FINANCE COMMITTEE
Date and Time: Tuesday, March 24 2020 @ 5:15 pm., Council Chambers
Members Present *In person*: Nutting, Lawrence, and Smith. *By WebEx*: Rasmussen and Martens.
Others Present: Groat, Jacobson, Mielke, Klein, Hanson, Goede, Van Krey, Gisselman, K. Sorenson

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

Approval of the minutes of previous meetings (3/10/20)
Motion by Nutting, second by Lawrence to approve the minutes of the previous meeting 3/10/20. Motion carried 5-0.

Discussion and possible action regarding prepayment of Fire Truck
Groat explained there are a five options for a discount if they choose to prepay. The biggest discount available if we prepay 100% is $24,400; the lowest would be $6,100 of savings if we paid 25% in advance. There were also options to pay 75%, 50%, or 40% with varied savings depending on which option was chosen. She commented she was reluctant to authorize early payment at this point and if we invested the funds ourselves, she believed it would offset most of the savings. She noted typically we don't pay until we receive the goods. If they chose to prepay she recommended they enter into some sort of formal contract, which takes time and costs money. Groat recommended paying when the product is delivered.

Motion by Lawrence, second by Smith to enter into a prepayment agreement. Motion failed 0-5.

Discussion and possible action regarding Airport Ground Lease with Kocourek Holdings, LLC and cancellation of the hangar construction approved on February 11, 2020
Rasmussen explained these items were previously considered by the Airport Committee and Mr. Kocourek has opted to change the plan with the hangar and the location. She stated to accomplish these changes we have to cancel the original approval and re-approve the new plan.

Motion by Nutting, second by Smith to approve the new plan and cancel the previous as presented. Motion carried 5-0.

Discussion and possible action regarding Police Department mobile radio purchase proposal
Rasmussen explained this item came from Mark Hanson, Motor Pool, consisting of a plan to replace six squad cars and along with that they are requesting to replace the mobile radios in the vehicles with the new Motorola radios. The proposal is to fund that purchase locally through Northway Communications understanding that going forward any such purchases will be included as part of the vehicle.

Mark Hanson explained the Police Department is having problems with the Tate radios and want them replaced with Motorola radios because it is consistent with what Marathon County is switching over to. He noted the Fire Department currently has Motorola radios in all of their equipment. Hanson stated they need something that is going to reliable and supported locally so they don't have to be removed from the vehicle and sent in, putting the vehicle out of service for several weeks. He indicated the quote of $6,138 per radio is the government price which every government entity receives along with discounts, so it is about $4,500 per radio with the discount included. If six or more radios are ordered there will be an additional $226 off. He stated even if they went out for RFP, this is the price he would get from any other dealer. He preferred to do business locally and had a good working relationship with Northway Communications, which is the Motorola dealer.

Lawrence stated there is $3,500 in the account and $26,134 is needed, which is a big difference. Her bigger concern is the number of sole source procurements that are requested. She felt as a municipality RFP's are an important part of the process, rather than preferring vendors here or there. *Discussion followed.*

Motion by Lawrence, second by Nutting to direct staff to issue an immediate RFP with the correct specifications for the six squads and be results brought back to the May Finance and Council meetings. Motion carried 5-0.

Discussion and possible action authorizing a Board of Commissioners of Public Lands State Trust Fund Loan in the amount of $2,986,000 for five years at 2.50%

Groat explained each year the city typically does a borrowing and the timing can vary depending on whether it is a good time to enter the market or may be dependent on receipt of information on a particular construction project. Although normally it wouldn't be before May, the TID #6 expenditure period ends May 10th and the debt needs to be issued before then in order to have the interest be an eligible cost. She indicated she spoke with the financial advisors who are currently recommending holding off on borrowing because of the volatile financial markets, however, we can't afford to hold off due to this looming expenditure period for TID #6. Groat stated the State Trust Fund currently is offering a five year issue at 2.5% with no closing costs and no complications with early refinancing. The financial advisors are therefore recommending the State Trust Fund for the five year issue refinance after looking at all of the other projects for 2020 or even in future years if they so choose.

Groat indicated she filled out an application for an application to the Commissioner of Public Lands to get the process rolling, but there is no obligation for the city to enter into this. If the Finance Committee should approve it would go to the April 14th Council meeting. The projects that would be funded were the Riverside Park Trail road and seawall; the Westside Streetscape; tree planting; street improvements; and Cedar Street.

Motion by Nutting, second by Smith to authorizing the State Trust Fund Loan for $2,986,000. Motion carried 5-0.

