

Economic Development Committee Meeting

Tuesday, February 1, 2022, at 5:15 P.M. | Neil at 5:15 P.M.

In Attendance

Members Present: Tom Neal (C), Sarah Watson, Lisa Rasmussen, Becky McElhaney, Tom Kilian
Others Present: Mayor Rosenberg, Liz Brodek, Attorney Anne Jacobson, Randy Fifrick, Tammy Stratz, Kimm Weber (MCDEVCO), Jesse Kearns, Alder Jim Wadinski, Alder Deb Ryan, Elizabeth Knight, Eric Lindman

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner.

Agenda Item 1 – Approval of the Minutes from 1/4/2022

Rasmussen motioned to approve minutes, seconded by Watson. Motion carried 5-0

Agenda Item 2 – Presentation from Elizabeth Knight of Aplomb on Wausome Campaign

Knight presented a summary of the Wausome Campaign. She reiterated the goal of the campaign as positioning the city as an ideal place to live, work, raise a family, start/grow a business, or retire. She explained during this campaign she focused on using two tactics including the My Wausome story features and leveraging the social media channel. She provided details on the visibility the Wausome stories featured have garnered since being posted. Knight stated the number of paid and organic views and engagements received were substantial. Knight also provided statistics on Wausome.com page views per Wausome featured story from Sept. 20, 2021 – Jan. 20, 2022, as well as the top 15 locations (Region/City) who viewed the page. Knight explained future opportunities of the Wausome Campaign would be to continue leveraging and sharing the library of Wausome stories, continue producing My Wausome Story content, continue engaging the social media audience and ramp up social media strategies and redesign wausome.com landing page.

Kilian asked if the goal is to hit a non-Wausau audience more would it be possible to bump up geo targeting efforts outside of Wausau. He also said it would be nice to see a success measure or action as a performance indicator to determine a cost per action which would provide the city data showing the results of an investment.

Knight replied there is opportunity to obtain this information and can get very specific but depends on the amount of money that would be allotted to obtaining this data.

Agenda Item 3 – Discussion and possible action on approving Economic Development Policies and Procedures between City of Wausau and MCDEVCO, Inc. (Stratz)

Stratz presented the changes to the Economic Development Policies and Procedures. She explained that after being monitored by HUD earlier in 2021 of the Economic Development policies and procedures and based on the findings, HUD determined there was language missing from the policies and procedures that clearly defined the process on who is responsible for what, where money is held, and citations that needed to be added stating the goal is to meet the needs of low-moderate income needs for job requirements. Stratz explained MCDEVCO staff and Community Development Staff met to discuss changes to the policies and procedures and the revisions were sent to HUD for approval. Stratz said HUD has approved it provisionally with full approval to come once the document is signed which can't occur until it's approved by ED and Council.

Neal commented that he agrees this is a housekeeping item with clear changes.

Rasmussen commented she likes the added clarity to the agreement, and it really delineates whose responsibility is what. She also said the reporting requirement between MCDEVCO, and Community Development is not only key, but the frequency is now clarified. Rasmussen said she likes that the two continue to network with each other

and Community Development retains seats on the committees that make the decisions described in the agreement as well as ensuring the adherence to HUD metrics.

Rasmussen made a motion to approve the changes, seconded by Watson.

Kilian asked if the relationship between the City of Wausau/Community Development and MCDEVCO has been long standing. Stratz replied yes.

Kilian asked if the management fees associated with the revolving loan management are coming from HUD. Stratz answered yes. Kilian then asked if those fees and revenue go to MCDEVCO. Stratz explained MCDEVCO presents an application to the Citizens Advisory Committee for CDBG funding when they have loans to finance. Stratz said MCDEVCO has been funded anywhere from \$60-150,000 in past years depending on loan availability and MCDEVCO's in-house revolving loan fund. MCDEVCO then gets paid by loan repayments because HUD rules allow 20% of loan repayments to be used for administrative costs. From that 20%, MCDEVCO keeps 15% for their administrative costs and 5% goes in the cities pot for any Economic Development activities. Stratz explained this is the same process for any revolving loan fund where repayments are received; 20% is kept for administrative costs.

Kilian stated Stratz answered his question and that it led to a related question regarding MCDEVCO's financial documents where they paid over \$100,000 in management fees to independent contractors which was usually only one: Wausau Chamber of Commerce. Kilian pointed out in tax period 2013, the payment was for \$386,000 and the Chambers taxes reported over \$400,000 in management fees. Kilian mentioned an underwriting agreement between MCDEVCO and the City which was signed by Mr. Ziriny as the CEO of MCDEVCO and the Chambers tax returns that year list Mr. Ziriny as the Executive Director of the Chamber. Kilian wanted clarification on how the Head of Chamber who was also the head of MCDEVCO and MCDEVCO was paying the chamber hundreds of thousands of dollars. Kilian then asked if there could be more clarity with the City and the E.D. Committee which independent contractors are used/if used. He also asked if the dynamic he described is still occurring or if things have changed since then.

