



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. Request from Stephanie Springborn (Winds and Paradox, Inc.) for 90-day time extension for window replacement at 419 W. Main St.
 2. 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).
 3. Overview of costs for environmental and demo costs related to "blighted" buildings to facilitate redevelopment projects.
 4. Mayor request for Personnel and Finance Committee at the August 23rd meeting to include report from the City Clerk on options and costs to facilitate live streaming of back-to-back City meetings.
 5. Report on disposition of property at Merrill Festival Grounds - Schultz Building.
- III. Public Comment
- IV. Adjournment at 6:45 P.M. There is also an opportunity for public comment at the beginning of the Common Council meeting at 7:00 P.M.

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:

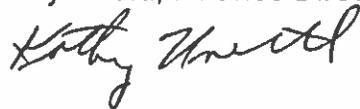
- Authorize time extension?
- Direct City staff to obtain bids for demolition?

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

Phone (715) 539-3510 • FAX (715) 536-0514

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

MEMORANDUM

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

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



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.

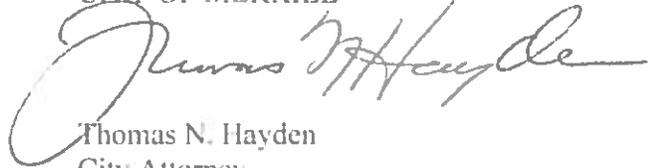
If repairs in number 2 and 3 above are not completed by October 1, 2015, to the satisfaction of the City of Merrill Building Inspector, the City will issue a raze order, which you have agreed not to contest, and the building will be taken down at your cost. If items number 4 and 5 are not completed by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

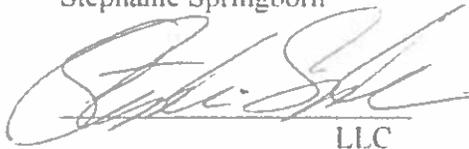
- CC: Mayor Bialecki
- City Administrator Johnson
- Finance Director Unertl
- Building Inspector Pagel
- C&D Excavating, LLC, Dan Kolehouse

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



August 10, 2016

Pre-Sale Report for

City of Merrill, Wisconsin

\$2,145,000 General Obligation Promissory Notes,
Series 2016A



Prepared by:

Sean Lentz, CIPMA
Senior Municipal Advisor

And

Brian Reilly, CIPMA
Senior Municipal Advisor

Executive Summary of Proposed Debt

Proposed Issue:	\$2,145,000 General Obligation Promissory Notes, Series 2016A
Purposes:	<p>The proposed issue includes financing for the following purposes:</p> <p>Finance capital projects and current refund Series 2004 Bonds</p> <ul style="list-style-type: none"> • New Money for various capital expenditures. Debt service will be paid from ad valorem property taxes. • Proposed current refunding of Series 2004 G.O. Corporate Purpose Bonds. <p>Interest rates on the obligations proposed to be refunded are 4.00% to 4.40%. The refunding is expected to reduce interest expense by approximately \$14,250 over the next 4 years. The Net Present Value Benefit of the refunding is estimated to be \$12,800, equal to 4.00% of the refunded principal.</p> <p>This refunding is considered to be a Current Refunding as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Notes.</p>
Authority:	<p>The Notes are being issued pursuant to Wisconsin Section:</p> <ul style="list-style-type: none"> • 67.12(12) <p>The Notes will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p>
Term/Call Feature:	<p>The Notes are being issued for a 10 year term. Principal on the Notes will be due on October 1 in the years 2017 through 2026. Interest is payable every six months beginning April 1, 2017.</p> <p>The Notes maturing on and after October 1, 2025 will be subject to prepayment at the discretion of the City on October 1, 2024 or any date thereafter.</p>
Bank Qualification:	<p>Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Notes as “bank qualified” obligations. Bank qualified status broadens the market for the Notes, which can result in lower interest rates.</p>
Rating:	<p>The City’s most recent bond issues were rated “A” by Standard & Poor’s. The City will request a new rating for the Notes.</p> <p>If the winning bidder on the Notes elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>



<p>Basis for Recommendation:</p>	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Notes as a suitable option based on:</p> <ul style="list-style-type: none"> • The expectation this form of financing will provide the overall lowest cost of funds while also meeting the City’s objectives for term, structure and optional redemption. • The City having adequate General Obligation debt capacity to undertake this financing. • The nature of the projects being financed. • The existing General Obligation pledge securing the obligations to be refunded.
<p>Method of Sale/Placement:</p>	<p>In order to obtain the lowest interest cost to the City, we will competitively bid the purchase of the Notes from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1.20000% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Notes are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: Under current market conditions, most investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.”</p> <p>The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this issue of Notes we have been directed to use the premium to reduce the size of the issue. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p> <p>You have the choice to limit the amount of premium in the bid specifications. This may result in fewer bids, but it may also eliminate large adjustments on the day of sale and other uncertainties.</p> <p>The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also</p>



	eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Notes intended to achieve the City's objectives for this financing.
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that there are a number of refinancing opportunities. These refundings have been combined with the City's needs for new money in G.O. Notes and Bonds.</p> <p>We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.
Arbitrage Monitoring:	Because the Notes are tax-exempt obligations/tax credit obligations, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Exemption Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you. We also recommend that you establish written procedures regarding compliance with IRS rules.
Risk Factors:	<p>Current Refunding: The Notes are being issued for the purpose of current refunding prior City debt obligations. Those prior debt obligations are "callable" now and can therefore be paid off within 90 days or less. The new Notes will not be pre-payable until October 1, 2024.</p> <p>This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt and that market conditions warrant the refinancing at this time.</p>
Other Service Providers:	This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue



	<p>that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Attorney: Quarles & Brady LLP</p> <p>Paying Agent: Bond Trust Services Corporation</p> <p>Rating Agency: Standard & Poor's</p>
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This presale report summarizes our understanding of the City's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City's objectives.

Attachment: Presale Report. Merril. 2016A (1867 : Presentation and discussion on new borrowing)



Proposed Debt Issuance Schedule

Pre-Sale Review by Common Council:	August 10, 2016
Distribute Official Statement:	Week of August 29, 2016
Conference Call with Rating Agency:	Week of September 5, 2016
Common Council Meeting to Award Sale of the Bonds:	September 13, 2016
Estimated Closing Date:	October 3, 2016
Redemption Date for Note	December 1, 2016

Attachments

- Preliminary Sources and Uses of Funds
- Proposed Debt Service Schedule

Ehlers Contacts

Municipal Advisors: Sean Lentz (651) 697-8509
 Brian Reilly (651) 697-8541
 Disclosure Coordinator: Meghan Lindblom (651) 697-8549
 Financial Analyst: Beth Mueller (651) 697-8553

The Official Statement for this financing will be mailed to the Common Council at their home address or e-mailed for review prior to the sale date.

Attachment: Presale Report. Merril. 2016A (1867 : Presentation and discussion on new borrowing)



City of Merrill, WI

Projected Debt Service and Capitalization Schedule

\$2,145,000 General Obligation Promissory Notes, Series 2016A

Year	Principal	Rate	Interest	Total P&I	New Money	Refunding Portion
2016						
2017	80,000	1.00%	35,228	115,228	31,428	83,800
2018	80,000	1.15%	34,428	114,428	31,428	83,000
2019	80,000	1.25%	33,508	113,508	31,428	82,080
2020	80,000	1.35%	32,508	112,508	31,428	81,080
2021	295,000	1.45%	31,428	326,428	326,428	-
2022	295,000	1.55%	27,150	322,150	322,150	-
2023	300,000	1.65%	22,578	322,578	322,578	-
2024	305,000	1.75%	17,628	322,628	322,628	-
2025	310,000	1.90%	12,290	322,290	322,290	-
2026	320,000	2.00%	6,400	326,400	326,400	-
Totals	2,145,000		253,143	2,398,143	2,068,183	329,960

Issue Summary			
Key Dates			
Dated Date:			10/1/2016
First Interest Payment:			4/1/2017
First Principal Payment:			4/1/2017
Estimated Costs of Funds Calculations			
<i>Basis for Estimate:</i>		<i>Current market "A" rates</i>	
		PreSale	
True Interest Cost (TIC):		1.92%	
All Inclusive Cost (AIC):		2.23%	
Sources and Uses			
	Total	New Money	Refund 2004
Par Amount of Notes	2,145,000	1,825,000	320,000
Total Sources	\$2,145,000	\$1,825,000	\$320,000
Underwriters Discount	25,740	21,900	3,840
Cost of Issuance	40,500	34,458	6,042
Deposit to Project Fund	1,767,716	1,767,716	-
Deposit to Refunding Fund	310,000	-	310,000
Rounding Amount	1,044	926	118
Total Uses	\$2,145,000	\$1,825,000	\$320,000

Attachment: Presale Report-Merril.2016A (1867 : Presentation and discussion on new borrowing)



August 10, 2016

Pre-Sale Report for

City of Merrill, Wisconsin

\$4,185,000 General Obligation Corporate Purpose
Bonds, Series 2016B



Prepared by:

