

**FINANCE COMMITTEE
DECEMBER 9, 2013 AT 6:50 P.M.
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Alderpersons Moore, R. Stroik, Slowinski, O'Meara and M. Stroik

ALSO

PRESENT: Mayor Halverson; City Attorney Beveridge; C/T Ladick; City Clerk Moe; Ald. Wiza, Trzebiatowski, Suomi, Patton, Phillips, Doxtator; Directors Ostrowski, Schrader, Schatschneider; Asst. Police Chief Zenner; Fire Chief Kujawa; Human Resource Manager Jakusz; Tricia Church; Brandi Makuski; Nate Enwald; Chris Jones; Barb Jacob; Mildred Neville; Henry Korger; Mary Ann Laszewski; Chuck Rasmussen; Bob Fisch; Bill Pickford; Cathy Dugan; Cindy Nebel; Garrett Ryan; Lindsey Ryan; Jack Fischer; Jeff May

6:50pm Meeting Called to Order

6:51pm Meeting Recessed to Return to Board of Public Works Meeting

7:04pm Reconvened Back to the Finance Committee

ITEM #1 – A Resolution Authorizing and Providing for the Sale and Issuance of \$2,105,000 Taxable General Obligation Promissory Notes, Series 2013C, and All Related Details..

Dawn Gunderson from Ehlers gave a presentation on the results of the bond sale and explained the bond rating from Moody's. Ms. Gunderson also explained the change in dollar amount from \$2,105,000 to \$2,085,000, which was related to the sale results.

Motion made by Ald. O'Meara, seconded by Ald. Slowinski to approve the borrowing resolution in the amount of \$2,085,000.

Ayes: All Nays: None Motion carried.

ITEM #2 – A Resolution Authorizing and Providing for the Sale and Issuance of \$780,000 General Obligation Promissory Notes, Series 2013D, and All Related Details.

Motion made by Ald. O'Meara, seconded by Ald. Slowinski to approve the borrowing resolution in the amount of \$775,000.

Ayes: All Nays: None Motion carried.

7:13pm Meeting Recessed for Special Common Council Meeting

7:41pm Reconvened Back to the Finance Committee

ITEM #3 – Write-off Uncollectible Personal Property Taxes and Accounts Receivable.

C/T Ladick stated that the Write-offs are something that occur yearly, and that the majority of the write-offs are related to personal property taxes, which are more difficult to collect because they do not stay with the parcel.

Motion made by Ald. O'Meara, seconded by Ald. M. Stroik to approve the Write-off of uncollectible personal property taxes and accounts receivable

Ayes: All

Nays: None

Motion carried.

ITEM #4 – Transfer \$300,000 to the Stevens Point Municipal Airport, for the purposes of working capital and repaying advances from other funds.

C/T Ladick stated that the airport was split off as a separate enterprise at the beginning of the year, and therefore has a need for working capital funds. In addition, past budgets have not provided a sufficient level of funding to cover airport operations, which has resulted in advances from other funds which need to be repaid.

Motion made by Ald. O'Meara, seconded by Ald. R. Stroik to approve the transfer of \$300,000 to the Stevens Point Municipal Airport.

Ayes: All

Nays: None

Motion carried.

ITEM #5 – Advance (2013) and later transfer (2014) \$300,000 to Stevens Point Transit, for the purposes of working capital.

Ald. Moore asked if this request was similar to the airport request. C/T Ladick stated that it was very similar, with the only difference being that all of the funds would be used for working capital needs, as there are no advances from other funds that need to be repaid. C/T Ladick explained that the reason why we will do an advance in 2013, and then repay with a transfer in 2014, is to ensure that we do not exceed total budgeted expenditures for 2013.

Motion made by Ald. O'Meara, seconded by Ald. M. Stroik to authorize the advance in 2013, and later transfer in 2014, \$300,000 to Stevens Point Transit.

Ayes: All

Nays: None

Motion carried.

ITEM #6 – 3rd Quarter Room Tax Report.

Ald. Moore asked if C/T Ladick had anything to add regarding the report. C/T Ladick responded that he did not have anything in particular to add.

Motion made by Ald. R. Stroik, seconded by Ald. Slowinski to approve the report and place it on file.

Ald. Trzebiatowski asked C/T Ladick to explain a little about Room Tax and how it has stayed fairly stable despite the Ramada and Super 8 closing. C/T Ladick stated that the room tax has stayed fairly stable, ranging from about \$630,000 to \$650,000 annually, and that there has not been a large decline in room tax collections resulting from those hotels closing, most likely because people are just staying at other hotels in Stevens Point.

Ayes: All

Nays: None

Motion carried.

ITEM #7 – Authorizing the Execution of Development Agreement with CCFS Group, LLC.

