



CITY OF MERRILL
COMMITTEE OF THE WHOLE
AGENDA • WEDNESDAY AUGUST 10, 2016

Regular Meeting

City Hall Council Chambers

6:00 PM

- I. Call to Order
- II. Agenda items:
 1. Report on disposition of property at Merrill Festival Grounds - Schultz Building.
 2. Request from Stephanie Springborn (Winds and Paradox, Inc.) for 90-day time extension for window replacement at 419 W. Main St.
 3. Presentation by and discussion with Brian Reilly from Ehlers on debt service refinancing and new borrowing (related resolutions are on the August 10, 2016 Common Council meeting agenda).
- III. Adjournment

Report on disposition of property at Merrill Festival Grounds – Schultz Building

From: "Johnson, David" <David.Johnson@ci.merrill.wi.us>

Date: August 2, 2016 at 7:59:50 AM CDT

To: "Ball, Mary" <Mary.Ball@ci.merrill.wi.us>, "Lokemoen, Pete" <Pete.Lokemoen@ci.merrill.wi.us>, "Meehean, Tim" <Tim.Meehean@ci.merrill.wi.us>, "Norton, Rob" <Rob.Norton@ci.merrill.wi.us>, "Peterson, Kandy" <Kandy.Peterson@ci.merrill.wi.us>, "Russell, Paul" <Paul.Russell@ci.merrill.wi.us>, "Schwartzman, Ryan" <Ryan.Schwartzman@ci.merrill.wi.us>, "Bialecki, Bill" <Bill.Bialecki@ci.merrill.wi.us>

Cc: "Hayden, Tom" <Tom.Hayden@ci.merrill.wi.us>

Subject: Schultz Building

When the City of Merrill took over the Fairgrounds from Lincoln County it included the Schultz Building. This building is the oldest structure on the grounds and is definitely in the worst condition. This building is to be demolished to make way for the new Enrichment Center/Expo Hall. The second floor of this building was used for decades to store "stuff" that wasn't being used. When we acquired the building, which we have now owned for 13 months, no one expressed any interest in the items stored there with the exception of County Maintenance Director Pat Gierl who asked if the County could continue to store some items upstairs until their new storage building was completed. No mention was made of what actually belonged to the County. I assumed that what belonged to the County was merely the five cases of barricade flashers.

Prior to the Fair, Dale Christianson told me that the Fair Association had their stuff out of the second floor. Other items there were two old wood doors, some old shelving of different types, two old wood tables, both incomplete and one with a linoleum top, table parts – legs and tops, two old wood wheelchairs, an old glass front cabinet with all the glass broken out, miscellaneous old boards and wood trim, and two wood student desks. An old desk with two built-in lamps from the old City Library and a board from the inside wall of the building with someone's initials and 1904 date were taken to the Merrill Historical Society.

I have been an antique collector for 40+ years, and have served on three historical society boards, and did not see any collector or historical value in the items remaining. I know more than a little about the conservation and care of historic items and no effort had been made to protect anything stored on the second floor, further attesting to its perceived lack of value. Stuff was merely piled and dumped throughout the second floor. I do care about Merrill history, one need only look at the Merrill items on display in my office that I have purchased over the last four years and all the items I have donated to the Merrill Historical Society.

A few weeks ago I was approached by Dave Savone and asked what was happening to the old wood stuff still in the building and I stated that it would stay in the building when it was demolished not knowing that the County thought some of the items had value to them. Dave asked if the wood items could go to a disabled veteran who repurposes old wood. Seeing no historical value in this stuff I said OK. I guess that was my mistake. Pat Gierl told me that the County had previously had an auctioneer look at the stuff and he said that it would not even pay his auction fee, much less make a profit. Knowing that the building was slated for demolition, no one from 4H expressed any interest in anything on the second floor.

There was no attempt on my part to dispose of anything that I didn't believe belonged to the City. As City Administrator I have the authority to dispose of items up to \$1000 in value. What occurred was obviously a misunderstanding on my part, I saw no problem with disposing of unwanted stuff that had been languishing in the building uncared for literally for decades. All of the crass innuendo and accusations that appeared on Facebook against both Dave Savone and myself are unfounded. They are coming from the same small group of naysayers who are opposed to changes, development and moving the City forward.

