OF WAUSAU REFUSE AND RECYCLING PROPOSAL FORM

RATE 40 CUBIC YARD ROLL-OFF CONTAINERS

Contractor to provide an inclusive cost of one 40 cubic yard container rental of approximately 3 weeks and transportation to the Marathon County Landfill. The City expects to use 4 to 6 roll-off containers. The City will pay tipping fees directly to the County. This is an all-inclusive cost and subject to CPI and Fuel charge increases if applicable.

40 cubic yard container rental and transportation to Marathon County

2016	<u>150 per dump</u>
2017	<u>150 per dump</u>
2018	<u>150 per dump</u>
2019	<u>160 per dump</u>
2020	<u>160 per dump</u>
2021	<u>165 per dump</u>
2022	<u>165 per dump</u>
2023	<u>170 per dump</u>
2024	<u>170 per dump</u>
2025	<u>170 per dump</u>

The length of these services will ultimately coincide with the contract term. This service may or may not be utilized.

CITY OF WAUSAU REFUSE AND RECYCLING PROPOSAL FORM**QUOTE # 1****AUTOMATED REFUSE AND RECYCLING - CONTRACTOR PURCHASES
CARTS**

TEN YEAR QUOTE					
Year	Monthly Unit Rate	35 Gal	48 Gal	65 Gal	96 Gal
2016	Refuse	\$ 4.66	\$ 4.71	\$ 4.84	\$ 5.02
	Recycling	\$ 2.15	\$ 2.15	\$ 2.15	\$ 2.15
	Total	\$ 6.81	\$ 6.86	\$ 6.99	\$ 7.17
2017	Refuse	\$ 4.71	\$ 4.76	\$ 4.89	\$ 5.07
	Recycling	\$ 2.17	\$ 2.17	\$ 2.17	\$ 2.17
	Total	\$ 6.88	\$ 6.93	\$ 7.06	\$ 7.24
2018	Refuse	\$ 4.80	\$ 4.86	\$ 4.99	\$ 5.17
	Recycling	\$ 2.22	\$ 2.22	\$ 2.22	\$ 2.22
	Total	\$ 7.02	\$ 7.08	\$ 7.21	\$ 7.39
2019	Refuse	\$ 4.90	\$ 4.96	\$ 5.09	\$ 5.27
	Recycling	\$ 2.26	\$ 2.26	\$ 2.26	\$ 2.26
	Total	\$ 7.16	\$ 7.22	\$ 7.35	\$ 7.53
2020	Refuse	\$ 5.00	\$ 5.06	\$ 5.19	\$ 5.38
	Recycling	\$ 2.31	\$ 2.31	\$ 2.31	\$ 2.31
	Total	\$ 7.31	\$ 7.37	\$ 7.50	\$ 7.69
2021	Refuse	\$ 5.10	\$ 5.16	\$ 5.29	\$ 5.49
	Recycling	\$ 2.36	\$ 2.36	\$ 2.36	\$ 2.36
	Total	\$ 7.46	\$ 7.52	\$ 7.65	\$ 7.85
2022	Refuse	\$ 5.20	\$ 5.26	\$ 5.40	\$ 5.60
	Recycling	\$ 2.41	\$ 2.41	\$ 2.41	\$ 2.41
	Total	\$ 7.61	\$ 7.67	\$ 7.81	\$ 8.01
2023	Refuse	\$ 5.31	\$ 5.37	\$ 5.51	\$ 5.71
	Recycling	\$ 2.46	\$ 2.46	\$ 2.46	\$ 2.46
	Total	\$ 7.77	\$ 7.83	\$ 7.97	\$ 8.17
2024	Refuse	\$ 5.42	\$ 5.48	\$ 5.62	\$ 5.82
	Recycling	\$ 2.51	\$ 2.51	\$ 2.51	\$ 2.51
	Total	\$ 7.93	\$ 7.99	\$ 8.13	\$ 8.33
2025	Refuse	\$ 5.53	\$ 5.59	\$ 5.73	\$ 5.94
	Recycling	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56
	Total	\$ 8.09	\$ 8.15	\$ 8.29	\$ 8.50

MaryAnne Groat

From: Dan Kerntop
Sent: Wednesday, May 20, 2015 3:00 PM
To: Eric Lindman
Cc: MaryAnne Groat
Subject: Additional CIP Funds / GIS Imagery 2015

Eric,
As we discussed earlier, the GIS Division originally requested \$100,000 of CIP funding for imagery in 2014. For 2015, I requested \$80,000 for the imagery in an attempt to not be over or under the budget. Unfortunately, the initial phase totaled \$93,800. Therefore, this project is short \$13,800 in funding. In hindsight I should have stayed with my original estimate, however, I would have been over budget, which is still discouraged.

The first process is data acquisition, this includes the plane, fuel and the pilots time. The timeline to collect imagery is very short. Several items must be devoid before the flight can occur, they are; snow, ice, clouds, haze, and leaf budding. This phase has now been completed.

