

**FINANCE COMMITTEE
JULY 13, 2015 AT 6:35 P.M.
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Ald. Slowinski, Phillips, Patton, Van Stippen and Kneebone

ALSO

PRESENT: Mayor Wiza; C/T Ladick; Clerk Moe; City Attorney Beveridge; Directors Ostrowski, Lemke, Schatschneider; Ald. Doxtator, Morrow, Ryan, Mrozek, McComb, Oberstadt; Interim Police Chief Skibba; Supt of Streets Laidlaw; City Forester Ernster; Deputy C/T Freeberg; Tricia Church; Jacob Mathias; Nate Enwald; Barb Jacob; Mary Ann Laszewski; LeAnn Steltenpohl; Leah & Christian Czerwonka; Armin Nebel; Tyler & Charles Glodowski; Harry & Lisa Grair; Connie Haas; Robert Fernatte; Judy Borski; Nao Neng Vang; Wayne Bushman; John Williams; Joe Leek; Timothy Haferman; Laura Bronk; Dave Ladick; E. John Buzza; Gary Dreier; Bob Fisch; Pamela Gartmann

ITEM #1 – PRESENTATION ON 2014 AUDIT REPORT BY BAKER TILLY.

Carla Gogin, Baker Tilly, gave a brief overview of the 2014 Audit presentation that was attached in the packet.

ITEM #2 – RECOMMENDATION TO ASSIGN FUND BALANCE FOR EXPENSES RELATED TO THE EMERALD ASH BORER.

C/T Ladick stated that we do have a little more unassigned fund balance than the target range in our fund balance policy (33-50% of budgeted expenditures). Currently, we are at 52.8%, but should consider assigning some of this for the Emerald Ash Borer. The Emerald Ash Borer is an invasive beetle that has been a problem for a lot of municipalities and can kill all of the ash trees in a community.

City Forester Ernster stated this beetle was brought into this country in about 2002 and was found in West Bend, WI in 2008. There is no control for it, other than chemically treating the trees. If you do not treat the ash trees, they will die. We have about 921 ash trees that are along our streets and we have about 325 ash trees that are in the parks, which are all inventoried. The closest county that the beetle has been found in is Adams County, it has not been found in Portage County yet. Once the beetle establishes itself in Stevens Point, it will kill all ash trees within a 4-5 year span. We either need to budget for it and manage it or we are going to have to spend a lot of money at once and our trees will no longer be an asset, but rather a liability. There are 3 options for managing the treatment/removal and replanting of the ash trees. Option #1 is \$658,900, which is estimated over 5-7 years, to remove all ash trees located in the right-of-way and parks and replant. Option #2 is \$742,200, over 15 years, to treat 521 of the high profile trees and remove 725 trees and replant. Option #3 is \$799,300, over 15 years, to treat 846 trees and remove 400 marginal trees in the right-of-way and parks and replant. (Options list is attached)

C/T Ladick stated that basically the two options are to either remove the trees or treat the trees. If we choose to treat the trees, it would be an on-going expense as the Emerald Ash Borer never really goes away therefore making it something that we would need to continue to do yearly, making it a yearly operational expense. If we chose to remove all the trees, we would not be spending any operational dollars. If we chose to do a little bit of each, which is the recommendation of the City Forester, we would need to budget accordingly.

City Forester Ernster also stated he contacted several other municipalities and included his findings in the packet. He found that after he put his numbers together, they were pretty much the same across the state.

Ald. Patton questioned how much we are looking at spending. C/T Ladick stated we would be looking at assigning \$570,000 of fund balance. Ald. Patton then questioned how many trees we are looking at. Mayor Wiza stated approximately 1,050.

Ald. Slowinski questioned that if this is based over 15 years, doesn't the treatment need to be done for the life of the tree. C/T Ladick replied yes. Ald. Slowinski then asked if that is the life expectancy of an ash tree. City Forester Ernster replied that once the Emerald Ash Borer is established, science has shown that the tree needs to be treated for at least 10 years to get them through the cycle. They are thinking the population will be low enough at that time that the treatment will not need to be that often and maybe there will be other options at that time to treat it. Trees will also die off and be taken out for construction process too.

Ald. Patton questioned when we would need to start treating the trees since the beetles have not been found in our traps yet. City Forester Ernster replied they have been treating and sampling them now. Our ash tree population when this all started was 14%, and it is already down to 12% and he is hoping to have that number down to 10% by the end of this year.

Ald. Patton questioned that the money is needed now so that if they hit tomorrow, we would be ready, but this money would not be spent until we start having a problem. City Forester Ernster stated he is looking at having an additional \$10,000 in addition to our contracted funds to take some other ash trees down and to maybe treat some of the trees up and down Main and Clark Street.