The disabled veteran who was given the wood items that belong to the County has been contacted and the items will be returned. I apologize for the misunderstanding that occurred on my part, nothing that was done was for personal gain but rather was done as a function of my duties as City Administrator.

David Johnson, City Administrator
City of Merrill
1004 E. 1st St.
Merrill WI 54452
715-536-5594

City of Merrill Code of Ordinances - Sec. 18-149 - Surplus city property.

(a)

Definitions. The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Surplus city property means property that is owned by the city and which has no further usefulness to the city. The term "surplus city property" means and includes fixtures and such salvage as may be taken from a building without structural damage when such fixtures and salvage are not part of a demolition contract.

(1)

The term "surplus city property" means an item of property shall be considered to have no further usefulness when:

a.

The item or its function has been totally replaced by other city property and no probable future function exists for it;

b.

The city no longer performs the service for which the item was purchased and no other service can reasonably be provided by the item; or

c.

The item is no longer able to reliably or economically perform the work required of it.

(2)

The term "surplus city property" does not mean and include:

a.

Land or buildings.

b.

Property obtained by the city as a result of abandonment or loss by the property's original owner.

c.

Items of property which are traded in for newer items.

d.

Library materials used by the public library for lending purposes.

(b)

Determination.

(1)

Whenever an item of city property is determined to be surplus city property on the basis that the city no longer performs the service for which the item was purchased, the common council shall determine whether or not the item is surplus city property.

(2)

Whenever the fair market value of the item is more than \$1,000.00, the common council shall determine whether or not the item is surplus city property.

(c)

Disposition.

(1)

Whenever the common council determines that an item of property is surplus city property, it shall determine the method of disposal.

(2)

Whenever the fair market value of an item is more than \$1,000.00 and the common council has determined, pursuant to subsection (b) of this section, that the item is surplus city property, the department head responsible for the items shall dispose of the property by:

a.

Donation to a nonprofit organization within the city or to a governmental agency;

b.

Public auction;

c.

Sale by sealed bid; or

d.

Negotiated sale.

(3)

In the event of a public auction or sale by sealed bid, the item will be sold in "as-is" condition to the person submitting the highest bid; provided, however, that a lower bid submitted by a nonprofit organization or governmental agency may be accepted by the common council. The department head responsible for the item shall determine the time in which the successful bidder must remove the item. In the event the item is not removed within that time, the item shall revert to the city and the amount of the bid shall be forfeited to the city. In the event no bids are received, the item shall be disposed of as directed by the common council.

(4)

No public auction or awarding of bids shall occur under this article, unless a description of the item to be sold and an advance notice of the time and place for such auction or bid submission is first published as a class 1 notice in the official city newspaper and posted on the City's website.

(5)

Whenever the fair market value of an item is \$1,000.00 or less and the common council has determined, pursuant to the subsection (b) of this section, that it is surplus city property, the item shall be either disposed of, as set forth in subsection (c)(2) of this section, or destroyed.

(d)

Determination of fair market values. Whenever this article requires a determination of the fair market value of an item of property, that determination shall be made by the department head responsible for the property, whose decision shall be final.

(e)

Authority to dispose of property.

(1)

Except for library materials used by the public library for lending purposes, only the common council may dispose of city property which is not surplus city property.

(2)

Whenever this section provides for an auction or other disposition of any property, the common council shall be authorized to hire an auctioneer, or take such other action as is necessary to properly dispose of the property provided, however, that the fees of such auctioneer and all such costs, other than those for city labor and the use of city property, do not exceed the payment received by the city from the auction or sale of the property.

(Code 1993, § 3-4-1) This document includes changes per **Ordinance Amendment No. 2016-05 (May 10, 2016)** which increased amount from \$500 to \$1,000 and Class 1 notice in the official City newspaper and posting on the City's website.

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Committee of Whole

Date of Meeting: Wednesday, 8/10/2016

Request by: Stephanie Springborn – Winds and Paradox, LLC

Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information)

Consider request for 90-day time extension for window replacement at 419 W. Main St.:

Deadline for window replacement is 10/1/2016 – see attached 90-day extension request. Do you want to:

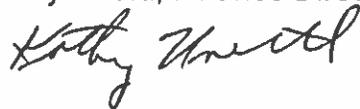
- Authorize time extension?
- Direct City staff to obtain bids for demolition?

