

CITY OF ANTIGO
FINANCE, PERSONNEL, AND LEGISLATIVE COMMITTEE
MINUTES OF MEETING HELD
FEBRUARY 15, 2017

Finance, Personnel, and Legislative Committee of the City of Antigo met in Regular Meeting on the above date at 6:00 PM in the Multi-Purpose Room, City Hall, Mayor Bill Brandt presiding.

Attendee Name	Title	Status	Arrived
Bill Brandt	Mayor	Present	
Jim Darling	Ward 2	Present	
Tim Kassis	Ward 3	Present	
Tom Bauknecht	Ward 4	Present	
Glenn Bugni	Ward 7	Present	
Reinhardt Balcerzak	Ward 8	Present	

Others in attendance: Bob Piskula, Street Commissioner; Kaye Matucheski, Clerk-Treasurer; Mark Desotell, Director of Administrative Services; and Jaime Horswill, Utility/Clerical Assistant.

Discussion and Action May Occur on Any of the Following Agenda Items:

1. Approval of the minutes from the January 18, 2017 meeting

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Glenn Bugni, Ward 7
SECONDER:	Jim Darling, Ward 2
AYES:	Brandt, Darling, Kassis, Bauknecht, Bugni, Balcerzak

2. Request for Credit for After Hours Utility Service Charge at 236 Mayfair Street (requested by Brent and Julie Morris)

Brent and Julie Morris submitted a letter regarding after hours service charges at 236 Mayfair Street.

Mr. and Mrs. Morris' letter advised that the employee was only there for 20 minutes and gave suggestions such as wrapping the pipes with insulation. She further noted that when asking the employee how much she owed he responded no charge as it should be included in her monthly water bill.

The City employee provided a letter noting that he found that the freeze was on the home owner's side. He explained some options to help thaw the pipes and prevent this from happening in the future. He further explained that if she could not get the pipes thawed, that she would need to call a plumber. Payment options were never discussed.

Kaye Matucheski, Clerk-Treasurer, indicated that Mr. and Mrs. Morris were unable to attend the meeting as they had a death in the family.

Upon inquiry by Alderperson T. Bauknecht, Ms. Matucheski advised that there is a process that needs to be followed for a disconnection; however, this was not a disconnection. Even if the water is shut off for an emergency, notification still would have been given.

Alderperson Kassis and Mayor Brandt both noted that they do not believe an employee would discuss charges.

Motion to deny request for credit for after hours utility service charge at 236 Mayfair Street.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Reinhardt Balcerzak, Ward 8
SECONDER:	Tim Kassis, Ward 3
AYES:	Brandt, Darling, Kassis, Bauknecht, Bugni, Balcerzak

3. Request for \$204.35 Sewer Credit at 1304 Clermont Street (requested by Lon Ebel)

Lon Ebel, property owner at 1304 Clermont Street, provided a letter advising that the residence is vacant. He was notified of an abnormal reading as the water meter had broken and unknowingly water had been flowing out from the meter. Mr. Ebel noted that none of the water that leaked from the meter drained into the actual sewer service. The area of the basement in which the water service enters the house was currently opened to the ground below and all of the water drained directly into the ground.

A City employee provided a statement noting that there was excessive water usage as water was leaking where the meter was. By the time the employee met with the owner, the water had been off for approximately two hours. He advised that directly below the meter is a 12"x12"x12" hole in the floor with a dirt bottom. A good amount of the cement floor was also wet in the basement.

Aldersperson Balcerzak noted that this would amount to approximately 41,000 gallons of water. He does not believe this amount went down the hole.

Upon inquiry by Mayor Brandt, Bob Piskula, Street Commissioner, indicated that the leak was on-going for approximately two months or approximately 700-720 gallons of water per day.

Upon inquiry by Aldersperson Kassis, Mr. Piskula and Ms. Matucheski indicated that the employee did not state if there was a floor drain present. Mr. Piskula indicated that the employee thought there was, but could not be positive.

Aldersperson Kassis advised that until the committee knows for sure if there was a floor drain, they cannot be certain where the water went.

Motion to table the request until the next meeting so that it can be verified if a floor drain is present or not.

RESULT:	TABLED [UNANIMOUS]
	Next: 3/15/2017 6:00 PM
MOVER:	Glenn Bugni, Ward 7
SECONDER:	Jim Darling, Ward 2
AYES:	Brandt, Darling, Kassis, Bauknecht, Bugni, Balcerzak

4. Consideration of a Lease-Purchase Agreement for the former Edison Club

Mayor Brandt advised that he wants to hold this agenda item in committee until the time the interested party is available.

