



*** 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,

Meeting of: **FINANCE COMMITTEE**
 Date/Time: **Tuesday, October 13, 2015 at 5:45 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)

Presenter

- | | | |
|---|--|---------|
| 1 | Public Comment on matters appearing on the agenda. | |
| 2 | Minutes of previous meeting(s). (9/22/15) | |
| 3 | Discussion and possible action regarding the creation of a juvenile animal fee | Groat |
| 4 | Discussion and possible action regarding the execution of a five year lease between the City of Wausau and the United States of America for use by the Federal Aviation Administration for antenna and rack space at the City of Wausau Downtown Airport | Alfonso |
| 5 | Discussion and possible action regarding 2016 audit services including sole sourcing a one year extension or initiating an RFP | Groat |
| 6 | Discussion and Possible Action regarding the 2016 Budget | Tipple |
| 7 | Discussion and possible action regarding the consideration of alternatives for the closure or project plan amendment of Tax Increment District Number Five | Groat |

PLEASE NOTE TIME CHANGE TO 5:45pm

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)261-6645 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 10/0715 @ 2:30 PM

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

FINANCE COMMITTEE

Date and Time: Tuesday, September 22, 2015 @ 5:30 pm., Board Room

Members Present: Oberbeck (C), Kellbach, Mielke, Nutting, Nagle

Others Present: Groat, Giese, Hite, Kujawa, Lindman, Schock, Werth, Tipple, Wagner, Gisselman, Neal, Joe Gehin, various room tax applicants, and media.

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

Public Comment

None

Minutes of previous meeting(s). (8/11/15, 8/25/15 & 9/08/15)

Motion by Mielke, second by Kellbach to approve the minutes of the previous meetings (8/11/15, 8/25/15 & 9/08/15). Motion carried 5-0.

Wausau Mine Company and Bridge Street Investment Development Agreement - request for satisfactory completion

Chris Schock stated the ED Committee reviewed extensively the requests from both entities for satisfaction of their development agreement compliance and the extenuating circumstances that have existed at the sites. Both projects also involved, with city participation, right-of-way acquisitions and road construction projects. He indicated the ED Committee passed a motion to consider these to be in compliance with the intent of the development agreements.

Oberbeck commented he looked at the values stated in the agreements and they were not met. Wausau Mine was approximately \$154,300 short; Bridge Street Investments was about a \$250,000 difference. Schock stated their letter is quite open about the explanation. He reiterated they were also involved with city acquisition of right-of-way and they were really assisting in a certain way. Oberbeck questioned what the purpose of putting a number like this in if we are not going to hold them to it.

Werth pointed out we did not do a relocation of the Wausau Mine building which would have cost the city considerable dollars. She stated what was determined in ED Committee is that both of them met the spirit of the agreement and did what they said they were going to do. Both have more employees than what they originally stated and they both assisted the city rather than being detrimental to it. Nagle stated they are basically arguing that the facts have changed.

Mielke requested that the two be voted on separately as he intended to abstain from voting on Wausau Mine Company as a former customer of his and he does business with another establishment in the family.

Motion by Nutting, second by Nagle to approve the recommendation of the ED Committee for Bridge Street Investment Development as having satisfied the intent of the development agreement. Motion carried 3-2. (*Mielke & Oberbeck were the dissenting votes.*)

Motion by Nagle, second by Nutting to approve the recommendation of the ED Committee for Wausau Mine Company as having satisfied the intent of the development agreement. Motion carried 3-1, Mielke abstained. (*Oberbeck was the dissenting vote.*)

2016 Room Tax Applications and the development of the 2015 Room Tax Budget- Groat

Groat explained the process for room tax applications as well as for continuing appropriations. She indicated she allocated the same levels for continuing appropriations that they received in 2014. She explained they can look at the completion of the year at the February allocation when they know how much was actually received in 2015 and make a determination whether they want to give them the full percentage. She stated there was one new request for Central Stage Band and Show Choir, which is an event taking place at the Grand Theater for three days. Other noted allocations were Wausau Canoe & Kayak for \$12,000 and Winterfest for \$4,000.

Groat stated next year based on the new state law we will be giving all of the room tax money to the Convention & Visitor's Bureau (CVB) because it appears to be the entity that qualifies based on that law. She noted we are allowed to keep our 30% share. Tipple explained the intent of the law is to give the money to an independent body. He pointed out that he sits on their board along with all the other municipal officials, so we will at least have an opportunity to weigh in on the allocations. Nagle was concerned about the continuation of the events in Wausau, such as Chalkfest and Balloon Rally, and these many wonderful events that make our area so great. Oberbeck questioned if CVB will be keeping track of room tax per municipality. He felt we should be lobbying to have the funds go back into the community it was taken from because of the hotels that are located in that municipality.

Oberbeck suggested the Council as a whole put together a letter indicating we would like to see these types of activities maintained in the community and that we would like CVB to at least entertain that idea.

Motion by Nagle, second by Nutting to adopt the room tax allocations as presented. Motion carried 5-0.

Sole source purchase - Riverfront Testing – Stantec

Werth stated when doing our Block Grant funding for the last several years we have put approximately \$50,000 towards Brownfields funding. We have contributed the majority of that Brownfield funding to the riverfront project. She noted there is January 1st startup of Block Grant, but we don't get our money until August. This sole source purchase offers us an opportunity to be able to pay for more Brownfield funding for this site investigation, which is on the Eye Clinic of Wausau property and on the shoreline that is owned by them from the pedestrian bridge to Scott Street. She stated to keep the continuity of Stantec we would normally under certain circumstances do a change order, but in order to get Federal funding she is required to execute a separate contract and as such sole source approval is necessary. Groat noted time is of the essence because the EPA has a funding cycle and we need to have a clear idea of what kind of remediation needs to take place on the riverbank and in order to meet that we need to get this going right away. Werth noted the funds were coming from the 2015 Community Development Block Grant funds from HUD.

Motion by Nutting, second by Mielke to approve the sole source purchase for riverfront testing – Stantec. Motion carried 5-0.

City of Wausau Park Comprehensive Plan and related timetable for securing consulting services

Oberbeck stated we need to go out for RFPs and start getting a consultant in place for next year, as we have approved it in the CIP Committee; it makes sense to do that consulting work in January until May. We have added quite a bit in the last few years and it is time to update that plan and get everything in place to move forward with some of the other initiatives. Groat stated right now our Comprehensive Plan for the parks has expired and the DNR won't allow us to apply for any of the Stewardship Grants unless we have an up to date Comprehensive Plan. Their funding deadline is in June, so if we wait until January 1st we would likely miss that June application period and we feel there are projects out there that would rank high. She noted this would really just authorize us to sign a contract and most likely we would not actually write any checks for it this year. Nagle suggested putting a paragraph into the plan regarding metropolitan cooperation.

