

**FINANCE COMMITTEE  
APRIL 7, 2014 AT 7:15 P.M.  
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Alderpersons R. Stroik, Slowinski, O’Meara and M. Stroik

EXCUSED: Alderperson Moore

ALSO

PRESENT: Mayor Halverson; City Attorney Beveridge; C/T Ladick; Clerk Moe, Ald. Suomi, Patton, Phillips, Doxtator; Directors Lemke, Ostrowski, Schrader, Schatschneider; Asst. Police Chief Zenner; Fire Chief Kujawa; Clerk Moe; Human Resource Manager Jakusz; Supt of Streets Laidlaw; Finance Manager Freeberg; Steve Shepro; Kelly Pazdernik; Lorna Whalen; Mary Ann Laszewski; Dave Worzalla; Ernie Quesada; Todd Jacowski; Steve Louis; Jim Feigelson; Dana Haberman; Michael Haberman; Brandi Makuski; Nate Enwald; Barb Jacob; Bob Fisch

**ITEM #1 – RESOLUTION TO REVERSE THE COMMITMENT OF FUNDS IN THE SOIL REMEDIATION SPECIAL REVENUE FUND (FUND 222) FOR THE REMEDIATION OF CONTAMINATED PROPERTIES.**

C/T Ladick explained items 1-3, stating that the two funds listed have not been used in some time. The Soil Remediation Fund has not had any activity since 2009 and the Natural Disaster Fund has not had any activity since 2012. Both funds are reimbursements for General Fund expenses that we incurred so we would like the funds transferred to the General Fund to simplify our financial statements, the only exception is a potential project at the Lullabye site that we would like to hold back \$56,410.26 for. The Council passed a resolution committing the funds in the Soil Remediation Fund for environmental cleanup purposes, main reason being that it was being done across the board with a lot of different funds in order to implement new accounting standards.

Ald. R. Stroik questioned if this was from the Airport remediation. C/T Ladick stated there were a few sites that this includes.

Motion made by Ald. Slowinski, seconded by Ald. M. Stroik, to approve the resolution to reverse the commitment of funds in the soil remediation special revenue fund (Fund 222) for the remediation of contaminated properties.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #2 – TRANSFER THE BALANCE OF THE SOIL REMEDIATION SPECIAL REVENUE FUND (FUND 222) TO THE GENERAL FUND (FUND 100).**

Motion made by Ald. Slowinski, seconded by Ald. O’Meara, to approve transferring \$158,581.82 from the Soil Remediation Fund to the General Fund.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #3 – TRANSFER THE BALANCE OF THE NATURAL DISASTER SPECIAL REVENUE FUND (FUND 242) TO THE GENERAL FUND (FUND 100).**

Motion made by Ald. R. Stroik, seconded by Ald. Slowinski to approve transferring \$23,523.48 from the Natural Disaster Fund to the General Fund.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #4 – 4<sup>TH</sup> QUARTER ROOM TAX REPORT.**

C/T Ladick stated the room tax revenues are up by 4.2% for 2013.

Motion made by Ald. M. Stroik, seconded by Ald. Slowinski, to approve the 4<sup>th</sup> quarter room tax report and place it on file.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #5 – PAYMENT OF INVOICE FROM PORTAGE COUNTY RELATED TO A CAPITAL PROJECT OVERAGE FOR THE COURTHOUSE/CITY HALL BUILDING.**

C/T Ladick stated in 2012-2013, the County did a capital project, repairing the entryways of the courthouse. This project was originally budgeted for \$150,000 and since we own 27% of the building, our share was \$40,500. They had many issues with completing this project, including the deterioration of the steps being more than what they originally thought and they also had to replace and fix some of the stone steps. The total of the project came in at a little over \$228,000, which means our share is now an additional \$21,330.

Ald. Slowinski questioned if this would come from contingency, C/T Ladick stated it would.

Motion made by Ald. Slowinski, seconded by Ald. M. Stroik, to approve paying the invoice from Portage County relating to the capital project overage for the courthouse/City Hall building in the amount of \$21,330 to come from contingency.

Mayor Halverson stated that we have had dialogue with the County in regards to us being made aware of these items significantly earlier on in the process. It was never made clear to him or the C/T that it was going to be that much of an overage. He stated he is the City's representative on the County Space and Properties Committee, only for matters that relate to this specific building so he does watch the agendas, but if it is not worded just right, he may not catch that. That should be resolved in the future as it has been addressed with the County to make sure the C/T and himself are aware of billable issues.

C/T Ladick has also talked with the County, stating he would have put it in the 2014 Capital Project budget had he known we would have to pay more, rather than taking it from contingency.

Ald. R. Stroik questioned if we had the detailed list of the itemized bills from the County to make sure they did expend that bundle of money. C/T Ladick stated he did not have a list of every invoice. Ald. R. Stroik questioned if we should maybe request it, just to make sure we are not getting overages. C/T Ladick stated that we could.

