



Minutes
Committee No. 1
Revenues, Disbursements, Water and Wastewater
October 11, 2012

Committee #1 – Revenues, Disbursements, Water and Wastewater met on Thursday, October 11, 2012 at 8:00 AM in the City Hall, Council Chambers, 30 West Central Street, Chippewa Falls, WI.

Committee/Council Members present: Jane Lardahl, Brian Flynn, Bill Hicks, Mayor Hoffman. Others Present: Finance Manager/Treasurer Lynne Bauer, Public Works Director/City Engineer/Utility Manager Rick Rubenzer, Library Director Virginia Woods-Roberts, Police Captain John Liddell, Parks & Recreation Director Dick Hebert, City Planner Jayson Smith.

The meeting was called to order at: 8:00 AM.

Item #1: Consider ATT lease renewal for antennas on Kennedy Road Water Tower. Possible recommendation to Council.

At the last meeting, Public Works Director/City Engineer/Utility Manager Rick Rubenzer presented a request (attachment) from Md7, Lease Consultant and authorized agent for AT&T Mobility, for a modification to the current lease that allows them antenna space on the Kennedy Road Water Tower. The current lease is for 4 – 5 year terms and incorporates an annual increase of 4%. Revenue from this lease for 2012 is estimated to be \$23,567.93. AT&T indicates this lease is unsustainable for them and is proposing a guaranteed 5 year lease with the City for \$99,000. This lease would incorporate a 10% increase every 5 years. The other option proposed by AT&T is a 10 year lease with a 15% increase every 5 years. Attorney Ferg has reviewed the lease amendments and determined that they are in order and the Committee has the choice to leave the current lease in place or pick one of the two options proposed by AT&T.

Motion by Flynn/Lardahl to recommend the Council approve a lease amendment based on “Proposal #1” which would guarantee the City \$1,650.00 per month commencing December 1, 2012 with a 10% rent increase every 5 years commencing December 1, 2017. All present voted aye – motion carried.

Item #2: Review preliminary 2013 Budget Data.

Finance Manager Lynne Bauer presented a summary of preliminary 2013 Budget data (See attached). The employee health insurance issue was discussed and plan design changes are being requested in an effort to bring the premium increases down. In addition, the City is seeking bids from other carriers. The Committee also reviewed a list of capital item requests totaling over \$1.5M. Other items that will be taken into consideration during the budget process are TIF revenues, debt projections, State aids, fee increases and a possible levy increase.

No action taken.

Item #3: Review 2013 Budget timeline.

Finance Manager Bauer reviewed the timeline for the 2013 Budget which includes meetings on October 18, 25, November 1 and 8 as well as a public hearing on November 27.

No action taken.

Item #4: Adjournment.

Motion by Flynn/Lardahl to adjourn at 8:47 AM. All present voting aye, motion carried.

**Minutes submitted by:
Lynne Bauer, Finance Mgr.**



September 7, 2012

Rick Rubenzer, City of Chippewa Falls
30 W Central Street, Room 209
Chippewa Falls, WI 54729

Re: Communications Facility located at 1821 KENNEDY ROAD, CHIPPEWA FALLS, WI 54729

Contract #: 127271 FA#: 10130316

Dear Landlord,

As you are aware, AT&T Mobility ("AT&T") has partnered with Md7 to work with you to facilitate certain modifications to the cell site lease on your property. These modifications will allow AT&T to meet current business requirements and enhance your site's value to the network.

Changes in the Wireless Industry

Recent industry developments are changing how wireless telecommunications carriers operate. In the past, carriers focused on rapidly building out their networks in order to provide the best coverage. Today, while consumers are enjoying greater services and better coverage than ever before, operating costs continue to escalate. As a result, the wireless industry is also focusing on operating networks as efficiently as possible.

Eliminating Risk and Increasing Value

AT&T is addressing this shift by reviewing its cell site portfolio. AT&T has partnered with Md7 to offer selected landlords like you the opportunity to minimize the business risks associated with industry uncertainties and to increase the value of your cell site lease.

