

FINANCE COMMITTEE

Date and Time: Tuesday, May 24, 2016 @ 5:15 pm., Board Room

Members Present: Rasmussen (C), Smith, Gehin, Kellbach, and Nutting (*entered late*)

Others Present: Groat, Lindman, Jacobson, Mielke, Ray, Klein, Henrichs, Stratz, Abitz, Gisselman, Neal, Wagner, McElhaney, Goede, and Glenn Speich

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 there was a quorum present and the meeting was called to order by Chairperson Rasmussen.

Public Comment

None.

Minutes of previous meeting(s). (4/26/16)

Motion by Kellbach, second by Gehin to approve the minutes of a previous meeting on 4/26/16. Motion carried 4-0.

Discussion and possible action on the Bull Falls Brewery Subordination Request

A representative of River Valley Bank explained Bull Falls is restructuring their existing debt with River Valley Bank so we are requesting a subordination of the mortgage. The restructuring of the loan is specific to their financial situation bettering them. Originally it was a construction note that did not have principal and interest structure, which is typical of a construction note. This will get them into an amortization schedule so that they are retiring debt. The city would then remain in a second mortgage position, with River Valley Bank in first position.

Motion by Gehin, second by Nutting to approve the subordination request. Motion carried 5-0.

Discussion and possible action to authorize the short term lease of the newly acquired Schmidt property for agricultural uses

Groat stated the city acquired 200 plus acres from Arlon Schmitt Trust and there had been an individual who had been farming that land who has expressed interest in doing the same this year. In the interest of fairness and transparency we put a sign on the property alerting people if they were interested, we were accepting bids for that property for 2016. She indicated Community Development dropped off two proposals, one from Draeger Trucking and the other from Zernicke Farms. Rasmussen stated we would lease the land to be farmed for additional revenue as long as we have no development projects.

The bids were opened: 1) Zernicke Farm Inc., has been farming for over 50 years and operates 2000 acres in the area, practicing minimum till for less soil erosion and apply the correct nutrients and fertilizers to the soil. They have been renting from the prior owner for over 25 years. The crop land they would be farming is approximately 78 acres and they would pay \$75 per acre. The term of the lease payment would be full amount by July 1, 2016. 2) Draeger Trucking & Excavating has 335 acres under cultivation and would plan to farm at least 68 acres, possibly more. They proposed to pay \$68 per acre and provide a cashier's check in full prior to planting; and be willing to add \$15 per acre for a three year lease.

Motion by Gehin, second by Nutting to accept the bid from Zernicke Farm for 2016. Motion carried 5-0.

Gehin suggested in the future they start the process for leasing the land in January.

Discussion and possible action regarding a \$10,000 budget modification for consulting services for developing a metro economic development strategy

Rasmussen stated this started in the Economic Development Committee because we wanted to partake with our neighbors in a regional marketing effort, whereby each municipality would contribute to the cause and market ourselves together to achieve bigger results than we can get alone. Groat indicated there is an economic development fund that has cash reserves from which the \$10,000 can come. Rasmussen explained each community contributes \$10,000 which buys into a five year strategic planning process that contemplates eight meetings by the group in the first year and two meetings by the group in each subsequent year. Northcentral Wisconsin Regional

Planning and McDevco are the organizers and they had approached Wausau, Mosinee, Schofield, Weston, Rothschild, Kronenwetter and Rib Mountain to work together as the metro regional area. The idea is to market the whole area or region to industry that one of us alone may not be able attract.

Motion by Gehin, second for Kellbach to approve the budget modification for consulting services for developing a metro economic development strategy. Motion carried 5-0.

Consider request of the Marathon County Central Labor Council to offset the cost of insurance for the annual Labor Day Parade, September 5, 2016.

Groat stated the Marathon Labor Council makes this request every year and we have been funding it out of the promotions budget. She indicated it would be approximately \$500.

Motion by Nutting, second by Gehin to approve the request to offset the insurance cost of the Labor Day Parade and that participation in the parade be open. Motion carried 5-0.