RESULT:	NO ACTION
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5. Sale of Vacant City-owned Parcel Located North of Hydratight's Expansion Project to 1200 South, LLC

Mark Desotell, Director of Administrative Services, provided a memo noting that during the 2016 Hydratight facility expansion project the sale of the existing Hydratight property/buildings was made to 1200 South, LLC. 1200 South, LLC subsequently leased the property/buildings back to Hydratight as part of the firm's expansion efforts.

Mr. Desotell's memo further noted that the City currently owns the parcel located immediately north of the expanded facility and an interest has been expressed by 1200 South, LLC in its

purchase for securing the long term growth potential of Hydratight.

Mr. Desotell is recommending the sale of the 0.69 acre parcel to 1200 South, LLC for \$8,280.

Upon inquiry by Alderperson Kassis, Mayor Brandt advised that this land was the land that reverted back to the City when the building was not put on it within an allotted time.

Motion to sell the vacant City owned parcel located north of Hydratight's expansion project to 1200 South, LLC in the amount of \$8,280.

RESULT:	RESOLUTION TO COUNCIL [UNANIMOUS]
	Next: 3/8/2017 6:00 PM
MOVER:	Reinhardt Balcerzak, Ward 8
SECONDER:	Glenn Bugni, Ward 7
AYES:	Brandt, Darling, Kassis, Bauknecht, Bugni, Balcerzak

6. Water and Wastewater Property Tax Equivalent Payment Increase

Ms. Matucheski provided a memo advising that the payment in lieu of tax (PILT) that the City has approved has been considerably less than what the Public Service Commission (PSC) allows for the water utility. In 2013, a resolution was approved setting the PILT at \$160,000 for three years which was valid through 2016. The 2015 PSC report indicated that the PILT cannot be more than \$260,266. The financial position of the water utility would not support the \$100,000 increase in a PILT but she recommends leaving the PILT at \$160,000 for 2017 with an increase of \$10,000 to \$20,000 per year for the next two years. While not the entire cost of providing services, this would increase the revenue for the general fund while allowing for budgeting an increase after the financial statement is complete.

Ms. Matucheski's memo further advised that currently the wastewater utility does not make a PILT to the City. This is something the Committee can consider. It has not been approved in the past due to the financial condition of the utility but there has been improvement. Ms. Matucheski recommends continuing with no PILT for 2017 and then reviewing the financial status after the 2016 audit.

Motion to keep the PILT payments at \$160,000 for the water utility and \$0.00 for the wastewater utility for 2017.

RESULT:	RESOLUTION TO COUNCIL [UNANIMOUS]
	Next: 3/8/2017 6:00 PM
MOVER:	Glenn Bugni, Ward 7
SECONDER:	Tom Bauknecht, Ward 4
AYES:	Brandt, Darling, Kassis, Bauknecht, Bugni, Balcerzak

7. Establishing a Line of Credit for a Community Development Block Grant Application

Ms. Matucheski provided a memo advising that the City is in the process of applying for a Community Development Block Grant for upcoming street projects. There is a competitive grant and communities are rated on the applications that they submit to determine who receives the funding. MSA Professional Services has advised that communities that have established a line of credit for the funds score higher than communities that have only adopted a resolution for the funds. She has been working on trying to establish a line of credit.

Ms. Matucheski indicated that the bank is requiring the City to have a bond counsel opinion and resolution. The bond counsel opinion is approximately \$12,000-\$15,000. She is checking with the City Attorney and other financial institutions to see if they can issue a line of credit but thus

far has been unsuccessful. She thinks the amount of money for a bond counsel opinion is too much to spend.

Ms. Matucheski is requesting to continue to look before the council meeting to find something without the high cost to the City to move it to Council. If she is not successful, she will not forward it to Council.

Motion to approve establishing a line of credit for a Community Development Block Grant application that is affordable to the City of Antigo.

RESULT:	RESOLUTION TO COUNCIL [UNANIMOUS]
	Next: 3/8/2017 6:00 PM
MOVER:	Tim Kassis, Ward 3
SECONDER:	Reinhardt Balcerzak, Ward 8
AYES:	Brandt, Darling, Kassis, Bauknecht, Bugni, Balcerzak

Any Other Matters Authorized by Law to be Considered

Mayor Brandt advised that the wastewater plant is having problems with one of their pumps. This issue will go to the Public Works Committee.

INFORMATION ONLY

Adjournment

1. **Motion to:** Adjourn at 6:14 pm

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Tim Kassis, Ward 3
SECONDER:	Reinhardt Balcerzak, Ward 8
AYES:	Brandt, Darling, Kassis, Bauknecht, Bugni, Balcerzak

Bill Brandt, Chairperson

Date



To: Mayor and City Council
From: Kaye Matucheski, Clerk/Treasurer
Date: February 15, 2017
Re: Request for Credit for After Hours Utility Service Charge at 236 Mayfair Street
(requested by Brent and Julie Morris)

Included with the agenda packet is a letter from Brent and Julie Morris regarding the after-hours charge they received for a Sunday call for no water. Also included is a letter from the City employee that went to the home.