Criteria for Cellular Site Retention/Rent Guarantee Period

AT&T is willing to offer your choice of one of the following options to secure a longer-term lease with you:

- **\$1,650.00** per month, commencing **December 1, 2012**
- **10 %** rent increase every 5 years, commencing **December 1, 2017**

- Or -

- **\$1,675.00** per month, commencing **December 1, 2012**
- **15 %** rent increase every 5 years, commencing **December 1, 2022**

Either of these options will enable AT&T to modify its termination rights under the lease to guarantee your rental income in the amount of at least **\$99,000.00** for the next **60** months. Currently, the lease can be canceled each year with a notice at least three months prior to the annual commencement date.

In order to maintain its long-term flexibility, AT&T will also require the following lease provisions to address future technological and network changes:

■ ~~Expansion of Permitted Use~~

~~“Lessee, its personnel, invitees, contractors, agents, sublessees, or its authorized sublessees, or assigns may use the Premises, at no additional cost or expense, for the transmission and reception of any and all communications signals and to modify, supplement, replace, upgrade, expand, including but not limited to the number and type(s) of antennas, or refurbish the equipment and/or improvements thereon, or relocate the same within the Premises at any time during the term of this Lease for any reason, or in order to be in compliance with any current or future federal, state or local mandated application, including but not limited to emergency 911 communication services or for any other reason. Lessor shall reasonably cooperate in obtaining governmental and other use permits or approvals necessary or desirable for the foregoing permitted use. If Lessor does not comply with the terms of this section, in addition to any other rights it may have at law, Lessee may terminate this Lease and shall have no further liability to Lessor. If Lessor does not comply with the terms of this section, Lessee will have the right to exercise any and all rights available to it under law and equity, including the right to cure Lessor’s default and to deduct the costs of such cure from any monies due to Lessor from Lessee.”²²~~

■ ~~Expansion of the Premises~~

~~“Lessor grants, to the extent practicable and on a space available basis, at no additional cost or expense, the Lessee the right to enlarge the Premises or the Lessor shall make space available on the Property for Lessee so that Lessee or its authorized sublessees may implement any necessary modifications, supplements, replacements, refurbishments, or expansions to the Communications Facility or to any equipment related thereto, or for any other reasons, as determined by Lessee in its sole discretion.”²²~~

■ Sale of Property/ Rental Stream Offer

I. Sale of Property. If Landlord, at any time during the Term of the Agreement, decides to sell, subdivide or rezone any of the Premises (or any interest therein), all or any part of the Property or Surrounding Property (or any interest therein), to a purchaser other than Tenant, and Landlord receives a bona fide written offer from a third party or proposes an offer to a third party or receives a modified written offer from a third party, Landlord shall immediately furnish Tenant with a copy of such offer. Tenant shall have the right within ninety (90) days after it receives such offer to agree in writing to match the terms and conditions of the same (“Sale of Property Offer”). Such writing shall be in the form of a contract substantially similar to the offer received or offered by Landlord. If Tenant chooses not to exercise this right of first refusal or fails to provide written notice to Landlord within the ninety (90) day period, Landlord may sell the property pursuant to the Sale of Property Offer received or proffered by it. Landlord acknowledges and agrees that such sale, subdivision or rezoning shall be made subject to this Agreement and Tenant’s rights hereunder. Landlord agrees that it shall promptly notify Tenant in writing of such sale, subdivision or rezoning.

II. Rental Stream Offer. If at any time after the date of this Amendment, Landlord receives a bona fide written offer from a third party or receives a modified written offer from a third party seeking an assignment of the rental stream associated with this Agreement (“**Rental Stream Offer**”), Landlord shall immediately furnish Tenant with a copy of the Rental Stream Offer. Tenant shall have the right within ninety (90) days after it receives such copy and representation to match the Rental Stream Offer and agree in writing to match the terms of the Rental Stream Offer. Such writing shall be in the form of a contract substantially similar to the Rental Stream Offer. If Tenant chooses not to exercise this right of first refusal or fails to provide written notice to Landlord within the ninety (90) day period, Landlord may assign the rental stream pursuant to the Rental Stream Offer, subject to the terms of this Agreement. If Landlord attempts to assign or transfer rent payments without complying with this Section, the assignment or transfer shall be void, Tenant shall not be responsible for any failure to make payments under this Agreement and reserves the right to hold payments due under this Agreement until Landlord complies with this Section.

