

CITY OF NEENAH
FINANCE AND PERSONNEL COMMITTEE MEETING
Monday, January 7, 2019 – 6:30 p.m
Hauser Room, Neenah City Administration Building
211 Walnut Street, Neenah, Wisconsin

MINUTES

Present: Chairman Erickson; Aldermen Kunz, Boyette, Steele and Stevenson; Mayor Kaufert; City Attorney Godlewski; Director of Finance Easker

Others Present: Director of Community Development Haese.

Public Appearances: None.

Minutes: Motion/Second/Carried Kunz/Stevenson to approve the minutes from the December 10, 2018 Regular Meeting and the December 19, 2018 Special Meeting. All voting aye.

Intermunicipal Agreement with the City of Appleton for Dial-A-Ride Cost Sharing: Committee reviewed memo from Assistant Planner Kasimor recommending Council approve the 2019 Intermunicipal Agreement with the City of Appleton for Dial-A-Ride cost sharing. The agreement is similar to the 2018 agreement and is in line with the City's 2019 budget which calls for the City of Neenah to contribute \$12,000 towards the program. Issues discussed included the \$14 cost and \$3.50 fee per ride. Chairman Erickson asked that Planner Kasimor provide the Committee with information on actual ridership from Neenah area residents from 2017 and 2018.

REPORT

Motion/Second/Carried Stevenson/Steele recommending Council approve the 2019 Intermunicipal Agreement with the City of Appleton for Dial-A-Ride cost sharing. All voting aye.

Community Development Auto Purchase: Committee reviewed memo from Director Haese recommending Council authorize the Department of Community Development to purchase a 2018 Ford Focus from Bergstrom Automotive in the amount not to exceed \$16,200. The 2019 Capital Equipment budget included \$18,000 for the purchase. Director Haese indicated that this vehicle would replace the vehicle currently used for code inspection. Committee and staff reviewed the mechanics report which recommends replacement of the existing code inspection vehicle.

REPORT

Motion/Second/Carried Kunz/Steele recommending Council authorize the Department of Community Development to purchase a 2018 Ford Focus from Bergstrom Automotive in the amount not to exceed \$16,200 from funds included in the 2019 Capital Equipment budget. All voting aye.

Annexation Impact Report – Annexation #211 (Larson/905 Bayview Road – Town of Neenah) - .85 Acres: Committee reviewed memo from Director Easker with regard to the impact of the proposed annexation of .85 acres located at 905 Bayview Road in the Town of Neenah (Annexation 211). The annexation would involve one parcel of land on which

the owners plan to build a single family home that they wish to be located within the City boundaries. All departments who expressed an opinion recommend approval of the annexation. Committee and staff reviewed a map of the property area and discussed such issues as the potential locations of the home and the options for the City to provide snow plowing service to the property.

REPORT

Motion/Second/Carried Kunz/Steele recommending Council approve and accept the petition for annexation of .85 acres located at 905 Bayview Road in the Town of Neenah. All voting aye.

Annexation Impact Report – Annexation #212 (Loren’s Auto Recycling/2405 Schultz Drive – Town of Neenah – 29.94 Acres): Committee reviewed memo from Director Easker with regard to the impact of the proposed annexation of 29.94 acres located at 2405 Schultz Drive in the Town of Neenah (Annexation 212). The annexation is part of the City/CDA plan to purchase the property, placing it in TIF 9 as part of a TIF amendment, then ultimately clearing and marketing the property for development. The annexation also includes a portion of railroad right-of-way.

Committee and staff discussed various aspects of the proposed annexation, including reviewing a map of the area. Discussion took place on the approximately \$150,000 for sanitary sewer and storm sewer system fees identified in the annexation report, including the choice to either waive the fees or pay them from TIF increment. Alderman Stevenson said he firmly believes that the fees should be paid by TIF increment. Discussion also took place on the next agenda item regarding potential grant funding for a Phase II environmental assessment of the property.

REPORT

Motion/Second/Carried Stevenson/Kunz recommending Council approve and accept the petition for annexation of 29.94 acres located at 2405 Schultz Drive in the Town of Neenah, including the recommendation that the approximately \$150,000 for sanitary sewer and storm sewer system fees identified in the annexation report be paid for by TIF 9 increment. All voting aye.

Proposed Application for Wisconsin Assessment Monies (WAM) Grant: Committee reviewed memo from Director Haese recommending Council approve Resolution No. 2019-03 to allow staff to apply for the Wisconsin Assessment Monies (WAM) grant for completion of a Phase II assessment at 2405 Schultz Drive. The grant requires no matching funds and up to \$35,000 in free services are available. The estimated cost of the Phase II assessment is \$20,000. Committee and staff discussed various aspects of the proposed grant application.

RESOLUTION

Motion/Second/Carried Stevenson/Boyette recommending Council approve Resolution No. 2019-03 to allow staff to apply for the Wisconsin Assessment Monies (WAM) grant for completion of a Phase II assessment at 2405 Schultz Drive. All voting aye.

