OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of the:	**FINANCE COMMITTEE**
Date/Time:	**Tuesday, April 13, 2021 at 5:15 PM**
Location:	**City Hall (407 Grant Street) - *Council Chambers**
Members:	Lisa Rasmussen, Michael Martens, Dawn Herbst, Deb Ryan, Sarah Watson

AGENDA ITEMS

1 Minutes of the previous meetings: (3/23/21)
2 Discussion and possible action regarding carryover of project and designated funds to the 2021 budget
3 Discussion and possible action regarding 2021 budget modification for additional testing at Riverside Park $18,000
4 Discussion and possible action regarding request for funding to cover insurance for the Labor Day Parade (Randy Radtke - Marathon County Central Labor Council)
5 Discussion only - American Rescue Plan spending; recommended guiding principles
6 **CLOSED SESSION** pursuant to Wis. Stat. s. 19.85(1)(g), for the purpose of conferring with legal counsel for the rendering of 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, specifically regarding the Memorandum of Understanding with the Wausau/Central Wisconsin Convention & Visitors Bureau
7 **CLOSED SESSION** pursuant to Section 19.85(1) (e) 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 regarding the sale of city-owned property at 510 South 32nd Avenue
8 **RECONVENE** into open session to take action, if necessary, on Closed Session item(s).

Adjourn

Lisa Rasmussen, Chairperson

***Item going directly to Council following Finance Committee*

*Due to the COVID-19 pandemic, this meeting is being held in person and via teleconference. Members of the media and the public may attend in person, subject to the social distancing rules of maintaining at least 6 feet apart from other individuals, or by calling **1-408-418-9388**. The **Access Code is: 187 733 3916 Password: JeNMhcnV743**

Individuals appearing in person will either be seated in the Council Chambers or an overfill room, subject to the social distancing rules. Space available will be on a first come, first served basis. All public participants' phones will be muted during the meeting. Members of the public who do not wish to appear in person may view the meeting live over the internet on the City of Wausau's YouTube Channel http://www.tinyurl.com/WAAMedia, live by cable TV, Channel 981, and a video is available in its entirety and can be accessed at https://tinyurl.com/WausauCityCouncil. Any person wishing to offer public comment who does not appear in person to do so, may e-mail mary.goede@ci.wausau.wi.us with "Finance Committee public comment" in the subject line prior to the meeting start. All public comment, either by email or in person, will be limited to items on the agenda at this time. The messages related to agenda items received prior to the start of the meeting will be provided to the Chair.

This Notice was posted at City Hall and faxed to the Daily Herald newsroom 4/08/21 at 2:00 PM

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the ADA Coordinator at (715) 261-6590 or ADAServices@ci.wausau.wi.us to discuss your accessibility needs. We ask your request be provided a minimum of 72 hours before the scheduled event or meeting. If a request is made less than 72 hours before the event the City of Wausau will make a good faith effort to accommodate your request.

Other Distribution: Media, (Alderpersons: Peckham, Neal, Kilian, Wadinski, McElhaney, Larson), *Rosenberg, *Jacobson, *Groat, Department Heads

OFFICIAL NOTICE AND AGENDA- ADDENDUM

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

ADDENDUM

Meeting of the:	**FINANCE COMMITTEE**
Date/Time:	**Tuesday, April 13, 2021 at 5:15 PM**
Location:	**City Hall (407 Grant Street) - *Council Chambers**
Members:	Lisa Rasmussen, Michael Martens, Dawn Herbst, Deb Ryan, Sarah Watson

AGENDA ITEMS

► Discussion and possible action on approving settlement offer to settle claim filed with Zagster, Inc.

► Discussion and possible action regarding the sale of city-owned property at 510 South 32nd Avenue

Adjourn

Lisa Rasmussen, Chairperson

*Due to the COVID-19 pandemic, this meeting is being held in person and via teleconference. Members of the media and the public may attend in person, subject to the social distancing rules of maintaining at least 6 feet apart from other individuals, or by calling **1-408-418-9388**. The **Access Code is: 187 733 3916 Password: JeNMhcnV743**

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This Notice was posted at City Hall and faxed to the Daily Herald newsroom 4/12/21 11:45 AM

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Other Distribution: Media, (Alderpersons: Peckham, Neal, Kilian, Wadinski, McElhaney, Larson), *Rosenberg, *Jacobson, *Groat, Department Heads

FINANCE COMMITTEE
Date and Time: Tuesday, March 23, 2021 @ 5:15 pm., Council Chambers
Members Present: *In Person*: Lisa Rasmussen, Michael Martens, and Dawn Herbst; *By WebEx:* Sarah Watson, and Deb Ryan
Others Present: Maryanne Groat, Anne Jacobson, Eric Lindman, Katie Rosenberg, Emily Ley, Sean Fitzgerald, Leslie Kremer, Tom Neal

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 Chair, Lisa Rasmussen.