Motion by Kellbach, second by Mielke to approve moving forward to secure consulting services to update the Wausau Park Comprehensive Plan. Motion carried 5-0.

August 2015 General Fund Monthly Financial Report

Oberbeck commented when looking at the expenditures from last year compared to this year and looking at our revenue, it is putting us in a very good position. Groat stated beginning January 1, 2015 we started doing full financial statements for the Water & Sewer Utility so that the Commission can be up-to-date on the finances for both water and sewer. As part of that we are allocating the payment in lieu of tax, which is about \$1 million per year, to the General Fund during the year on a monthly basis.

The narrative for the August 2015 General Fund Financial Report can be accessed online:

<http://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx>

Purchase of properties on the 1100 Block of West Thomas Street

Lindman stated this went to the CISM Committee in August and the cross section for Thomas Street was approved. Out of the cross section we delineated the houses that are required to be taken and there are five properties on the 1100 block that we don't necessarily need to acquire, but there is a strong interest from the homeowners for us to consider them. There was some discussion at ED regarding development in this area that could be marketed.

Motion by Nutting, second by Mielke to include these properties with the properties to be acquired. Nutting explained it was a safety issue for these properties that would have virtually no driveway left and sidewalks right up to the houses. Oberbeck questioned if we actually needed these properties to do the project and Lindman responded that we did not, but there would be strip taking from them. He noted on a couple of them the sidewalk would be a couple of feet from their front step and one would actually have to turn the steps. Nagle felt they needed to discuss this in closed session. Mielke withdrew his second.

CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session: *Discussion and possible action regarding the purchase of properties on the 1100 Block of West Thomas Street*

Motion by Nagle, second by Kellbach to move into closed session. Roll Call Vote: Ayes: Nagle, Kellbach, Mielke, Nutting, Oberbeck. Noes: 0. Motion carried 5-0.

Adjourned in closed session at 6:37 pm.



STAFF REPORT ON PET LICENSE FEES FOR JUVENILE ANIMALS

TO: FINANCE COMMITTEE

FROM: MARYANNE GROAT

DATE: October 7, 2015

The Common Council recently adopted a new animal license fee structure designed to encourage pet owners to microchip and alter their pets. The current Wisconsin law establishes a half price puppy license for pet licenses issued to puppies after July 1 and the City ordinance provides the same discount to kittens.

Many communities offer discounted juvenile license to all animals under a certain age (usually 6 months – 12 months) regardless of when the license is purchased. This discount may serve as another financial incentive for the pet owner to use the one time savings to microchip or alter their new pet.

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

JT. RESOLUTION OF AIRPORT COMMITTEE AND FINANCE COMMITTEE

Authorizing execution of a five (5) year lease between the City of Wausau (“City”) and the United States of America (“Lessee”) for use by the Federal Aviation Administration for antenna and rack space at the City of Wausau Downtown Airport.

Committee Action: 6 - 0 (Airport Committee)
(Finance Committee)

Fiscal Impact: Rental Payments to the City in the amount of \$216.67 per month

File Number:

Date Introduced:

FISCAL IMPACT SUMMARY

COSTS	<i>Budget Neutral</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	<i>Included in Budget:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<i>Budget Source:</i>
	<i>One-time Costs:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<i>Amount:</i>
	<i>Recurring Costs:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<i>Amount:</i>
SOURCE	<i>Fee Financed:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<i>Amount:</i>
	<i>Grant Financed:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<i>Amount:</i>
	<i>Debt Financed:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<i>Amount</i> <i>Annual Retirement</i>
	<i>TID Financed:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<i>Amount:</i>
	<i>TID Source: Increment Revenue <input type="checkbox"/> Debt <input type="checkbox"/> Funds on Hand <input type="checkbox"/> Interfund Loan <input type="checkbox"/></i>			

RESOLUTION

WHEREAS, the City of Wausau owns and operates an airport within the corporate limits of the City of Wausau (“City”) known as the Wausau Downtown Airport (“Airport”); and

WHEREAS, the parties have negotiated a five (5) year lease for the provision of approximately 322 square feet of space located on the first floor of the Administrative Building at the Airport to the United States of America for use by the Federal Aviation Administration (“FAA”) to keep and maintain certain technical equipment, antenna, and rack space at a rate of Two Hundred and Sixteen Dollars and Sixty-Seven (\$216.67) per month; and,

WHEREAS, your Airport Committee, at their September 9, 2015, meeting, and the Finance Committee, at their _____, 2015, meeting recommend that the lease, a copy of which is attached hereto and incorporated herein as “Exhibit 1,” be approved.

NOW THEREFORE BE IT RESOLVED, by the Common Council of the City of Wausau, that the Mayor is hereby authorized and directed to execute the five (5) year lease agreement for the

provision of approximately 322 square feet of space located on the first floor of the Administrative Building at the Airport to the United States of America for use by the FAA to keep and maintain certain technical equipment, antenna, and rack space at a rate of Two Hundred and Sixteen Dollars and Sixty-Seven (\$216.67) per month.

Approved:

James E. Tipple, Mayor

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
ANTENNA AND RACK SPACE LEASE
FOR REAL PROPERTY**

**Lease Number: DTFACN-16-L-00019
(AUW) RCO
Wausau, Wisconsin**

This Lease, is entered into by and between City of Wausau, Wisconsin, whose address is 407 Grant Street, Wausau, WI. 54403 and whose interest in the property hereinafter described is that of OWNER, hereby referred to as LESSOR, and the United States of America, hereinafter referred to as the GOVERNMENT OR FAA: WITNESSETH: The Parties hereto, and for the consideration hereinafter mentioned, covenant and agree as follows:

1. DESCRIPTION (10/96) - The LESSOR hereby leases to the GOVERNMENT the following described premises: Approximately 322 square feet for technical/ equipment space located on the first floor of the Administrative Building at the Wausau Municipal Airport, Wausau, Wisconsin, as shown on the floor plan as identified on Exhibit A, attached hereto and made a part hereon, which shall be related to the FAA's activities in support of Air Traffic operations.
2. TERM (1/01) - To have and to hold, for the term commencing on October 1, 2015 and continuing through September 30, 2020 inclusive, PROVIDED that adequate appropriations are available from year to year for the payment of rentals.
3. CANCELLATION (8/02) -The GOVERNMENT may terminate this lease at any time, in whole or in part, if the Real Estate Contracting Officer (RECO) determines that a termination is in the best interest of the Government, on or after October 1, 2015 by giving at least thirty-days (30) notice in writing to the LESSOR. No rental will accrue after the effective date of termination. Said notice will be computed commencing with the day after the date of mailing.
4. RENTAL - Rent in the amount of TWO THOUSAND SIX HUNDRED AND FOUR CENTS (\$2,600.04) per annum and shall be payable to the LESSOR in arrears, in the amount of TWO HUNDRED AND SIXTEEN DOLLARS AND SIXTY-SEVEN CENTS (\$216.67) and will be due on the first workday of each month, without the submission of invoices or vouchers, subject to available appropriations. Rent will be considered paid on the date a check is dated or an electronic funds transfer is made. Rent for a period of less than a year will be prorated. Checks will be made payable to: Finance Director, City of Wausau, 407 Grant Street, Wausau, Wisconsin 55403-4783.