236 Mayfair Street
Antigo, WI 54409
January 16, 2017

Finance, Personnel, and Legislative
700 Edison Street
Antigo, WI 54409

To whom it may concern:

Our family was out of town from very early Saturday, Dec. 17, until the next evening of Sunday, Dec. 18. We arrived home to find our water not working. All the faucets and toilets did not work. It appeared the water had been shut-off.

So we called the Antigo Water and Sewer Utility explaining that our water was not working and that it appeared to be shut-off, but nobody was here to shut it off as we were out of town. So this looked like something the water utility needed to address, and I asked if someone could please come to the house to fix it.

The gentleman that came to our house was Nate Washatko. He spent 20 minutes diagnosing the problem. He discovered that the pipes were frozen on our side (not the utility's side). He used one of our buckets to catch the water from the utility's pipe to show that it was not frozen, but our pipes were frozen (he tried to move the handle and there were "crunching" sounds).

Then, he gave me instructions on how I can fix the problem, such as wrapping the pipes in pipe insulation, and getting some insulation to place in the gap in the wall behind the pipes. Also, he suggested using a fan to blow the warmer air from the house into the area where the pipes are located. However, I did not have any fan, but I did have a space heater, which he helped me move into the space to warm and thaw the pipes. I turned it on, and he left.

On his way out, I asked how much I owed. He said no charge, because it should be included in my monthly water bill. He did not say it would be "added," which made it sound like there would truly be no charge, especially since he did not do anything, other than diagnose the problem.

About 30 minutes after he already left, our pipes started to thaw and we had running water again. A few days later, we made it to Fleet Farm and purchased some pipe insulation and my husband wrapped the pipes.

Now, a month later, we received a notice that we are being billed \$189.30 (to be added to our water bill). We are disputing this charge for the following reasons:

1. Mr. Washatko had indicated "no charge" and it would be included in my water bill. I can now see how I might have misunderstood this. However, we still cannot justify \$189.30 for a 20-minute diagnosis, even on a Sunday (after hours).
2. If we would have called a plumber, after hours, and they made the same diagnosis (our pipes frozen), they would have only charged, at most \$50 (\$100/hr = \$50/30 min). Had we known that our pipes were frozen, we would have called a plumber. However, frozen pipes did not even enter our minds since we

1-17-17

On December 17 I responded to a call at 236 Mayfair St. about having no water. When I arrived at the residence and introduced myself. When I got down to the water meter I noticed it was very cold down in the crawl space where the meter was located. I pulled the meter off on our side and turned our valve on and we had water. I then showed the home owner the valve on her side was froze and that I couldn't even turn it off. I informed her that the freeze up was on her side of the meter. I explained that she would have get some kind of heat into the space to thaw ~~her~~ her pipes. I then explained some different options to her about how to help prevent this from happening again ex (wrapping her pipes with insulation). At no point did I talk to her about any type off payment options. ~~She asked~~ She asked me if her thawing method of the pipes didnt if I could come back and take a look. I informed her that it wasn't our (the city) issue. She would have to call a plumber. I then left the house.

Nate Washutko 



To: Mayor and City Council
From: Kaye Matucheski, Clerk/Treasurer
Date: February 15, 2017
Re: Request for \$204.35 Sewer Credit at 1304 Clermont Street (requested by Lon Ebel)

Included with the agenda is a letter from the property owner at 1304 Clermont Street requesting a credit for the sewer portion of the utility bill due to a broken water meter. The water did not enter the sewer system as there is a dirt floor by the meter which you can see in the picture that is included.

There is also a letter from our employee with his observations when he went to the home to take the meter out. The credit for the sewer charge over the average usage would be \$204.35.

If the committee approves this, a resolution will need to be forwarded to Council. Should you have any questions, please feel free to contact me.

1304 Clermont St.
Antigo, WI 54409

January 13th, 2017

RECEIVED

JAN 17 2017

CITY OF ANTIGO

Ms. Tracy Koeppel
Water Utility Clerk
Antigo Water & Sewer
700 Edison Street
Antigo, WI 54409

Dear Ms. Koeppel,

I am writing this letter in regards to the water service located at 1304 Clermont St. I have owned this property for just over two years and until this last summer have not even had a water meter at the property. I have yet to actually purposely use any water or sewer services at this property, however I have paid for this service for over the last two years.