Minutes of the previous meeting(s). (3/09/2021)
Motion by Herbst, second by Martens to approve the minutes of the previous meeting on 3/09/2021. Motion carried 5-0.

Discussion and possible action on conveyance of additional land to Riverlife Wausau, LLC – Phase I
Lisa Rasmussen explained this cleans up the lines around the property; however, following some survey work the City Attorney has indicated they should amend this resolution to reserve a 10 foot easement on the water side of the property based on the location of some sprinkler apparatus the city has in the right-of-way.

Motion by Watson, second by Herbst to approve the resolution and include the 10 foot easement. Motion carried 5-0.

Discussion and possible action on authorizing express written consent to subordinate City's mortgage to Riverlife Wausau LLC to third-party lender exceeding $8,500,00
Deb Ryan commented she did not feel the city should necessarily give up its rights under the contract.

Anne Jacobson, City Attorney, clarified that she drafted the resolution to include in the "Therefore, Be it Resolved" that they are increasing the amount from $8.5 million to $10 million and not waiving the cap altogether.

Motion by Ryan, second by Herbst to approve. Motion carried 5-0.

Discussion and possible action on amending Declaration of Covenants, Conditions, Restrictions and Easements for Wausau East Riverfront
Motion by Martens, second by Watson to approve. Motion carried 5-0.

Discussion and possible action authorizing the write off of certain uncollectible delinquent personal property tax accounts from the City's accounting records and the charge back to other governmental units
Maryanne Groat indicated in these circumstances the state statutes allows the city to charge back to the schools, county, and technical college and if we subsequently collect an account we pay them back. She stated she has learned tax intercept is something available to attempt collection.

Motion by Herbst, second by Martens to approve the write off. Motion carried 5-0.

Discussion and possible action regarding updating our resolution designating public depositories and authorizing withdrawal of County, City, Village, Town or School District Monies
Rasmussen noted this is housekeeping resolution to remove former Assistant Finance Director, Robert Splinter, and replace with the new Director, Emily Ley.

Motion by Watson, second by Ryan to approve the resolution. Motion carried 5-0.

2020 Budget Modification for Street Projects and fund realignment
Rasmussen noted this trues up our actual costs with our budget alignment, which we do every year. Groat stated the only difference is explained in her memo in the packet.

Motion by Ryan, second by Martens to approve the modification. Motion carried 5-0.

Update on the Fire Station 2 Construction project budget

Groat stated much of the budget was based on bids, but some of it contained allowances, some of which were not sufficient to purchase everything needed. She indicated it was just under $75,000 over the initial budget.

Discussion and possible action regarding Resolution in Opposition to the Office of Budget Management's Recommended Changes to Metropolitan and Micropolitan Statistical Area Standards

Rasmussen explained at the Federal level the Office of Budget Management has requested a change to verbiage they use to describe cities our size. This could unintentionally have some ramifications on how we qualify for things like block grant and other funding. She indicated the Mayor has written a letter offering feedback to our representatives and asking them to stand against this.

Mayor Rosenberg indicated it first came to her attention from Tammy Stratz in Community Development with concerns regarding CDBG funding. She stated Wausau is an entitlement city and has been since the 1970's. The concern is the semantic change may inadvertently change the funding formula. She stated she submitted a letter in opposition, as did Tammy Baldwin's office, and the Marathon County Board voted unanimously to oppose it.

Ryan stated from the recent census she thought the population of Wausau was approximately 37,000. She noted at times staff and/or alderpersons make comparisons with Madison or Eau Claire and we are not comparable with them in size. She commented she had mixed feelings about it and felt that Wausau should be in the right category. She believed the OB should look at smaller cities for having Community Development grants. She pointed out there is a lot of low income in poverty in our area and it something needed. She stated they need to really start looking at Wausau realistically as to where we fit with other cities.

Motion by Ryan, second by Watson to approve the resolution opposing the changes. Motion carried 4-1 (*Ryan was the dissenting vote*.)

Adjourn

Motion by Herbst, second by Martens to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 5:38 pm.

From: Maryanne Groat

To: Finance Committee

Date: April 7, 2021

Re: Carryover 2020 Capital Projects and General Fund to 2021

Projects often span multi-years. Funds are budgeted prior to project commencement and the obligation of funds. At year end all capital project accounts are reviewed to determine the status of the project. Uncompleted or delayed projects need a budget amendment to move the 2020 budget to 2021 to fund the completion. Many of these projects are covered under construction contracts.