2.6.2 Antenna and Rack Space Template

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Liability for incomplete or erroneous transfers:

LESSOR—If an incomplete or erroneous transfer occurs because the LESSOR'S EFT was incorrect, or was revised within 30 days of the Government release of the EFT payment transaction instruction to the Federal Reserve System; and if the funds are no longer under the control of the payment office, the Government is deemed to have made payment and rent will be considered paid. The LESSOR is responsible for the recovery of any erroneously directed funds.

GOVERNMENT—If an incomplete or erroneous transfer occurs because the Government used the LESSOR'S EFT information incorrectly, the Government remains responsible for: (i) making a correct payment; (ii) paying any late payment penalty due; and (iii) recovering any erroneously directed funds. In such circumstances rent will not have been considered paid until it is actually received by the LESSOR.

5. NON-RESTORATION (10/96) - The FAA will have no obligation to restore and/or rehabilitate, either wholly or partially, the premises under this lease. It is further agreed that the FAA may abandon in place any or all of the structures, improvements and/or equipment installed in or located upon said property by the FAA during its tenure. Notice of abandonment will be conveyed to the Lessor in writing.
6. SERVICES AND UTILITIES (To be provided by LESSOR as part of rent.) Services supplied to technical equipment will be supplied 24 hours a day, and seven days a week. The GOVERNMENT will have access to the leased premises at all times, including the use of electrical services without additional payment **The GOVERNMENT and all agents and employees acting on behalf of the GOVERNMENT will follow the Airport Security Plan and ensure that all secure and locked areas of the Airport entered by the GOVERNMENT are re-secured and locked during and after such GOVERNMENT access.**
 - ELECTRICITY
 - SNOW REMOVAL
 - GROUND MAINTENANCE
7. DAMAGE BY FIRE OR OTHER CASUALTY (10/96) - If the building or structure is partially or totally destroyed or damaged by fire or other casualty or if environmentally hazardous conditions are found to exist so that the leased premises is untenable as determined by the GOVERNMENT, the GOVERNMENT may terminate the lease, in whole or in part, immediately by giving written notice to the LESSOR and no further rental will be due.
8. MAINTENANCE OF THE PREMISES (10/96) - The LESSOR will maintain the demised premises, including the grounds, all equipment, and fixtures, appurtenances furnished by the LESSOR under this lease, in good repair.
9. FAILURE IN PERFORMANCE - In the event the LESSOR fails to perform any service, to provide any item, or meet any requirement of this Lease, the

2.6.2 Antenna and Rack Space Template

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GOVERNMENT may terminate this Lease immediately by giving written notice to LESSOR and no further rental will be due. In the event the LESSOR has failed to perform any essential service or provide any essential item under this Lease, the Government may, alternatively, withhold from the rental payment due to LESSOR, the amount of the fair and reasonable value of any essential service or item which the LESSOR has failed to provide under the Lease; provided, however, the GOVERNMENT has given written notice to the LESSOR of the failure to provide such essential service or item and the LESSOR has failed to cure its failure within twenty four (24) hours. No deduction of rent pursuant to this clause will constitute default by the GOVERNMENT under this Lease. The GOVERNMENT will have no further remedies with respect to any failure by LESSOR to perform or provide services under this LEASE.

10. CONTRACT DISPUTES (11/03) - All contract disputes and arising under or related to this lease contract will be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and will be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and will apply only to final agency decisions. A LESSOR may seek review of a final FAA decision only after its administrative remedies have been exhausted.

All Contract Disputes will be in writing and will be filed at the following address:

Office of Dispute Resolution for Acquisition, AGC-70
Federal Aviation Administration
800 Independence Avenue, SW
Room 323
Washington, DC 20591
Telephone: (202) 267-3290
Facsimile: (202) 267-3720

A contract dispute against the FAA will be filed with the ODRA within two (2) years of the accrual of the lease contract claim involved. A contract dispute is considered to be filed on the date it is received by the ODRA.

The full text of the Contract Disputes clause is incorporated by reference. Upon request the full text will be provided by the RECO.

11. HOLDOVER (10/13) – If, after the expiration of the lease, the Government shall retain possession of the premises, the lease shall continue in force and effect on a month-to-month basis. Rent shall be paid in accordance with the terms of the lease, in arrears on a prorated base, at the rate paid during the lease term. This period shall continue until the Government shall have signed a new lease with the Lessor, acquire the property in fee or vacated the premises.

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12. ELECTRICAL SAFETY - The Lessor shall ensure electrical safety requirements are met, including grounding, bonding, shielding, control of electrostatic discharge (ESD), and lightning protection requirements, in accordance with:

- A. 29 CFR 1910, Subpart S, *Electrical*
- B. National Fire Protection Association (NFPA) 70, *National Electrical Code*
- C. NFPA 70E, *Electrical Safety in the Workplace*
- D. American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) Standard 1100-2005, *Recommended Practice for Powering and Grounding Electrical Equipment*

The Lessor shall ensure that personnel are protected from arc flash hazards, in accordance with NFPA 70E, *Electrical Safety in the Workplace* and that arc flash warning labels are posted on affected panels, with warning labels meeting the requirements of American National Standards Institute (ANSI) Z53, *Series of Standards for Safety Signs and Tags*.

