

## **FINANCE COMMITTEE**

Date and Time: Tuesday, April 12, 2016 @ 5:00 pm., Council Chambers

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

Others Present: Tipple, Groat, Lindman, Jacobson, Ray, Rubow, Stratz, Barnes, Hite, Gisselman, Goede

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**

- 1) Jessica Bargender, 1118 W Thomas St, spoke regarding the sale of her property for the Thomas Street Project and requested full buyout for safety reasons.
- 2) Chris Bargender, 1118 W Thomas St, pointed there have been several accidents in this area and he felt full buyout is the only option for them. He noted his job requires him to be a resident of that community.
- 3) Carol Wesley, Achieve Center, spoke regarding a refund of the unlawful 2015 tax for the Achieve Center.
- 4) Attorney David Edquist, spoke on behalf of the Achieve Center, asserting that it is a benevolent organization.

### **Minutes of previous meeting(s). (3/22/2016)**

*Withdrawn.*

### **Presentation on Perpetual Care Trust Fund – Wausau Cemetery Association**

Jacobson stated on October 5, 2015 they selected Associated Bank as the new trustee for our cemetery trust fund agreement. She explained paragraph 8 of that agreement states that there shall be an annual review of the trust account and the investment guidelines conducted by the trustee, a representative of the city and a representative of the Wausau Cemetery Association. She noted although they have only been trustee for about a quarter, they wanted to provide an updated report. She introduced Tyson Kane and Robin Bedessem from Associated Bank who provided a detailed report on the portfolio.

### **Discussion and possible action on alleged claim for unlawful tax – Achieve Center, Inc.**

Jeremy Ray provided a history of the time and research given to the Achieve Center's exemption request. It was determined that the good work of the Achieve Center does not rise to the levels required by statutes and case law to be considered "benevolent." Due to the Achieve Center's filing of unlawful tax, they did even more research and consulted outside counsel and again it was determined they should not be considered exempt. He stated it was the Assessment Department's recommendation that this claim be disallowed.

Oberbeck questioned what level the center has to achieve before it would be considered exempt. Ray stated the statutes and case law really don't give a specific percentage of free services or income from donations, but based on discussion with other assessors, it would need to be in the majority of their services, not the minority. Rick Rubow pointed out the information they requested from the Achieve Center has changed multiple times. We kept on getting different information on the financing and the percentage of free services and some information regarding a sliding scale we did not receive at all. Rubow pointed out 89% of Achieve Center's monies received comes from market rates and only 11% are at a sliding scale or reduced. He explained typically organizations claiming exemption have more than 50% of their monies comes from gifts or contributions and they are offering more of a free service. Nagle felt they met the benevolent test because they reinvest the profit back into the services.

Jacobson noted the Council does not have the authority to declare them exempt from future property taxes but they can grant the claim this year for unlawful taxes paid. She reiterated the burden of proof is on them and we accepted a late filing as well as kept asking for information from them that was unsubstantiated by any financial reports or policies. She indicated she agreed with staff and it was also her recommendation that they disallow the claim.

Motion by Nutting, second by Nagle to approve the alleged claim by Achieve Center, Inc., for recovery of unlawful tax. Motion failed 2-3.

**Resolution Awarding the Sale of \$8,825,000 General Obligation Promissory Notes, Series 2016A**

Jim Mann, Ehlers & Associates, provided the financial results of the three sales conducted today on the city's behalf. He stated they received four bids on Series 2016A, the low bidder was Hutchinson, Schokey Erley & Co., out of Chicago, IL, at true interest cost of 1.55%. The results will end up impacting the city taxpayers approximately \$140,000 less than what we had shown in our planning document. He noted these notes were for general city projects, street improvements, etc.

Motion by Mielke, second by Nagle to approve the sale of \$8,825,000 General Obligation Promissory Notes, Series 2016A. Motion carried 5-0.

**Resolution Awarding the Sale of \$6,630,000 General Obligation Corporate Purpose Bonds, Series 2016B**

Mann stated the purpose for these bonds was for tax increment district related as well as the refurbishment of one of the pools. We received five bids on Series 2016B, with the low bidder, Bank of America Merrill Lynch, with a true interest cost of 2.45%. The overall interest rate ended up being approximately \$270,000 less in cost than what we originally showed in the planning document.

Motion by Nutting, second by Mielke to approve the sale of \$6,630,000 General Obligation Corporate Purpose Bonds, Series 2016B. Motion carried 5-0.

**Resolution Awarding the Sale of \$4,755,000 Taxable General Obligation Community Development Bonds, Series 2016C**

Mann stated this taxable issue was primarily for tax increment work in the city. We received seven bids, with the low bidder being Piper Jaffrey & Co., with a blended rate of 2.05%. This resulted in approximately \$250,000 less in overall costs.

Motion by Kellbach, second by Nutting to approve the sale of \$4,755,000 Taxable General Obligation Community Development Bonds, Series 2016C. Motion carried 5-0.