We also have a few projects underway in the general fund that require carried forward.

The total carryover request for projects carried from 2020 to 2021 is $1,700,605. The prior year carryover resolution from 2019 to 2020 was $6,553,422.

The resolution adopted by the Common Council also recognizes special fund reserves as committed and not available for other spending.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE FINANCE COMMITTEE

Approving Modification of the 2021 Budget – General Fund and Capital Project Funds for projects in process and other obligations

Committee Action:	Approved -0
Fiscal Impact (2021):	This action will modify the 2021 budget by re-establishing projects in process budgets and other contractual obligations from the 2020 budget $1,700,605
File Number:	20-1109
Date Introduced:	April 27, 2021

FISCAL IMPACT SUMMARY			
COSTS	*Budget Neutral*	Yes☐No☒	
	Included in Budget:	Yes☒No☐	*Budget Source: 2020 Budgets*
	One-time Costs:	Yes☒No☐	*Amount: $1,700,605*
	Recurring Costs:	Yes☐No☒	*Amount:*
SOURCE	*Fee Financed:*	Yes☐No☒	*Amount: Funded from Tax Levy, prior year debt proceeds or TID Funds*
	Grant Financed:	Yes☐No☐	*Amount:*
	Debt Financed:	Yes☐No☐	*Amount* *Annual Retirement*
	TID Financed:	Yes☐No☐	*Amount:*
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☒ *Interfund Loan* ☐		

RESOLUTION

WHEREAS, the Finance Committee has received a request to carry forward certain 2020 budget appropriations for replacement reserves, unfinished projects and contractual obligations and non-lapsing committed fund balances as outlined in Exhibit A, thus modifying the 2021 budget, and

WHEREAS, your Finance Committee has reviewed and recommends the list of non-lapsing and committed funds as noted in Exhibit A

WHEREAS, the Finance Committee has reviewed the requests and recommends carry forward appropriations and the modification of the 2021 budget presented in Exhibit A, and

BE IT RESOLVED, by the Common Council of the City of Wausau that the proper City Officials be and are hereby authorized and directed to modify the 2021 budget as presented and to publish the budget modification in the official newspaper as required.

Approved:

____

Katie Rosenberg Mayor

2020 PROJECT RESERVATIONS AND FUND CARRYOVERS TO MODIFY THE 2021 BUDGET

140 & 150 CAPITAL PROJECTS FUND

WISCONSIN DOT PROJECTS

		2020 Modified Budget	2020 Expenses	2021 Budget Modification
150-231598713	Grand Avenue	$ 119,165	$ 6,748	$ 112,417
	TOTAL CARRYOVER			$ 112,417

These carryovers will fund the completion and close out of prior years Wisconsin DOT projects. The State's billing practice is extremely slow and unpredictable, project close outs can exceed five years.

METRORIDE CAPITAL

		2020 Modified Budget	2020 Expenses	2021 Budget Modification
150-237598300	HVAC replacement (2020 Budget)	$ 35,752		$ 35,752
150-237598300	Floor Scrubber (2020 Budget)	49,000		49,000
150-237598300	Capital Grant VW Transit Bus Purchase Upgrades (2019 budget)	66,418		66,418
	TOTAL CARRYOVER			$ 151,170

The 2020 budget carryover will finance Transit projects that were budgeted in 2019 and 2020 but have not been completed at yearend.

OTHER INFRASTRUCTURE RELATED PROJECTS

		2020 Modified Budget	2020 Expenses	2021 Budget Modification
150-236592190	Other Professional Services	$ 56,943	$ 2,200	$ 54,743
	TOTAL CARRYOVER			$ 54,743

Professional Services will cover unanticipated 2021 project design and consulting services costs.

AIRPORT PROJECTS

		2020 Modified Budget	2020 Expenses	2021 Budget Modification
150-237598449	Airport Facilities	204,967	86,477	118,490
	TOTAL CARRYOVER			$ 118,490

This carryover represents unspent local share project costs related Jet A Fuel Farm upgrade and Tank monitor system performed by the State in 2020; the relocation of the KAUW ASOS Equipment and the east hangar development area . These projects are managed by the State of Wisconsin and also experience extended close out.