13. INTERFERENCE:

- a. Should there be interference with the lessor's facility due to the FAA operations, FAA shall correct the problem immediately. If the lessor's facility interferes with FAA's equipment then the lessor will correct the problem immediately.
- b. The GOVERNMENT shall not make any use of, or conduct any activities on the Premises which would interfere with or be a hazard to the flight of aircraft over the Premises, or to and from the Airport, or interfere with air navigation and communication facilities presently or in the future serving the Airport. The Government agrees not to permit the height of any of its structures, objects of natural growth, or other obstructions to exceed the height limits established in Title 49, Part 77 of the Code of Federal Regulations unless said structure, object, or other obstruction is in compliance therewith.
- c. HAZARDS - The GOVERNMENT shall not create any hazard which would interfere with the use or the safety of air traffic at the Airport contrary to any federal law, regulation, or ordinance.
- d. NONDISCRIMINATION - All use, occupancy, maintenance and operation of the Premises shall be in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A. Office of the Secretary, Part 21, - Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as such regulations may be amended; and pursuant to Section 30, Civil Rights (49 U.S.C. 1730) of the Airport and Airway Development Act Amendments of 1976, as well as any other laws applicable to the federal government.

14. COORDINATION - The FAA will receive permission from the lessor prior to installing any new equipment at the site. The GOVERNMENT shall not make any

2.6.2 Antenna and Rack Space Template

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improvements to the Premises without the prior written consent of the LESSOR.

15. HOLD HARMLESS (10/96) - In accordance with and subject to the conditions, limitations and exceptions set forth in the Federal Tort Claims Act of 1948, as amended (28 USC 2671. et. seq.), hereafter termed "the Act" the Government will be liable to persons damaged by any personal injury, death or injury to or loss of property, which is caused by a negligent or wrongful act or omission of an employee of the Government while acting within the scope of his office or employment under circumstances where a private person would be liable in accordance with the law of the place where the act or omission occurred. The foregoing shall not be deemed to extend the Government's liability beyond that existing under the Act at the time of such act or omission or to preclude the Government from using any defense available in law or equity.
16. CLAUSES INCORPORATED BY REFERENCE: The clauses identified below are incorporated by reference. The full text of these clauses can be found in Standard Space Lease Form via the Internet at <http://fast.faa.gov>
- ANTI-KICKBACK (7/14)
 - ASSIGNMENT OF CLAIMS (10/96)
 - CERTIFICATION OF REGISTRATION IN SAM - REAL PROPERTY (1/13)
 - COMPLIANCE WITH APPLICABLE LAWS (10/96)
 - CONTRACTOR IDENTIFICATION NUMBER -"DATA UNIVERSAL NUMBERING SYSTEM" (DUNS) NUMBER (1/13)
 - COVENANT AGAINST CONTINGENT FEES (8/02)
 - DEFAULT BY LESSOR (10/96)
 - EXAMINATION OF RECORDS (8/02)
 - INSPECTION (10/96)
 - LESSOR'S SUCCESSOR (10/96)
 - NO WAIVER (10/96)
 - OFFICIALS NOT TO BENEFIT (10/96)
 - PAYMENT BY ELECTRONIC FUNDS TRANSFER (1/13)
 - SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (7/14)
 - SYSTEM FOR AWARD MANAGEMENT - REAL PROPERTY (1/13)

2.6.2 Antenna and Rack Space Template

April 2015

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17. NOTICES

All notices/correspondence shall be in writing, reference the Agreement number, and be addressed as follows:

To the Lessor:
City of Wausau, Wisconsin
407 Grant Street
Wausau, Wisconsin 54403

To the Federal Aviation Administration:
DOT / Federal Aviation Administration
Real Estate & Utilities Group, ALO-720
10101 Hillwood Parkway
Fort Worth, Texas 76177

IN WITNESS WHEREOF, the parties hereto have signed their names.

LESSOR:

BY

James E. Tipple

Mayor

Date

THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.

BY

Sharon E. Wynn

Contracting Officer

Title

Date

PUBLIC AUTHORIZATION CERTIFICATE

I Toni Rayala, certify that I am the City Clerk of the City of Wausau, Wisconsin named in the foregoing agreement; and that James E. Tipple who signed said agreement on behalf of the City of Wausau, Wisconsin was then Mayor of said City of Wausau, Wisconsin; that said agreement was duly signed for and on behalf of the City of Wausau, Wisconsin by authority of its governing body, and is within the scope of its powers.

Signed _____



STAFF REPORT ON 2016 AUDIT

TO: FINANCE COMMITTEE

FROM: MARYANNE GROAT

Our audit contract with Schenck expired with the completion of the 2014 audit. Schenck has expressed an interest in extending the contract an additional year for the price of \$36,475. This results in an increase of \$110 for the city's portion of the audit and \$1,760 increase in the CDA (Riverview Towers and the Assisted Living Facility) audit. If the City elects not to extend the audit we will issue an RFP immediately as we need to have an auditor hired before year end. The length of time necessary to secure an auditor will depend upon whether the Finance Committee is interested in interviewing auditors or selecting the audit firm based upon the written proposals.

Currently Schenck performs both the City audit and the CDA audit. Having the same auditor perform both audits is convenient since the CDA's audited financial statements must be incorporated into the City's financial statements. The CDA accounting and auditing is specialized and Schenck has great experience and provided excellent service in this area which has been a benefit to the CDA. Their financial reporting has become substantially more complex since they have become a tax credit project, established a separate corporate entity and have multiple investment interests. The CDA supports the extension of the contract.

Historically we have entered into five year contracts for audit services. The rationale for this contract period is both the audit firm and city staff invest considerable time when a new auditor is hired. New auditors have many questionnaires that must be completed and require assistance gathering a variety of permanent documents such as outstanding debt records. In addition, a new auditor is unfamiliar with departments, accounting records and accounting systems and require more assistance in conducting the audit. It generally takes two years for the audit firm to become efficient in the process. A five year contract is thought to help maximize the efficiency period and minimize staff disruptions. It is a common practice to extend the contract to future years.

Switching auditors periodically can also be beneficial because you get a new perspective. Prior to the this five year contract with Schenck the City had utilized Clifton Larsen for about 22 years. The Schenck quote was very competitive during the last audit cycle; a summary of the quotes is provided below.

2010 to 2014 Proposal Tabulation

	<u>Schenck</u>	<u>Baker Tilly</u>	<u>Wipfli</u>	<u>Clifton Gunderson</u>
2010	\$30,750	\$42,330	\$36,000	\$34,000
2011	\$31,665	\$43,200	\$37,000	\$34,000
2012	\$32,615	\$44,000	\$38,000	\$34,000
2013	\$33,595	\$44,900	\$39,000	\$35,000
2014	\$34,605	\$45,800	\$41,000	\$36,000
	<u>\$163,230</u>	<u>\$220,230</u>	<u>\$191,000</u>	<u>\$173,000</u>



Schenck
SC

CPAs AND SO MUCH MORE.

