

**CITY OF NEENAH
FINANCE AND PERSONNEL COMMITTEE MEETING
Monday, April 26, 2021– 6:30 p.m.
Virtual Meeting**

Due to the Public Health Emergency caused by the COVID-19 Pandemic, this meeting will occur at a virtual location accessed by web link (Audio & Video) or conference call (Audio only). Committee members and the public should use the following log in or call-in information:

Web link URL: <https://global.gotomeeting.com/join/456526125>

You can also dial in using your phone.

United States: [+1 \(312\) 757-3121](tel:+13127573121)

Access Code: 456-526-125

Members of the public who join the meeting will be asked for their name, address and municipality and whether they wish to speak during the Public Appearances. The web link or conference call-in number may be accessed from any location, although the Mayor and City staff will be present at the Council Chambers, City Hall, 211 Walnut Street, Neenah which will be open to eight (8) people consistent with the social distancing rules established under Emergency Order 12, in the event that members of the public wish to present information to the committee regarding matters under the committee's jurisdiction.

NOTICE IS HEREBY GIVEN, pursuant to the requirements of Wis. Stats. Sec. 19.84, that a majority of the Neenah Common Council may be present at this meeting. Common Council members may be present to gather information about a subject over which they have decision-making responsibility. This constitutes a meeting of the Neenah Common Council and must be noticed as such. The Council will follow the same agenda as the committee, but will not take any formal action at this meeting.

AGENDA

1. Public Appearances
2. Approval of Minutes from the April 12, 2021 Regular Meeting and the April 21, 2021 Special Meeting (minutes can be found on the City's website)
3. SuperMicro Server Backup Solution Purchase Request (attachment) J. Wenninger
4. 201 W. Wisconsin Development Agreement Amendment (TID #8) (attachment) C. Haese
5. Authorization to Pursue Acquisition of Donaldson's Cleaners Site, 110 W. Cecil Street (attachment) C. Haese
6. Adjournment

In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Neenah 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 accommodation in participating in this meeting or event due to a disability as defined under the ADA, please call the Neenah Finance Department at (920) 886-6140 or the City's ADA Coordinator at (920) 886-6106 or e-mail attorney@ci.Neenah.wi.us at least 48 hours prior to the scheduled meeting or event to request an accommodation.

**CITY OF NEENAH
FINANCE AND PERSONNEL COMMITTEE MEETING**

Monday, April 12, 2021 – 6:30 p.m.

Due to the Public Health Emergency caused by the COVID-19 Pandemic, this meeting occurred at a virtual location accessed by conference call on gotomeeting.com.

MINUTES

Present: Chairman Erickson; Aldermen Borchardt and Boyette; City Attorney Westbrook; Mayor Kaufert; Director of Finance Easker.

Others Present: Chief of Police Olson, Deputy Chief of Police Bernice, Police Captain Van Sambeek, Police Lieutenant Kuffel, Aldermanic Candidate John Skyrms.

Absent/Excused: Aldermen Stevenson and Steele.

Public Appearances: None.

Minutes: Motion/Second/Carried Borchardt/Boyette to approve the minutes from the March 29, 2021 Regular Meeting. All voting aye.

Out-of-State Tactical Emergency Medical Support (TEMS) Training: Committee reviewed memo of Lieutenant Kuffel requesting Council approve TEMS Medics Novy and Hillen attend TEMS training outside the State of Wisconsin as well as approval to use special reserve funds to pay for the wages and “backfill” overtime. The coordinated TEMS effort between the Police and Fire /Rescue began in 2019 to train medical personnel assigned to the SWAT team and police department during critical incidents to provide “preventative urgent and emergent medical care during high-risk, extended duration, and mission-driven law enforcement special operations.” Medic Novy already has completed the initial training in 2019, while Firefighter Hillen will need some initial training prior to the TEMS training.

The proposed arrangement will have the cost of the training funded through the Police training budget. This request for funding is needed to fund the cost of “backfill” overtime needed to cover for the two firefighters while they attend school. Fire/Rescue has estimated the best case cost of \$2,498.88 and the worst case cost of \$8,340.48. Lieutenant Kuffel said that he is also working on securing donations that could be used to assist in funding the cost of the training. Committee and staff discussed various aspects of the proposed training and funding.

Motion/Second/Carried Boyette/Borchardt recommending Council approve TEMS Medics Novy and Hillen attend TEMS training outside the State of Wisconsin as well as approval to pay for the wages and “backfill” overtime at an amount not to exceed \$8,400 to be funded by a transfer from the City’s Benefit Accrual Fund. All voting aye.