**Discussion and possible action regarding the sale of excess personal property of the Police Department and the commitment of the proceeds for the Wausau Police Dpt Firearms Range**

Captain Matt Barnes stated we have an ordinance in the WMC that dictates how we can sell property in the Wausau Police Department. He explained it requires auctions to be used and some different advertising that would have to happen in order for a sale to occur. He stated one of the items that the police department purchased somewhere in 1931 to 1933, is a Thompson submachine gun. It has been sitting in our armory and is in mint condition. He indicated they would like to sell this firearm and use the proceeds to serve the needs of our department and our training requirements. He indicated the sale could fund a new building at our training facility that would allow us to have heat, water, and an indoor bathroom. He referred to the pictures of the current facility that lacks these things. He estimated \$35,000 - \$50,000 to build and insulate a garage with water and a small bathroom.

Barnes stated the ordinance requires us to use this auction, but they went to numerous dealers and research on the Internet and found that the value of the gun is \$15,000 to \$35,000. He did not want to use an action because an auction would cost \$5,000 to \$10,000. They were given an estimate of \$25,000 at auction, leaving us with \$15,000. He stated we have a third party offer to purchase it for \$35,000, who has the correct FFL license to purchase it through the ATF. The authorization to bypass the municipal code would allow us to sell this at the absolute best value to the city, without paying \$5,000 and \$10,000 fees to auction houses. He noted the pool of individuals who are capable of purchasing a submachine gun legally in the United States is very small, so advertising the sale in the newspaper would be throwing the money away.

Motion by Nagle, second by Mielke to authorize the sale of the Thompson submachine gun and gas grenade launcher exempt from Section 3.14.020 of the municipal code, and put the funds into the appropriate account of the Police Department to further the development of the firearms range. Motion carried 5-0.

**Discussion and possible action regarding a disposal policy for excess or obsolete police department firearms**

Cpt Barnes stated the police currently utilize two types of long guns: shotguns and rifles; each squad is equipped with one of each. We went to AR15 assault rifles about a decade ago and since then very rarely does an officer ever pick a shotgun over the rifle; however, we spend a significant amount of money qualifying ourselves to use a shotgun through the Department of Justice training and standards. He indicated they are interested in selling all the department's shotguns; in addition, we have two types of rifles, both AR15's, one is a short barrel and one is a long barrel. We want to get consistent and have them all be the same and since the long barrel is the oldest, we would like to sell them and replace with 24 new short barrel rifles. He questioned if they wanted to send things like this through an auction, costing about 20%, or would they like the department to ascertain the best price and legal way possible to do it. He noted in this case we already know they are worth \$200-\$300 and all our outlets to sell them are offering us \$50-\$75 less. Barnes was looking for guidance and permission to do business when we have old equipment to replace with new, to be able to sell it without coming to Council or losing the value to an auction.

Jacobson suggested amending the ordinance to create an exemption to allow for sale at the best price to occur. Nutting stated it appears to be obsolete training for obsolete weapons and we should create a one-time exemption.

Motion by Nutting, second by Mielke to authorize a one-time exemption to facilitate the sale of the weapons at the best price. Motion carried 5-0.

**Discussion and possible action on purchasing the following properties for the Thomas Street Reconstruction project: Parcel 9 – 1102 South 13th Ave, Parcel 22 – 1105 West Thomas St, Parcel 24 – 1118 West Thomas St, Parcel 25 – 1112 West Thomas St, Parcel 26 – 1110 West Thomas St, Parcel 27 – 1044 South 11th Ave, Parcels 22-27 - 1100 block of Thomas St.**

Lindman indicated there were six appraisals to consider, noting that Parcel #9 has been approved for a full taking. There are five that are on the 1100 block, which the Finance Committee in September had delayed until the appraisals were done. He pointed out the map shows all of the properties that are proposed for takings, but it doesn't show the strip takings. He stated taking strips along the 1100 block will bring the sidewalk less than 12 feet from the homes and even closer to the stoops and the porches. Oberbeck indicated the committee would meet with the consultant regarding the negotiations of the properties in closed session.

**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 - Purchasing the following properties for the Thomas Street Reconstruction project: Parcel 9 – 1102 South 13th Ave, Parcel 22 – 1105 West Thomas St, Parcel 24 – 1118 West Thomas St, Parcel 25 – 1112 West Thomas St, Parcel 26 – 1110 West Thomas St, Parcel 27 – 1044 South 11th Ave, Parcels 22-27 - 1100 block of Thomas St.**

Motion by Mielke, second by Nutting to convene in closed session. Roll Call Vote: Ayes: Kellbach, Mielke, Nutting, Nagle, Oberbeck. Noe: 0. Motion carried 5-0.

**RECONVENED into Open Session to take action deemed necessary on the closed session item.**

Motion by Mielke, second by Nutting to amend the Relocation Plan for the Thomas Street Reconstruction Project to include: Parcel 9 – 1102 South 13th Ave, Parcel 22 – 1105 West Thomas St, Parcel 24 – 1118 West Thomas St, Parcel 25 – 1112 West Thomas St, Parcel 26 – 1110 West Thomas St, Parcel 27 – 1044 South 11th Ave., Parcels 22-27 1100 block of Thomas St. Motion carried 5-0.

**Adjourn**

Motion by Mielke, second by Kellbach to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:45 pm.