October 7, 2015

Maryanne Groat, CPA Finance Director
City of Wausau
407 Grant Street
Wausau, WI 54403

Dear Ms. Groat:

Set forth below are proposed fees for a one-year extension of our auditing services contract. This contract extension will extend to the City of Wausau and Schenck SC the same conditions and requirements included in our prior proposal for audit services.

Proposed Fees for Auditing Services

	Audit Year 2015
Audit of City of Wausau - All governmental and proprietary funds (including the A-133 federal single audit)	\$28,525
Audit of the Community Development Authority	7,950

If our proposal is accepted, Schenck SC would submit annual engagement letters to the City to detail the scope of the audit and to outline the responsibilities of each party.

We sincerely appreciate the opportunity to continue our relationship with the City. We currently provide auditing services to over 250 Wisconsin municipalities. Because of our experience and extensive background with municipalities, we believe the auditing services we deliver to our clients provide benefits that exceed those provided by other CPA firms.

If you have any questions or desire any additional information, please don't hesitate to contact us. If I can be of any assistance, please let me know.

Sincerely,

Jon T. Trautman, CPA

RESPONSE:

The above proposed fees are accepted to extend the auditing services contract to the 2015 audit.

Signature

Title

Date



Summary of Qualifications

Schenck's Government & Not-for-Profit Team is uniquely qualified to complete these engagements. Summarized below are reasons why you will receive the highest quality auditing services from a company that audits over 300 governmental entities and has been working with agencies since 1930. Additional information supporting each of these reasons can be found in our Qualifications and Experience Section of this proposal for audit services.

- We provide you with governmental and HUD audit specialists
- We know your business, giving you peace of mind
- You are guaranteed a long-term working relationship
- We can help you maintain GASB compliant financial statements
- We provide constructive management letters

Audit Fees

Our proposed fees for the audits are listed below:

	Year Ended December 31,				
	2010	2011	2012	2013	2014
Audit of Basic Financial Statements	\$ 25,250	\$ 26,000	\$ 26,780	\$ 27,585	\$ 28,415
Audit of Community Development Authority	5,500	5,665	5,835	6,010	6,190
Total All-inclusive Maximum Price	<u>\$ 30,750</u>	<u>\$ 31,665</u>	<u>\$ 32,615</u>	<u>\$ 33,595</u>	<u>\$ 34,605</u>

Telephone conversations and other routine oral advice requested during the year are included in the above fees and will not be charged.

We are confident that we can meet your auditing needs to your complete satisfaction. Thomas L. Karman, the shareholder assigned to your engagement and authorized to contractually bind Schenck SC can be reached at 2200 Riverside Drive, Green Bay, Wisconsin 54305, 920-455-4111.

Please contact Thomas L. Karman, CPA if you need additional information or have any questions on the information included in the proposal.

Very truly yours,



Thomas L. Karman
Certified Public Accountant



CITY OF WAUSAU
SOLE SOURCE PURCHASE JUSTIFICATION
REQUIRED FORM PURCHASE OF GOODS OR SERVICES EXCEEDING \$5,000

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

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

Ongoing Sole Source – 365 days

One Time Sole Source Request

-
1. Provide a detailed explanation of the good or service to be purchased and vendor.

2015 Audit Services for the City of Wausau and the CDA

2. Provide a brief description of the intended application for the service or goods to be purchased.

Annually the City and CDA have a financial and single audit

3. State why other products or services that compete in the market will not or do not meet your needs or comply with your specifications.

Extending the audit contract is a common practice. The benefit of the extension is the time savings from using a firm that is familiar with our accounting records and already has accumulated many of the permanent records such as loan documents for their files. The City has been satisfied with the work performed and Schenck has considerable experience and expertise in governmental and CDA/Housing Authority audits.

4. Describe your efforts to identify other vendors to furnish the product or services.

We are aware of other firms but have not at this point reached out to them due to the time savings from extending the contract

5. How did you determine that the sole source vendor's price was reasonable?

Schenck was very reasonable in their price quote in the last RFP process and the rate proposed for the 2015 audit continues the pricing structure.

6. Which of the following best describes this sole source procurement? Select all that apply.

- Product or vendor is uniquely qualified with capability not found elsewhere.
- Urgency due to public safety, serious financial injury or other. (explain)
- The procurement is of such a specialized nature that by virtue of experience, expertise, proximity or ownership of intellectual property
- Lack of acceptable quotes or bids.
- Product compatibility or the standardization of a product.
- Continuation of a phased project.
- Proposal development is uneconomical.

Department: Finance

Preparer: Maryanne Groat

Vendor Name: Schenck

Expected amount of purchase or contract:

Department Head Signature: **Date:**

Finance Director Signature: **Date:**



STAFF REPORT ON TID #5 CLOSURE

TO: FINANCE COMMITTEE

FROM: MARYANNE GROAT

DATE: October 7, 2015

BACK GROUND INFORMATION

The Finance Committee has had several conversations regarding the status of Tax Increment District Number Five in recent months. Communication of the closure to the Wisconsin DOR is required by May 15th.

The major debate for the City is:

- Should Tax Increment District 5 remain open and serve as a donor district to Tax Increment District Number Three? Or
- Should Tax Increment District 5 be closed and provide general property tax relief for the 2017 budget?

Recognizing the benefits of both options I would submit a third option for consideration. To amend the district to serve as a donor district and at the same time reduce the size of the district. This change would provide tax relief and ensure the continued financial viability of TID #3. I have attached a proposed map of the existing district. The taxes paid by those properties eliminated (as denoted on the map) would be available to fund the City of Wausau operating budget in 2017. A spreadsheet of the property values of the proposed and the estimated tax implication follows the map. The estimated annual tax impact of the boundary changes would be city taxes of \$141,953 and total taxes of \$375,302. As we learned the impact to the School and Technical College is modified due to offsets of state aids. This reduction would then reduce the annual amount donated to TID #3 to about \$900,000 per year. This donation will go along way in stabilizing the deficits within TID #3 and serving as financial security for the mall endeavor.

Attached is the map, the financial impact of the boundary change, the powerpoint presentation reviewed at an earlier meeting and the projected TID deficits financial impact to the general fund for the next four years.