III. If Landlord attempts to transfer ownership to a third party in accordance with (I) or (II) without fully complying with the terms and conditions of (I) or (II) hereinabove, such a transfer shall be void and of no further force or effect. Landlord agrees to indemnify Tenant for any and all claims associated with such a purported transfer.

(a) During the term of this Agreement, any sale or transfer of the Property, by operation of law or otherwise, will be subject to the Agreement and Tenant’s rights thereunder. Any sale or transfer of real property which is now or may in the future be subdivided or otherwise separate from the Property and over which Tenant has the right of access or utility connections to the Premises will be subject to such rights. Landlord will notify Tenant of any sale or transfer, and will cause the transferee to execute any document(s) reasonably required by Tenant to memorialize Tenant’s rights under the Agreement, and to ensure proper notice and payment of rent to such transferee. Each party agrees upon written request of the other to promptly execute such truthful estoppels, non-disturbance and/or attornment agreements as may be necessary in the event of any sale or transfer of the Property.

(b) Exclusive of a sale or transfer subject to subsection (a) above, during the term of this Agreement, Landlord will not assign, and will not bargain for or accept any offer to assign, any of its rights under the Agreement, including the right to receive rent, from any third party not affiliated with Tenant, without the prior written consent of Tenant, which may be withheld in Tenant’s commercially reasonable discretion. Tenant agrees upon the request of Landlord to review any bona fide offer received by Landlord of the nature described in this subsection and, if desirable in Tenant’s commercially reasonable judgment, to (i) match the terms of such offer, or (ii) bargain in good faith with Landlord for the purchase in fee of the Property or Premises, or the conversion of the Premises and any appurtenant easements or rights-of-way associated with the Premises to a perpetual easement, or other such arrangement as may be valid under the real property laws of the state where the Premises is located and which the parties may agree is equitable and desirable.

■ ~~Sublease Rights~~

~~"Lessee may sublease all or any portion of the Premises to any person or entity licensed by the FCC to operate wireless communications services (hereinafter, a "Sublessee") upon such terms and conditions as Lessee and Sublessee shall agree (each such agreement a "Sublease"), upon notice to Lessor. From and after the Effective Date hereof, provided a Sublease is subject to the terms and conditions of the Agreement as amended hereby and in consideration of the amended terms herein, Lessor's consent to a Sublessee or Sublease will not be required. Notwithstanding any terms in the Agreement to the contrary, no revenue sharing from sublessees shall be due to Lessor nor shall Lessor be responsible to review plans from Lessee or its sublessees."~~

■ ~~Removal/Restoration~~

~~"In addition to the terms set forth in the Lease, Lessor agrees that the Communications Facility and any related equipment brought to the Premises by Lessee, its agents, contractors, predecessors in interest or sublessees, shall be and remain Lessee's personal property or the personal property of its sublessee(s), as the case may be. Lessor waives any and all rights it may have, including any rights it may have in its capacity as Lessor under the Lease to assert any liens, encumbrances or adverse claims, statutory or otherwise, related to or in connection with the Communications Facility or any portion thereof. Lessee, in its sole discretion, may remove the Communications Facility or any portion of the Communications Facility at any time during the Term of the Lease, without notice to Lessor and without Lessor's consent. Notwithstanding any terms to contrary, Lessee will not be responsible for the replacement of any trees, shrubs or other vegetation, nor will Lessee be required to remove from the Premises or the Property any foundations or underground utilities. Lessee, may, in its sole discretion, transfer any improvements or alterations to the Premises to Lessor at any time during the Term of the Agreement without notice to the Lessor and without the Lessor's consent."~~

This letter of understanding is subject in all respects to the preparation, execution and delivery of a definitive amendment in form and substance mutually agreeable to each of us. Your concurrence in this proposal by execution of this letter in the space provided below will obligate AT&T/ Md7 and Lessor to proceed in good faith toward that end. Except for this obligation, this letter will not be legally binding between us with respect to the proposed business relationship, but instead serves as a statement of our mutual intent to bargain and negotiate, working toward entering into such an amendment.

AT&T values its affiliation with you and hopes to continue a long and mutually profitable relationship in the years to come. After having reviewed these options, please contact me prior to September 17, 2012. Thank you for your consideration.