CVS Appraisal Services: Committee reviewed memo from City Attorney Westbrook recommending Council approve the final adjusted payment of \$4,000 to Lawrence Nicholson for his work on the CVS lawsuit. Action on the item had been deferred from a previous meeting pending receipt of an itemized breakdown of costs from Mr. Nicholson, which has now been received and distributed.

Motion/Second/Carried Borchardt/Boyette recommending Council approve the final adjusted payment of \$4,000 to Lawrence Nicholson for his work on the CVS lawsuit. All voting aye.

Motion/Second/Carried Boyette/Borchardt to adjourn the meeting at 6:45 p.m. All voting aye.

REPORT

REPORT

Respectfully submitted,

A handwritten signature in green ink, appearing to read "M.K. Easker", is positioned above the printed name.

Michael K. Easker, CPA
Director of Finance

**CITY OF NEENAH
SPECIAL FINANCE AND PERSONNEL COMMITTEE MEETING
Tuesday, April 21, 2019 – 7:00 p.m.
(To Be Held During the Recess of the 7:00 p.m. Council
Organizational Meeting for the Standing Committees to Organize)
Council Chambers, Neenah City Administration Building
211 Walnut Street, Neenah, Wisconsin**

MINUTES

Present: Aldermen Erickson, Boyette, Stevenson, Borchardt and Skyrms; Director of Finance Easker.

Others Present: None.

Called to order at 7:20 p.m.

Alderman Stevenson called the meeting to order for the purpose of electing Committee Chairman and Vice-Chairman.

Appointment of Alderman Erickson as Committee Chairman. Approved by unanimous consent.

Appointment of Alderman Boyette as Committee Vice-Chairman. Approved by unanimous consent.

By unanimous consent, regular Committee meetings will continue to be scheduled for 6:30 p.m. on the Monday of the week preceding the Council meeting unless that day is a holiday.

Motion/Second/Carried Stevenson/Boyette to adjourn the meeting at 7:25 p.m. All voting aye.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "M.K. Easker".

Michael K. Easker, CPA
Director of Finance



M E M O R A N D U M

DATE: Monday, April 19, 2021
TO: Chairperson Erickson and Members of the Finance and Personnel Committee
FROM: Joseph L. Wenninger, Director of Information Systems
RE: SuperMicro Server Backup Solution Purchase Request

I am requesting approval to purchase a SuperMicro Server Backup solution from Heartland Business Systems at a cost not to exceed \$17,000. I am requesting that this purchase be funded with Capital Equipment Reserves.

Because of the ever increasing number and sophistication of cybersecurity attacks, specifically Ransomware, which would be capable of corrupting both the City's production and redundant environments simultaneously, staff feels that it is judicious to implement an additional layer of security by introducing a VEEAM/SuperMicro Server Backup solution into the City's computing environment and funding it with Capital Equipment Reserves. The City already has the VEEAM portion of the solution in place as we have been utilizing the software for about the past decade. Staff would just be modifying the backup configurations to take advantage of new features that were introduced in late 2021.

This solution will basically make backups hosted on this server immutable, meaning our backups will be safe from accidental or malicious deletion by anything over the network as the server is specifically hardened against attacks. Backups will only be deleted when the retention period has expired, protecting us from ransomware or other malicious code deleting backups before it encrypts or corrupts files on our servers. This solution will also drastically improve the performance of our backups. The server we are requesting will have a large amount of storage, allowing us to expand how far back our backups are retained for, thus allowing us to restore files that have gone missing and have not been noticed as missing for weeks or months. This is a fairly new, but very effective solution of providing another layer of protection that is being implemented by many of our local government peers.

I would also like to inform the Committee at this time, that staff has decided to forgo the "Sequel Server High Availability and Cluster" project approved in Information Systems 2021 CIP Budget. It is the opinion of staff that the benefit of such an environment is drastically diminished as a significant number of City software vendors are migrating to or expanding their cloud solutions in the next few years. By forgoing this project, the anticipated project of \$45,000 will be allowed to lapse into the Capital Equipment Reserve fund at the end of calendar year 2021.

The City requested and received quotes from the following three (3) providers. After reviewing the quotes, speaking with each provider regarding support options and considering recent support experience(s) staff requests that committee approves the request to move forward with Heartland Business Systems.