The next two steps meld into one another and the vendor divides the payments so as not to have to pay one large sum. The second phase is data processing, this includes georeferencing and calibrating the imagery so that it meets national mapping standards of 1 inch equals 50ft or 1:600 scale. This is a time intensive process due to several factors. Other quality issues related to natural and human errors are also addressed. This would include reflectance from water bodies, color balancing, and creating seamless tiles.

The second (and third) phase will include more processing time due to the improved resolution. This is where our cost increased from past years. Our planimetric features from years past met 1:1200 mapping scale. The improved resolution and scale will save staff time from traveling to the field and improve our design efforts.

Nearly every department within the city has requested mapping assistance. Our data is also crucial for the engineering technicians when designing projects as well. Private engineering and planning agencies utilize our data on a routine basis. Some of these companies include, Becher Hoppe and Associates, REI, Graef, Stantec, CRA, Corre Inc, Toole Design Group, Evergreen, Ghidorzi, PGA, Gremmer and Associates, Newmark Grubb Pfefferle, CBS Squared, Diggers Hotline, and CWE.

I hope you consider funding these three phases of the project in full.

Regards,

Dan Kerntop
GIS Analyst
City of Wausau



TO: FINANCE COMMITTEE MEMBERS

FROM: MARYANNE GROAT

DATE: July 21, 2015

SUBJECT: 2016 Budget Progress Report

Department Operating Budgets

- Departmental Operating budgets were due date July 10th and a few are still trickling in. We are in the process of transferring the budget requests into the budget software for compilation and review.
- We received notice from the State regarding the 2016 Wisconsin Retirement Rates which are favorable to the budget. These rates have been updated into our payroll projections.

	<u>Percent of Salary</u>		
	<u>2016</u>	<u>2015</u>	<u>Change</u>
General	6.6	6.8	-0.2
Elected	7.7	7.7	0
Police	9.58	9.88	-0.3
Fire	13.38	13.48	-0.1

- We have updated the budget projections for a number of retirements that have been announced in the last 60 days.
- We also received notification from the police department that the State of Wisconsin will no longer be making funds available for the Beat Patrol Grant. The City has been receiving these funds for many years our 2015 allocation was \$121,434.

CIP Budgets

- The CIP request budget book was produced and posted on the City web site. The first COW meeting with staff CIP presentations was held on July 13th. Council rankings are due to the Finance Department on July 22nd and the Committee of the Whole will be meeting on July 28th to review their compiled rankings.

Equalized Value

- The state will be publishing the Equalized Values for the City and TID districts on August 1.



TO: FINANCE COMMITTEE MEMBERS

FROM: MARYANNE GROAT

DATE: July 8, 2015

SUBJECT: Closure of Tax Increment District Number Five

Purpose: To provide background information regarding the Status of Tax Increment District Number Five and the possible closure of the District

Background: Tax Increment District Five Expenditure Period ends today July 8, 2015 and the mandated closure date is 7/8/2020. Each year on May 15th, the City must fulfil regulatory reports with the State of Wisconsin that directs the continuation of the district and authorizes increment for the subsequent year. So, on May 15, 2015 the City of Wausau authorized the 2016 increment for the District and increment will be collected within the 2016 budget and levy.

At the end of this year, the district will have the outstanding debt obligation for 2016 and 2017 totaling approximately \$574,000. I have attached a copy of the TID #5 Annual Report. The last page of the report provides a projected cash flow for the district.

Based upon State law the City has the ability to consider the following options for the district:

OPTION	IMPACT
Close the district after the retirement of the debt	The tax rate will decline for the 2018 budget and a portion of the increment will be made available to the operating budget
Close the district once increment is sufficient to retire all future debt	The tax rate will decline for the 2017 budget and a portion of the increment will be made available to the operating budget
Present a plan amendment to the Joint Review Board establishing the district as a donor district to eligible districts which would include: TID #3 or TID #8	Increment from the district would be directed to these other districts to pay for additional project costs, eliminate accumulated deficits and mitigate the city's risk of deficits
Present to the Common Council a resolution authorizing one year of increment to be used to fund housing stock improvements within the City	The District would remain open for one extra year and funds would be used to improve the City's housing stock

Based upon State law, the City has until May 15, 2016 to provide notice to the State regarding district closure