I was recently notified of an abnormal meter reading at the property. I was made aware that the water meter had broken and unknowingly water had been flowing out from the meter. While I understand that I am likely liable for the water used at the property, I am writing to inform you that none of the water that leaked from the meter drained into the actual sewer service. The area of the basement in which the water service enters the house was currently opened to the ground below and all of the water drained directly into the ground.

Enclosed is a picture taken of the meter and the area in which the water drained into the ground. I believe that City of Antigo employee that entered the property could support this with his observations as well. I ask that the water & sewer department please take this into consideration when billing me for this incident.

If you have any further questions for me, I can be reached at 715-216-3342. Thank you for your time and consideration.

Sincerely,



Lon Ebel



January 3, 2017

To Whom It May Concern,

I went to 1304 Clermont to check on excessive water usage and found that water was leaking by where the meter is. By the time I was able to meet with the owner the water had been off for about two hours. When I got there the valve beyond the meter was in the off position. Directly below the meter is a hole in the floor with a dirt bottom. The hole is approximately a 12"x12"x12" cube. A good amount of the cement floor was also wet in the basement.

Thank You,

Chad Busse



To: Mayor and City Council
From: Mark Desotell, Director of Administrative Services
Date: February 15, 2017
Re: Consideration of a Lease-Purchase Agreement for the former Edison Club

Carl Bula has indicated his interest for entering into a Lease-purchase Agreement with the City of Antigo for the operation of the former Edison Club facility. We have been developing this opportunity with his team over the last couple of months and Carl has asked for this matter to be placed in front of the FP&L Committee for consideration.

A "DRAFT" Lease-purchase Agreement, as presented to Mr. Bula, is included in your agenda packet for your reference. The document is similar to previous Lease-purchase Agreements for the facility and is based on the following:

- Venue name being considered for the updated facility is the Antigo Event Center
- Lease-purchase is based on \$150,000 asking price at 4% interest for 20 years
 - Includes a 5-year balloon payment requirement
 - Includes a monthly Payment in Lieu of Taxes (PILOT)
- FP&L recommendation would be sent to March Council for consideration
- April 1, 2017 is the projected initiation of the Lease-purchase Agreement
 - Allow Tenant access to the facility between March Council and April 1st
- On May 1, 2017 the initial monthly payment of \$1,211.03 is due from the Lessee

Mr. Bula will not likely be available on the evening of the FP&L Committee meeting as he is currently conducting business in Colorado; he is arranging for others to be present to address your inquiries. Based on my preliminary meetings at the former Edison Club with Mr. Bula and his team, I will also do my best to respond to any questions.

It is my recommendation that the FP&L Committee authorize the advancement of the Lease-purchase Agreement with Mr. Bula while allowing any refinements to the "DRAFT" document (as agreed upon by the parties) to be memorialized and subsequently reviewed by the City Attorney prior to consideration by City Council.

LEASE

THIS LEASE concluded at Antigo, Wisconsin, this 1st day of April, 2017, between the **CITY OF ANTIGO, WISCONSIN**, a municipal corporation, sometimes hereinafter called the "Landlord", and **Antigo Event Center**, a Wisconsin Business, sometimes hereinafter called the "Tenant";

WITNESSETH:

1. The City of Antigo has an interest in promoting economic development within the City to spur industrial growth and job creation and retention. As part of this promotion of economic development, the City has determined that it is of a public benefit and a public purpose to make low interest loans to appropriate industrial and commercial enterprises and to assist industry with building projects through lease-purchase agreements with Langlade County Economic Development Corporation.

2. The Landlord shall Lease to the Tenant the premises described in Addendum "A", attached hereto and made a part hereof, including the building and contents to be located thereon, all of which is sometimes herein referred to as the Demised Premises. This Lease shall be for the term of twenty (20) years beginning on the date of delivery by Landlord and acceptance by Tenant of possession of the building and contents on the Demised Premises. The beginning and expiration dates of the term hereof shall be confirmed in writing by an exchange of letters between Landlord and Tenant immediately succeeding the date of delivery of possession of the building on the Demised Premises, copies of which letters shall be attached to and shall become part of this Lease. Although the lease term will not commence until the above date, this Agreement shall be binding upon the parties at execution of this Agreement.

3. Tenant shall pay rent (includes Principal + Interest + Payment in Lieu-of-Taxes) for the Premises payable as follows:

The Lease Purchase of \$ 150,000 .00 at 4 % for 20 years (with a 5-year balloon payment of \$131,975.41) paid subject to the following terms:

-
- Initial Payment in Lieu of Taxes will be calculated on the basis of the purchase price of \$150,000 and the current combined millage being applied.

The overall payment to the City, including the payment in lieu of taxes (PILOT) + Principal + Interest, shall be made each month starting on May 1st, 2017 for a total monthly payment of \$1,211.03.