PARK PROJECTS

		2020 Modified Budget	2020 Expenses	2021 Budget Modification
150-237598406	Park Department - Playgrounds	$ 329,771	$ 212,495	$ 117,276
150-237598463	Park Department - Dog Park			45,750
150-237598425	Park Department - Rolling Stock	173,460	153,782	19,678
	TOTAL CARRYOVER			$ 182,704

Playgrounds include $2,714 for Forest Park play surfase; $83,000 is for 3M park equipment; $31,562 is for other playgrounds.
Rollingstock is for Pickup Truck and Powerrack. These have been ordered and delivery is expected late March. This is the city's share.

2020 PROJECT RESERVATIONS AND FUND CARRYOVERS TO MODIFY THE 2021 BUDGET

TECHNOLOGY PROJECTS

		2020 Modified Budget	2020 Expenses	2021 Budget Modification
150-237598426	Law Enforcement Software	$ 244,607		$ 244,607
150-237598438	Computer Software - Municipal Court & Special Assessment	183,000	-	183,000
150-237598446	Computer Financial Systems Software (assessment, CD loan software)	205,055	75,671	129,384
	TOTAL CARRYOVER			$ 556,991

The carryover provides funding for the completion of a variety of software projects:
Law Enforcement Software is nearly complete. Final payment will occur when all aspects of the project have been delivered.
Municipal Court and Special Assessment: Both of these projects are critical as they currently are obsolete and located on hardware that must be retired. Municipal court software has been selected, contract is under development. Implementation expected summer of 2021. The Special Assessment software selection is currently under consideration.
Financial Systems Software: Both Assessment and Community Development Loan software are in the implementation stage.

EQUIPMENT

		2020 Modified Budget	2020 Expenses	2021 Budget Modification
140-300298411	City Hall Boiler Replacement Project	$ 160,000	$ 85,150	$ 74,850
150-237598436	Fire Department Equipment	300,657	225,943	74,714
150-237598416	GIS	115,000	82,594	32,406
	NET CARRYOVER			$ 107,120

This carryover will fund GIS projects underway including the aerial imagery and LiDar and oblique imagery along with the Fire Equipment that wasnt received until 2021. The boiler project will also be completed in 2021 after the heating season is over.

TOTAL FUND 150 CAPITAL IMPROVEMENTS FUND $ 1,358,485

FUND 141 TAX INCREMENT DISTRICT NUMBER THREE

		2020 Modified Budget	2020 Expenses	2021 Budget Modification
141-342898290	Barker Stewart Island Improvements	$ 70,000	$ 3,190	$ 66,810
141-342598230	3rd Street Corridor	40,000	-	40,000
	TOTAL FUND 141 TID NUMBER THREE			**$ 106,810**

Carryover over of the 2020 budget is for small improvements of the 3rd Street corridor related to the Aspirus project.

FUND 240 CENTRAL CAPITAL EQUIPMENT FUND

		2020 Modified Budget	2020 Expenses	2021 Budget Modification
240-410098191	Public Access Equipment	$ 45,000		$ 45,000
240-413298433	PC Replacement -CCITC	138,291	105,044	33,247
240-413298434	Video Phone Cameras Etc-CCITC	135,763	52,174	83,589
	TOTAL FUND 240 CENTRAL CAPITAL EQUIPMENT FUND			**$ 161,836**

The Carryover Balances will fund continued IT investment in PC and Video replacement. Public Access is to upgrade their system as approved by Council.

FUND 110 GENERAL FUND

110-130092990	Parks - Emerald Ash Borer	$ 109,000	$ 95,526	$ 13,474
110-2292190	Unclassified - professional services - Strategic Plan	50,000	-	50,000
110-71092990	Emergency Governement Municipal Agreement	10,000		10,000
	TOTAL FUND 110 GENERAL FUND			**$ 73,474**

The carryovers will fund the Strategic Plan and Emergency Government plan in 2021 and continue the Emerald Ash Borer project.

2020 PROJECT RESERVATIONS AND FUND CARRYOVERS TO MODIFY THE 2021 BUDGET

NON-LAPSING FUNDS

In addition to the above carryovers the following funds are considered non-lapsing and committed:

121 Grants Fund
122 HUD Mortgage Program Fund
123 DLAD Mortgage Program Fund
124 HCRI Fund
125 Economic Development Fund
126 Federal Rental Rehabilitation Fund
127 WRRP Rehabilitation Fund
128 Holtz Krause Clean Up Fund
129 Hazardous Materials Funds
130 Debt Service Fund
132 Home Grant Fund
133 Home Program Income Fund
134 Home Rental Rehab Fund
135 Home Administration Fund
136 Neighborhood Stabilization Fund
137 WRRP Administration Fund
140 Capital Projects Fund
138 Housing Stock Improvement Fund
141 Tax Increment District Number Three Fund
144 Tax Increment District Number Six Fund
145 Tax Increment District Number Seven Fund
146 Tax Increment District Number Eight Fund
147 Tax Increment District Number Nine Fund
148 Tax Increment District Number Ten Fund
149 Tax Increment District Number Eleven Fund
241 Tax Increment District Number Twelve Fund