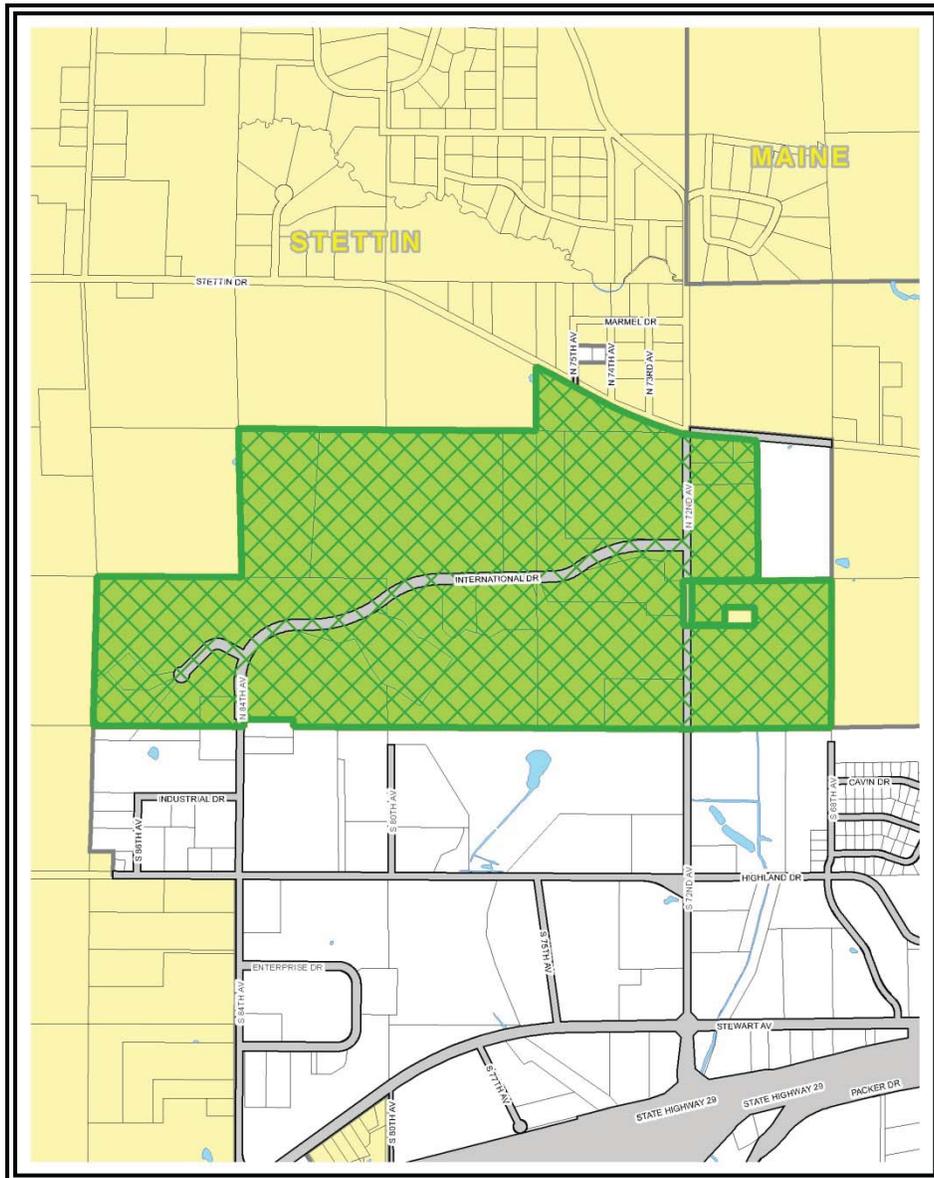
Recommendation: The City has made a significant investment in the Riverfront which has increased deficits within Tax Increment District Number Three. These deficits place a burden on the General Fund and are a financial risk to the community. In addition, the City is in preliminary discussions with mall owners, CBL, regarding redevelopment of the facility. I would recommend deferral on the decision to close the district until the Economic Development Committee and Finance Committee can fully evaluate the value of obtaining the necessary approvals for the district to serve as a donor district to TID #3 or facilitate mall redevelopment.