Sincerely,

Markus Kleis

Md7 | Lease Consultant
10590 West Ocean Air Dr.
San Diego, CA 92130
o (858) 926-3898
f (858) 408-3482
mkleis@md7.com

AT&T SITE 10130316
 4% annual increase (9/29) ^{10/1/2011}
 effective 10/1/2009

4 - 5 YEAR TERMS

NO	monthly	addl	tot mo	annual	cumulative total
10/1/2011	1,579.11	321.72	1,900.83	22,809.96	
10/1/2012	1,642.27	321.72	1,963.99	23,567.93	
10/1/2013	1,707.97	321.72	2,029.69	24,356.22	
10/1/2014	1,776.28	321.72	2,098.00	25,176.05	49,532.27
10/1/2015	1,847.34	321.72	2,169.06	26,028.66	75,560.94
10/1/2016	1,921.23	321.72	2,242.95	26,915.39	102,476.32
10/1/2017	1,998.08	321.72	2,319.80	27,837.57	130,313.90
10/1/2018	2,078.00	321.72	2,399.72	28,796.65	159,110.55
10/1/2019	2,161.12	321.72	2,482.84	29,794.09	188,904.64
10/1/2020	2,247.57	321.72	2,569.29	30,831.43	219,736.07
10/1/2021	2,337.47	321.72	2,659.19	31,910.26	251,646.34
10/1/2022	2,430.97	321.72	2,752.69	33,032.25	284,678.58
10/1/2023	2,528.21	321.72	2,849.93	34,199.11	318,877.70
10/1/2024	2,629.33	321.72	2,951.05	35,412.65	354,290.35
10/1/2025	2,734.51	321.72	3,056.23	36,674.73	390,965.08
10/1/2026	2,843.89	321.72	3,166.61	37,999.29	428,964.37
10/1/2027	2,957.64	323.72	3,281.36	39,376.36	468,340.73
10/2/2028	3,075.95	323.72	3,399.67	40,796.03	509,136.76
10/3/2029	3,198.99	323.72	3,522.71	42,272.49	551,409.25

- 2) 100 sites (2)(1) in CP.
- 3) Upgrades last year - 1800-1900
- 4) Not more dependent 20' high pole - look payment
- 5) Bad business decisions - unworkable - ~~not~~
- 6) Sign paper to decline

Proposal #1
 10% increase every 5 years

2% annual

	monthly signed	annual	cumulative total
12/1/2012	1,650.00	19,800.00	19,800.00
12/1/2013	1,650.00	19,800.00	39,600.00
12/1/2014	1,650.00	19,800.00	59,400.00
12/1/2015	1,650.00	19,800.00	79,200.00
12/1/2016	1,650.00	19,800.00	99,000.00
12/1/2017	1,815.00	21,780.00	120,780.00
12/1/2018	1,815.00	21,780.00	142,560.00
12/1/2019	1,815.00	21,780.00	164,340.00
12/1/2020	1,815.00	21,780.00	186,120.00
12/1/2021	1,815.00	21,780.00	207,900.00
12/1/2022	1,996.50	23,958.00	231,858.00
12/1/2023	1,996.50	23,958.00	255,816.00
12/1/2024	1,996.50	23,958.00	279,774.00
12/1/2025	1,996.50	23,958.00	303,732.00
12/1/2026	1,996.50	23,958.00	327,690.00
12/1/2027	2,196.15	26,353.80	354,043.80
12/1/2028	2,196.15	26,353.80	380,397.60
12/1/2029	2,196.15	26,353.80	406,751.40

