

**CITY OF EDGERTON
CITY HALL
12 ALBION STREET
EDGERTON, WI**

SPECIAL VETERANS' BUILDING ASSESSMENT COMMITTEE

Wednesday, November 20, 2019 at 6:00 p.m.

1. Call to order; Roll Call.
2. Confirmation of Appropriate Meeting Notice Posted on Friday, November 15, 2019.
3. Approve Minutes:
 - A. October 23, 2019
 - B. October 30, 2019
4. Consider recommendation to the Mayor regarding Veteran's Building.
5. Set next meeting and agenda items.
6. Adjourn.

cc: All Commission Members City Administrator All Council Members
Department Heads City Engineer Newspapers

NOTICE: If a person with a disability requires that the meeting be accessible or that materials at the meeting be in an accessible format, call the City Administrator's office at least 6 hours prior to the meeting to request adequate accommodations. Telephone: 884-3341

"Notice is hereby given that a majority of the Common Council is expected to be present at the above scheduled noticed meeting to gather information about a subject over which they have decision-making responsibility. The only action to be taken at this meeting will be action by the Public Works Committee."

**OCTOBER 23, 2019
SPECIAL VETERANS' BUILDING ASSESSMENT COMMITTEE
MEETING MINUTES
CITY OF EDGERTON**

Fred Falk called the meeting to order at 1:00 P.M. Committee members present were Sam Wilcox, Dan Rosenbaum, Leanne Cantwell, Mark Wellnitz, Ron Webb, and Fred Falk. Also present were City Administrator Ramona Flanigan, Mayor Chris Lund, Alderperson Jim Burdick, Alderperson Candy Davis and several citizens.

Flanigan confirmed the agendas were properly posted on Friday, October 18, 2019 at the Post Office, Edgerton Library, and City Hall.

APPROVE MINUTES: A Webb/Wilcox motion to approve the September 23, 2019 Special Veterans' Building Assessment Committee minutes passed, all voted in favor.

REVIEW OBJECTIVES OF THE SPECIAL VETERANS' BUILDING ASSESSMENT COMMITTEE: Committee member Falk presented the objectives of the committee as established:

1. Evaluate the expenses, revenues, and capital improvement needs of the facility.
2. Evaluate whether the City should continue to rent the facility to a private user.
3. Evaluate if there is a public use of the facility that would benefit and be supported by the community.
4. Make a recommendation to the Council regarding the long-term operation and ownership of the facility.

HEAR PUBLIC COMMENTS ABOUT VETERANS' BUILDING:

- Cathy Engler, reviewed the amount of rent that was paid by the Edgerton Children's Center to the City for the use of the building. She stated there was an article in the Edgerton Reporter that failed to include this. Cathy said the service the Edgerton's Children Center offers is valuable to the community.

COMMITTEE DISCUSSION: Chairperson Falk reviewed the letter sent to the American Legion. Flanigan stated the American Legion has not responded to City Hall in providing a proposal to use the building as a banquet hall. Falk summarized the last Edgerton VFW meeting. At the last meeting the ballot vote results were 21-2 the majority to sell the building versus saving the building.

Falk reviewed capital improvements/expenses needed in the future. Flanigan stated the \$20,000 flat roof repair estimate was based on the size of the building. The committee recommended receiving a roof review to find out the condition of the roof to provide a better cost estimate. Falk recommended contacting local realtors and the City Assessor to find out the value of the building. Falk feels the committee will need both these values prior to making a recommendation to the Council.

SET NEXT MEETING AND AGENDA ITEMS: The committee set a public listening session for Wednesday, October 30th at 7:00 PM at Edgerton City Hall. Falk recommended adding language to specifically inviting veterans. The agenda will include the public listening session and a closed session if the requested values are available.

Being no other business before the Committee, a Webb/Rosenbaum motion to adjourn passed, all voted in favor.

Ramona Flanigan/jas
City Administrator

**OCTOBER 30, 2019
SPECIAL VETERANS' BUILDING ASSESSMENT COMMITTEE
MEETING MINUTES
CITY OF EDGERTON**

Fred Falk called the meeting to order at 7:01 P.M. Committee members present were Sam Wilcox, Dan Rosenbaum, Leanne Cantwell, Mark Wellnitz, and Fred Falk. Also present were City Administrator Ramona Flanigan, Mayor Chris Lund, Alderperson Jim Burdick, Alderperson Candy Davis and several citizens.

Flanigan confirmed the agendas were properly posted on Friday, October 25, 2019 at the Post Office, Edgerton Library, and City Hall.

REVIEW OBJECTIVES OF THE SPECIAL VETERANS' BUILDING ASSESSMENT COMMITTEE: Committee member Falk presented the objectives of the committee as established:

1. Evaluate the expenses, revenues, and capital improvement needs of the facility.
2. Evaluate whether the City should continue to rent the facility to a private user.
3. Evaluate if there is a public use of the facility that would benefit and be supported by the community.
4. Make a recommendation to the Council regarding the long-term operation and ownership of the facility.

HEAR PUBLIC COMMENTS ABOUT VETERANS' BUILDING:

- Mayor Chris Lund thanked the committee members for volunteering their time to discuss the issue.
- Matt McIntyre stated the building has had many uses over the years and congratulated the committee on their due diligence in providing a recommendation to the Council.

COMMITTEE DISCUSSION:

Wilcox provided an update from American Legion representative, Jim Catrell. The American Legion is no longer pursuing the proposal for a local entrepreneur to use the building as a banquet hall. The proposal is too cost prohibitive.