150 Capital Improvement Fund
151 Room Tax Fund
152 Public Access Fund
153 Recycling Fund
157 OJJDP Grant Fund
158 Brownfield Grant Fund
161 Water Utility Fund
163 Sewer Utility Fund
164 WATS Fund
165 Parking Fund
166 Airport Fund
167 Animal Control Fund
170 Motor Pool Fund
171 Insurance Fund
173 Employee Benefits Fund
174 EMS Grant Fund
175 Employee HRA Fund
176 Rental Licensing Fund
177 400 Block Fund
180 Cemetery Trust Fund
181 Other Trust Fund
186 Incubator Fund
180's and 800's All Trust and Agency Fund

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE FINANCE COMMITTEE

Approving budget modification for environmental testing at Riverside Park

Committee Action:

Fiscal Impact: $18,000

File Number:	20-0911	**Date Introduced:**	

FISCAL IMPACT SUMMARY

COSTS	*Budget Neutral*	Yes☐ No☒	
	Included in Budget:	Yes☐ No☒	*Budget Source: Environmental Fund*
	One-time Costs:	Yes☒ No☐	*Amount: $18,000*
	Recurring Costs:	Yes☐ No☒	*Amount:*
SOURCE	*Fee Financed:*	Yes☐ No☒	*Amount:*
	Grant Financed:	Yes☐ No☒	*Amount:*
	Debt Financed:	Yes☐ No☒	*Amount* *Annual Retirement*
	TID Financed:	Yes☐ No☐	*Amount:*
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐		

RESOLUTION

WHEREAS, the Wisconsin DNR has requested the City perform additional environmental testing at Riverside Park; and

WHEREAS, REI has performed past testing and is familiar with the environmental issues with this area; and

WHEREAS, staff is requesting a budget of $18,000 to meet the consulting services work related to the park; and

WHEREAS, the Park Committee will continue to guide the testing efforts; and

WHEREAS, your Finance Committee, at their April 13, 2021 meeting reviewed and recommended that payment for continued park environmental testing be taken from the Environmental Fund.

WHEREAS, your Finance Committee recommends a budget modification to provide for a for this activity as follow:

Increase 128-228092191 Testing Services $18,000

NOW THEREFORE BE IT RESOLVED that the proper City officials are hereby authorized and directed to modify the 2021 budget as indicated.

Approved:

____

Katie Rosenberg, Mayor

03/16/2021

TO: WAUSAU FINANCE COMMITTEE

SUBJECT: FUNDING OF HOTEL/MOTEL TAXES REQUEST WAUSAU LABOR DAY PARADE 2021

EACH YEAR THE LABOR COUNCIL HOSTS THE WAUSAU LABOR DAY PARADE IN SEPTEMBER. THIS YEAR THE PARADE WILL BE ON SEPT. 6, 2021.

LABOR THANKS YOU FOR THE SUPPORT THAT YOU HAVE SHOWN IN PREVIOUS YEARS BY HELPING US OFFSET SOME OF THE COSTS OF THE LABOR DAY PARADE. WE WOULD LIKE ONCE AGAIN TO REQUEST MONEY FROM THE HOTEL/MOTEL ROOM TAX TO COVER THE COST OF INSURANCE.

WE LOOK FORWARD TO HOSTING THE PARADE AGAIN THIS YEAR. THE PARADE ALLOWS THE PUBLIC TO ENJOY SPENDING TIME WITH FAMILY AND FRIENDS WHILE CELEBRATING AND RECOGNIZING THE EFFORTS OF LABOR IN CENTRAL WISCONSIN AND ACROSS THIS GREAT NATION OF OURS.

THE PARADE ALSO BRINGS MANY PEOPLE FROM OUT OF TOWN, WHICH MANY OF THEM WILL SHOP AT OUR LOCAL BUSINESSES. WHICH NOT ONLY IS GOOD FOR BUSINESS BUT IS ALSO GOOD FOR THE CITY OF WAUSAU.

THE MARATHON COUNTY CENTRAL LABOR COUNCIL APPRECIATES THE CITY OF WAUSAU'S SUPPORT FOR EVENTS SUCH AS THE LABOR DAY PARADE. WE HOPE YOU ACCEPT OUR REQUEST ONCE AGAIN FOR MONEY FROM THE HOTEL/MOTEL ROOM TAXES.