Discussion and possible action regarding December 31, 2019 preliminary General Fund Budget Report

Groat reviewed the preliminary financial report which can be accessed online at:
https://www.ci.wausau.wi.us/Departments/Finance/MonthlyReports.aspx

Discussion and possible action transfer of funds 2019 budget

Groat explained there are three funds that operate separately but are reliant on general property taxes: the Recycling Fund, the Airport Fund, and the Parking Fund. Each one of those did not perform and had deficits at the end of 2019. The Recycling Fund had a deficit of $66,000; the Airport Fund had a deficit of $50,000; and the Parking Fund had a deficit of approximately $130,000. She recommended transferring money from the General Fund, since it made a profit of nearly $1 million this year, to cover those deficits. She reviewed the additional expenses the funds incurred to cause the deficits.

Motion by Nutting, second by Smith to approve the transfer of funds. Motion carried 5-0.

Discussion and possible action regarding carryover of funds

Rasmussen stated we have this resolution every year to allow us to carry over funds from last year for work that was previously approved or in progress but has not yet been completed. Groat reviewed the carryover requests.

Motion by Nutting, second by Lawrence to approve the carryover of funds. Motion carried 5-0.

Discussion and possible action regarding resolution authorizing the write off of certain uncollectible delinquent personal property tax accounts

Rasmussen stated this item comes before Finance Committee every year regarding businesses that have gone out of business where we can't collect on the property taxes. She noted the Attorney's Office continues to try to pursue collection, but this is a tool for the city to be reimbursed.

Motion by Lawrence, second by Nutting to approve the resolution authorizing the write off. Motion carried 5-0.

Discussion and possible action regarding FAA Antennae and Equipment Space Lease

Motion by Smith, second by Martens to approve the lease. Motion carried 5-0.

Discussion and Possible Action on the acquisition of county-owned foreclosed property at 1407 N 2nd St.

Rasmussen stated this blighted property was considered and approved by the ED Committee for acquisition and demolition.

Smith stated the property is assessed at $10,000 and there is a $12,000 utility bill. He indicated he could support $10,000 for the property, but did not feel the city should pay the utility bill. Groat explained in the fall when they are getting ready to prepare tax bills, if someone has a delinquent utility bill it is placed on the tax bill as a special charge. If the whole tax bill is not paid by July 31st the county pays the city for that outstanding bill including the outstanding delinquent utilities that were placed on that bill.

Lawrence questioned why the city was buying the property instead of Blenker, the developer who is going to use it. Chris Schock stated the city does not necessarily have to sell it to Blenker, although they are making a proposal in that area and would use the lot. He indicated they could use blight clearance funds or TIF district funds to remove the building and either sell or give away the lot for new development. We incentivize the lot by selling it below what we pay for it in order to get a much larger project completed that is much more valuable. He noted it could go to auction for anyone to buy, but we try to purchase strategic properties to ensure it goes to a project that adds value.

Motion by Lawrence to offer to purchase for $16,000 from the county. Motion died for lack of a second. Smith questioned if it will cost the city more to demolish the property. Schock stated they will use Community Development blight funds to demolish the building.

Motion by Nutting, second by Martens to approve the acquisition of 1407 N 2nd St as proposed for $22,000. Motion carried 3-2. (*Smith and Lawrence were the dissenting votes.)*

<u>Discussion and Possible Action on the proposal received for 180 E Wausau Ave. (former Wausau Chemical truck warehouse).</u>

Rasmussen stated this project is known as The Barrel House and was approved by ED Committee.

Smith questioned what an incubator kitchen was. Dan Weber explained it is a general use kitchen for multiple for businesses to use, from caterers to food trucks. There are a lot of small businesses that can't afford their own kitchen space that would be able to use this mixed-use space. He indicated they would also add food truck stalls with water and power under the front patio. The food truck tenants can prep and make their food on site and bring it around to the front to serve quicker, higher quality food for people near the riverfront. There will also be outdoor seating.

Rasmussen commented the Entrepreneurial & Education Center has a similar shared kitchen space and have launched a number of successful businesses from it. She noted the director of EEC, Romey Wagner, appeared at ED Committee supporting this project as a way to launch new businesses in the area.

Smith questioned if it was going to be a $350,000 loan that will be paid back with interest, not a grant. Schock stated it will come through the Community Development Commercial Rehab loan terms at 1.5 % interest. He stated we are only participating as a small portion of the total cost and the developers will have to obtain a primary lender. Their business plan will have to be approved by that lender.

Motion by Nutting, second by Lawrence to approve the proposal for 180 E Wausau Ave (Wausau Barrel House and Cannery). Motion carried 5-0.

<u>Discussion and Possible Action on a loan application and tax increment financing request for the renovation of the Plaza Hotel at 201 N 17th Ave.</u>

Deferred to a future meeting.

<u>Discussion and Possible Action on a proposal received from Aedifix Holdings (Blenker) for the proposed construction of townhomes on city-owned land at 2nd & 3rd Sts between Short and Bridge Sts; and along River Drive at Fulton St.</u>

Deferred to a future meeting.

<u>Discussion and Possible Action on the proposal received for Riverlife Phase 3 Mixed Use Building at 1200 N River Dr. and associated parking in the Riverlife North Zone.</u>

Deferred to a future meeting.

Adjourn

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