At the last meeting, the committee was presented with estimated future expenses including repair or replacement of the roof. Falk has contacted Roofed Right and will provide a high/low cost for the repair without viewing the building. City Administrator Flanigan will contact additional roofing companies. Cost estimates will be discussed at a future meeting.

SET NEXT MEETING AND AGENDA ITEMS: The committee set the next meeting for Wednesday, November 20th at 6:00 PM at Edgerton City Hall. The agenda will include considering recommendations to the Mayor regarding Veterans' building.

CLOSED SESSION: Wellnitz/Cantwell moved to go into closed session pursuant to Wisconsin Statute 19.85(1)(c): Deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business whenever competitive or bargaining

reasons require a closed session.” Discussion with realtors to gather additional assist with recommendation to Council. The motion pass, all voted in favor.

Being no other business before the Committee, a Wellnitz/Cantwell motion to adjourn passed, all voted in favor.

Ramona Flanigan/jas
City Administrator

Memo

To: Veterans' Building Ad Hoc Committee

From: Staff

Date: 11/15/2019

Re: November 20, 2019 Meeting

Included in your packet is a **draft** memo prepared by Committee Chair Fred Falk summarizing the Committee's work and providing alternatives the Committee can debate as a basis to develop a response to the Mayor regarding the Veterans' Building. Based on the conversation at the last meeting, and because no one has made a proposal to operate the facility other than the current tenant, the memo includes possible responses to alternatives #1 (current rental arrangement) and alternative # 5 (sell the building). The Committee should review and edit the memo and determine which alternative to recommend. The following documents will be attached to the letter that is sent to the mayor: all the meeting minutes of the Committee, the Council resolution creating the Committee, the letter to the American Legion, the letter from the VFW, and the estimated value memo. Unless it is determined that additional information is needed, it is anticipated the Committee would make a recommendation during this meeting thus concluding its work.

November 20, 2019

DRAFT

Dear Mayor Lund,

As directed by City of Edgerton Resolution 18-19, the Veterans' Building Assessment Committee provides the following recommendation regarding the Veterans' Memorial Community Center.

Background:

The Veterans' Building Assessment Committee (Committee) was formed pursuant to the City Resolution 18-19 with six members appointed by the Mayor. The objectives of the Committee are as follows:

1. Evaluate the expenses, revenues, and capital improvement needs of the facility.
2. Evaluate whether the City should continue to rent the facility to a private user.
3. Evaluate if there is a public use of the facility that would benefit and be supported by the community.
4. Make a recommendation to the Council regarding the long-term operation and ownership of the facility.

By memo from city staff dated 8/7/19, the Committee was presented with five alternative uses for the building:

1. Own and rent to one tenant,
2. Rent to various short term users,
3. Operate as a City funded community center with staff,
4. Lease to non-profit for use as a community center, and
5. Sell the building.

Public Input:

The Committee first undertook, through four duly noticed public hearings, to determine community interest and obtain comments on the alternative uses. Four (4) individuals or groups offered comments as follows:

1. One individual, indicating he represented Edgerton Legion Post #30, stated the Post was willing and able to operate the building at a profit. The Committee requested a written plan from the Legion Post regarding the proposal. The Legion did not respond to the request.
2. An individual stated that the building, having been constructed as a memorial, should be retained as such.
3. The Edgerton VFW Post #2708 indicated it had no interest in the building and that it had voted at a recent meeting 21 to sell and 2 to save the building.
4. The current tenant spoke to the benefits of using the building as a children's center and 4K program, and offered to provide testimonials from her clients.

Analysis:

Since no entities or individuals came forward with proposals pursuant to alternatives 2, 3, or 4 above, the only alternatives the Committee considered further were to lease to one tenant (alternative #1) or to sell the building (alternative #5).

DRAFT

The building is currently under lease to the Edgerton Children's Center for a term expiring 8/31/2022, subject to early termination by the City effective 7/30/2021 by notice given no later than 2/1/2020. Monthly rent is currently \$900, increasing by \$100 increments to \$1,200 by the end of the term. The tenant is responsible for utilities, routine maintenance, mowing, trash and snow removal.

Financial analysis provided by the City shows the building has been operated at an aggregate loss of \$287,797 (2019 estimated) from 1995 to present. Current and projected rent covers the building operating expenses with a slight surplus, but does not cover any capital expenses. For example, in 2018 the total rent was \$10,800 and total expenses were \$104,273, resulting in a projected loss to the city of \$93,473. The building is 58 years old. Going forward, the city projects additional large capital expenditures.

The Committee also sought the opinions of real estate professionals regarding an estimated value of the building. The outcome of that research will be provided in a confidential memo.

Recommendation:

(Alternative #1) Staff provided an historic timeline starting on 3/16/1989 from City Council discussions in which there are 28 references to the building, its use, and the City's continued ownership. Numerous Councils, Mayors, Administrators, citizens and veterans have struggled regarding a compromise, and a way forward. Given the interest of at least a few citizens to retain the building because of its history, the Committee recommends by a vote of ??? the following: the city retain the building; the city continue to rent to one tenant; the city complete a market analysis of rental rates and increase the rental rates to minimize the financial losses; and the city establish a 5 year timeline to reevaluate the building ownership and use.

OR

(Alternative #5) Staff provided an historic timeline starting on 3/16/1989 from City Council discussions in which there are 28 references to the building, its use, and the City's continued ownership. Numerous Councils, Mayors, Administrators, citizens and veterans have struggled regarding a compromise, and a way forward. Given the projected continued cost to the tax payers for a facility that does not have a viable city use, the Veterans' Building Assessment Committee recommends by a vote of ???? that the City Council sell the building.

If you have any questions or require further investigation, do not hesitate to ask.

Truly,

Fred Falk
Veterans' Building Assessment Committee Chair