IF YOU HAVE ANY QUESTIONS REGARDING THE 2021 WAUSAU LABOR DAY PARADE PLEASE GIVE ME A CALL Randy Radtke 715-370-8908 or email marathonctylabor@gmail.com

SINCERELY.

Randy S. Radtke

RANDY S. RADTKE
PRESIDENT MARATHON COUNTY CENTRAL LABOR COUNCIL AFL-CIO

American Rescue Plan Spending: Recommended Guiding Principles

Signed into law on March 11, 2021, **The American Rescue Plan Act of 2021** ("ARPA") provides $350 billion in additional funding for state and local governments. **Please click here for GFOA's analysis of ARPA**. The state funding portion is approximately $195 billion with $25.5 billion distributed equally among the 50 states and the District of Columbia and the remaining amount distributed according to a formula based on unemployment.

The local funding portion is approximately $130 billion, equally divided between cities and counties. Localities will receive the funds in two tranches–the first after the U.S. Treasury certifies the proceeds to each jurisdiction and the second one year later.

For cities, $65 billion is divided between jurisdictions that are Community Development Block Grant (CDBG) entitlement jurisdictions and those that are not. $45.5 billion of the $65 billion will be allocated to metropolitan cities utilizing a modified CDBG formula, and the remaining amount for jurisdictions that are non-entitlement CDBG, will be allocated according to population. For the non-entitlement jurisdictions, the amount will not exceed seventy- five percent of their most recent budget as of January 27, 2020. Additionally, non-entitlement jurisdictions proceeds will be allocated through the state for redistribution to local governments.

For counties, the $65 billion will be allocated based on the county's population. Counties that are CDBG recipients will receive the larger of the population or CDBG-based formula.

Eligible uses of these funds include:

- Revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to the emergency,
- COVID-19 expenditures or negative economic impacts of COVID-19, including assistance to small businesses, households, and hard-hit industries, and economic recovery,
- Premium pay for essential workers,
- Investments in water, sewer, and broadband infrastructure.

Restrictions on the uses of these funds include:

- Funds allocated to states cannot be used to directly or indirectly to offset tax reductions or delay a tax or tax increase;
- Funds cannot be deposited into any pension fund.

Funding must be spent by the end of calendar year 2024.

As with previous COVID-19 relief packages, implementation will be an extensive process as new or updated guidance and FAQs are developed and released by the **U.S. Treasury**. For example, the legislation requires each jurisdiction's executive to "certify" that the funds will be used for eligible purposes. That process is currently under development by the U.S. Treasury.

GFOA will provide regular updates as information becomes available. If you have specific questions or need clarification, GFOA has launched an **online portal** to gather member questions to help shape engagement and solicit answers from the Administration.

For many jurisdictions, the funding provided under ARPA is substantial and could be transformational for states and local governments in their pandemic rescue and recovery efforts. Elected leaders will need to decide how to best use the additional funding consistent with the ARPA requirements, which are very broad. Finance officers play a critical role in advising elected leaders on the prudent spending of moneys received under ARPA. *Finance officers are best positioned to help ensure the long-term value of investments and financial stability of its* *government using this one-time infusion of resources.* When considering how to best advise elected officials and plan for the prudent use of ARPA funds, we offer the following outline of Guiding Principles for the use of ARPA funds:

GFOA American Rescue Plan Act Guiding Principles

Temporary Nature of ARPA Funds. ARPA funds are non-recurring so their use should be applied primarily to non-recurring expenditures.

- Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.
- Replenishing reserves used to offset revenue declines during the pandemic should be given high priority to rebuild financial flexibility/stability and restore fiscal resiliency.
- Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary to achieve/maintain structural balance in future budgets.
- Investment in critical infrastructure is particularly well suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long- term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.

ARPA Scanning and Partnering Efforts. State and local jurisdictions should be aware of plans for ARPA funding throughout their communities.

- Local jurisdictions should be cognizant of state-level ARPA efforts, especially regarding infrastructure, potential enhancements of state funding resources, and existing or new state law requirements.
- Consider regional initiatives, including partnering with other ARPA recipients. It is possible there are many beneficiaries of ARPA funding within your community, such as schools, transportation agencies and local economic development authorities. Be sure to understand what they are planning and augment their efforts; alternatively, creating cooperative spending plans to enhance the structural financial condition of your community.

Take Time and Careful Consideration. ARPA funds will be issued in two tranches to local governments. Throughout the years of outlays, and until the end of calendar year 2024, consider how the funds may be used to address rescue efforts and lead to recovery.