TID #3 CASH FLOW PROJECTIONS

Year	USES OF FUNDS					SOURCES OF FUNDS						Annual Surplus (Deficit)	Accumulated Balance Before TID #5 Donation	Donated Increment from TID #5	Accumulated Balance After Donation	
	Total Annual Debt Service Existing Issues	2015 Debt Issue \$4,325,000	Administrative, Organization & Discretionary Costs	Developer Incentives	Capital Expenditures	Debt Proceeds	Other Income	Special Assessment Income	Advance From Other Funds	Grant & Donation Income	Donated Increment from TID 1 & 2					Tax Increment
ACTUAL																
1994					\$92,361						\$92,361		\$0	\$0		
1995	\$172,413				\$2,002,575	\$2,196,447		\$237,495					\$258,954	\$258,954		
1996	\$2,038,966		\$13,210		\$260,893	\$757,555	\$25,705		\$2,000,000			\$40,926	\$511,117	\$770,071		
1997	\$185,232		\$48,599		\$1,456,671	\$4,000,000	\$31,128					\$10,998	\$2,351,624	\$3,121,695		
1998	\$4,047,263		\$585		\$127,328	\$856,402	\$119,437					\$13,909	(\$3,185,428)	(\$63,733)		
1999	\$510,334		\$1,095				\$10,490					\$25,163	(\$475,776)	(\$539,509)		
2000	\$249,696				\$73,791		\$22,339					\$40,161	(\$260,987)	(\$800,496)		
2001	\$1,820,137			\$750,000	\$110,878	\$2,093,303	\$39,970			\$750,000		\$392,198	\$47,151	\$641,607	(\$158,889)	
2002	\$250,875		\$157		\$791,372	\$5,278,537	\$2,415,665	\$38,331	\$2,669,163	\$791,372		\$690,243	\$78,603	\$362,436	\$203,547	
2003	\$956,762		\$21,834		\$1,758,625	\$14,642,438	\$16,399,335	\$580,182	\$1,012,805	\$1,258,625		\$206,394	\$686,173	\$2,763,855	\$2,967,402	
2004	\$15,106,609			\$2,652,480	\$950,004	\$14,088,534	\$69,500		\$1,034,594			\$679,709	\$296,392	(\$2,540,364)	\$427,038	
2005	\$2,533,076			\$132,520	\$98,129	\$2,000,000	\$244,642		\$957,397	\$11,000		\$710,142	\$632,340	\$1,791,796	\$2,218,834	
2006	\$2,975,010				\$1,301,728		\$249,334		\$1,109,287			\$696,683	\$831,571	(\$1,389,863)	\$828,971	
2007	\$3,122,630		\$49,012		\$1,941,789	\$1,396,190	\$211,985		\$1,020,075			\$849,518	\$992,593	(\$643,070)	\$185,901	
2008	\$2,439,384				\$932,630	\$270,000	\$190,370	\$34,297				\$2,481,850	\$1,207,183	\$811,686	\$997,587	
2009	\$2,413,435		\$27,371		\$408,872	\$320,000	\$253,568	\$4,994		\$21,023		\$685,107	\$1,922,136	\$357,150	\$1,354,737	
2010	\$2,461,237		\$48,007		\$2,016,086	\$1,580,447	\$111,305	\$62,432		\$122,763		\$693,115	\$1,913,174	(\$42,094)	\$1,312,643	
2011	\$2,614,684		\$54,560	\$174,000	\$4,694,503	\$172,696	\$13,639		\$1,247,316			\$1,962,727	(\$4,141,369)	(\$2,828,726)		
2012	\$8,485,562		\$46,258	\$275,000	\$771,262	\$9,045,237	\$184,395	\$10,776		\$113,927		\$1,919,739	\$1,695,992	(\$1,132,734)		
2013	\$2,815,752		\$54,239	\$1,000	\$1,291,332	\$1,108,000	\$139,620	\$11,026		\$166,538		\$1,764,433	(\$972,706)	(\$2,105,440)		
2014	\$2,217,195		\$71,919		\$2,267,481	\$1,185,000	\$84,961	\$7,999		\$383,456		\$1,752,528	(\$1,142,651)	(\$3,248,091)		
ESTIMATED																
2015	\$2,092,976		\$50,000		\$8,069,851	\$4,210,885	\$85,000		\$2,905,845			\$1,868,669	(\$1,142,428)	(\$4,390,519)		
2016	\$1,904,647	\$118,938	\$35,000		\$85,000	\$85,000	\$85,000					\$1,898,012	(\$75,573)	(\$4,466,092)	\$1,161,712	(\$3,304,380)
2017	\$1,966,808	\$118,938	\$35,000		\$85,000	\$85,000	\$85,000					\$1,907,502	(\$128,244)	(\$4,594,335)	\$978,854	(\$3,615,481)
2018	\$3,312,404	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,037,040	(\$1,581,128)	(\$6,175,463)	\$1,268,628	(\$2,766,269)
2019	\$1,759,448	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,047,225	(\$17,987)	(\$6,193,450)	\$1,286,628	(\$1,497,628)
2020	\$1,743,786	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,057,461	\$7,911	(\$6,185,539)	\$1,286,628	(\$203,089)
2021	\$1,277,687	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,067,749	\$484,298	(\$5,701,241)		\$281,209
2022	\$413,450	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,178,087	\$1,458,873	(\$4,242,368)		1,740,082
2023	\$107,675	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,188,978	\$1,775,539	(\$2,466,829)		3,515,621
2024	\$105,650	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,199,923	\$1,788,509	(\$678,321)		5,304,129
2025	\$108,338	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,285,922	\$1,871,820	\$1,193,499		7,175,949
2026	\$105,725	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,297,352	\$1,885,863	\$3,079,362		9,061,812
2027	\$107,800	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,308,839	\$1,895,275	\$4,974,637		10,957,087
2028	\$109,725	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,320,383	\$1,904,894	\$6,879,531		12,861,981
2029	\$106,575	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,331,985	\$1,919,646	\$8,799,176		14,781,626
2030	\$600,000	\$355,764	\$35,000		\$85,000	\$85,000	\$85,000					\$2,343,645	\$1,437,881	\$10,237,057		16,219,507
2031												\$2,355,363	\$2,355,363	\$12,592,420		18,574,870
	\$ 73,238,946	\$ 4,862,808	\$ 1,011,846	\$ 6,534,997	\$ 48,789,139	\$ 63,923,000	\$ 4,139,958	\$ 145,163	\$ 8,883,177	\$ 9,021,865	\$ 8,564,738	\$ 52,352,255			\$ 5,982,450	