CITY OF NEENAH
Information Systems Department

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Vendor	Cost	Support Comments
Heartland Business Systems	\$16,456.41	Heartland Business Systems has provided excellent implementation and issue resolution support to the City over the past 12 – 15 years and is Headquartered in the Fox Valley.
SHI	\$15,637.00	SHI holds the Microsoft State of Wisconsin contract so the City has an active relationship with them regarding Microsoft licenses, support, etc. Because SHI is Headquartered in Somerset, New Jersey, any on-site support assistance would come from their nearest offices located in Minneapolis and Chicago or a local subcontractor. On-site service would be provided by SuperMicro next day support.
CDW Government	\$13,000.00	Although the City purchases a significant amount of equipment through CDW-G's government contracts, I have recently moved a support contract to another provider because of very poor support experiences on the last two (2) cases opened with them. I felt that both the recommended resolution and response time were not satisfactory in each case.

We look forward to discussing this request further during the April 26th Finance and Personnel Committee meeting. Thanks.



M E M O R A N D U M

DATE: April 21, 2021
TO: Chairperson Erickson and Finance and Personnel Committee Members
FROM: Chris A. Haese, CDA Executive Director
RE: **201 W. Wisconsin Development Agreement Amendment (TID #8)**

The proposed mixed use development for 201 W. Wisconsin Avenue is 30-60 days from breaking ground. As the developer is finalizing design and refining estimated construction costs, it is apparent that recent spikes in construction costs, some of which are up over 300% in the past 12 months, have increased the cost of the project significantly. In response to this issue, the developer has changed a number of construction techniques to reduce cost escalation. The developer is also proposing to increase the scope of the project by adding 7,000 square feet of office space to a mezzanine level of the building. These two changes will reduce cost and increase revenue to help keep the project feasible. The additional space will also increase the taxable value of the project by \$2 million. Even with these changes, however, the developer is in need of additional assistance from the City via Tax Incremental District (TID) #8 to maintain the viability of the project.

The current agreement provides a maximum assistance of 22.5% of the guaranteed project value of \$7 million, a maximum interest payment of 5%, and maximum payment period of 19 years.

Staff is proposing an increase in the maximum assistance to 24.7% on a guaranteed project value of \$9 million dollars. The maximum interest of 5% and a payment schedule of 19 years maximum would remain.

In order to support the additional office space, the developer is also requesting the provision of 25 additional parking spaces above the 20 Church Street Ramp spaces provided in the current agreement. Given the current parking demands (post COVID), it will be difficult to provide these spaces within the ramp. In lieu of providing additional ramp spaces, staff is proposing to reduce the number of spaces provided in the ramp from 20 to 10, and provide 35 additional spaces within the City controlled parking systems west of Commercial Street. We have some capacity within the Presbyterian Lot, the Millview Lot and also have property available to add additional surface parking should it be deemed necessary. However, as I have mentioned in the past, parking capacity within the downtown system is extremely limited, and we no longer have an ability to bring project of any size to the downtown until a long-term solution is found.

A significant change that has occurred since the approval of the original Development Agreement has been the securing of a \$250,000 Community Development Investment Grant from the Wisconsin Economic Development Corporation. This grant was based on the

ability to bring the project in question to fruition and is available to the City to support the project as we so choose. One option for the funds would be to reduce the payments due on the project within the first year or two of its completion. Doing so would reduce the City's total investment in the project from the proposed 24.7% to a less than 22.5%, the level of the original Agreement.

The proposed project, in comparison to other projects that have been considered for the site, is considered by staff to be ideal for the location. The project will provide the first new retail space in the downtown in several decades and will help improve lease rates and property values for the balance of the downtown. It also has the ability to attract additional new retail space to the downtown as the improved rate structure can demonstrate support for new retail construction. The residential portion of the project, along with the Solaris on Main project, will also create a similar effect on downtown housing.

In summary the proposed amendment will provide the following changes to the Development Agreement for the 201 W. Wisconsin Avenue project:

- Increase the assistance from 22.5% to 24.7% (\$2,225,000)
- Increase the guaranteed value of the project from \$7 million to \$9 million
- Reduce the number of parking spaces to be made available in the Church Street Ramp from 20 spaces to 10.
- Make available an additional 35 parking spaces within the City controlled parking areas west of Commercial Street.

Appropriate action at this time is to recommend Council approve amending Tax Incremental District No. 8 Development Agreement with Tadych Investments Partners, LLC to increase the maximum City contribution to \$2,225,000, make available 10 parking spaces in the Church Street Ramp, and 35 parking spaces in the City controlled parking west of Commercial Street.