Fiscal Note: Per 9/1/2015 Personnel & Finance Committee meeting, City will not release the \$50,000 cash deposit until the 2014 conditions met.

Property Tax Status – current through 2015 taxes

The 2015 Assessments – Land \$30,000 Improvement \$20,800 Total \$50,800

Kathy Unertl, Finance Director/RDA Secretary 8/4/2016





CITY OF MERRILL

Office of the City Attorney

Thomas N. Hayden, City Attorney
1004 East First Street • Merrill, Wisconsin • 54452
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M E M O R A N D U M

DATE: August 4, 2016
TO: Members of the Common Council
CC: Mayor Bialecki, City Administrator Johnson, Finance Director Unertl
FROM: City Attorney Thomas N. Hayden
RE: Property at 419 W. Main Street

I met with Stephanie Springborn, owner of the above property. She is requesting an extension of 90 days, to January 1, 2017, from her deadline of October 1, 2016, to complete the installation of all windows and doors. She has the windows ordered through Lincoln Wood Products and contractors lined up to complete the work. I believe that Stephanie will be attending the Committee of the Whole meeting on Wednesday.

Thank you

"Focusing on the Future"

An equal opportunity/affirmative action employer.

August 4, 2016

To: The City of Merrill
1004 East First Street
Merrill, Wisconsin 54452

From: Stephanie Springborn
Winds & Paradox Incorporated
419 West Main Street
Merrill, Wisconsin 54452

Re: Window Installation at 419 West Main Street

Dear City of Merrill,

First, thank you for this opportunity to share the renovation project at 419 West Main Street in Merrill, Wisconsin, with you.

To date, the progress:

- 2014 – Purchase of the property at 413/419 West Main Street, Merrill, Wisconsin
- 2014 – Engineering inspections of the roof and structure
 - Light sealing of windows on Main Street level
 - Second engineering inspections determined that the roof needed further study
 - Masonry repair of the main chimney
 - Tear down of the second, smaller chimney
- 2015 - Engineering studies of structure
 - Engineering studies of roof
 - February / March – Agra Installation of steel beams
 - February / March – Agra Repair of existing steel trusses
- 2015 - Removal of roof structure
 - Windows – Lincoln Wood
 - Roof Drains – Krueger Plumbing
 - Repair of supporting masonry structure for roof
 - Tuckpointing of masonry
 - Removal of entire roof substructure
- 2015 - August – roof repair complete
 - Preparation for winter / weathersealing / insulation
- 2016 - Business – planning
 - Construction studies
 - Materials studies
 - Energy studies
 - Maintenance planning for both buildings

2016 – Operations at both buildings

I have met with both my contractors and Lincoln Windows regarding the window project at 419 West Main Street.

What I bring forth to you, the City of Merrill, is the request in the gift of time, if you will, as we begin the removal of the existing windows and installation of new windows. The project will begin as soon as possible. I request from the city a bit of time to continue the windows, until completion of the installation, this fall 2016. This project will probably, albeit steadily and carefully, extend past October 1, 2016.

It is with recommendation from the City Attorney, Mr. Tom Hayden, that I appear before you today.

I have invested over \$500,000 of personal funds into the project at 419 West Main Street, into the operations at 104 Blaine Street, and into the development of the online business. I feel that strongly about the economic development of my hometown community!

Thank you!



Stephanie Springborn
Founder, Winds & Paradox Incorporated
419 West Main Street
Merrill, Wisconsin 54452

CITY OF MERRILL

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June 25, 2014

Stephanie Springborn
N2395 Gen Drive
Merrill, WI 54452

RE: 413-419 Property Conditions

Dear Ms. Springborn:

You and C&D Excavating LLC, (in the person of Dan Kolehouse) have approached the City of Merrill and the Merrill Redevelopment Authority relative to your acquisition of the property located at 413-419 West Street, Merrill, Wisconsin. You will recall that the building was conveyed to C&D/Kolehouse with the stipulation it was to be razed and redevelopment was to take place on the property. Those were the explicit conditions of the transfer. I am by copy of this letter, confirming with C&D/Kolehouse and you what has transpired in our staff and Committee meetings.