TID #5 BOUNDARY CHANGE

Option A		Land	Improvement	Personal Property	Exempt Computer	Total
Option C						
	29129073050995	Intercity Bank	473,300			473,300
	29129073020989	Award Properties	241,300	4,091,300		4,332,600
	29129073020987	UAS Lab	17,300			17,300
	29129073020984	UAS Lab	62,100	1,052,000		1,114,100
	29129062530956	Packaging Tape	221,600	3,343,900	400,800	4,378,500
	29129062530965	M&K Rentals	40,300	251,900	1,800	294,000
	29129062530958	TJ Lands	57,500	183,400	103,100	344,000
	29129062540983	Polywood Properties	93,400	2,777,800	64,800	2,936,000
					Total	13,889,800
					City Rate	9.5 131,953.10
					Total Rate	27.02 375,302.40

TID DEFICITS AND THE GENERAL FUND UNDESIGNATED FUND BALANCE

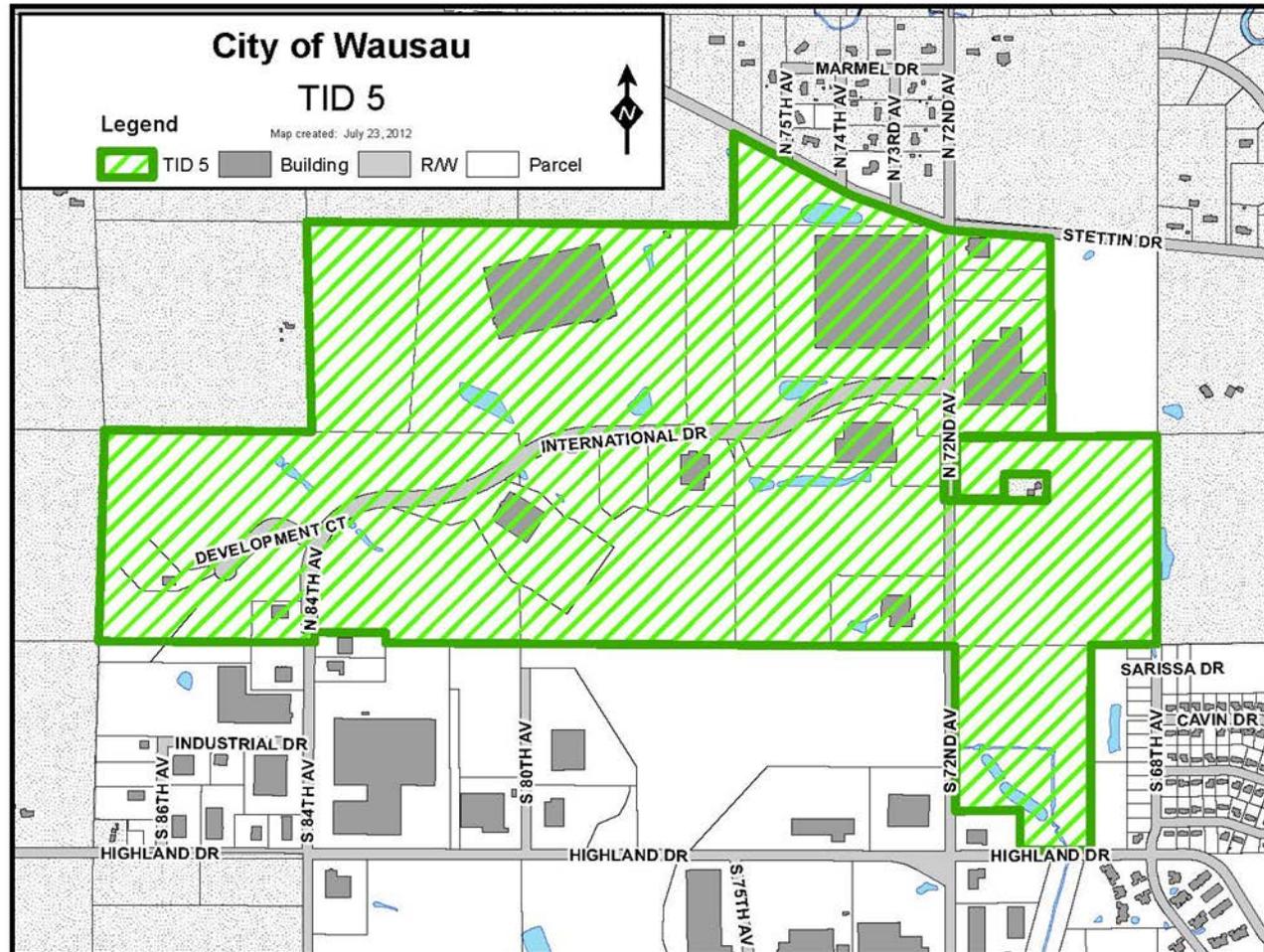
WITHOUT TID #5 DONATION

	Accumulated Surplus(Deficit)						Total	Holtz Krause Funding	Net Deficit	General Fund Undesignated Fund Balance	% of Expenditure Budget 16.67%
	TID #3	TID #6	TID #7	TID #8	TID #9	TID #10					
2013 Actual	(2,105,440)	(309,591)	(1,524,184)	(25,872)	(9,872)	(1,000)	(3,975,959)	1,239,432	(2,736,527)	5,837,182	19.02%
2014 Actual	(3,248,091)	(630,845)	(1,776,943)	105,706	(90,985)	69,627	(5,571,531)	1,239,432	(4,332,099)	4,362,313	13.90%
2015 Projected	(4,074,142)	(458,201)	(2,010,961)	1,375,514	(81,416)	(118,089)	(5,367,295)	1,239,432	(4,127,863)	4,566,549	14.55%
2016 Projected	(3,964,003)	(165,516)	(2,270,462)	3,616	(78,148)	(85,697)	(6,560,210)	1,239,432	(5,320,778)	3,373,634	10.75%
2017 Projected	(4,071,389)	214,799	(2,311,190)	122,370	(72,963)	(26,051)	(6,144,424)	1,239,432	(4,904,992)	3,789,420	12.08%
2018 Projected	(4,973,590)	153,310	(2,263,182)	116,552	(77,918)	(49,843)	(7,094,671)	1,239,432	(5,855,239)	2,839,173	9.05%
2019 Projected	(5,045,579)	399,727	(1,827,293)	(22,613)	(81,372)	(71,222)	(6,648,352)	1,239,432	(5,408,920)	3,285,492	10.47%

WITH TID #5 DONATION

2014 Actual	(3,248,091)	(630,845)	(1,776,943)	105,706	(90,985)	69,627	(5,571,531)	1,239,432	(4,332,099)	4,362,313	13.90%
2015 Projected	(4,074,142)	(458,201)	(2,010,961)	1,375,514	(81,416)	(118,089)	(5,367,295)	1,239,432	(4,127,863)	4,566,549	14.55%
2016 Projected	(2,964,003)	(165,516)	(2,270,462)	3,616	(78,148)	(85,697)	(5,560,210)	1,239,432	(4,320,778)	4,373,634	13.94%
2017 Projected	(2,171,389)	214,799	(2,311,190)	122,370	(72,963)	(26,051)	(4,244,424)	1,239,432	(3,004,992)	5,689,420	18.13%
2018 Projected	(2,173,590)	153,310	(2,263,182)	116,552	(77,918)	(49,843)	(4,294,671)	1,239,432	(3,055,239)	5,639,173	17.97%
2019 Projected	(1,345,579)	399,727	(1,827,293)	(22,613)	(81,372)	(71,222)	(2,948,352)	1,239,432	(1,708,920)	6,985,492	22.26%