- Use other dedicated grants and programs first whenever possible and save ARPA funds for priorities not eligible for other federal and state assistance programs.
- Whenever possible, expenditures related to the ARPA funding should be spread over the qualifying period (through December 31, 2024) to enhance budgetary and financial stability.
- Adequate time should be taken to carefully consider all alternatives for the prudent use of ARPA funding prior to committing the resources to ensure the best use of the temporary funding.

The influx of funds will undoubtedly benefit state and local finances, and aid in the recovery from the budgetary, economic, and financial impacts of the pandemic. Rating agencies will evaluate a government's use of the ARPA funds in formulating its credit opinion and, importantly, will consider your government's level of reserves and structural budget balance, or efforts to return to structural balance, as part of their credit analysis. Finance officers will play a critical role in highlighting the need to use ARPA funds prudently with an eye towards long-term financial stability and sustainable operating performance. The funding provided under ARPA provides a unique opportunity for state and local governments to make strategic investments in long-lived assets, rebuild reserves to enhance financial stability, and cover temporary operating shortfalls until economic conditions and operations normalize.

Office of the City Attorney

TEL: (715) 261-6590
FAX: (715) 261-6808

Anne L. Jacobson
City Attorney

Tara G. Alfonso
Assistant City Attorney

Nathan Miller
Assistant City Attorney

Memorandum

From: **Anne Jacobson**

To: **Finance Committee and Common Council**

Date: **October 21, 2020 – April 12, 2021 UPDATE**

Re: **Settlement Offer to Settle Claim Filed with Zagster, Inc.**

UPDATE: **Mike Hart of Schneider Downs, the administrator of the Zagster Trust, called very recently to indicate he has an investor that is willing to settle the City's claim now at 20-25%, but could not wait until the April 27 Finance and Council meetings. This means that rather than 5% or $900, an offer to settle the claim is now presented in the range of 20-25%, or $3,600 - $4,500.**

Purpose: To obtain your approval on a settlement offer to settle a claim filed with Zagster, Inc.

Facts: On July 11, 2019, the City and Zagster, Inc. entered into an agreement for a bike share program which included two stations, ten bikes and the use of the Zagster technology and application.

On June 16, 2020, the City was notified that Zagster, Inc. had dissolved and the majority of the corporation's operating assets had been liquidated.

On August 13, 2020, a claim was filed in the amount of $18,000 which represented the first half of the $36,000 agreement.

On October 9, 2020, the city received a call from an administrator from the Zagster Trust stating they were offering the City $900, or 5% of the claim, to settle. The settlement offer is good through October 31, 2020.

Mike Hart of Schneider Downs, made an offer to settle the City's claim on Oct. 9. He indicated that he was the administrator of the Zagster Trust. He is reaching out to claimants to inform them there are no assets in the Trust. "Super Pedestrians" purchased all the assets of Zagster (of unknown type, but would include bicycles), plus their stock, for $26 M.

To date, $50 M in claims have been filed against Zagster. He is advised that the stock cannot be liquidated. It could be 7 years before the stock could be liquidated – he was uncertain. Since we can't know what value the stock will hold in seven years, he recommended accepting the offer.

Recommendation: The Attorney's Office is looking for direction from the Finance Committee, and ultimately the council, as to whether they wish to accept the offer or not.

FINANCE COMMITTEE

Date and Time: Tuesday, October 27, 2020 @ 5:15 pm., Council Chambers

Members Present in Person: Rasmussen (C), Martens, Herbst; by WebEx: Watson, and Ryan

Others Present: Groat, Goede, Barteck, Bliven, Fitzgerald, Jacobson, Kujawa, Lenz, Lindman, Rubow, Rosenberg, Van Krey, Kaiser, Sippel, Vanderboom, Peckham

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 Chair, Lisa Rasmussen.

Discussion and possible action on settlement offer to settle claim filed with Zagster, Inc.

Rasmussen stated this Zagster provided bikes for a bike share program along the riverfront. The company dissolved ant the city filed a claim. The settlement offer from Zagster is a lot smaller than the claim.

City Attorney Anne Jacobson felt she was at a loss to make a recommendation because she had no way of verifying if what the administrator of the Zagster Trust says is true. She indicated it appears to be mired in a mess that will take years to straighten out. The city paid $18,000 (which was the first half of the $36,000 agreement) and that is what the claim was filed for. Zagster is offering a $900 settlement which is 5% of the claim. She noted they have $26 million of assets, but nothing that can be liquidated and have $50 million in claims and are in bankruptcy.