Wetland Bank Acquisition/Development: Committee reviewed memo from Director Haese recommending the Community Development Authority proceed with an acquisition agreement to acquire 150 acres of property from Mr. Steven Heimbruch, Waupaca County, at a cost of \$787,500 for the purpose of developing a City of Neenah wetland mitigation bank. The recommendation is the culmination of ongoing discussions on the issue, including a tentative proposal to the Committee in early 2018. The potential of partnering with the City of Oshkosh on the wetland bank project, which was part of the 2018 proposal, is not included in this proposal. The impetus for the creation of a wetland bank is the increasing frequency in which the presence of isolated wetlands has delayed, modified or in some cases prevented development projects within the City. Director Haese indicated that the most significant obstacle that has arisen since the last review was a verbal indication from the U.S. Corp of Engineers that a wetland bank in the location proposed would not be eligible to extend wetland credits to a project within Neenah or Oshkosh if another bank were created within Neenah's sub water shed. The specifics of the proposal are as follows:

Proposal

- Upon acceptance of the Offer to Purchase by both parties, the City and Mr. Heimbruch would submit a Wetland Bank Prospectus to the Wisconsin DNR for review and consideration. The Corp of Engineers will also review the prospectus.
- Upon approval of the wetland prospectus, and especially as it relates to the City's ability to utilize credits for projects within Neenah, the City would determine its interest in pursuing a wetland bank on the property.
- Upon a favorable approval of a wetland prospectus, the City would prepare and submit for review and approval a Wetland Bank Instrument, which would detail the site mitigation efforts. Upon approval of the Bank Instrument, and if the City decides to move forward with the bank, Mr. Heimbruch would be paid a total purchase price of \$787,500.
- Additionally, Mr. Heimbruch would also receive two wetland credits (or the equivalent value) from the project.
- Should the wetland prospectus be approved, but the City chooses not to move forward with the project, the City would be provided two wetland credits should the property be developed as a wetland bank within a reasonable time period.
- While the Bank Instrument is under review, the City would lease the acreage to Mr. Heimbruch for agricultural purposes at a rate of \$50 per tillable acre (estimated at 60 acres) per year.
- Upon completion of the project and sale of all available credits, the City would return ownership of the property to Mr. Heimbruch for the nominal charge of \$30,000 (\$200 per acre).

Director Haese indicated that the overall acquisition and development of a wetland bank project on the subject property will likely take five to ten years to complete at an overall cost of approximately \$2.4 million. The project is anticipated to generate 70-75 wetland credits over the life of the project. Wetland credits are currently selling for approximately \$70,000 per credit. Assuming this value remains constant through the life of the project, the overall income from the sale of credits is estimated to generate revenues of \$4.9 million. He also said that the City of Oshkosh continues to express interest in partnering in the

creation of the wetland bank but had declined a formal partnership until the ability to utilize wetland credits from the proposed bank within their jurisdiction can be clarified.

Committee and staff discussed various aspects of the proposed offer, acquisition and development. Issues discussed included the ongoing discussions with the City of Oshkosh, more specifics on the DNR Wetland Bank Prospectus process, the short and long term maintenance plans for the property as well as specific discussion on the timeframe for all of the contingencies that need to occur before the purchase would take place. Director Haese indicated that he believes there is about a 50/50 chance that everything would fall into place for the wetland purchase to ultimately occur.

Motion/Second/Carried Stevenson/Kunz recommending the Community Development Authority proceed with an acquisition agreement to acquire 150 acres of property from Mr. Steven Heimbruch, Waupaca County, at a cost of \$787,500 for the purpose of developing a City of Neenah wetland mitigation bank, consistent with the points listed under the Proposal subheading above, and that the Common Council be presented with the results of the State of Wisconsin DNR Wetland Bank Prospectus prior to and for the purpose of finalizing the acquisition agreement, and with the purchase to be funded by Storm Water Utility reserves, and to recommend amending and increasing the 2019 Storm Water Capital budget by \$787,500. All voting aye.

Claim Against the Home Insurance Company (“Home”) & Wisconsin Security Insurance Fund (WSIF): Committee reviewed memos from Mayor Kaufert, City Attorney Godlewski and Menasha City Attorney Pam Captain regarding the ratification of the acceptance of the offer of \$223,125 from the Wisconsin Security Insurance Fund’s Guaranty Association of Wisconsin, including assignment to rights of Neenah-Menasha Sewerage Commission to future distributions from the Home Insurance Company estate, to resolve the Neenah-Menasha Sewerage Commission claim filed with WSIF. The City had previously accepted a settlement offer of \$250,000 from the Home Insurance Company estate. Subsequently, the Wisconsin Security Insurance Fund’s Guaranty Association of Wisconsin rejected the settlement and determined that \$223,125 was the maximum that could be paid. Outside counsel has advised the Cities of Neenah and Menasha that not accepting this settlement offer would likely reduce the final amount due to additional litigation costs. Committee and staff discussed various aspects of the proposed new settlement.

Motion/Second/Carried Stevenson/Kunz recommending Council ratify the decision made by Mayor Kaufert to accept the offer of \$223,125 from the Wisconsin Security Insurance Fund’s Guaranty Association of Wisconsin, including assignment to rights of Neenah-Menasha Sewerage Commission to future distributions from the Home Insurance Company estate, to resolve the Neenah-Menasha Sewerage Commission claim filed with WSIF. All voting aye.

Fiscal Matters: November Vouchers: Motion/Second/Carried Boyette/Steele to approve the November vouchers as presented. All voting aye.

Motion/Second/Carried Stevenson/Boyette to convene into the closed session meeting at 9:00 p.m. All voting aye.

Respectfully submitted,

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

Michael K. Easker, CPA
Director of Finance