Ald. Moore requested that anyone who would like to make comments should keep those comments pertinent to the financial aspects of the project.

Mary Ann Laszewski, 1209 Wisconsin St., stated that she is opposed to the project because with an out of town developer, the rental revenue will be getting shipped out of the community. She expressed further concern regarding the impacts to local owners of rental property, who would face higher vacancies and lower rental income.

Henry Korger, 3200 Water St., stated that the City has not bent over backwards for him, and that anyone who wants to build an apartment, if they have money for a down payment, should be

able to get a loan. He stated that he has land contracts, and that if something goes wrong with these businesses, then his retirement is put in jeopardy.

Cindy Nebel, 1100 Phillips St., stated that she believes that we need more student housing, but that she does not want to see the \$500,000 in TIF money used for this project, and suggested a better use would be to use that money for properties that are already blighted. She questioned whether there would be someone on site to supervise all of the student renters.

Jeff May, 21 Oak Crest, stated that he was surprised that this was being considered, and that it is a big government giveaway to support unfair competition. He stated the need to be socially responsible, and questioned if there are any solar panels or geothermal heating systems associated with the proposed building. He stated that he did feel that sufficient information was given about the project.

Mildred Neville, 1709 Jefferson St., stated that the paperwork for the conditional use permit was not properly completed, and that the project has not followed the city's plan, which is a red flag. She stated that if the finance committee feels that this is coming in a bad way, then that is reason to vote no. She stated that the committee should make decisions that bolster the economy of Stevens Point, but not in a way that harms city taxpayers.

Cathy Dugan, 615 Sommers St., stated that she would not like to see money spent in real estate development, but for basic city services such as inspection, and increased policing.

Paul Wachowiak, 1620 Meadowview Ln., stated that he has long been a proponent that TIF dollars should not be used for housing, they should be used for economic development. He stated that he has numbers that indicate there is no "but-for". He cited the developers agreement, which includes a personal guarantee as collateral. He stated that a personal guarantee should be from a person, not from a corporation, and that a personal guarantee is not worth the paper it is written on.

Barb Jacob, 1616 Depot St., said that she also disagrees with spending \$500,000 on this development, because the Point Motel is not blighted. She stated that we will never get the \$500,000 back, it will be gone. She would rather see the money going into the blighted area of this district, or to encourage people to keep their homes up.

Ald. Slowinski stated that he is opposed to using TIF funds for housing projects, because it will pull money from other student housing properties in the City. He stated that despite the extra revenue, he can't support it because it would just pull from one place to benefit another.

Ald. R. Stroik asked, because the property is inside a TIF district, if there would still be TIF increment going into the district if there was no developer's agreement associated with the project. Mayor Halverson replied that the increment would go into that TIF district regardless of whether or not there is a developer's agreement, and that the revenue would have to be used for eligible TIF expenditures. Mayor Halverson added that the \$500,000 would not be available unless this project happens, because the extra revenue would repay the \$500,000. Ald. R. Stroik stated that even though he owns two rentals, he understands the need to grow the tax base and look for good, sound investments. Unfortunately, though, his biggest issue is changing all kinds of codes and ordinances to accommodate the project, such as the parking deficiencies. He stated that had the changes in ordinances been known about, other developers may have been interested investing in a development.

Ald. Slowinski reiterated that this would just be moving people around, which could create vacancies and blight in the rest of the city. Mayor Halverson responded that given the amount of enrollment expansion at the University, the vacancies should not be a problem.

Director Ostrowski responded to the concerns about vacancies, stating that the university is seeing increases in enrollment, and has plans for expansion, the university dorms are full, and Stevens Point has a low vacancy rate in comparison to other municipalities with UW schools. He also stated that the developer's incentives are open to anyone who wishes to make a proposal. He further stated that they have been looking at amending their zoning code for some time, including parking regulations. The changes would reduce parking requirements, not just at this development, but for every property in the city, which all landlords can benefit from. He also stated that the incentive money would not be available without this development to repay it. He stated that the development will bring significant revenue, and could result in other development in the corridor.

Ald. R. Stroik stated that as a steward of city funds, he thinks the development does make sense, and he will vote yes for the financing, but that doesn't change his concerns about the conditional use permit, despite that this is a good investment.

Motion made by Ald. O'Meara, seconded by Ald. R. Stroik to authorize the execution of development agreement with CCFS Group, LLC.

Ayes: O'Meara, R. Stroik, M. Stroik, Moore Nays: Slowinski Motion carried.

ITEM #8 – Approval of Payment of Claims.

Motion made by Ald. O'Meara , seconded by Ald. Moore approve the payment of claims in the amount of \$2,803,936.17.

Ayes: All Nays: None Motion carried.

Adjournment at 8:48 p.m.