Sean Lentz, CIPMA
Senior Municipal Advisor

And

Brian Reilly, CIPMA
Senior Municipal Advisor

Executive Summary of Proposed Debt

Proposed Issue:	\$4,185,000 General Obligation Corporate Purpose Bonds, Series 2016B
Purposes:	<p>The proposed issue includes financing for the following purposes:</p> <p>Finance capital projects and current refund series 2006 Bonds and 2010 State Trust Fund Loan (STFL) for savings.</p> <ul style="list-style-type: none"> • Streets, Buildings, Fire Equipment and Parks. Debt service will be paid from ad valorem property taxes . • Airport improvements. Debt service will be paid from airport revenues. • Proposed current refunding of 2010C STFL. Debt service will be paid from ad valorem property taxes. <p>Interest rates on the obligations proposed to be refunded are 3.66%. The refunding is expected to reduce interest expense by approximately \$20,540 over the next 14 years. The Net Present Value Benefit of the refunding is estimated to be \$25,300, equal to 4.60% of the refunded principal.</p> <p>This refunding is considered to be a Current Refunding as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Bonds.</p> <ul style="list-style-type: none"> • Proposed current refunding of 2006B Bonds. Debt service will be paid from various sources. <p>Interest rates on the obligations proposed to be refunded are 3.95% to 4.30%. The refunding is expected to reduce interest expense by approximately \$93,300 over the next 10 years. The Net Present Value Benefit of the refunding is estimated to be \$79,000, equal to 8.60% of the refunded principal.</p> <p>This refunding is considered to be a Current Refunding as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Bonds.</p> <ul style="list-style-type: none"> • TID No. 3 capital expenses. Debt service will be paid from tax increment revenues. • TID No. 6 capital expenses. Debt service will be paid from tax increment revenues. • TID No. 8 capital expenses. Debt service will be paid from tax increment revenues.
Authority:	<p>The Bonds are being issued pursuant to Wisconsin Section:</p> <ul style="list-style-type: none"> • 67.04



	The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.
Term/Call Feature:	<p>The Bonds are being issued for a 20 year term. Principal on the Bonds will be due on October 1 in the years 2017 through 2036. Interest is payable every six months beginning April 1, 2017.</p> <p>The Bonds maturing on and after October 1, 2026 will be subject to prepayment at the discretion of the City on October 1, 2025 or any date thereafter.</p>
Bank Qualification:	Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.
Rating:	<p>The City’s most recent bond issues were rated “A” by Standard & Poor’s. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
Basis for Recommendation:	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Bonds as a suitable option based on:</p> <ul style="list-style-type: none"> • The expectation this form of financing will provide the overall lowest cost of funds while also meeting the City’s objectives for term, structure and optional redemption. • The City having adequate General Obligation debt capacity to undertake this financing. • The nature of the projects being financed. • The existing General Obligation pledge securing the obligations to be refunded.
Method of Sale/Placement:	<p>In order to obtain the lowest interest cost to the City, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1.20% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p>

Attachment: Presale Report.Merrill.2016B (1867 : Presentation and discussion on new borrowing)



	<p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: Under current market conditions, most investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.”</p> <p>The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this issue of Bonds we have been directed to use the premium to reduce the size of the issue. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p> <p>You have the choice to limit the amount of premium in the bid specifications. This may result in fewer bids, but it may also eliminate large adjustments on the day of sale and other uncertainties.</p> <p>The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City’s objectives for this financing.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that there are a number of refinancing opportunities. These refundings have been combined with the City’s needs for new money in G.O. Notes and Bonds.</p> <p>We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt obligations/tax credit obligations, the City must ensure compliance with certain Internal Revenue Service (IRS) rules</p>



	<p>throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Exemption Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you. We also recommend that you establish written procedures regarding compliance with IRS rules.</p>
<p>Risk Factors:</p>	<p>Current Refunding: The Bonds are being issued for the purpose of current refunding prior City debt obligations. Those prior debt obligations are “callable” now and can therefore be paid off within 90 days or less. The new Bonds will not be pre-payable until October 1, 2025.</p> <p>This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt and that market conditions warrant the refinancing at this time.</p>
<p>Other Service Providers:</p>	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Attorney: Quarles & Brady LLP</p> <p>Paying Agent: Bond Trust Services Corporation</p> <p>Rating Agency: Standard & Poor’s</p>

Attachment: Presale Report.Merrill.2016B (1867 : Presentation and discussion on new borrowing)

This presale report summarizes our understanding of the City’s objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City’s objectives.

Proposed Debt Issuance Schedule

Pre-Sale Review by Common Council:	August 10, 2016
Distribute Official Statement:	Week of September 1, 2016
Conference Call with Rating Agency:	Week of September 5, 2016
Common Council Meeting to Award Sale of the Bonds:	September 13, 2016
Estimated Closing Date:	October 3, 2016
Redemption Date for Bond	December 1, 2016

Attachments

- Sources and Uses of Funds
- Proposed Debt Service Schedule
- Estimated Impact to G.O. Borrowing Capacity and Tax Levy for Debt Service (Notes and Bonds)

Ehlers Contacts

Municipal Advisors:	Sean Lentz	(651) 697-8509
	Brian Reilly	(651) 697-8541
Disclosure Coordinator:	Meghan Lindblom	(651) 697-8549
Financial Analyst:	Beth Mueller	(651) 697-8553

The Official Statement for this financing will be mailed to the Common Council at their home address or e-mailed for review prior to the sale date.