Monthly payment amounts in ensuing years will be adjusted as the charge in lieu of taxes shall be calculated in accordance with the state-published handbook for assessors. Tenant may contest the charge as if it were a true assessment using procedures common to property tax assessments as provided by state statute. All rent and payment in lieu of taxes shall be payable to the City of Antigo at City Hall, 700 Edison St., Antigo, Wisconsin 54409, or at such other address as Landlord shall designate in writing to Tenant.

4. As additional rental expenses, throughout the term of this Lease, the Tenant shall pay without credit or reimbursement from Landlord the following charges and costs, on or before the due date for payment thereof:

A. The cost of all electric power, water, heat, gas and other utilities with respect to the use and occupancy of the Demised Premises by Tenant.

B. The cost of all insurance premiums upon the building and improvements now standing upon, or which may hereafter be erected upon the Demised Premises together with the fixtures/contents therein, so as to keep the same insured against loss resulting from fire and other hazards normally covered by a fire and extended coverage and additional perils policy of insurance, in solvent insurance companies acceptable to tenant and Landlord, in an amount not less than the full insurable value of the building improvements and fixtures/contents in and upon the Demised Premises belonging to the Landlord. Such insurance shall be issued in the name of the Landlord and Tenant as their interests shall appear.

If the building and improvements together with the fixtures/contents forming part of the Demised Premises or the personal property of Tenant located on the Demised Premises shall be damaged or destroyed at any time by an insured peril, whether or not such damage or destruction was caused by the negligence or any act or omission of the other party, its agents or employees, neither party shall have any liability to the other on account of such damage or destruction, or the cause thereof, except as hereinafter stated, and each party shall, with due diligence, require all policies of risk insurance carried by such party during the term of this Lease upon the Demised Premises to be endorsed with a provision by which the insurer designated therein shall waive its right of subrogation against the other party.

C. The cost of public liability insurance in such form as the Landlord shall reasonably require, insuring both the Landlord and Tenant, in amounts not less than \$2,000,000.00 insuring the Landlord against liability for injury to property, \$2,000,000.00 against liability for injury to persons or loss of life arising out of and in connection with Tenant's use of occupancy of the premises with limits of \$2,000,000.00 for one (1) person and \$3,000,000.00 for any number of persons injured or killed in any one accident.

D. The cost of special assessments charged against the Demised Premises during the term of the Lease provided, however, that Tenant shall be entitled at its option, to pay said assessments in installments over the maximum period of time permitted by the ordinances of the City of Antigo. It is understood and agreed that Tenant shall not be required to pay for any assessments which arise solely out of Landlord's obligation to furnish Tenant with a completed building and the usual building site improvements, including necessary utilities and means of ingress and egress to the building.

If the Tenant shall fail to pay any of the foregoing charges, insurance premiums, and assessments promptly as the same shall become due, or if Tenant shall fail to keep the Demised Premises and all buildings and other improvements repaired as required under the provisions of Section 5 hereof, the Landlord shall have the right to pay the same (or make all necessary repairs), in which event the amount so paid by the Landlord shall bear interest at ten percent (10%) per annum from date of payment and shall become due and payable by Tenant upon written demand, and failure of the Tenant to repay the Landlord within five (5) days after written demand shall constitute a material default hereunder.

5. During the term of this Lease, the Tenant shall keep the Demised Premises and all building and other improvements thereon in good repair and shall surrender them at the expiration of this Lease (unless Tenant elects to purchase said Demised Premises) in as good condition as when delivered to the Tenant, reasonable wear and tear or damage or destruction by fire or other casualty excepted. The City (at its expense) may solicit semi-annual inspections of the mechanical operating systems of the building and provide the Tenant with a list of routine maintenance deficiencies along with a list of items requiring service. The Tenant will be responsible for correcting noted deficiencies along with any associated costs of repairs. The Tenant and the Landlord will work to resolve any disputed items; issues that cannot be resolved will be referred to the City's FP&L Committee for consideration and recommendation to Council for final action.

6. Subject to the provisions of Section 7, 8, and 11 below, the Tenant shall be permitted to make any alterations, additions, or improvements upon the Demised Premises with written consent of Landlord. All structural improvements to the Demised Premises made by the Tenant during the term of this Lease shall become the property of the Landlord without any reimbursement whatsoever by the Landlord to the Tenant; provided, however, that all removable installations affixed by Tenant, including, without limitation, shelves for storage, bins, pallets, lighting fixtures and office fixtures which are removable may be removed by the Tenant upon the termination of this Lease, but it shall be the obligation of the Tenant to promptly repair all damage caused by the removal thereof.