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

ANNUAL REPORT



WAUSAU FINANCE

December 31, 2014

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

ANNUAL REPORT

HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES AND NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS

For the Year Ended December 31, 2014
and From Date of Creation Through December 31, 2014

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Capital expenditures	\$ -	\$ 3,253,119
Development grants	650,000	7,103,410
Administration	48,470	397,512
Professional services	20,335	47,313
Interest and fiscal charges	28,923	1,798,066
Debt issuance costs	-	82,525
	<u> </u>	<u> </u>
Total Project Costs	<u>\$ 747,728</u>	<u>\$ 12,681,945</u>
PROJECT REVENUES		
Tax increments	\$ 1,234,760	\$ 11,005,438
Special assessment taxes	-	48,466
Special assessment interest income	-	6,346
Investment income	-	17,359
Grant income	-	256,414
Miscellaneous income	125	3,009
Exempt computer aid	53,308	331,025
	<u> </u>	<u> </u>
Total Revenues	<u>\$ 1,288,193</u>	<u>\$ 11,668,057</u>
NET COST RECOVERABLE THROUGH TAX INCREMENTS		<u>\$ 1,013,888</u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 815,000
Less: fund balance (Deficit)		<u>(198,888)</u>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		<u>\$ 1,013,888</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS

For the Year Ended December 31, 2014
and From Date of Creation Through December 31, 2014

	<u>Year Ended</u>	<u>From Date of Creation</u>
SOURCES OF FUNDS		
Tax increments	\$ 1,234,760	\$ 11,005,438
Special assessment taxes	-	48,466
Special assessment interest income	-	6,346
Grant income	-	256,414
Investment income	-	17,359
Exempt computer aid	53,308	331,025
Miscellaneous income	125	3,009
Proceeds from long-term debt	-	9,936,877
	<u>\$ 1,288,193</u>	<u>\$ 21,604,934</u>
USES OF FUNDS		
Capital expenditures	\$ -	\$ 3,253,119
Development grants	650,000	7,103,410
Administration	48,470	397,512
Professional services	20,335	47,313
Interest and fiscal charges	28,923	1,798,066
Debt issuance costs	-	82,525
Principal on long-term debt	430,000	9,121,877
	<u>\$ 1,177,728</u>	<u>\$ 21,803,822</u>
BEGINNING FUND BALANCE (DEFICIT)	<u>\$ (309,353)</u>	<u>\$ -</u>
ENDING FUND BALANCE(DEFICIT)	<u>\$ (198,888)</u>	<u>\$ (198,888)</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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DETAILED SUMMARY OF PROJECT COSTS

From Date of Creation Through December 31, 2014

	<u>Actual</u>	<u>Project Plan Estimate</u>
PROJECT COSTS		
Capital expenditures		
Street construction/improvements	\$ 1,619,682	\$ 2,956,390
Storm water drainage facilities	753,745	690,600
Land		30,000
Utility services construction	869,247	1,673,910
Site preparation	-	336,900
Building	10,445	800,000
Pedestrian Trail	-	250,000
Development grants	7,103,410	5,047,000
Administration	397,512	1,016,914
Professional services	47,313	166,800
Other Costs		250,000
Debt issuance costs	82,525	76,200
Interest and fiscal charges	<u>1,798,066</u>	<u>4,120,231</u>
TOTAL PROJECT COSTS	<u>\$ 12,681,945</u>	<u>\$ 17,414,945</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

ANNUAL REPORT

ANNUAL SUMMARY OF PROJECT COSTS AND REVENUES
From Date of Creation Through December 31, 2014

<u>PROJECT COSTS</u>	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006
Capital expenditures	\$ 471,299	\$ 143,719	\$ 1,000			\$ 205,105	\$ 1,497,660	\$ 616,676	\$ 25,936	
Administrative (In-house)		79,952		102	6,625		76,075	49,405		
Professional services										11,543
Development grants/Incentives										2,588,611
Interest and fiscal charges		38,895	26,835	23,955	20,955	17,895	14,775	153,268	142,289	133,864
Discount on long-term debt										
Debt issuance costs							9,706	28,659		
Refunds to overlying taxing jurisdictions	9,451									
Real property assembly costs										
Total Costs	\$ 480,750	\$ 262,566	\$ 27,835	\$ 24,057	\$ 27,580	\$ 223,000	\$ 1,598,216	\$ 848,008	\$ 168,225	\$ 2,734,018
<u>PROJECT REVENUES</u>										
Tax increments			\$ 235,626	\$ 299,260	\$ 337,279	\$ 339,040	\$ 379,179	\$ 505,905	\$ 478,079	\$ 474,090
Exempt computer aid				2,775	1,983	1,565		1,393	6,235	2,984
Intergovernmental grants									1,500	160,000
Other grants										
Special assessments & charges										
Interest on special assessments										
Investment income								11,421		
Transfer in from other funds										
Premium on long-term debt										
User fees										
Sale of Land										
Miscellaneous										
Others: Loan Repayments										
Total Revenues	\$ 3,576	\$ -	\$ 235,626	\$ 302,035	\$ 339,262	\$ 340,605	\$ 379,179	\$ 518,719	\$ 485,814	\$ 637,074