Attachment: Presale Report.Merrill.2016B (1867 : Presentation and discussion on new borrowing)



City of Merrill, WI

Projected Debt Service and Capitalization Schedule

\$4,185,000 General Obligation Corporate Purpose Bonds, Series 2016B

Year	Principal	Rate	Interest	Total P&I	New Money Levy	Airport	TID 3	TID 6	TID 8	Refund 2006B	Refund 2010 STFL
2016											
2017	555,000	0.95%	364,966	919,966	45,933	1,795	51,968	1,983	1,983	148,055	44,488
2018	595,000	1.05%	330,061	925,061	45,933	1,795	51,518	6,983	6,983	146,705	44,138
2019	605,000	1.25%	323,156	928,156	45,933	1,795	51,000	6,925	6,925	110,153	43,735
2020	610,000	1.35%	315,258	925,258	45,933	1,795	50,438	6,863	6,863	108,903	43,298
2021	615,000	1.50%	306,528	921,528	155,933	6,795	49,830	6,795	6,795	77,553	42,825
2022	625,000	1.60%	296,915	921,915	154,338	6,723	49,178	6,723	6,723	81,538	42,318
2023	635,000	1.75%	286,359	921,359	152,633	6,645	48,480	6,645	6,645	80,375	46,775
2024	650,000	1.85%	274,790	924,790	155,818	6,563	47,738	6,563	6,563	79,138	46,115
2025	660,000	2.05%	262,013	922,013	153,805	6,475	51,950	6,475	6,475	77,825	45,415
2026	680,000	2.15%	247,938	927,938	151,620	6,380	51,000	6,380	6,380	71,400	44,655
2027	695,000	2.35%	232,461	927,461	154,320	6,280	-	6,280	6,280	-	43,855
2028	705,000	2.60%	215,130	920,130	151,800	6,175	-	6,175	6,175	-	43,015
2029	725,000	2.80%	195,815	920,815	154,100	6,063	-	6,063	6,063	-	47,115
2030	750,000	2.90%	174,790	924,790	156,225	5,948	-	5,948	5,948	-	46,080
2031	775,000	3.00%	152,290	927,290	153,105	5,828	-	5,828	5,828	-	-
2032	795,000	3.10%	128,343	923,343	154,855	5,703	-	5,703	5,703	-	-
2033	815,000	3.20%	102,980	917,980	151,345	5,573	-	5,573	5,573	-	-
2034	845,000	3.30%	75,998	920,998	152,700	5,438	-	5,438	5,438	-	-
2035	875,000	3.40%	47,180	922,180	153,780	5,298	-	5,298	5,298	-	-
2036	910,000	3.55%	16,153	926,153	154,575	5,153	-	5,153	5,153	-	-
Totals	14,120,000		4,349,121	18,469,121	2,644,680	104,215	503,098	119,788	119,788	981,643	623,825

Issue Summary	
<u>Key Dates</u>	
Dated Date:	10/1/2016
First Interest Payment:	4/1/2017
First Principal Payment:	4/1/2017
<u>Interest Rates and Debt Service</u>	
Basis for Estimate:	Current market "A" rates
<u>PreSale</u>	
True Interest Cost (TIC):	2.38%
All Inclusive Cost (AIC):	2.52%