Ald. O'Meara proposed an amendment to the motion, contingent upon us receiving an itemized billing from the Courthouse to substantiate the project cost.

Ald. M. Stroik questioned if we could get that list by the Council meeting this next Monday, C/T Ladick stated he did not see why not.

Motion made by Ald. Slowinski, seconded by Ald. M. Stroik, to approve paying the invoice from Portage County relating to the capital project overage for the Courthouse/City Hall building in the amount of \$21,330 to come from contingency, contingent upon receiving an itemized breakdown of the overage prior to next weeks Council meeting.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #6 – MODIFICATION OF THE DEVELOPER AGREEMENT BETWEEN THE CITY AND EXECUTIVE PLACE AT POINT, LLC.**

C/T Ladick gave some background information regarding the developer agreement stating that the Executive Place was constructed with a \$1,000,000 developers incentive from the City. \$1,000,000 was borrowed from the State Trust Fund to provide the incentive and we did that with the agreement that the amount of incremental revenue that they would produce would be enough to cover the debt service payments on that one million dollars. In order to make sure the City got paid, we took collateral which included 4000 shares of Associated Bank stock and also 40 acres of vacant land in Waupaca County. The developers would now like to sell that collateral, most specifically the land. Currently what is being done since the project is not quite developing the incremental revenue to cover the debt service, is they have been paying the difference. The proposal is to get a pay down from the developers and use that money to pay down that loan, which would reduce the amount of debt service payments on it from approximately \$86,000 to roughly \$71,000 per year, which would be in-line with their incremental revenue.

C/T Ladick explained the two options in the packet for a pay down of either \$140,000 or \$147,000. If we received \$140,000, we would be about \$700 short as far as what they generated for 2013. However, the Executive Place is trending upward as far as valuation. By going with the \$147,000, it would have covered the 2013 payment completely. In 2013, they were \$15,000 short, but if we would have had a \$140,000 pay down, it would bring the new payment down to \$71,221 and the actual 2013 increment was \$70,503.28.

Ald. Slowinski questioned if we would still be holding the 4000 shares of Associated Bank for collateral. C/T Ladick responded that we would be releasing both of the collateral positions.

C/T Ladick stated the 4000 shares of Associated Bank is currently valued at about \$68,000 and vacant land is typically valued at about \$2,000-\$3,000 per acre. Basically, what we are getting is somewhat comparable with what we currently have in collateral.

Ald. R. Stroik questioned if this has been discussed with Mr. Schertz. C/T Ladick responded yes and they would prefer Option #1.

Ald. O’Meara stated he thinks the big risk is gone and Mr. Schertz can afford to pay an extra \$1,000 per year and he recommends we go with Option #1.

Motion made by Ald. O’Meara, seconded by Ald. R. Stroik, to modify the developers agreement between the City and Executive Place at Point, LLC, using Option #1, which is a \$140,000 pay down, leaving a balance of \$649,327.82 remaining on the loan with a estimated new annual payment in the amount of \$71,221.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #7 – APPROVAL OF PAYMENT OF CLAIMS.**

Motion made by Ald. O’Meara, seconded by Ald. Slowinski, to approve the payment of claims in the amount of \$1,250,614.63.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #8 - ADJOURN INTO CLOSED SESSION (APPROXIMATELY 7:20 P.M.) PURSUANT TO WISCONSIN STATUTES 19.85(1)(E) (DELIBERATING OR NEGOTIATING THE PURCHASING OF PUBLIC PROPERTIES, THE INVESTING OF PUBLIC FUNDS, OR CONDUCTING OTHER SPECIFIED PUBLIC BUSINESS, WHENEVER COMPETITIVE OR BARGAINING REASONS REQUIRE A CLOSED SESSION) AND WISCONSIN STATUTES 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 OR IS LIKELY TO BECOME INVOLVED) ON THE FOLLOWING:**

**A. UPDATE ON 100 SECOND STREET NORTH (FORMER MICKEY'S RESTAURANT) AND 104 SECOND STREET NORTH (KENT'S SERVICE CENTER) RELATING TO POTENTIAL NEGOTIATIONS WITH LAND OWNERS.**

**B. DISCUSSION OF NEGOTIATION STRATEGY RELATED TO EXCESSIVE ASSESSMENT LITIGATION WITH WALGREENS CO., PORTAGE COUNTY CASES NOS. 11 CV 321, 12 CV 288, AND 13 CV 260.**

Motion made by Ald. Slowinski, seconded by Ald. O'Meara, to adjourn into closed session at 7:32 P.M.

Roll Call:       Ayes: Ald. R. Stroik, O'Meara, Slowinski and M. Stroik       Nays: None  
                  Motion carried.

Adjournment in closed session at 8:11 P.M.