7. In making any alteration, addition, or improvement and in using and occupying the Demised Premises, Tenant shall comply with the permits, building codes, all ordinances and safety regulations of every governmental authority pertaining to such work or such use or occupancy. The Tenant shall indemnify and save Landlord harmless from and against all expenses, claims or damages to either property or person, which shall arise by reason of any such repair, alteration, improvement, addition to or use of occupancy of the Demised Premises.

8. If any construction lien or other lien shall be filed against the Demised Premises or any building or improvement filed against the Demised Premises or any building or improvement thereon by reason of or arising out of any labor or material furnished, or alleged to have been furnished, or to be furnished, to or for the Tenant, or for or by reason of any change, alteration, or addition, the Tenant shall promptly cause the same to be canceled and discharged of record and shall also defend, on behalf of the Landlord, at the Tenant's sole cost and expense, any action, suit or proceeding which may be brought thereon or for the enforcement of such lien, and the Tenant will pay all damages and discharge every judgment entered therein and save harmless the Landlord from every claim or damage resulting therefrom.

9. The Tenant shall not conduct or permit to be conducted in or upon the Demised Premises any business or permit any act which is contrary to or in violation of the statutes, ordinances or lawful regulations of any governmental authority; otherwise, Tenant may use and occupy the Demised Premises for all lawful purposes.

10. If the Demised Premises or any part hereof, shall be sublet, or if this Lease were assigned by Tenant, the Tenant shall remain liable for the performance of all conditions, covenants and obligations under this Lease, notwithstanding any assignment or sublease. There shall be no sublease or assignment by Tenant without the written consent of the Landlord, which consent shall not be unreasonably withheld.

11. No building upon the Demised Premises shall be removed, torn down or any alterations made thereon by Tenant which will diminish the value thereof; without the written consent of the Landlord.

12. Landlord shall not be liable and Tenant shall save and hold harmless from all injury or damage to persons or property resulting from fire explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from pipes, appliances or plumbing works, or from the roof, street or sub-surface, or any other cause whatsoever, it being specifically understood by Tenant that Tenant will accept the Demised Premises in its condition at the commencement of this Lease. Landlord shall not be liable and Tenant shall hold harmless Landlord from any injury or damage to persons or property resulting from casualty or any other cause whatsoever.

13. If the Demised Premises or any portion thereof shall be destroyed or damaged by fire or other cause, the improvements so destroyed or damaged shall be restored or repaired without delay at the sole expense of Tenant, without diminution or abatement in rent, in which event all insurance proceeds due or payable by reason of such fire or other casualty shall be for the benefit of the Tenant, but such proceeds shall be utilized solely for such restoration or repair; provided, however, that if the Tenant shall deem it impracticable to restore or repair the Demised Premises, the Tenant shall have the option to terminate this Lease as of the end of a calendar month upon giving the Landlord at least ninety (90) days written notice, on condition that all insurance proceeds shall be payable to the Landlord; but the option herein granted to the Tenant shall not be exercisable unless such insurance proceeds shall at least equal the Landlord's cost of each depreciable improvement to the Demised Premises reduced by a depreciation factor of two and one-half percent (2 1/2 %) per annum on a straight-line basis, disregarding fractional parts of a month, computed as of the termination date of the Lease by the Tenant.

14. The Tenant shall permit Landlord to examine Demised Premises at all reasonable times. Unless Tenant exercises its right to purchase the Demised Premises during the four (4) months prior to the expiration of this Lease, the Landlord may exhibit the Demised Premises to prospective tenants or purchasers, and place upon the Demised Premises the usual notice "To Let" or "For Sale".

15. The Tenant shall have the right to use all Landlord's easement and rights-of-way granted that are appurtenant to or for the benefit of the Demised Premises, subject to the terms and conditions of such easements and rights-of-way. Likewise, in the event of default, Landlord shall be granted an easement or right-of-way by tenant for access to the Demised Premises in the event the same shall revert to Landlord.

16. If the Tenant shall abandon or vacate the Demised Premises prior to the expiration of this Lease or violate any of the Tenant's obligations under this Lease and fail to take steps within thirty (30) days after notice thereof from Landlord, and exert continuous and diligent efforts to remedy each violation after receiving said notice, the Landlord may enter upon the Demised Premises, remove signs and other chattel property of the Tenant, at Tenant's expense, and without notice terminate the Lease and sue for and recover all rents and damage accrued under this Lease or arising out of any violations thereof.