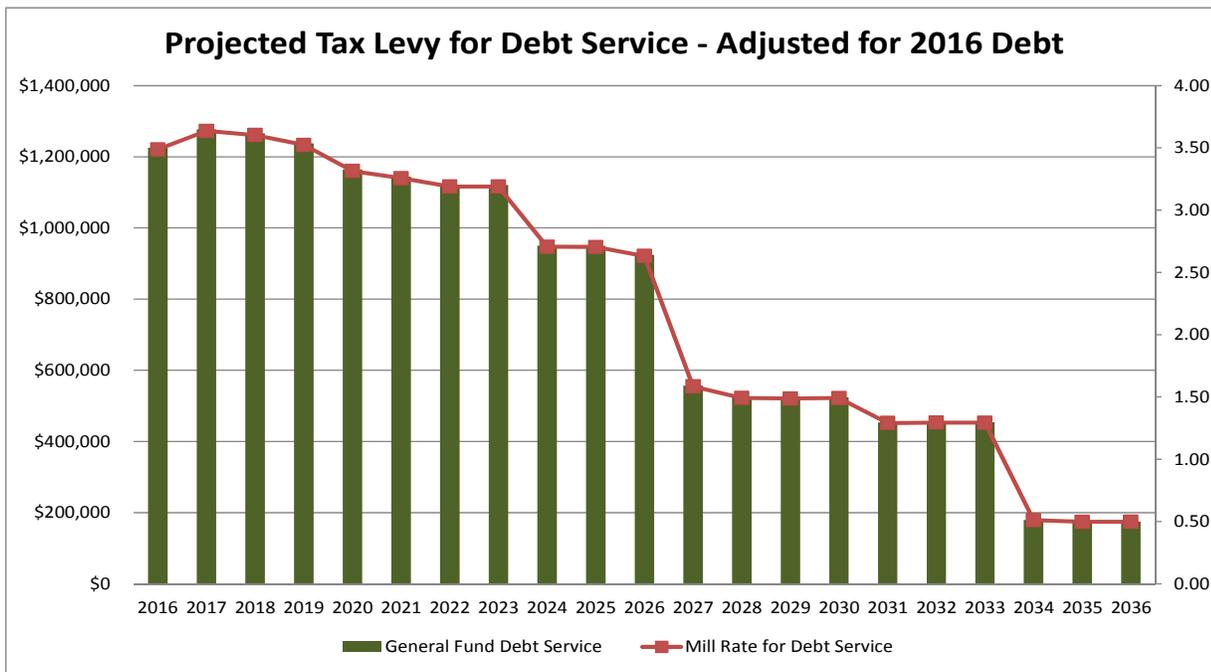
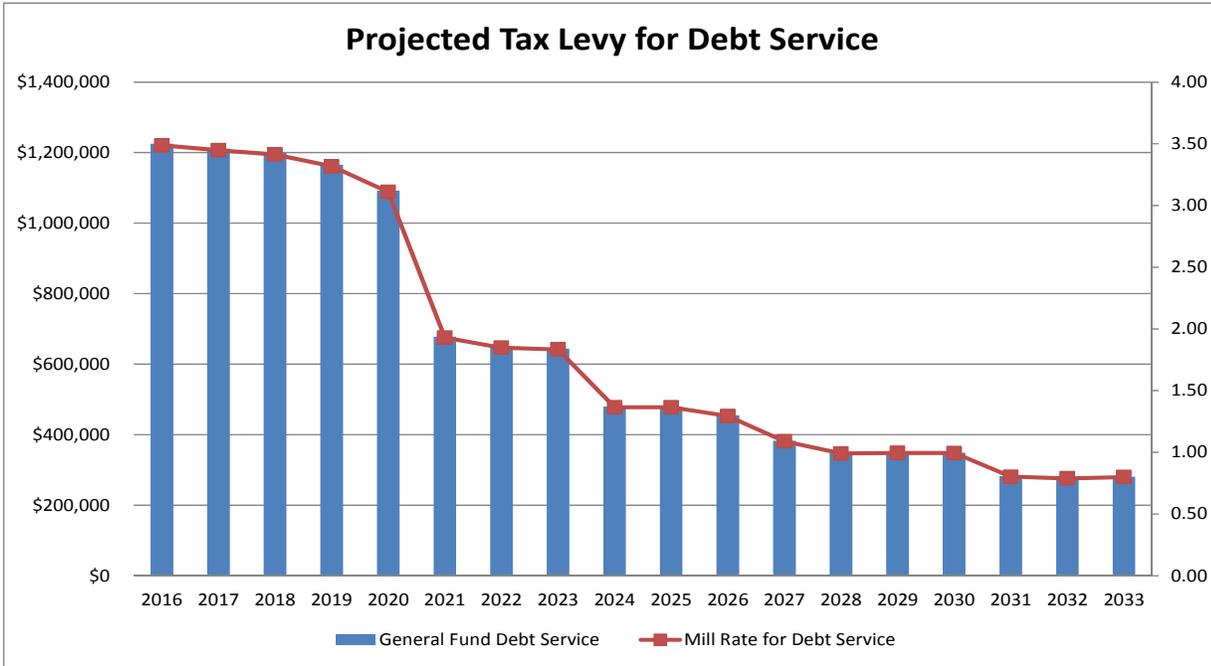
Sources and Uses								
	Total	New Money Levy	Airport	TID 3	TID 6	TID 8	Refund 2006B	Refund 2010 STFL
Par Amount of Bonds	4,185,000	2,005,000	80,000	460,000	95,000	95,000	910,000	540,000
Total Sources	\$4,185,000	\$2,005,000	\$80,000	\$460,000	\$95,000	\$95,000		
Underwriters Discount	50,220	24,060	960	5,520	1,140	1,140	10,920	6,480
Cost of Issuance	47,500	22,757	908	5,221	1,078	1,078	10,329	6,129
Deposit to Project Fund	2,668,384	1,957,384	75,000	450,000	94,000	92,000	-	-
Deposit to Refunding Fund	1,414,446	-	-	-	-	-	890,000	524,446
Rounding Amount	4,450	799	3,132	(741)	(1,218)	782	(1,249)	2,945
Total Uses	\$4,185,000	\$2,005,000	\$80,000	\$460,000	\$95,000	\$95,000	\$910,000	\$540,000