TAX INCREMENT DISTRICT NUMBER FIVE



DISTRICT STATISTICS

- Created 7/8/1997
- Mandated Termination 7/8/2020
- Base Value of the District \$374,100
- Equalized Value 1/1/2014 \$44,942,200
- Equalized Value 1/1/2015 \$48,176,800

Projects and Project Costs

- Developed Streets, Stormwater Management and Utilities within the Business Campus TID #5 Map \$3,242,674
- Entrepreneurial Center Development \$3,336,533.
- Wausau Window & Wall Facility \$2,956,877
- Southern Stretch Forming New Business Relocation \$160,000
- Reuse of Fiskars Facility OMotion \$650,000
- Business Expansion Composite Envisions \$100,000
- Relocation of Colorado WWW Facility \$500,000
- Interest and Debt Issuance Charges \$1,880,601
- Professional Services and Administration \$455,270

OUTSTANDING DEBT

	2010B Refunding		
	Principal	Interest	Total
2016	270,000	13,598	283,598
2017	285,000	4,774	289,774
	<hr/> 555,000	18,372	573,372

2015 Increment Allocation

Marathon County	\$231,009
City of Wausau	\$404,540
Wausau School District	\$495,720
Technical College	\$54,287
Total Increment	\$1,185,556

TID Closure – City and County Tax Impact – Levy Limit

- Levy Limit allows 50% of the percentage of increment of the terminated district/total equalized value to fund operating budget
 - City Estimated Additional Operating Levy \$186,133
 - County Estimated Additional Operating Levy \$110,976
- Balance of levy becomes tax relief:
 - City \$.08 per \$1,000 of valuation
 - County \$.04 per \$1,000 of valuation
- Any Excess Increment Distribution is not considered within the levy limit calculation

TID Closure – K-12 School

Revenue Limit

- Equalization Aid Formula Objective - equalize rich and poor schools (property value per FTE student)
- Revenue Limit Formula limits the revenue to be collected from taxes and aid.
- When equalized value increases from growth or TID closure -school aid drops to reflect the increased wealth in the district.
- All 425 school districts along with school voucher program share in the State General Aid appropriation.
- Unable to predict exact impact of TID closure due to the state wide influences of school aid; likely district aid will decline accordingly.
- Based Upon Ehlers School District TID Impact Analysis the savings will be \$.01
- Most optimal for the school district to receive the excess increment allocation shortly after July 1 to enable spending within the same fiscal year. Unspent funds can cause a reduction in aid.

TID Closure – Technical College – Revenue Limit

- The Technical College works within controls similar to the K-12 Schools limiting the revenue they can collect.
- The Technical College revenue limit is based upon growth in Equalized Valuation.
- The Revenue Limit growth considers the tax levy and the State Property Tax Relief Aid implemented under 2013 Act 145.
- The amount of Property Tax Relief Aid received by each district is determined based on a ratio of the district's equalized value to the equalized value of all districts.
- As such the impact of the new value from the TID closure can be neutralizing to the tax rate.

Projected Tax Rate Relief after Closure

City	\$.08
County	\$.04
School	\$.01
Tech	\$.00
State	<u>\$.00</u>
Total	\$.13

Closure Decision Deadline

- City must annually notify the State on or before May 15th.
- This date sets the tax collection for the next year.
- The Statutes read:

If the department of revenue receives a (termination) notice under par. [\(a\)](#) during the period from January 1 to May 15, the effective date of the notice is the date the notice is received. If the notice is received during the period from May 16 to December 31, the effective date of the notice is the first January 1 after the department of revenue receives the notice.

Closing the District – State Statute Options

- Close in 2016
- Amend the District to Serve as Donor District
- Council Resolution to Extend for Housing Improvements

Option 1 – 2016 Closure Approved Before 5/15/2016

Year	USES OF FUNDS			SOURCES OF FUNDS			Annual Surplus (Deficit)	Cumulative Balance
	Total Annual Debt Service	Administrative, Organization & Discretionary Costs	Developer Incentives	Excess Increment Distribution	Tax Increment	Other Income		
Accumulated Balance								(\$198,888)
2015	\$281,028	\$40,000	\$600,000		\$1,185,556	\$161,042	\$425,570	\$226,682
2016	\$573,372 *	\$5,000		\$994,908	\$1,185,556	\$161,042	(\$226,682)	\$0

Increment Distribution Allocation - One time 2016 payment - Estimate based upon 2014 payable in 2015

County	19.49%	\$193,860
City	34.12%	\$339,486
School	41.81%	\$416,004
Technical College	4.58%	\$45,557
	100.00%	\$994,908

* Debt Payments

2016	\$283,598
2017	\$289,774
	<u>\$573,372</u>

Option 1 – 2016 Closure

2016

- Increment is Collected to Retire Debt
- Excess Increment Returned to Overlying Tax Districts –One Time Payments \$994,908

2017

- No Tax Increment Collected
- City Levy Limit Increases Estimated \$186,133 for Terminated District
- County Levy Limit Increases Estimated \$110,976
- School District Tax Impact Neutralized with State Aids
- Technical College Tax Rate
- Balance of the previously calculated increment goes back to taxpayers – tax rate relief \$.13 per \$1,000 of valuation

Option 2 – Amend to Donor District

- Amending the District to Serve as Donor District to Tax Increment District Number Three
 - Mitigates Deficit Risks
 - Improves Cash flow and reduces General Fund Draws
 - Funds Redevelopment Efforts and related Capital Projects
- Must be approved by overlying taxing jurisdictions.
- Donor District status can be evaluated annually for necessity and district can be terminated at the Council's directive.
- ~\$7,727,000 of increment for public infrastructure improvements or redevelopment efforts at mall, riverfront and parking ramp within TID #3.
- No later than 2021 district closes and value is available for operations and tax relief as outlined in other options

Option 2 – Amend District to Donate to TID#3

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		
ACCUMULATED										
2015	\$281,028	\$40,000	\$600,000				\$1,185,556	\$161,042	\$425,570	\$226,682
2016	\$283,598						\$1,185,556	\$161,042	\$1,063,000	\$1,289,682
2017	\$289,774						\$1,185,556	\$161,042	\$1,056,824	\$2,346,506
2018							\$1,185,556	\$161,042	\$1,346,598	\$3,693,104
2019							\$1,185,556	\$161,042	\$1,346,598	\$5,039,702
2020							\$1,185,556	\$161,042	\$1,346,598	\$6,386,300
2021		\$5,000					\$1,185,556	\$161,042	\$1,341,598	\$7,727,898

Option 3 – Housing Stock Improvements

Common Council adopts resolution allocating one year of increment to housing stock improvements.