17. If during the term of this Lease, the Tenant shall be adjudicated a bankrupt, shall file any petition for relief under the Bankruptcy Act, or make a general assignment for the benefit of creditors or for the benefit of anyone under any insolvency acts, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Tenant's property, or if a temporary receiver shall be appointed for the Tenant's property, and if such appointment of a temporary receiver shall be appointed for the Tenant's property, and if such appointment of a temporary receiver shall not be vacated and set aside within thirty (30) days from the date of such appointment, then, if any of the foregoing events, at its option, on fifteen (15) days notice in writing served as provided in Paragraph 19 hereof the Landlord may, at its election, terminate this Lease and thereupon this Lease and the term hereof shall automatically cease at the expiration of said fifteen (15) day period, and it shall be lawful for the Landlord, at its option, to enter the Demised Premises, or any part thereof and to have, hold, repossess and enjoy the Demised Premises and to remove all persons and property therefrom by summary proceedings, or by any action or proceeding, anything herein contained to the contrary notwithstanding.

18. Every notice which, under the terms of this Lease or by any statute or ordinance now or hereafter in force, is provided or required to be given, shall be sent by registered mail or certified mail, return receipt requested, postage prepaid, directed as follows:

A. To the Tenant at _____, Antigo, WI or at such other address as the Tenant may designate by notice in writing from time to time.

B. To the Landlord, at City Hall, 700 Edison St., Antigo, Wisconsin 54409, or at such other address as the Landlord may designate by notice in writing from time to time.

19. Landlord covenants and agrees that if the Tenant shall perform all the covenants and agreements herein stipulated to be performed on the Tenant's part, then at all times during said term the Tenant shall have the peaceful and quiet enjoyment of the Demised Premises without any manner of let or hindrance from Landlord or any person or persons lawfully claiming against the Demised Premises. Landlord warrants and covenants that Landlord has full right and lawful authority to enter into and perform the terms of this Lease, and has good and marketable title to the Demised Premises free and clear of all liens, encumbrances, clouds, and defects whatsoever.

20. If the whole or any part of the Demised Premises shall be taken by any public authority under power of eminent domain, or if the same shall be conveyed under threat thereof then this Lease shall terminate only as to that portion so taken or surrendered from the day of such taking, or surrender of possession thereof for any public purpose, and the rent shall be paid up to that day, and from that day Tenant shall continue in possession of the remainder of the Demised Premises under the terms of this Lease, and the rent shall be reduced in proportion to the amount of the Demised Premises so taken or surrendered. However, if any portion of the building on the Demised Premises shall be so taken or surrendered, the Landlord, at its expense, shall promptly repair the remaining portion of the building not so taken, if upon completion of such repair, the Demised Premises would be reasonably suited to the uses to which the same were put by Tenant immediately prior to such taking or surrender. However, if the building could not be so repaired, the Tenant may terminate this Lease by written notice to Landlord given within ninety (90) days after Tenant shall have notice of such taking or surrender. If there shall be a total taking or surrender of the Demised Premises, or a partial taking or surrender resulting in a termination of this Lease as hereinafter provided, any condemnation award or settlement shall be paid to Landlord. However, nothing herein contained shall be construed to prevent Tenant from interposing, prosecuting or collecting any claim in any proceeding for condemnation or eminent domain for the value of any construction, improvements, buildings, or fixtures built, installed, completed, contracted for or made on, in or to the Demised Premises by Tenant at its costs to the extent that same could not be removed from the Demised Premises (less depreciation on the cost thereon on a straight-line basis amortized over a ten (10) year period from the commencement date of this Lease, using as a basis the actual cost of such construction, improvements, buildings or fixtures). Nothing herein shall be construed to prevent Tenant from making a separate claim against the taking authority to which Tenant might be entitled, in law, or in equity, on account of damages, losses, or costs sustained by Tenant because of such taking, except a claim for the recovery of the value of its leasehold estate.

21. Landlord hereby grants to Tenant the option to purchase the Demised Premises. The option to purchase shall be exercisable at any time during the lease term by written notice from Tenant to Landlord. At the time of closing, Tenant shall pay to Landlord the balance of principal and interest due on the amount indicated in paragraph 3 of this Lease, plus One Dollar (\$1.00). If said option is exercised, Landlord shall convey the Demised Premises to Tenant by Quit Claim Deed. Landlord warrants and covenants that Landlord will not encumber or permit to be encumbered in any way whatsoever, the title to the Demised Premises at any time during the term of this Lease. The property shall be conveyed in its then "as is" condition.

Landlord shall accompany its Deed with a Title Guaranty or Owner's Fee Policy of Title Insurance, or an abstract, whichever is elected by Tenant, issued by a title company of Tenant's choice at Tenant's expense. Tenant shall pay the costs incurred to record said Deed, and the charges of the title company.

22. This Lease shall not be recorded, but a short form Memorandum of Lease, including a legal description of the Demised Premises shall, at the option of either party, be duly executed, witnessed, and acknowledged for recording.