Attachment: Presale Report.Merrill.2016B (1867 : Presentation and discussion on new borrowing)

PROJECTED G.O. BORROWING CAPACITY

Levy Year	Collect Year	TID In Equalized Valuation	5% G.O. Borrowing Capacity	Beginning of Year Principal Outstanding	Beginning of Year Percent Remaining	Total Principal Payment	End of Year Principal Outstanding	End of Year Remaining Capacity	End of Year Percent Remaining
2015	2016	371,510,700	18,575,535	8,341,512	55%	1,021,822	13,854,690	4,720,845	25%
2016	2017	361,161,200	18,575,535	13,854,690	25%	1,117,434	12,737,255	5,838,280	31%
2017	2018	361,161,200	18,575,535	12,737,255	31%	1,133,888	11,603,367	6,972,168	38%
2018	2019	361,161,200	18,575,535	11,603,367	38%	1,119,879	10,483,488	8,092,048	44%
2019	2020	361,161,200	18,575,535	10,483,488	44%	1,080,871	9,402,616	9,172,919	49%
2020	2021	361,161,200	18,575,535	9,402,616	49%	1,019,740	8,382,877	10,192,658	55%
2021	2022	361,161,200	18,575,535	8,382,877	55%	1,007,448	7,375,429	11,200,106	60%
2022	2023	361,161,200	18,575,535	7,375,429	60%	1,030,291	6,345,138	12,230,397	66%
2023	2024	361,161,200	18,575,535	6,345,138	66%	890,158	5,454,980	13,120,555	71%
2024	2025	361,161,200	18,575,535	5,454,980	71%	911,569	4,543,411	14,032,124	76%
2025	2026	361,161,200	18,575,535	4,543,411	76%	904,647	3,638,764	14,936,771	80%
2026	2027	361,161,200	18,575,535	3,638,764	80%	480,009	3,158,754	15,416,781	83%
2027	2028	361,161,200	18,575,535	3,158,754	83%	425,373	2,733,381	15,842,154	85%
2028	2029	361,161,200	18,575,535	2,733,381	85%	445,774	2,287,607	16,287,928	88%
2029	2030	361,161,200	18,575,535	2,287,607	88%	461,178	1,826,430	16,749,105	90%
2030	2031	361,161,200	18,575,535	1,826,430	90%	421,597	1,404,833	17,170,702	92%
2031	2032	361,161,200	18,575,535	1,404,833	92%	432,025	972,808	17,602,727	95%
2032	2033	361,161,200	18,575,535	972,808	95%	452,483	520,326	18,055,209	97%
2033	2034	361,161,200	18,575,535	520,326	97%	167,951	352,375	18,223,160	98%
2034	2035	361,161,200	18,575,535	352,375	98%	173,436	178,939	18,396,596	99%
2035	2036	361,161,200	18,575,535	178,939	99%	178,939	0	18,575,535	100%

PROJECTED TAX LEVY MILL RATE IMPACT



New debt service structured around existing debt to mitigate tax impact

Attachment: Presale Report.Merrill.2016B (1867 : Presentation and discussion on new borrowing)



August 10, 2016

Pre-Sale Report for

City of Merrill, Wisconsin

\$1,080,000 Taxable Note Anticipation Note,
Series 2016C



Prepared by:

Sean Lentz, CIPMA
Senior Municipal Advisor

And

Brian Reilly, CIPMA
Senior Municipal Advisor

Executive Summary of Proposed Debt

Proposed Issue:	\$1,080,000 Taxable Note Anticipation Note, Series 2016C
Purposes:	<p>The proposed issue includes financing for the following purposes:</p> <p>Interim financing for TID projects</p> <ul style="list-style-type: none"> • TID No. 10. Debt service will be paid from tax increment revenues and borrowed proceeds. • TID No. 11. Debt service will be paid from tax increment revenues and borrowed proceeds. • TID No. 7. Debt service will be paid from tax increment revenues and borrowed proceeds.
Authority:	<p>The Note is being issued pursuant to Wisconsin Section:</p> <ul style="list-style-type: none"> • 67.12(1)(b) <p>The Note will be secured by the City's covenant to subsequently issue General Obligation Bonds/Note to pay the principal and interest due on the Bonds/Note, or to otherwise appropriate other available funds for that purpose.</p> <p>The Note will not count against the City's general obligation borrowing capacity, but sufficient capacity must be maintained to retire the principal balance on or before the maturity date.</p>
Term/Call Feature:	<p>The Note is being issued for a 5 year term. Principal on the Note will be due on October 1, 2021. Interest is payable annually, beginning October 1, 2017.</p> <p>The Note will be subject to prepayment at the discretion of the City on any date on or after closing without penalty.</p>
Bank Qualification:	N/A – the Note will be a taxable obligation.
Rating:	<p>We recommend selling this issue non-rated as the cost of the rating would not be expected to be offset by the potential lower interest rates resulting from obtaining a rating. For a larger bond issue, or a longer term bond issue, a rating might broaden the market for the Note and result in an overall reduction in interest costs.</p>
Basis for Recommendation:	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Note as a suitable option based on:</p> <ul style="list-style-type: none"> • The City's desire to delay long-term financing until private