You are now requesting that the City and the Redevelopment Authority allow the transfer of the building to you for redevelopment as a commercial enterprise, in effect nullifying the razing agreement.

The Redevelopment Authority met on June 24, 2014, and recommended to allow C&D Excavating, LLC/Kolehouse to transfer the building to you, if they desire, with City of Merrill approval, subject to the following:

1. You will provide the City a bond or cash in the amount of \$50,000 upon change of title to you or your LLC, sufficient to pay for the demolition of the building, which might be required in the years 2015 or 2017.
2. Install new roof, doors and weathertight the windows by January 1, 2015
3. Install new windows on the north and west side of the building by October 1, 2015
4. Install new windows on the south side by October 1, 2016.
5. Complete eastside wall repairs by March 31, 2017.

In addition to the above, you have agreed that you will personally guarantee any commitments to the City of Merrill incurred by or agreed to by the LLC (or LLCs) which you are forming for this project.

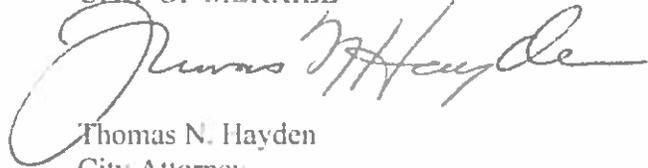
If repairs in number 2 and 3 above are not completed by October 1, 2015, to the satisfaction of the City of Merrill Building Inspector, the City will issue a raze order, which you have agreed not to contest, and the building will be taken down at your cost. If items number 4 and 5 are not completed by March 31, 2017, to the satisfaction of the City of Merrill Building Inspector, the City will issue a raze order, which you have agreed not to contest, and the building will be taken down at your cost.

As discussed at the Redevelopment Authority meeting, the City is only concerned about having a weathertight building, one that is structurally sound, and is Code compliant. Your choice of tenants, and the operations contained therein, will be subject to the usual zoning requirements.

I am sending you two copies of this letter. Upon agreeing to the above conditions, please counter sign one copy and return in the envelope provided. If you have any additional questions, please do not hesitate to contact me. It will be necessary that the Common Council approve the transfer. This will be on the Common Council Agenda for July 8, 2014 at 7:00 p.m.

Very truly yours,

CITY OF MERRILL



Thomas N. Hayden
City Attorney

TNH:dw

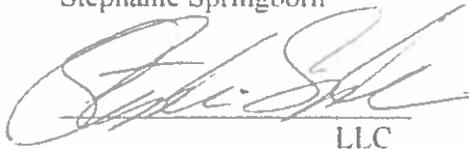
- CC: Mayor Bialecki
- City Administrator Johnson
- Finance Director Unertl
- Building Inspector Pagel
- C&D Excavating, LLC, Dan Kolehouse

I agree to the conditions set forth above.

8.26.14
Date


Stephanie Springborn

8.26.14
Date


LLC winds and paradox, LLC.



CITY OF MERRILL
COMMON COUNCIL
MINUTES • TUESDAY AUGUST 11, 2015

Regular Meeting City Hall Council Chambers 7:00 PM

1. Silent Prayer
2. Pledge of Allegiance
3. Roll Call:

Attendee Name	Title	Status	Arrived
Chris Malm	Aldersperson - First District	Present	
Pete Lokemoen	Aldersperson - Second District	Present	
Ryan Schwartzman	Aldersperson - Third District	Present	
Kandy Peterson	Aldersperson - Fourth District	Present	
John Burgener	Aldersperson - Fifth District & President	Present	
Dave Sukow	Aldersperson - Sixth District	Present	
Rob Norton	Aldersperson - Seventh District	Present	
Tim Meehean	Aldersperson - Eighth District	Excused	
Bill Bialecki	Mayor	Present	

The following were also in attendance: Police Captain Corey Bennett, City Attorney Tom Hayden, City Clerk Bill Heideman, City Administrator Dave Johnson, Street Commissioner Richard Lupton, Enrichment Center Director Tammie Mrachek, Building Inspector/Zoning Administrator Darin Pagel, Fire Chief Dave Savone, Library Director Stacy Stevens, Finance Director Kathy Unertl and Parks and Recreation Director Dan Wendorf. Transit Director Rich Grenfell, Utility Superintendent Kim Kriewald and Police Chief Neff had excused absences.