23. The City of Antigo shall have the right of first refusal to purchase these premises or any part thereof in the event _____ desires to dispose of same.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

WITNESSES:

CITY OF ANTIGO

Bill Brandt, Mayor

Kaye M. Matucheski, Clerk/Treasurer

President

Secretary

As a material inducement to the City of Antigo ("Landlord") to enter into this Lease between Landlord and _____ ("Tenant"), the undersigned ("Guarantor") hereby unconditionally and irrevocably guarantees the complete and timely performance of each obligation of Tenant under the Lease and any extensions or renewal of and amendments to the Lease. This Guaranty is an absolute and continuing Guaranty of payment and performance. Guarantor hereby waives presentment and all demands for performance, notices of performance, and notices of acceptance of the Guaranty. Guarantor hereby acknowledges that Guarantor is a shareholder of Tenant, or spouse of shareholder, and as such is receiving a direct and indirect benefit from this Lease.

(Name)

(Name)

Addendum "A"

Legal description of property:

Lot 22 and the South 40 feet of Lot 23 in Block 33 of the Original Plat to the City of Antigo.



To: Mayor and City Council
From: Mark Desotell, Director of Administrative Services
Date: February 15, 2017
Re: Sale of Vacant City-owned Parcel Located North of Hydratight's Expansion Project to 1200 South, LLC

During the 2016 Hydratight facility expansion project the sale of the existing Hydratight property/buildings was made to **1200 South, LLC** as represented by Chris Winter of Rollie Winter & Associates, Ltd. of Appleton, Wisconsin. **1200 South, LLC** subsequently leased the property/buildings back to Hydratight as part of the firm's expansion efforts.

The City of Antigo currently owns the parcel located immediately north of the expanded facility and an interest has been expressed by **1200 South, LLC** in its purchase (see attached map for parcel location). The interest in the parcel's purchase is for the stated purpose of securing the long-term growth potential of Hydratight and its Center of Excellence.

It is my recommendation for the FP&L Committee to advance a recommendation to City Council for the sale of this 0.69 acre parcel to **1200 South, LLC** at the purchase price of \$12,000 per acre (equal to the extent of the City's investment) in the amount of \$8,280 helping to secure any future potential for facility expansion on the Hydratight campus. Memorialization of this transaction will be coordinated with the assistance of staff and the City Attorney's office.



City of Antigo GIS



DISCLAIMER: The City of Antigo does not guarantee the accuracy of the material contained here in and is not responsible for any misuse or misrepresentation of this information or its derivatives.

SCALE: 1" = 100'



Print Date: 1/11/2017



To: Mayor and City Council
From: Kaye Matucheski, Clerk/Treasurer
Date: February 15, 2017
Re: Water and Wastewater Property Tax Equivalent Payment Increase

Each year the Public Service Commission (PSC) requires a report that computes a payment in lieu of tax (PILT) amount that the Water Utility pays to the City General Fund for services. The City can approve an amount that is less than the PSC computation but it cannot approve a larger amount. In past years the PILT that the City has approved has been considerably less than what the PSC allows. In 2013, a resolution was approved setting the PILT at \$160,000 for three years which was valid through 2016. It is again time to review and approve a PILT.

The 2015 PSC report indicates the PILT cannot be more than \$260,266. The financial position of the water utility would not support the \$100,000 increase in a PILT but I would suggest leaving the PILT at \$160,000 for 2017 but then increasing it by \$10,000 - \$20,000 per year for the next two years. While not the entire cost of providing services, this would increase the revenue for the general fund while allowing for budgeting an increase after the financial statement is complete.

Currently the Wastewater Utility does not make a PILT to the City, although it has been considered in the past. This is something the Committee could consider as it is not governed by the PSC. This has not been approved in the past due to the financial condition of the utility but there has been improvement. I would suggest continuing with no PILT for 2017 and then reviewing the financial status after the 2016 audit for a possible PILT in 2018 and 2019.

Should you have any questions, please feel free to contact me.



To: Mayor and City Council
From: Kaye Matucheski, Clerk/Treasurer
Date: February 15, 2017
Re: Establishing a Line of Credit for a Community Development Block Grant Application

The City of Antigo is in the process of applying for a Community Development Block Grant (CDBG) for upcoming street projects. This is a competitive grant and communities are rated on the applications that they submit to determine who receives the funding. MSA Professional Services has advised that communities that have established a line of credit for the funds score higher than communities that have only adopted a resolution for the funds. I have been working on trying to establish a line of credit but have run into some issues as to the cost of providing this line of credit and what we would need to provide. I had hoped to have something more concrete for the agenda but I do not have anything finalized. At the meeting I will have a draft resolution of what needs to be approved to give us the best chance of approval of the application but also the most cost effective for the City.

If you have any preliminary questions, please let me know. Otherwise, I will get you the information at the meeting. Thanks for your understanding on not having the full picture with the agenda.