

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

Monday, April 26, 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 Stevenson, Borchardt, Boyette and Skyrms; City Attorney Westbrook; Mayor Kaufert; Director of Finance Easker.

Others Present: Alderman Hillstrom, Director of Information Systems Wenninger, Director of Community Development and Assessment Haese, Planner Kasimor.

Absent/Excused: None.

Public Appearances: None.

Minutes: Motion/Second/Carried Skyrms/Boyette to approve the minutes from the April 12, 2021 Regular Meeting and the April 21, 2021 Special Meeting. All voting aye.

SuperMicro Server Backup Solution Purchase Request: Committee reviewed memo of Director Wenninger requesting approval to purchase a SuperMicro Server Backup solution from Heartland Business Systems at a cost not to exceed \$17,000 to be funded by Capital Equipment reserves. The purchase was not included in the 2021 I/S budget. His memo explained that currently the ever increasing number of cybersecurity attacks have the capability of corrupting both the City's production and redundant environments. As such, he is recommending the backup solution as an additional layer of security into the City's computing environment. The City received quotes from three providers and Director Wenninger is recommending the higher cost Heartland solution due to their history of providing high quality service and their local presence being headquartered in the Fox Cities. He also pointed out that he is recommending funds be added to the Capital Equipment reserves by having the City forgo the "Sequel Server High Availability and Cluster" project that had been budgeted in 2021 for \$45,000.

Committee and staff discussed various aspects of the proposed purchase. Issues discussed included the rationale of the decision to recommend the higher cost Heartland solution, the reasons for the urgency to recommend the unbudgeted purchase, including what are the potential consequences is the City is cyberattacked; which other governmental entities are moving to this specific solution, a discussion on the warranty and annual maintenance costs and the need for a 2/3 vote to approve at the Common Council since it will amend the 2021 budget.

Motion/Second/Carried Stevenson/Skyrms recommending Council's approval to purchase a SuperMicro Server Backup solution from Heartland Business Systems at a cost not to exceed \$17,000, using funds from Capital Equipment Reserves, including instructing Director Wenninger to provide the Common Council information at least 48 hours prior to the Common Council meeting on annual maintenance costs of the recommended solution as well as identifying which governmental entities are moving to this specific solution. All voting aye.

201 W. Wisconsin Development Agreement Amendment (TID #8): Committee reviewed memo from Director Haese recommending 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 10 parking spaces available in the Church Street Ramp and 35 parking spaces in the City controlled parking west of Commercial Street. The existing agreement contains a maximum City contribution of \$1,575,000. His memo indicates that the developer is requesting the amendment mainly due to the recent extreme spikes in construction costs, leading to upwards of a 300% increase in specific construction costs. As part of the

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amendment, the developer is proposing to increase the total square footage of the project by 7,000 sq. ft. The construction cost spikes and added square footage would then lift the guaranteed value of the project from \$7 million to \$9 million, with the City's % of assistance increasing from 22.5% to 24.7% of the project value. The maximum payment period of 19 years would not change. In the memo, Director Haese points out that the City will also receive a \$250,000 grant for the project that could be used to offset any costs, including the cost of increased assistance.

Committee and staff discussed various aspects of the proposed amendment to the agreement. Issues discussed included the potential interest in the development's residential and retail space, various questions and comments on parking and the parking system proposed for the development, the potential uses of the \$250,000 grant and concerns regarding the precedent of amending a development agreement under these circumstances.

Motion/Second/Carried Skyrms/Stevenson recommending 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 10 parking spaces available in the Church Street Ramp and 35 parking spaces in the City controlled parking west of Commercial Street. All voting aye.

Authorization to Pursue Acquisition of Donaldson's Cleaners Site, 110 W. Cecil Street:

Committee reviewed memo of Director Haese recommending 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. The City facilitated the demolition of the building in 2020 and has since been in contact with the property owners, the DNR and the owners of the adjacent Cranky Pat's Pizza, who would like to acquire the property for parking. Each party has an interest in the sale of the property, which is complicated by the long history of environmental contamination issues related to the dry cleaning business. Since it has immunity under the Local Governmental Unit (LGU) environmental exemption, the City's role would be to facilitate the sale by first purchasing the property and then reselling it to Cranky Pat's.

Committee and staff discussed various aspects of the proposed purchase and sale arrangement. Items discussed included a history of the property in question, a discussion on surrounding properties and the potential that the reuse of this property could be a catalyst for future redevelopment within the S. Commercial business corridor. Mayor Kaufert provided his perspective on the issue as a previous business tenant on the property.

Motion/Second/Carried Skyrms/Stevenson recommending 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. All voting aye.

Motion/Second/Carried Boyette/Skyrms to adjourn the meeting at 8:15 p.m. All voting aye.

Respectfully submitted,



Michael K. Easker, CPA
Director of Finance

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