

## **FINANCE COMMITTEE**

Date and Time: Tuesday, September 13, 2016 @ 5:15 pm., Council Chambers

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

Others Present: Groat, Lindman, Jacobson, Klein, Kujawa, Schock, Stratz, Mielke, Neal, Gisselman, McElhaney, Abitz, and other interested parties.

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**

- 1) Deb Ryan, 702 Elm St, spoke regarding the purchase of the Sears building, commenting she did not want another TIF for the mall or a cinema there.

### **Minutes of previous meeting(s). (8/09/16)**

Motion by Nutting, second by Kellbach to approve the minutes of the previous meetings on 8/09/16. Motion carried 5-0.

### **Discussion and Possible Action Regarding Health Insurance Benefits Renewal for 2017**

Elise Krohn, Human Resources, explained the health and dental insurance renewal information was brought before the Human Resources Committee last night and approved 4-0. She noted we started with a 16% increase this year for our health insurance and following negotiations were able to come in at 0%. The deductible stayed the same; the co-insurance will increase slightly by 10%, but the out-of-pocket buckets are the same. She requested the committee vote on it in order to forward it to the next Council meeting.

Motion by Nutting, second by Gehin to approve the Health Insurance Benefits Renewal for 2017. Motion carried 5-0.

### **Discussion and possible action regarding the Cellphone Contract**

Gerry Klein stated they put the contract out for RFP and Cellcom and AT&T responded. He indicated the packet contained a summary of what staff reviewed and how they ranked the proposals. He noted one of the changes we anticipate making is that the police squad cars currently have flip phones and we want to switch to smart phones to stay with the car. We wanted to leave a phone in the squads that can take pictures, check email, take video, etc. He noted Cellcom and AT&T are very similar and basically sell the same product. Cellcom has a local representative, which is an advantage; AT&T has a representative in Madison that would come up when needed and ship phones by FedEx or UPS overnight. He stated pricing was difficult to compare with data oriented versus call oriented; the best estimate they came up with was Cellcom at \$36.57 per month, per smart phone and AT&T would come in at \$49.61. Klein recommended awarding the contract to Cellcom.

Motion by Gehin, second by Nutting to award the Cellphone contract to Cellcom. Motion carried 5-0.

### **Discussion and possible action regarding the purchase of 415 South First Avenue and related financing and promissory note Judd S Alexander Foundation**

Tammy Stratz stated the Economic Development Committee authorized negotiations on a price for this property and the owners would like the city to purchase so they can move on. She commented it is a beautiful property for redevelopment and is the gateway to our city. We have an opportunity to receive funding for this purchase through the Judd S Alexander Foundation. Groat noted this funding would be a loan and be paid off with TID #8 proceeds.

Smith questioned if there were any plans for the property currently or we were just acquiring it for something down the road. He stated the city purchased the adjoining property in 2014 and nothing has happened with it. Stratz indicated there is interest in the property and once it is acquired we will put out an RFP. The downtown plan was to acquire both of these properties to put together for one big development. Smith was concerned about property that was once paying real estate taxes and is purchased and sits unused.

Rasmussen commented discussion in ED was for this site to be packaged together with the former L&S Printing site and develop them as one larger project in order to have control over the land use. It is important that this site, being the gateway to downtown, be developed to its highest and best potential value and use. Nutting agreed it is important to wait for the right project for this property and to look at developing it carefully.

Motion by Nutting, second by Gehin to approve the purchase of 415 South First Avenue and related financing and promissory note Judd S Alexander Foundation. Motion carried 4-1.

**Discussion and possible action regarding authorizing the sale of approximately 3.3 acres of land in the Wausau Business Campus to be surveyed to Hands on Cleaning LLC for the construction of a new office**

Schock stated the owners of Hands on Cleaning have been examining options for the expansion of their commercial/industrial cleaning business. They are planning the construction of an approximately 7200 square foot building in the business campus. He noted they still need to complete the survey of the property. He indicated they are looking to start construction before the weather gets too cold.

Motion by Nutting, second by Gehin to approve the sale of the land in the Business Campus to Hands on Cleaning LLC, for construction of a new office. Motion carried 5-0.

**Discussion and Possible Action Regarding Resolution Supporting the Just Fix It Campaign**

Groat stated funding for street improvements has become quite the topic of conversation throughout the State of Wisconsin; everywhere in the state government is falling behind on its maintenance of its streets. There is a movement to try to get the state to come up with a comprehensive approach to how we can fund infrastructure improvements and there is a group that is supporting bringing this in the forefront for the state legislature to consider. She explained this resolution was forwarded by that group and the League of Cities supports us adopting it. So far 365 Wisconsin governmental units in the state have adopted this resolution which asks the state to come up with funding solutions.