2016

- Increment is collected for Existing Debt Retirement

2017

- ~\$1,185,000 Increment is collected and used for housing stock improvements
- District is closed and excess increment returned to overlying taxing jurisdictions

2018

- No Tax Increment Collected
- City Levy Limit Increases Estimated \$186,133 for Terminated District
- County Levy Limit Increases Estimated \$110,976
- School District impact neutralized with state aids
- Technical College ?
- Balance of the previously calculated increment goes back to taxpayers estimated at \$.13

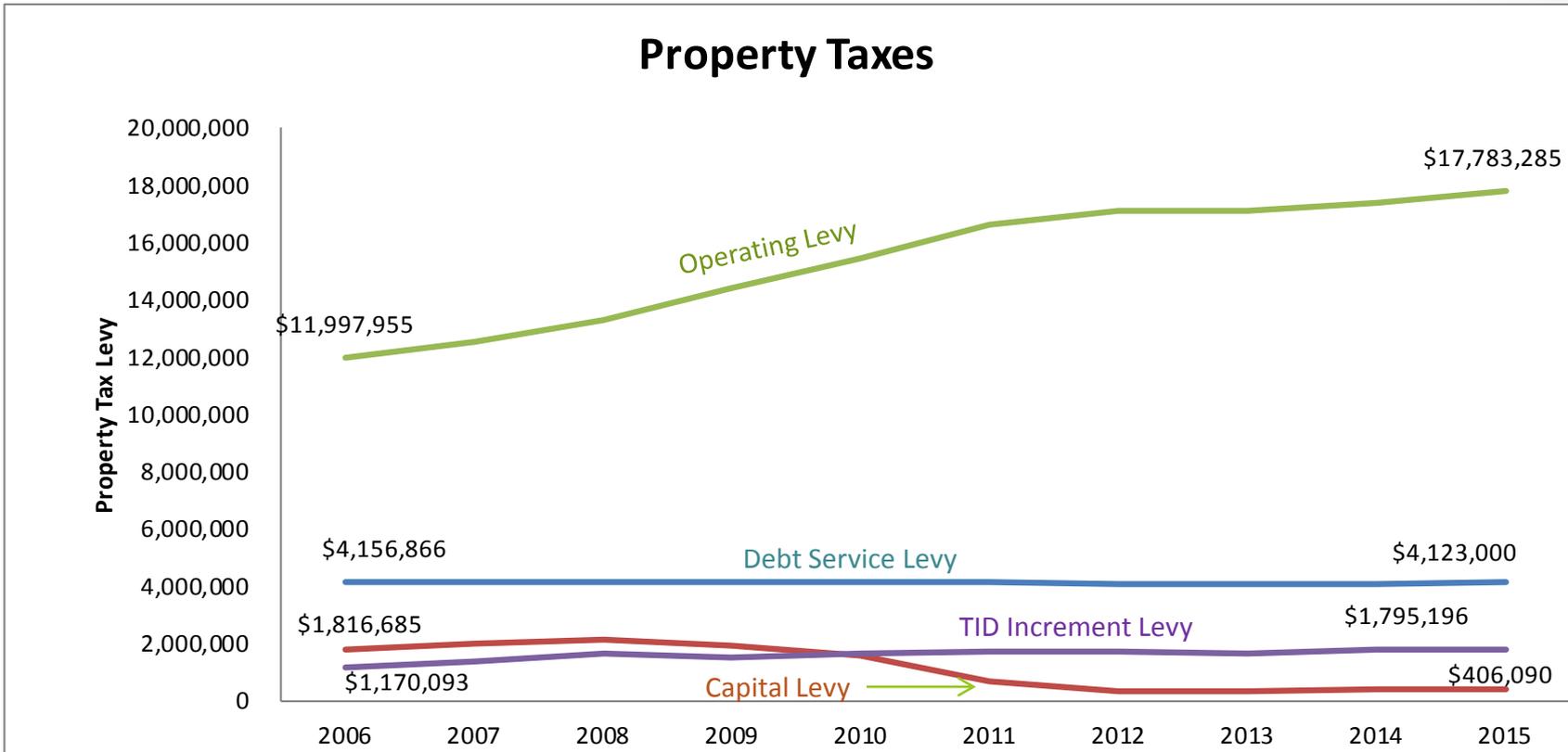
TID Closure – Capital Impact



COMPETITION FOR RESOURCES- OPERATING COSTS, SERVICES, CAPITAL AND (RE)INVESTMENT

	OPERATING BUDGET	DEBT BUDGET	CAPITAL BUDGET	TID CAPITAL BUDGET
2015 Levy	\$17,783,285	\$4,123,000	\$406,090	\$1,795,196
Tax Rate	\$8.77	\$8.77	\$8.77	\$26.60

Levy History



	2006	2015	Change	
Operating Levy	\$11,997,955	\$17,783,285	\$5,785,330	48.22%
Debt/Capital/(Re)Investment	\$7,143,644	\$6,324,286	-\$819,358	-11.47%

TID #3 Public Infrastructure (Re)Investment Projects

- Riverfront Improvements and Redevelopment
- Pedestrian Bridge Island to West Bank
- Parking Ramp Construction
- Skywalk Construction
- Street and related infrastructure:
 - Grant St, McClellan St, McIndoe St, Fulton St, First St,
Second St, Franklin St, Short St, Cherry St
- Mall Redevelopment

TID Closure – Conclusion



COMPETITION FOR RESOURCES- OPERATING COSTS, SERVICES, CAPITAL AND (RE)INVESTMENT

	OPERATING BUDGET	DEBT BUDGET	CAPITAL BUDGET	TID CAPITAL BUDGET
2015 Levy	\$17,783,285	\$4,123,000	\$406,090	\$1,795,196
Tax Rate	\$8.77			\$26.60



- Does Closure of TID shift Infrastructure Replacement Burden?
- Does Closure of TID result in increased resource competition?
- Without TID resources how will capital investment occur?
- Does the Donation of TID #5 Increment Provide Risk Mitigation?
- Is risk mitigation important to the City?