4. Public Comment Period

Stephanie Springborn addressed the Common Council.

She stated that the Common Council and City staff, with the exception of one person, has been supportive of her project to rehabilitate the building at 413-419 West First Street. She stated that the new roof portion of the project was completed on August 11th.

She then thanked the Common Council for their approval of her taking ownership of the property in 2014, with the intent to rehabilitate the building. She invited the Common Council and City staff to tour the facility.

She requested a refund of the \$50,000 provided as a bond to the City when she took ownership of the property.

Mayor Bialecki suggested that Stephanie Springborn submit her refund request to the Personnel and Finance Committee.

5. Minutes of previous Common Council meeting(s):

1. Minutes of June 5, 2015 and July 14, 2015 Common Council meetings
Motion (Burgener/Sukow) to approve.



CITY OF MERRILL
PERSONNEL AND FINANCE COMMITTEE
MINUTES • TUESDAY SEPTEMBER 1, 2015

Regular Meeting City Hall Basement Conference Room 5:15 PM

I. Call to Order

Alderman Schwartzman called the meeting to order at 5:15 P.M.

Attendee Name	Title	Status	Arrived
Ryan Schwartzman	Aldersperson - Third District	Present	
John Burgener	Aldersperson - Fifth District & President	Present	
Tim Meehean	Aidersperson - Eighth District	Present	

Also in attendance: City Administrator Dave Johnson, Finance Director Kathy Unertl, City Attorney Tom Hayden, Alderman Dave Sukow, Police Chief Ken Neff, Library Director Stacy Stevens, Stephanie Monka Springborn and City Clerk Bill Heideman.

II. Vouchers:

1. Vouchers for July, 2015

Motion (Burgener/Meehean) to place the vouchers on file.

RESULT: PLACED ON FILE

III. Agenda items for consideration:

1. Request from Stephanie Monka Springborn for refund of the \$50,000 bond she provided to the City at the time she assumed ownership of the property at 413-419 West Main Street.

Information was in the meeting packet.

Stephanie Monka Springborn stated that, for several reasons, she is requesting a refund at this time. As a businesswoman, it is in her best interests to obtain the refund and use that money as the building rehabilitation project continues.

Alderman Meehean responded that the conditions of the agreement have not yet been met to facilitate the refund. Alderman Meehan is not in favor of a refund at this time.

Alderman Schwartzman suggested the possibility of a partial refund, such as \$25,000.

Alderman Burgener stated that he agrees with Alderman Meehean.

City Administrator Johnson stated that, if the project falls through, City taxpayers will bear the cost of demolishing the building. To protect the interests of the taxpayers, City Administrator Johnson is not in favor of any refund at this time.

City Attorney Hayden suggested the possibility of a bond. Committee members indicated that they would be comfortable with a bond.

Motion (Meehean/Burgener) to deny the refund request.



CITY OF MERRILL

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e-mail: tom.hayden@ci.merrill.wi.us

March 17, 2016

Ms. Stephanie Springborn
Winds and Paradox, LLC
N2395 Gen Drive
Merrill, WI 54452

RE: 413-419 Property

Dear Ms. Springborn:

In review of your file and your agreement with the City of Merrill, there are several items that need to be addressed, namely the timely replacement of the windows. While the public does not know the extensive work you needed to go through to replace the roof, the building looks relatively the same as it did two years ago when we entered into our agreement. Replacement of the windows will show the public the positive changes and plans you have for the building, and had for the building back in 2014 when you approached the City with your plans.

First, Item #3 of the agreement indicated that new windows would be installed on the north and west side of the building by October 1, 2015. Due to financial restraints, which you informed the City of, that was not done.

Item #4 indicates that new windows are to be installed on the south side of the building by October 1, 2016.

In keeping with our agreement, signed August 26, 2014, the City will expect all windows to be replaced by the October 1, 2016 agreement date.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

CITY OF MERRILL

Thomas N. Hayden, City Attorney

TNH/dw

CC: Mayor Bialecki, City Administrator Johnson, Building Inspector Pagel, Finance Director Unertl