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE | 12/31/2014

ANNUAL SUMMARY OF PROJECT COSTS AND REVENUES From Date of Creation Through December 31, 2014

	11 2007	12 2008	13 2009	14 2010	15 2011	16 2012	17 2013	18 2014	Totals	Project Plan Estimate
PROJECT COSTS										
Capital expenditures	\$ 3,277	\$ 6,250	\$ 39,473		\$ 257,197	\$ 25,000			\$ 3,292,592	\$ 6,987,800
Administrative (In-house)	37,276	17,945	17,945	17,292	18,104	28,332	17,934	48,470	397,512	1,016,914
Professional services	14,284						1,151	20,335	47,313	166,800
Development grants/incentives	2,847,591	486,115		41,620		290,000	160,000	650,000	7,063,937	5,047,000
Interest and fiscal charges	128,701	133,958	313,910	286,678	152,428	142,089	38,648	28,923	1,798,066	4,120,231
Discount on long-term debt									-	
Debt issuance costs				34,709					82,525	76,200
Refunds to overlying taxing jurisdictions									-	
Real property assembly costs									-	
Total Costs	\$ 3,031,129	\$ 626,323	\$ 371,328	\$ 380,299	\$ 427,729	\$ 485,421	\$ 217,733	\$ 747,728	\$ 12,681,945	\$ 17,414,945

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PROJECT REVENUES										
Tax increments	\$ 519,865	\$ 570,207	\$ 719,479	\$ 1,254,271	\$ 1,217,583	\$ 1,222,984	\$ 1,217,831	\$ 1,234,760	\$ 11,005,438	
Exempt computer aid	5,892	21,143	24,753	28,861	78,014	59,961	42,158	53,308	331,025	
Intergovernmental grants	94,914								256,414	
Other grants									-	
Special assessments & charges		19,386	9,693	19,387					48,466	
Interest on special assessments		3,490	2,617	239					6,346	
Investment income				907	1,455				17,359	
Transfer in from other funds									-	
Premium on long-term debt									-	
User fees									-	
Sale of Land								125	3,009	
Miscellaneous	2,884								-	
Others: Loan Repayments									-	
Total Revenues	\$ 623,555	\$ 614,226	\$ 756,542	\$ 1,303,665	\$ 1,297,052	\$ 1,282,945	\$ 1,259,989	\$ 1,288,193	\$ 11,668,057	\$ -

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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NOTE 1 – Tax Increment District Information:

The **City of Wausau** Tax Incremental District Number Five (the "District") was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. The tax on the increased value is called tax increment.

Project costs may not be incurred longer than 5 years prior to the mandated termination date of the district. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until 23 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the municipality.

Project plan and district objectives are:

- Increase employment opportunities within the community,
- Increase the per capita income in the community,
- Increase the industrial property tax base,
- Increase the availability of properly located, adequately serviced industrial sites,
- Accommodate new industries and the expansion of existing industries in the industrial park.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District # 5	7/8/1997	7/8/2015	7/8/2020

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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NOTE 2 - Long-term Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes borrowed to finance District expenditures will be retired by current available resources or by tax increments generated by the TIF fund. If those revenues are not sufficient, payments will be made by future tax levies.

	Original		Balance 12/31/2014
	Amount Borrowed	Repaid	
1997 General Obligation Note, Call date April 1, 2005	\$540,000	\$540,000	\$0
2003 General Obligation Note, Call date April 1, 2013	2,000,000	2,000,000	0
2004B General Obligation Note, Call date April 1, 2009	1,500,000	1,500,000	0
2007 State Trust Fund Loan, Call date annually March 15th	2,956,877	2,956,877	0
2007 State Trust Fund Loan, Call date annually March 15th	500,000	500,000	0
2010B Refunding Issue	2,440,000	1,625,000	815,000
Total	\$9,936,877	\$9,121,877	\$815,000

Aggregate maturities of all long-term debt relating to the District are as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2015	260,000	21,028	281,028
2016	270,000	13,598	283,598
2017	285,000	4,774	289,774
	<u>\$ 815,000</u>	<u>\$ 39,400</u>	<u>\$ 854,400</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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NOTE 3 - Valuation of District

Annual valuation and percentage change for the District is as follows:

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
1997	105,900	-
1998	8,316,200	7752.88%
1999	10,622,200	27.73%
2000	11,962,200	12.62%
2001	12,263,000	2.51%
2002	13,872,700	13.13%
2003	18,785,600	35.41%
2004	17,650,900	-6.04%
2005	18,300,700	3.68%
2006	20,733,000	13.29%
2007	22,632,000	9.16%
2008	30,044,500	32.75%
2009	48,849,000	62.59%
2010	45,633,600	-6.58%
2011	45,419,600	-0.47%
2012	44,938,400	-1.06%
2013	44,916,500	-0.05%
2014	44,942,200	0.06%

NOTE 4 - Tax Increments

Annual tax increments generated by the District are as follows:

YEAR	TAX INCREMENT
1999	\$235,626
2000	299,260
2001	337,279
2002	339,040
2003	379,179
2004	505,905
2005	478,079
2006	474,090
2007	519,865
2008	570,207
2009	719,479
2010	1,254,271
2011	1,217,583
2012	1,222,984
2013	1,217,831
2014	1,234,760
	<u>\$11,005,438</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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NOTE 4 - Tax Increments continued.