Rasmussen pointed out the city is still in possession of the bikes. Jacobson stated Jamie Polley, Parks Director, indicated the bikes are secured in storage. It was noted the bikes are now owned by a leasing company which we are in discussion to purchase. Martens questioned if the bikes had value because they need the app to unlock them. There are other companies that can provide a compatible bike share program. Discussion on the pros and cons of settlement followed.

Motion by Watson, second by Martens to approve the settlement offer. Motion failed 0-5.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE FINANCE COMMITTEE

Approving settlement offer to settle claim filed with Zagster, Inc.

Committee Action: Failed 0-5

Fiscal Impact: None

File Number: 20-1018 **Date Introduced:** October 27, 2020

FISCAL IMPACT SUMMARY				
COSTS	*Budget Neutral*	Yes ☒ No ☐		
	Included in Budget:	Yes ☐ No ☐	*Budget Source:*	
	One-time Costs:	Yes ☐ No ☐	*Amount:*	
	Recurring Costs:	Yes ☐ No ☐	*Amount:*	
SOURCE	*Fee Financed:*	Yes ☐ No ☐	*Amount:*	
	Grant Financed:	Yes ☐ No ☐	*Amount:*	
	Debt Financed:	Yes ☐ No ☐	*Amount*	*Annual Retirement*
	TID Financed:	Yes ☐ No ☐	*Amount:*	
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐			

RESOLUTION

WHEREAS, on July 11, 2019 the City and Zagster,Inc. entered into an agreement for a bike share program which included two stations, ten bikes and the use of the Zagster technology and application; and

WHEREAS, the stations and bikes were placed within the Riverlife Park; and

WHEREAS, on June 16, 2020, the City was notified that Zagster, Inc. had dissolved and the majority of the corporation's operating assets had been liquidated; and

WHEREAS, on August 13, 2020, the City filed a claim in the amount of $18,000 which represented the first half of the $36,000 agreement;

WHEREAS, on October 9, 2020, the City received a call from an administrator from the Zagster Trust with an offer of settlement for $900, or 5% of the claim with the offer being good through October 31, 2020; and

WHEREAS, your Finance Committee, at their October 27, 2020 meeting, recommended accepting $900 in settlement of the city's claim filed against Zagster, Inc.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Wausau does hereby approve accepting $900 in settlement of the City's claim filed against Zagster, Inc.

Approved:

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Katie Rosenberg, Mayor

FAILED

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE FINANCE COMMITTEE

Approving settlement offer to settle claim filed with Zagster, Inc.

Committee Action: Pending

Fiscal Impact: None

File Number:	20-1018	**Date Introduced:**	April 13, 2021

FISCAL IMPACT SUMMARY			
COSTS	*Budget Neutral*	Yes ☒ No ☐	
	Included in Budget:	Yes ☐ No ☐	*Budget Source:*
	One-time Costs:	Yes ☐ No ☐	*Amount:*
	Recurring Costs:	Yes ☐ No ☐	*Amount:*
SOURCE	*Fee Financed:*	Yes ☐ No ☐	*Amount:*
	Grant Financed:	Yes ☐ No ☐	*Amount:*
	Debt Financed:	Yes ☐ No ☐	*Amount* *Annual Retirement*
	TID Financed:	Yes ☐ No ☐	*Amount:*
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐		

RESOLUTION

WHEREAS, on July 11, 2019 the City and Zagster,Inc. entered into an agreement for a bike share program which included two stations, ten bikes and the use of the Zagster technology and application; and

WHEREAS, the stations and bikes were placed within the Riverlife Park; and

WHEREAS, on June 16, 2020, the City was notified that Zagster, Inc. had dissolved and the majority of the corporation's operating assets had been liquidated; and

WHEREAS, on August 13, 2020, the City filed a claim in the amount of $18,000 which represented the first half of the $36,000 agreement;

WHEREAS, on October 9, 2020, the City received a call from an administrator from the Zagster Trust with an offer of settlement for $900, or 5% of the claim with the offer being good through October 31, 2020; and

WHEREAS, your Finance Committee, at their October 27, 2020 meeting, recommended accepting $900 in settlement of the city's claim filed against Zagster, Inc. which failed; and

WHEREAS, Council considered this matter at their October 27, 2020 meeting; however the matter failed; and

WHEREAS, the City was contacted with a new offer of settlement at 20-25%, or $3,600-$4,500; and

WHEREAS, your Finance Committee, at their April 13, 2021 meeting, recommended accepting $3,600-$4,500 in settlement of the city's claim filed against Zagster, Inc.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Wausau does hereby approve accepting $3,600-$4,500 in settlement of the City's claim filed against Zagster, Inc.

Approved:

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Katie Rosenberg, Mayor