Attachment: Presale Report.Merrill.2016C (1867 : Presentation and discussion on new borrowing)



	<p>development occurs in the Tax Increment Districts and annual increment collection amounts are determined.</p> <ul style="list-style-type: none"> • The City's desire to delay long-term financing until final project costs are known to avoid potential over or under issuance of long-term debt. • The City intends to establish a sharing arrangement with one or more of the TIDs by amending its Tax Increment District No. 3.
Method of Sale/Placement:	The Note will be offered to local area banks through a competitive solicitation process to secure the lowest cost of financing and most favorable terms to the City.
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that there are no additional refunding opportunities at this time.</p> <p>We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	The Note will be exempt from any continuing disclosure obligations, as it will be a loan on the balance sheet of the lending institution. The City may be required to provide the lender with audited annual financial statements.
Arbitrage Monitoring:	N/A – The Note will be a taxable obligation
Risk Factors:	The City will be subject to prevailing interest rates at the time the Note is subsequently refinanced into a permanent structure. Rates may be higher or lower at that time.
Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Attorney: Quarles & Brady LLP</p> <p>Paying Agent: N/A</p>



	Rating Agency: Non-Rated
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This presale report summarizes our understanding of the City’s objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City’s objectives.

Attachment: Presale Report.Merrill.2016C (1867 : Presentation and discussion on new borrowing)



Proposed Debt Issuance Schedule

Pre-Sale Review by Common Council:	August 10, 2016
Distribute Offering Document:	Week of September 1, 2016
Common Council Meeting to Award Sale of the Note:	September 13, 2016
Estimated Closing Date:	October 3, 2016

Attachments

- Sources and Uses of Funds
- Proposed Debt Service Schedule

Ehlers Contacts

Municipal Advisors:	Sean Lentz	(651) 697-8509
	Brian Reilly	(651) 697-8541
Disclosure Coordinator:	Meghan Lindblom	(651) 697-8549
Financial Analyst:	Beth Mueller	(651) 697-8553

Attachment: Presale Report.Merrill.2016C (1867 : Presentation and discussion on new borrowing)



City of Merrill, WI

Projected Debt Service and Capitalization Schedule

\$1,080,000 Taxable Note Anticipation Note, Series 2016C

Year	Principal	Rate	Interest	Total P&I
2016				
2017	-		32,400	32,400
2018	-		32,400	32,400
2019	-		32,400	32,400
2020	-		32,400	32,400
2021	1,080,000	3.00%	32,400	1,112,400

Totals 1,080,000 162,000 1,242,000

shaded portion of interest payments can be funded with borrowed proceeds

Issue Summary

Key Dates

Dated Date: 10/1/2016
 First Interest Payment: 4/1/2017
 First Principal Payment: 10/1/2021

Interest Rates and Debt Service

Basis for Estimate: Comparable sales

	<u>PreSale</u>
True Interest Cost (TIC):	3.00%
All Inclusive Cost (AIC):	3.30%

Sources and Uses

	Total
Par Amount of Notes	1,080,000
Total Sources	\$1,080,000
Cost of Issuance	15,000
Deposit to Project Construction Fund	1,064,000
Rounding Amount	1,000
Total Uses	\$1,080,000

TID 11 = \$505,000 TID 10 = \$495,000 TID 7 = \$80,000

Attachment: Presale Report.Merrill.2016C (1867 : Presentation and discussion on new borrowing)

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Committee of Whole

Date of Meeting: Wednesday, 8/10/2016

Request by: Kathy Unertl, Finance Director/RDA Secretary

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

Overview of “blight” acquisition and demolition costs:

Apparently more information should have been included in the RDA meeting minutes from July 5th, 2016 to effectively communicate the 401 W. Main St. property acquisition details. **The City is purchasing a vacant site.** The planned initial use of the property is lease to Merrill Area Housing Authority for parking and construction staging related to Park Place redevelopment.

The RDA motion recommending acquisition of 401 W. Main St. referenced “up to” \$140,000 which includes \$70,000 as base price with “up to” another \$70,000 based upon documentation of actual environmental and demolition expenses.