The amount to be generated in 2015 is \$1,185,556.

NOTE 5 - Amendment to District

In 2001, Tax Increment District Five was amended by the Wausau Common Council and Joint Review Board to expand the Wausau West Business and Industrial Park, modify the project plan and increase estimated project plan costs by \$1,844,525.

In 2007, Tax Increment District Five was amended by the Wausau Common Council and Joint Review Board to expand the Wausau West Business and Industrial Park and increased estimated project plan costs by \$8,631,000.

In September 2012, Tax Increment District Five was amended by the Wausau Common Council and Joint Review Board. This amendment provided for \$840,000 of additional project costs within ½ mile radius of the district's boundaries. Specifically, the project costs include development grants, incentives and revolving loan funds of \$590,000 and the construction of a pedestrian trail for \$250,000.

NOTE 6 – Developer Agreements

On September 13, 2005, the City of Wausau entered into a development agreement with Wausau Business Incubator, Inc. to construct, own, and operate a new incubator in Tax Increment District Number Five in exchange for a cash grant of \$3,250,000. This grant was funded by tax increment district funds of \$2,250,000 and grants of \$254,914 along with a federal grant of \$1,000,000 obtained by the City of Wausau Community Development Authority. This agreement was amended in 2007, 2010 and 2012 to provide additional funding for the facility in the amounts of \$500,000, 41,620 and \$290,000. Total expenses paid through December 31, 2012 are \$3,336,533.

On August 20, 2007 the City of Wausau entered into a development agreement with Scannell Properties #92 LLC to construct, own, and operate a manufacturing facility of approximately 370,000 square foot and a total value (including land) of approximately nineteen million dollars. In addition, the agreement provided for a facility workforce of 450 employees. In exchange for the development, the City of Wausau made a cash grant payment of an amount not to exceed \$2,957,000. Total grant payments were \$2,956,877.

The City of Wausau entered into a development agreement on September 11, 2007 with Polywood Fabrication (developer). The developer agreed to construct an 80,000 square foot manufacturing facility with an approximate value of \$3,000,000 along with retaining 200 full-time equivalent jobs and creating 100 new jobs within 60 months from the date of the agreement. In exchange for this development, the

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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NOTE 6 – Developer Agreements continued

City agreed to make a maximum contribution of \$152,887 to reimburse the developer for costs of project improvements. The contributions along with interest at a rate of 5.00% will be paid out of tax increments or any other available funds. The Contribution remained outstanding at December 31, 2013.

The City of Wausau entered into a development agreement on February 13, 2007 with Packaging Tape, Inc. (developer). The developer agreed to construct a 3,000 square foot manufacturing facility with an approximate value of \$2,650,000 along with creating 12 new jobs within 60 months from the date of the agreement. In exchange for this development, the City agreed to make a maximum contribution of \$62,000 to reimburse the developer for costs of project improvements. The contributions along with interest at a rate of 5.00% will be paid out of tax increments or any other available funds. The Contribution remained outstanding at December 31, 2013.

The City of Wausau entered into a development agreement in November 2013 with Southern Stretch Forming – Wisconsin, Inc. Southern Stretch agreed to purchase 7555 Stewart Avenue, operate a manufacturing facility, purchase equipment with a total cost of \$250,000, invest in exterior improvements of \$25,000 and create nine full time jobs by November 30, 2018. In exchange for this development the City agreed to provide two separate grants totaling \$160,000. One grant of \$110,000 will be used to offset property acquisition and the second grant of \$50,000 will defray equipment costs.

The City of Wausau entered into a development agreement in November 2013 with CAG Industrial Inc. for the purpose of redeveloping 305 S 84th Avenue from a warehousing facility to manufacturing use for the start-up company, Ordered Motion Systems, Inc. In exchange for the City of Wausau's \$650,000 developer payment the developer and owner agreed to make improvements including: re-lamping, office upgrades, crane erection, loading dock building addition and expansion and rehabilitation of parking and driving surfaces. The total improvement budget presented was \$892,385. In addition, Ordered Motion, Systems, Inc. signed a ten year lease and executed a document acknowledging their expectation to create 25 FTE's by December 31, 2014 and 50 FTE's by December 31, 2018 and placing equipment within the property valued at \$3.9 million by January 1, 2019.

The City of Wausau entered into a development agreement with Apogee Wausau Group to relocate Colorado operations to the City of Wausau facility. The City of Wausau provided Apogee Wausau Group a developer payment of \$500,000 to offset relocation costs, manufacturing expansion and related product line start-up costs and losses. In exchange Apogee Wausau Group will move its Colorado operations to the City of Wausau and create 124 full time positions by June 1, 2017.