**TAX INCREMENT DISTRICT NO. 8
FIRST AMENDMENT TO
DEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT is dated as of the ____ day of _____, 2021 ("First Amendment") by and between TADYCH INVESTMENT PARTNERS, LLC, a Wisconsin limited liability company (the "Developer") and the COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF NEENAH, WISCONSIN, a Wisconsin municipal corporation (the "City").

RECITALS

City and Developer acknowledge the following:

- A. The City and Developer entered into a development agreement dated July 16, 2020 (the "Development Agreement" or "Agreement") under which the Developer agreed to construct the Development Project commonly known as the multi-use development in Neenah's downtown district.
- B. Under the agreement, the Developer will guarantee an assessed value of the completed Development Project of at least Seven Million Dollars (\$7,000,000).
- C. Under the agreement, upon substantial completion of the Development Project, the City shall provide a perpetual license for up to twenty (20) parking spaces in the City parking ramp (Church Street Ramp) located to the northeast of the Development Area for residents of the Development Project ("Offsite Parking").
- D. Under the agreement, The City's total contribution for Developer Costs shall be limited to a maximum of 22.5% of the Tax Incremental Value of the

Development Project or One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000), whichever is less, plus interest thereon at a rate equal to the lesser of the rate Developer is obligated to pay on its long-term permanent financing for the Development Project of 5.0%, payable in installments of a maximum of nineteen (19) years as provided hereunder.

E. In 2001 the City created Tax Increment District No. 8 (the "District") pursuant to Section 66.1105, Wis. Stat. (the "Tax Increment Law") and approved a plan for the redevelopment of the District (the "District Plan"). The District was amended as of January 1, 2002; January 1, 2004; January 1, 2005 and January 1, 2008. The District was declared distressed by Res. 2015-29.

F. The City desires to encourage economic development including the elimination of slum and blight, expand its tax base, and create new jobs within the City, the District, and the Property. The City finds that the development of the Property and the fulfillment, generally, of the terms and conditions of this Agreement are in the vital and best interests of the City and its residents and serve a public purpose in accordance with state and local law.

G. The Development Project would not occur without the use of Tax Incremental Financing.

H. The City, pursuant to Common Council Action dated XXXXX, and confirmed on XXXXXXXX, has approved this First Amendment Agreement and authorized the execution of the Agreement by the proper City officers on the City's behalf.

I. The Developer has approved this Agreement and authorized Jason Tadych to execute this agreement on the Developer's behalf.

J. All terms that are in upper case but not defined in this Agreement and that are defined under the Tax Increment Law shall have the definitions assigned to such terms by the Tax Increment Law.

NOW THEREFORE, in consideration of the above recitals, which are contractual, and the mutual promises contained herein, the parties agree to the following terms and conditions.

1. Development Agreement Definitions. The parties have agreed that the Definitions in the Development Agreement are applicable to this First Amendment.

2. Development Property Valuation. The Property Valuation in Exhibit D (and also listed in Section 3.7) is amended to \$9,000,000.

3. City Provided Parking License(s). Section 4.5 of the Development Agreement is amended by decreasing the amount of perpetual parking licenses given to the development to ten (10) spaces in the City parking ramp (Church Street Ramp) located northeast of the development project and will increase by an additional 35 (thirty-five) spaces within the City controlled parking system west of Commercial Street for tenants of the Development Project ("Offsite Parking") .

4. Developer Incentive Payment. Section 4.7.1 of the Development Agreement is amended by increasing the Maximum City Contribution from 22.5% to 24.7% of the Tax Incremental Value of the Development Project or Two Million Two Hundred Twenty Five Thousand Dollars (\$2,225,000), whichever is less, plus

interest thereon at a rate equal to the lesser of the rate Developer is obligated to pay on its long-term permanent financing for the Development Project of 5.0%, payable in installments of a maximum of nineteen (19) years as provided hereunder.

5. Notice. Notice required under this First Amendment shall be made in accordance with the notice requirements of Article 12 of the Development Agreement. The laws of the State of Wisconsin shall govern this Agreement.

6. Counterparts. This First Amendment may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument. No amendment of this Agreement shall be effective unless in writing and signed by the party to be bound thereby.