Due to WI Stats requiring prevailing wages for construction projects over \$25,000, it would cost about an additional \$10,000 (or more) to acquire this property with the existing building and then City contract for demolition.

The following spreadsheet provides an overview of expenses and any offsetting revenues for comparable City and Tax Increment District (TID) projects to facilitate redevelopment.



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

City of Merrill

Fiscal overview of environmental and demolition costs related to "blighted" buildings to facilitate redevelopment

	Old Pool	Raze Order House 122 S Prospect	Raze Order House - 1102 Van Buren	Sewing Basket 318 Grand	Former Courtview 1111 E Main	Former L. House 120 Mill	Raze Order 900 E 1st	Raze Order Page Milk Sturdevant	Former Fox Point Hwy G**	Former Bubble Bank 401 W Main
Expenses										
Purchase price	N/A				\$27,673	\$153,145		Fed Tax Liens	\$300,000	\$70,000
Delinquent Tax*		2 Years Del	\$9,899	\$11,261			\$18,430	2 Years Del		
Environmental										
City - Contact	\$15,148	\$1,025	\$3,580	\$935	\$8,899	\$42,650	\$3,329	\$68,230		
Property-Owner - Est									\$50,000	\$30,000
Demolition							\$32,680			
City - Contact	\$20,500	\$9,675	\$14,700	\$24,736	\$26,100	\$131,009		\$171,000		\$40,000
Property-Owner - Est									\$100,000	
Total Expenses	\$35,648	\$10,700	\$28,179	\$36,932	\$62,672	\$326,804	\$54,439	\$239,230	\$450,000	\$140,000
Total Env & Demo	\$35,648	\$10,700	\$18,280	\$25,671	\$34,999	\$173,659	\$36,009	\$239,230	\$150,000	\$70,000

*Delinquent property tax foreclosure by Lincoln County, as well as outstanding utility and mowing/snow removal charges

**Funds for environmental work and demolition/disposal were escrowed - former property owner responsible for contracting and ensuring performance. Actual private-sector cost might be lower than City of Merrill estimates.

Offsetting Revenues

Grants				\$20,000				\$78,946		
Insurance						\$185,529				
Sale of vacant site			For Sale	\$4,350		\$1	For Sale ***		RFP - due 8/16 2 pm	
Lease of vacant site										Negotiation - Housing Authority
Total Revenues	Continued Public Use			\$24,350	Public Use	\$185,530		\$78,946		

***City staff anticipate redevelopment proposal soon - met with interested business owner on 8/4/2016

Attachment: Env-Demo costs (1864 : Environmental and demo costs)

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Personnel & Finance Committee

Date of Meeting: Tuesday, August 23rd, 2016

Request by: Mayor Bill Bialecki

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

Review and discussion of City Clerk's report on options and costs to resolve live steaming of back-to-back City meetings

See August 4th e-mail from IT Manager Ron Turner to Finance Director Kathy Unertl on issue background and possible options

Signed: Kathy Unertl Date: 8/8/2016
for Mayor Bialecki

Received by City Clerk's Office by: Ks Received Date: 8/8/16

Unertl, Kathy

From: Turner, Ronald
Sent: Thursday, August 04, 2016 8:05 AM
To: Unertl, Kathy
Subject: RE: Wed 8/10th - Back-to-Back Meetings

Kathy,

This is not really a Technical problem, but rather an issue because of the way our video system works. I confirmed the below with Accela:

When a meeting is recorded, it is both streamed live to the internet and recorded for later viewing. The recording is initially stored on the encoder here at the City Hall. After the meeting is over and the recording is stopped, there is a period of time that the encoder is busy processing the recording before uploading it to the internet. The longer the meeting was, the longer this processing time. It appears that this processing time is usually anywhere from 5 minutes to 15 minutes. During this time, another new meeting cannot be started. I believe the intermittent audio issues we have been experiencing is caused by starting a meeting too soon after stopping the previous meeting. It is caused by the memory/processor of the encoder being near maximum capacity during the video processing process and not enough resources are left for the new recording.

I spoke to Bill Heideman about this and there are two solutions:

1. Make sure there is at least 15 minutes between meetings.
2. Purchase another encoder/camera/audio system for the times when we want to do back to back meetings.

I told Bill that I think the solution that makes the most sense is #1. He said that he was going to bring this up to someone.

Ronald Turner
Information Technology Manager
City of Merrill
1004 E 1st Street
Merrill, WI 54452
(715)536-5594

-----Original Message-----

From: Unertl, Kathy
Sent: Wednesday, August 03, 2016 4:45 PM
To: Turner, Ronald
Subject: Wed 8/10th - Back-to-Back Meetings

Has the tech issues been resolved? There is 6 pm COW with 7 pm Council on Wed 8/10th. Public will be interested in both.

Thanks!

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.
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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.