- guarantee for 5 years
- first right of refusal
- 3rd party management

Proposal #2
 15% increase every 5 years - after 10 years

	monthly signed	annual	cumulative total
12/1/2012	1,675.00	20,100.00	20,100.00
12/1/2013	1,675.00	20,100.00	40,200.00
12/1/2014	1,675.00	20,100.00	60,300.00
12/1/2015	1,675.00	20,100.00	80,400.00
12/1/2016	1,675.00	20,100.00	100,500.00
12/1/2017	1,675.00	20,100.00	120,600.00
12/1/2018	1,675.00	20,100.00	140,700.00
12/1/2019	1,675.00	20,100.00	160,800.00
12/1/2020	1,675.00	20,100.00	180,900.00
12/1/2021	1,675.00	20,100.00	204,015.00
12/1/2022	1,926.25	23,115.00	227,130.00
12/1/2023	1,926.25	23,115.00	250,245.00
12/1/2024	1,926.25	23,115.00	273,360.00
12/1/2025	1,926.25	23,115.00	296,475.00
12/1/2026	1,926.25	23,115.00	323,057.25
12/1/2027	2,215.19	26,582.28	349,639.53
12/1/2028	2,215.19	26,582.28	376,221.81
12/1/2029	2,215.19	26,582.28	402,804.09



AT&T Lease Optimization Program, c/o Md7
10590 West Ocean Air Drive, Suite 300
San Diego, CA 92130

September 7, 2012

City of Chippewa Falls
30 W Central Street, Room 209
Chippewa Falls, WI 54729

RE: Site: WI3215/CHIPPEWA FALLS, located at 1821 KENNEDY ROAD, CHIPPEWA FALLS, WI 54729

Dear Landlord,

This notice is a follow-up to our telephone conversation regarding the AT&T Lease Optimization Program. As you are aware, the purpose of the Program is to guarantee AT&T's long-term commitment to your site. I will inform AT&T that you have elected not to participate in the Program at this time.

Please sign below as an acknowledgment that you have chosen not to participate in the Lease Optimization Program and return this notice to the following address:

AT&T Lease Optimization Program, c/o Md7
10590 West Ocean Air Drive, Suite 300
San Diego, CA 92130

Name: _____

Signature: _____

In the meantime, should you have any questions or require additional information, please feel free to call or email me at your convenience. Thank you for your time.

Sincerely,

Markus Kleis

Md7 | Lease Consultant
10590 West Ocean Air Dr.
San Diego, CA 92130
o (858) 926-3898
f (858) 408-3482
mkleis@md7.com

Authorized Agent for AT&T Mobility

cc: Gregory D. Ohmer

Area Manager Real Estate Transaction, AT&T Mobility



Committee #1 Meeting – October 11, 2012

Initial 2013 Budget Discussion

1. General Fund Expenses
 - a. Operational Expenses – Directive - 0% Increase
 - b. Wage/Benefit Expenses
 - i. Health Insurance Increase – 34% (2012 Expense \$1.46M) (+\$498,000)
 - ii. Retirement Increase – 1.5% (from 11.8 to 13.30) (+\$1,000)
 - iii. Workers Compensation Increase - 32% (+\$73,067)
 - iv. Wages – 0% Increase except for Step/Grid Increases
2. General Fund Revenues
 - a. State Aids relatively flat (decrease of \$17,000 in Expenditure Restraint Program)
 - b. Fees – Will be reviewed
 - c. Taxes – Increase yet to be determined - Limited to Net New Construction
3. Capital Items/Omitted Budget Requests - \$1.56 M
 - a. Review list and prioritize items
 - b. Discuss/determine sources of funding
 - c. Review Downtown Entrance Plan Projects
4. Review TIF Status and Debt Projections
5. Review Budget Timeline
 - a. October 18: 8 AM – Review Donation/Room Tax Budgets
 - b. October 25: 8 AM – Additional Budget Discussion; Review Capital Items List
 - c. November 1: 8 AM – Additional Budget Discussion
 - d. November 8: 8 AM – Review “final” proposed budgets
 - e. November 12: Public Notice in Paper
 - f. November 27: 6:30 PM – Public Hearing

2012/2013 CAPITAL ITEM REQUESTS

Account:	Dept:	Description:	Request:	Funding Source:
10.52100	Police Dept.	Bone Conduction Microphones	\$2,760.00	To be discussed
10.52100	Police Dept.	AR15 Rifles	\$6,725.00	To be discussed
10.52100	Police Dept.	(2) New X26 Tasers	\$2,030.00	To be discussed
10.52100	Police Dept.	(1) Radio Receiver	\$11,000.00	To be discussed
10.52100	Police Dept.	Evidence Bar Coding System	\$15,000.00	To be discussed
10.52100	Police Dept.	(9) Shift Room Chairs	\$600.00	To be discussed
10.52100	Police Dept.	(11) Conference Room Chairs	\$1,210.00	To be discussed
10.52100	Police Dept.	Video Equipment for 5th Squad	\$5,940.00	To be discussed
10.52100	Police Dept.	40mm Gas Launcher	\$1,410.00	To be discussed
10.52100	Police Dept.	Ballistic Shield Blanket	\$800.00	To be discussed
		TOTAL POLICE DEPT REQUESTS	\$47,475.00	