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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NOTE 6 – Developer Agreements continued

On January 27, 2015, the City of Wausau Common Council authorized the donation of 4.2 acres of City owned property located within Tax Increment District 5 along with a \$100,000 ten year forgivable equipment loan to Composite Envisions, LLC. This

A summary of development payments to date is as follows:

	<u>Authorized</u>	<u>Paid</u>
Wausau Business Incubator	\$3,336,533	\$3,336,533
Scannell, Wausau Window and Wall	2,957,000	2,956,877
Southern Stretch Forming - Wisconsin, Inc.	160,000	160,000
CAG, Industrial	650,000	650,000
Polywood Fabrication	152,887	-
Apogee Wausau Group	500,000	-
Composite Envisions, LLC	100,000	-
Packaging Tape, Inc.	62,000	-
	<u>\$7,918,420</u>	<u>\$7,103,410</u>

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER FIVE

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CITY OF WAUSAU TAX INCREMENTAL DISTRICT NUMBER FIVE PROJECTED CASH FLOW

Year	USES OF FUNDS					SOURCES OF FUNDS					Annual Surplus (Deficit)	Cumulative Balance
	Total Annual Debt Service	Administrative, Organization & Discretionary Costs	Developer Incentives	Capital Expenditures	Debt Proceeds	Special Assessment Income	Tax Increment	Other Income	Annual Surplus (Deficit)	Cumulative Balance		
ACTUAL												
1 1997	\$9,451			\$471,299	\$540,000			\$3,576	\$62,826	\$62,826	\$62,826	\$62,826
2 1998	\$38,895	\$79,952		\$143,719					(\$262,566)	(\$199,740)	(\$199,740)	(\$199,740)
3 1999	\$86,835	\$102		\$1,000				\$2,775	\$217,978	\$166,029	\$166,029	\$166,029
4 2000	\$83,955	\$6,625						\$1,983	\$251,682	\$417,711	\$417,711	\$417,711
5 2001	\$80,955			\$205,105				\$1,565	\$57,605	\$475,316	\$475,316	\$475,316
6 2002	\$77,895			\$1,497,660	\$2,000,000			\$12,814	\$720,963	\$1,196,279	\$1,196,279	\$1,196,279
7 2003	\$84,481	\$76,075		\$616,676	\$1,500,000			\$7,735	\$1,079,823	\$2,276,102	\$2,276,102	\$2,276,102
8 2004	\$272,815	\$49,405						\$162,984	\$55,517	\$2,331,619	\$2,331,619	\$2,331,619
9 2005	\$404,361			\$25,936				\$103,690	(\$2,361,590)	(\$29,971)	(\$29,971)	(\$29,971)
10 2006	\$398,510		\$2,588,611	\$11,543	\$2,206,760			\$21,143	(\$473,034)	(\$503,005)	(\$503,005)	(\$503,005)
11 2007	\$400,921	\$37,276	\$2,847,591	\$17,561	\$1,250,117			\$24,753	\$971,626	\$468,621	\$468,621	\$468,621
12 2008	\$400,352		\$486,115	\$6,250				\$29,768	(\$121,533)	\$347,088	\$347,088	\$347,088
13 2009	\$820,657	\$17,945		\$39,473				\$79,469	(\$35,125)	\$640,475	\$640,475	\$640,475
14 2010	\$3,719,878	\$17,292	\$41,620	\$257,197	\$2,440,000			\$59,961	(\$1,481,846)	(\$841,371)	(\$841,371)	(\$841,371)
15 2011	\$693,239	\$18,104		\$25,000				\$42,158	\$532,018	(\$309,353)	(\$309,353)	(\$309,353)
16 2012	\$2,421,459	\$28,332	\$290,000					\$53,433	\$110,465	(\$198,888)	(\$198,888)	(\$198,888)
17 2013	\$548,886	\$17,934	\$160,000	\$1,151								
18 2014	\$458,923	\$48,470	\$650,000	\$20,335								
ESTIMATED												
19 2015	\$281,028	\$40,000	\$650,000					\$161,042	\$375,570	\$176,682	\$176,682	\$176,682
20 2016	\$283,598	\$18,000						\$101,072	\$985,030	\$1,161,712	\$1,161,712	\$1,161,712
21 2017	\$289,774	\$18,000						\$101,072	\$978,854	\$2,140,566	\$2,140,566	\$2,140,566
22 2018		\$18,000						\$101,072	\$1,268,628	\$3,409,194	\$3,409,194	\$3,409,194
23 2019								\$101,072	\$1,286,628	\$4,695,822	\$4,695,822	\$4,695,822
24 2020								\$101,072	\$1,286,628	\$5,982,450	\$5,982,450	\$5,982,450
TOTAL	11,856,868	491,512	7,713,937	\$3,339,905	9,936,877	54,812	18,118,774	1,274,209				