Discussion and possible action on amendment to the Procurement Policy regarding the procurement of professional attorney services

Jacobson explained she took the reference to the procurement of legal services out from under the heading purchase of goods because it created some confusion. Under purchase of professional services she clarified when RFPs are required and when they are not; and placed all the attorney professional services in one place in paragraph two. Whenever expenditures exceed \$25,000 for any one matter, it will be brought to Finance and Council for approval.

Motion by Nutting, second by Kellbach to approve the amendments to the policy. Motion carried 5-0.

Discussion and possible action regarding the transfer of 146 W. Washington Street from the Community Development Authority to the City of Wausau

Jacobson explained the CDA owns the land that is behind the library which we need to transfer to the city and are requesting approval per the procurement policy.

Motion by Kellbach, second by Gehin to approve the transfer of 146 W. Washington Street to the city. Motion carried 5-0.

Discussion and possible action regarding budget modification 2016 public infrastructure

Lindman stated under our street improvement projects there are funds of approximately \$214,000 that we would like to allocate to other projects. He explained we had very favorable bids this year, so we would like to do some other work on our streets and infrastructure.

Motion by Gehin, second by Kellbach to approve the budget modification 2016 public infrastructure. Motion carried 5-0.

Discussion and possible action on accepting the appraisals for properties for the Thomas Street Reconstruction project: Parcel #36 – 910 West Thomas Street, Parcel #57 – 510 & 516 West Thomas Street, Parcel #59 – 1037 & 1039 South 5th Avenue, Parcel #29 – 1040 South 10th Avenue (Review owner appraisal), Parcel #60 – 1040 South 4th Avenue (Counter Offer)

Rasmussen indicated discussion would need to take place in closed session.

Discussion on project performance since the March update and possible action regarding the contract between VGSI and City-County Information Technology Commission (CCITC) involving the purchase of assessment software

Rasmussen explained back in March/April we decided to give VGSI until October to deliver. In the meantime the Assessment Department has been operating on its old software system. Now the old system has failed and because we were on a new software program we have not paid maintenance fees on the old software. In order to get support to get it the old software working, we must pay the vendor \$16,000. Now we need to decide if we will continue to wait until October under these circumstances.

Ray explained what was malfunctioning with the Legacy system and that we will have to pay the maintenance fees in order to finish the 2016 Assessment Roll and get started on 2017.

Rasmussen stated the exiting of a contract is a closed session matter for discussion on our options.

CLOSED SESSION pursuant to Section 19.85(1)(g) conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved - regarding the contract between VGSI and City-County Information Technology Commission (CCITC)

and

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 - Accepting the appraisals for the following properties for the Thomas Street Reconstruction project: Parcel #36 – 910 West Thomas Street, Parcel #57 – 510 & 516 West Thomas Street, Parcel #59 – 1037 & 1039 South 5th Avenue, Parcel #29 – 1040 South 10th Avenue (Review owner appraisal), Parcel #60 – 1040 South 4th Avenue (Counter Offer)

Motion by Nutting, second by Kellbach to convene in closed session. Roll Call Vote: Ayes: Nutting, Smith, Kellbach, Gehin and Rasmussen. Noes: 0. Motion carried 5-0.

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

Motion by Nutting, second Smith to terminate the VGSI contract under the default provision. Motion carried 5-0.

Discussion and possible action regarding the transfer of a portion of 500 W. Randolph Street/1533 Summit Drive from the Wausau School District to the City of Wausau.

Rasmussen stated we need to do a land transfer in order to renovate the Schulenberg Pool. She explained years ago the city ran the schools and when the School District became its own entity all the school facilities were transferred to them and it was overlooked to exclude the pool. The portion of the land that is occupied by the Schulenberg Pool didn't get transferred back to the city even though it is a city parks facility. This is a housekeeping item.

Motion by Gehin, second by Nutting to approve the transfer of 500 W. Randolph Street/1533 Summit Drive. Motion carried 5-0.

Continuation of the PowerPoint presentation regarding 2015 Pre-audit financial results all funds

Postponed.

Adjourn

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