7. No Modification & Severability. Except as provided in this First Amendment, the Development Agreement remains unchanged. If any provision of this Agreement shall be held or deemed to be inoperative or unenforceable as applied in any particular case in any jurisdiction because it conflicts with any other provision or provisions of this Agreement or any constitution or statute or rule of public policy, or for any other reason, then such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein invalid, inoperative, or unenforceable to any extent whatever. To the maximum extent possible, this Agreement shall be construed in a manner consistent with the powers of City, including, but not limited to, their powers under the Tax Increment Law, § 66.1105, Wis. Stats, and the Blight Elimination and Slum Clearance Act, §

66.1333, Wis. Stats., to achieve its intended purpose. Reference is made to Chapter 105, Laws of 1975 § 4, and to § 66.1333(17), Wis. Stats., which provide that the Tax Increment Law and the Blight Elimination and Slum Clearance Act should be construed liberally to effectuate their purposes.

8. Time is of the Essence. Time is of the essence as to all dates and time periods set forth in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

CITY OF NEENAH:

By: _____
Dean R. Kaufert, Mayor

ATTEST:

By: _____
Ellen Skerke, Interim City Clerk

I hereby certify that the necessary funds have been provided to pay the liability incurred by the City of Neenah on the within Contract.

Michael K. Easker, Director of Finance

APPROVED AS TO FORM:

Adam Westbrook, City Attorney

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF NEENAH:

By: _____
Thomas Martin, Chairman

ATTEST:

By: _____
Chris A. Haese, Executive Director

DEVELOPER:
TADYCH INVESTMENT PARTNERS, LLC
OR ITS ASSIGNS

By: _____
Jason Tadych, Member



M E M O R A N D U M

DATE: April 22, 2021
TO: Chairperson Erickson and Finance and Personnel Committee Members
FROM: Chris A. Haese, CDA Executive Director
RE: **Authorization to pursue Acquisition of Donaldson's Cleaners Site, 110 W. Cecil Street**

The City of Neenah facilitated the demolition of the former Donaldson's Cleaners building at 110 W. Cecil Street in 2020. This effort was undertaken to remove the deteriorating, obsolete and blighted building that existed on the site.

Prior to the demolition, staff have been in contact with a number of persons associated or interested in the property, including David Earl, the owner of Cranky Pat's Pizza, representatives of the DNR, and the property owners. Each of these entities have different interest in the property. Mr. Earl would like to acquire the property for the purpose of providing a new parking area for his restaurant. However, the underlying environmental issues, and the likely liability that come with them, make this acquisition unlikely and very problematic. The owners would like to divest themselves of the property, so the existing estate can be closed. Lastly, the DNR would like to see the pending environmental issues resolved, although this does not look likely for at least the next decade.

City staff, in anticipation of the S. Commercial Redevelopment Plan, have been evaluating the property to determine how it can contribute to the revitalization efforts along the S. Commercial Street corridor, and more specifically, the highly visible intersection of S. Commercial Street and Cecil Street. An option that has evolved would be for the City to take ownership of the property to provide a site for Mr. Earl to construct a new parking area for his restaurant via a long-term lease. In exchange for providing the lease, Mr. Earl would agree to remove existing asphalt from his property along S. Commercial Street and Cecil Street and replace it with landscaping and an outdoor seating area. This will provide not only an esthetic improvement to this key intersection, but would also improve safety along the corridor by removing less than ideal parking spaces and curb openings.

The transfer of the property from the Donaldson Estate to the City will allow the Donaldsons to close the estate of their parents. However, it is unlikely to remove the liability of the contamination from Donaldson's Cleaners, the viable causer of the contamination. Craig Donaldson, the executor of the estate has confirmed verbally that they are willing to transfer ownership to the City.

It is my expectation that the CDA, on behalf of the City, would acquire the property in lieu of condemnation for \$1. This would allow the CDA to utilize the Local Governmental Unit (LGU) exemption, essentially eliminating any risk to the CDA and the City as a result of the existing environmental contamination on the property.

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A number of items would have to be completed prior to a transfer of ownership. These would include, at a minimum, securing a Liability Clarification Letter from the WDNR clarifying the City's risk of taking ownership of the property; securing necessary agreements with Mr. Earl for the new parking area as well as design and implementation schedules for improvements to his property; and, a determination of costs and payment responsibilities for all anticipated expenses.

At this time, staff is requesting Council authorize the Community Development Authority to pursue the necessary acquisition and development agreements for the former Donaldson's Cleaner property.

Appropriate action at this time is the recommend Council authorize the Community Development Authority to initiate the necessary steps to acquire and redevelop the former Donaldson's Cleaners property at 110 W. Cecil Street.