10.52200	Fire Dept.	EMS Ambulance (replace 1999 Medic 3)	\$180,000.00	To be discussed
10.52200	Fire Dept.	Pay Increase for EMS Medical Director Dr. Erik Dickson	\$2,000.00	To be discussed
10.52200	Fire Dept.	Aerial Ladder Truck (replace 1981 Snorkel Truck)	\$900,000.00	To be discussed
10.52200	Fire Dept.	Firefighter Protective Clothing (bunker coats/pants)	\$5,000.00	To be discussed
10.52200	Fire Dept.	Fire Dept Engineering Study Station #2	\$50,000.00	To be discussed
		TOTAL FIRE DEPT REQUESTS	\$1,137,000.00	

10.55110	Library	Office Computers	\$8,000.00	To be discussed
10.55110	Library	Replace Switches (County IT Plan)	\$12,000.00	To be discussed
10.55110	Library	Security Cameras	\$2,800.00	To be discussed
10.55110	Library	Carpet Replacement	\$59,800.00	To be discussed
10.55110	Library	History Room Restoration	\$1,000.00	To be discussed
		TOTAL LIBRARY REQUESTS	\$83,600.00	

10.55210	Parks & Rec	New Playground Equipment - Thaddeus Pound Neighborhood Park - South Avenue	\$35,000.00	To be discussed
10.55210	Parks & Rec	New Shingles for Marshall Warming House Roof	\$3,000.00	To be discussed
10.55210	Parks & Rec	New Bathroom - Lower End of Irvine Park	\$180,000.00	To be discussed
10.55210	Parks & Rec	New Piece of Playground Equipment at Irvine Park - Main Pavillion	\$59,800.00	To be discussed
		TOTAL PARKS & RECREATION REQUESTS	\$277,800.00	

10.51440	Data Processing	Data Center Consolidation with Chippewa County	\$15,000.00	Total - \$54,000 (2012/13 funding available \$39,000)
		TOTAL DATA PROCESSING REQUESTS	\$15,000.00	

TOTAL 2013 OMITTED/CAPITAL REQUESTS

\$1,560,875.00

DOWNTOWN ENTRANCE PLAN PROJECTS

PROJECTS	2013	2014	2015	FUNDING SOURCE
DOWNTOWN PLAN	\$ 100,000.00			TID #11
CHIPPEWA VALLEY ROOFING	\$ 185,000.00			TID #11 AND CDBG
HONG KONG LAND	\$ 40,000.00			TID #11
TANFASTIC BUILDING	\$ 75,000.00			TID #11
VACANT CAR LOT	\$ 135,000.00			TID #11 AND CDBG
SPECS/DEMO/5 PROPERTIES	\$ 190,000.00			TID #11 AND CDBG
RELOCATE POWER LINES	\$ 366,300.00			TID #11
CAPITALIZE TIF#4 RLF	\$ 300,000.00			TID #11
S.E.H. PROJECT	\$ 2,900,000.00			CITY DEBT FIVE YEAR TERM
BRIDGE ST DESIGN	\$ 170,990.00			CITY DEBT 20 YEAR TERM/DOT
BRIDGE ST CONSTRUCTION	\$ 1,310,620.00			CITY DEBT 20 YEAR TERM/DOT
TOTAL	\$ 5,772,910.00			
SOURCES OF FUNDING				
TID #11	\$ 891,300.00			
CDBG	\$ 500,000.00			
CITY DEBT/FIVE YEAR TERM	\$ 2,900,000.00			
CITY DEBT/TWENTY YEAR TERM	\$ 1,030,710.00			
WISCONSIN DOT	\$ 450,900.00			
TOTAL	\$ 5,772,910.00			