Stratz answered that the dynamic changed many years ago. She explained there was previously a partnership between MCDEVCO and Wausau Chamber of Commerce and MCDEVCO was housed at the Chamber. The partnership split and MCDEVCO branched out on their own as a non-profit and no longer part of the Chamber.

Weber further explained as far as transparency that everything done at MCDEVCO is "above board." Everything that occurs with the agreement is done to streamline the process and make sure records and financials are accurate for all parties and for those who ask questions of them.

Kilian asked if a stipulation could be added to the agreement to preemptively prevent a conflict of interest with independent contractors and work with the city attorney for appropriate verbiage.

Weber answered stating it is impossible for this type of situation to occur again because as stated in MCDEVCO's Bylaws, the Executive Director of MCDEVCO cannot write a check over \$2,500 without another signature from their Executive Committee. She further explained with their auditing team, Wipfli, they have developed numerous procedures to ensure appropriate checks and balances. Weber explained she didn't think the agreement with the City of Wausau was the appropriate place for the verbiage Kilian requested because the request is regarding MCDEVCO expenditures which do not involve the city. Weber explained an independent contractor could not be hired without approval from the Executive Committee.

Stratz further explained that MCDEVCO is managing other funds. She said block grant funds are a small portion of what they manage. Stratz said MCDEVCO is answering to many boards and to tell them they can't expend "x" amount of dollars may not be appropriate. Stratz also explained that Community Development sees MCDEVCO's audit each year to ensure block grant money was spent correctly but how they spend the rest of the money they receive is not up to the city.

Seconded by McElhaney. Motion approved 4-1 with Kilian being the dissenting vote.

Agenda Item 4 – Update on 2022 marketing plan (Brodek)

As background, Brodek said the E.D. Committee last authorized an extension of a contract with Aplomb P.R. for 9/1/21-2/1/22 to allow staff to put together a more comprehensive marketing plan. Brodek said the first step was to determine the goal and the audience. She said after reflection and research the best investment in terms of what is needed for the community, which is workforce and money, the focus needs to be on retention. Brodek provided statistics from a 3-year study done by the Knight Foundation in 2010 that surveyed 40,000 people in 26 communities of varying sizes nationwide and studied why they live where they live. She explained they looked at drivers of attachment which is most influential in determining why people live and love where they live. The top drivers were how welcoming people are, how pretty a community is and social offerings.

Brodek said local philanthropist, Ryan Gallagher, noticed a lack of internal marketing and worked with the Community Foundation to establish a fund to create awareness of Wausau's assets. She said the project is funded at \$200,000 with the plan to increase to \$300,000 over the next 2 years. City Staff had conversations with Tim Parker, President & CEO of the Community Foundation and Gallagher about forming a partnership with the City.

Brodek said based on those conversations, staff proposes to invest \$20,000 of the Development Department's marketing budget annually, to the fund with the goal of hiring someone to execute the plan for a period of at least 3 years. Brodek said funding from the City on its own would not be enough to hire someone to execute the plan as needed.

Brodek described the Community Foundation as a logical partner because they hold a fund with the same focus that would quintuple the city's investment over 3 years, but it's better personal to fund the project as a private 501(c)3 organization because it isn't subject to public bureaucracy which could slow progress.

Brodek explained the plan will capitalize on past marketing campaigns, continuing to use My Wausome Stories and Wausome.com and it would allow the city to follow through on Aplomb's marketing suggestions.

Brodek said the Community Foundation and donor agreed to allow the City Development Director to be in an advisory role for both hiring and advising the position. A Memorandum of Understanding (MOU) is being drafted to establish a binding connection that reflects this agreement.

Brodek specified the sole source documentation of expenditures over \$25,000 must be approved by the Finance Committee. The marketing plan will be presented for approval at Finance on 2/8/22 and the MOU should be finalized by the end of February and then a job description can be developed and posted. Interviews would take place in April/May with expected start date in June/July. Brodek explained the position would present on project status in June or July 2023 (after 12 months of work) and annually thereafter.

Rasmussen spoke in support of the marketing plan and is excited to see what can be achieved.

Neal spoke in support of the marketing plan and agreed with the importance of retention.

Watson asked if there would be more of a partnership with neighboring communities, along with potential contributions to provide a more regional approach. Brodek made clear why the Community Foundation is an ideal partner because their reach is up to the U.P. of Michigan. She agreed it's important to recognize there is cross pollination between communities. Brodek explained in year one of the plan, they want to get a baseline from data and measurables to measure against and from there see what opportunities it presents.

Kilian spoke in agreement that part of retention is improving upon the current product and may be a central element in how we retain citizen.

Agenda Item 5 – Adjourn

Watson motioned to adjourn, seconded by Kilian. Motion approved 5-0