Mayor Mielke commented he was at a mayoral conference in Delevan a few weeks ago and watched a video on the Just Fix It Campaign and everyone in attendance was in support of it.

Motion by Kellbach, second by Nutting to support this resolution and send it forward to Council.

Motion by Gehin, second by Nutting to amend the resolution to add: WHEREAS, the state administration consider increasing the fuel tax and earmark it to pay down the road infrastructure repair and maintenance debt. Motion carried 5-0.

Vote on the main motion as amended. Motion carried 5-0.

**Discussion and Possible action regarding July General Fund Financials**

Groat reviewed the financial reports for July 2016, commenting not a lot notable things have changed since the last report. All financial reports can be viewed online:

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

**Discussion and possible action regarding rescinding the Tax Increment District Number Three Project Plan Amendment Number Three**

Rasmussen explains this rescinds the original amendment to TID #3 where we were creating the agreement with CBL pertaining to the mall; this would stop that process.

Motion by Gehin, second by Nutting to approve rescinding the TID 3 Project Plan Amendment Number Three. Motion carried 5-0.

**Discussion regarding 2017 Finance Committee Budget Sessions - September 26<sup>th</sup>, 27<sup>th</sup>, and 29<sup>th</sup>**

Rasmussen stated the committee typically hosts three budget sessions of an hour and a half to two hours in length. The committee discussed the proposed dates and the consensus was to hold the meetings on September 29<sup>th</sup>, October 3<sup>rd</sup>, and October 4<sup>th</sup> at 6:00 pm. Rasmussen indicated there could possibly be one more scheduled if needed.

(NOTE: The Finance Budget Sessions were subsequently changed to: Thursday, September 29<sup>th</sup>, Tuesday, October 4<sup>th</sup>; and Thursday, October 6<sup>th</sup>, all beginning at 5:30 pm.)

**Discussion and possible action regarding authorizing the purchase of the leasehold and associated structure at 411 Washington Street and related financing and budget modification.**

Chris Schock explained we have been in discussions with Sears Holding for the past couple months to purchase the building and the leasehold associated with building. The goal of the city is to move redevelopment quickly and we are very confident that our role in the process is necessary to ensure that we can facilitate a new project at the location as fast as possible. Sears Holding has been cooperative in working with the city and outside counsel has been working very closely on the details of the real estate transaction. Rasmussen pointed out that the purchase price is \$700,000, which is well under its assessed value.

Smith questioned if the city was purchasing the building in hopes of selling it someone else. Schock stated the goal is to have a quick RFP process and then to entertain proposals for a project, which could result in a sale or effectuating some transfer of it for redevelopment. The Council will review proposals and decide how they would like to go forward with it. He indicated there is very positive interest in the redevelopment project, but it cannot be publicly shared at this time.

Smith questioned where the funding for this purchase was coming from. Groat explained earlier this year we borrowed \$4 million to help with the JC Penney's/Youngers project and those funds are in an account waiting for use, so we would use a portion of those proceeds to fund this acquisition.

Groat commented we have a parking structure next to Sears which holds 975 vehicles that we have paid for and are maintaining. It is certainly in our best interests to redevelop Sears as quickly as possible because that asset relies on the activities in the mall and the activities surrounding the downtown to pay the maintenance costs.

Motion by Gehin, second by Kellbach to approve the purchase of the leasehold and associated structure at 411 Washington Street and related financing budget modification. Motion carried 4-1.

**Discussion and possible action regarding the sale of 1401 N 12th Avenue**

Rasmussen commented this parcel was the property occupied by the horrific Roets apartment complex that the city acquired on a tax deed and subsequently demolished. Stratz stated it is a small parcel that the city has owned for a very long time and there is an opportunity to get it back on the tax roll that she would like to discuss with the committee in closed session. Rasmussen noted there was a set period of time that had to pass by which Mr. Roets could have cured on the taxes and he did not, so now we are able to redevelop the property.

**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 - Sale of 1401 N 12th Avenue**

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

**RECONVENED back into open session to take action.**

**Sale of 1401 N 12<sup>th</sup> Avenue**

Motion by Nutting, second by Gehin to approve the sale of 1401 N 12<sup>th</sup> Avenue for \$1,000. Motion carried 5-0.

**Adjourn**

Motion by Kellbach, second by Nutting to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:30 pm.