Ald. Slowinski asked what the Forester is recommending. City Forester Ernster stated he is recommending option #2. Ald. Slowinski questioned if allocating \$570,000 to a plan that we are looking at spending \$742,000 over a 15 year period is the way to go, or could we gradually set aside money each year to get to that \$742,000. City Forester Ernster stated that was how he thought this was being set up. C/T Ladick replied that yes, his understanding is that if we treated just under half the trees, they would be looking for \$10,000 for the 2016 operating budget and then \$23,000 for 2017 and going forward. City Forester Ernster stated that the \$23,000 would be for treating half the trees and the \$10,000 would be doing the trees up and down Main and Clark Street and downtown. The rest of the money not used for treatment would be used to remove the ash trees that are planted under power lines, etc.

Ald. Patton asked if we are treating the trees before the beetles show up. City Forester Ernster replied yes, which is why we need a plan in place. They recommend treating when the beetle is within 15 miles and he believes that it is important to start treating the trees in the key areas right away, even though the beetles are not quite within 15 miles of us.

Mayor Wiza commented that it is important to note that we do not want to be reactive on this. Just because we have had traps out and have not caught anything yet, is not an indicator as to when they will arrive. We want to be proactive, even though the traps haven't caught anything yet, they could be here soon and if the trees are already being treated, the survival rate is better.

Ald. Slowinski questioned if we were wasting money treating the trees before the beetles were here. City Forester Ernster replied there are several different products that can be used for this and one of them he was looking at is good for two years, so he would treat half the trees every other year, which is the more costly option. The one that he would like to use starting this Fall, gets applied to the soil but it is not as effective once there is a build-up of the insect. It is a preventive application and will also get rid of a lot of other native borers. He stated they are not planting any more ash trees. He said that with the recession in 2008, the nurseries were not planting that much, so their inventory was not that high and now with Emerald Ash Borer being

in Madison and Milwaukee, they are buying hundreds of trees at a time, so the demand is high and the trees are costing more money.

Motion made by Ald. Patton, seconded by Ald. Phillips to assign fund balance up to \$400,000, for the expense related to Emerald Ash Borer, consisting of treatment of 521 high profile trees and removing 725 trees and replanting.

Ald. Slowinski questioned if we need to assign a number to the motion. C/T Ladick stated he is comfortable assigning up to \$570,000, which would still be ok with our unassigned fund balance, but seeing as that we want to treat a lot of the trees, that should decrease the expense of removal and replacement so he believes \$400,000 would be a good start to assign because operating costs cannot come from fund balance.

Ald. Ryan questioned how effective the treatments are. City Forester Ernster replied all the municipalities he has spoken to say it has a 90+% effectiveness if the trees are less than 25% infested. One of the companies he has spoken to will inject the tree and if the tree dies from Emerald Ash Borer, they will pay for the removal and planting of a new tree.

Ald. Slowinski stated he trusts the Forester to use his best judgment since he is the expert.

Ald. McComb questioned the toxicity of these chemicals to people, animals and honey bees. City Forester Ernster replied that one of the chemicals that was being looked at was applied through holes that were drilled around the tree, so there would not be any exposure rate. Since the chemical is not a broadcast spray over the tree, it would not affect the flowers, therefore not a problem with honey bees. When the tree is injected, it will only affect things eating the inside of the tree or the leaves, which honey bees do not do. He stated he will read the label and get back to her.

Ayes: All

Nays: None

Motion carried.

ITEM #3 – FUNDING FOR NEW CODE ENFORCEMENT POSITION (INSPECTION).

C/T Ladick stated they are looking at adding a part-time Code Enforcement Officer to the Inspection Department. It would be similar to what we are doing with our Parking Enforcement Officers where it is a part-time position consisting of 20 hours per week, starting pay rate would be \$12.92. The thinking behind this position is that they could do some of the easier things that we do not need a full blown building inspector to do. The money would be available in the Community Development budget this year, however next year there would be some impact on the operating budget. The thought is that this position would have the ability to generate some extra revenue as well. The cost of the position next year would be about \$17,500.

Ald. Patton questioned how much revenue we collected last year for violations. C/T Ladick stated that line item would have been about \$45,000 but of course, that does include \$15,000 which is the expense to have someone shovel the snow, pick up the garbage, etc., so we are looking at a net of about \$30,000.

Ald. Patton questioned if health insurance and a vehicle were considered in the cost for this position and what powers will they have besides just saying the sidewalk needs to be shoveled. Can they go inside houses to inspect or make people paint the outside of their house? C/T Ladick stated health insurance was not included in the calculation due to part-timers not usually taking the insurance due to cost. The vehicle would be an additional expense. Mayor Wiza commented that they are not looking to grant them any additional powers, it is simply a code enforcement officer designed primarily to drive around and enforce the codes we have on the books already. He would like to see us do a better job of what we are already trying to enforce.

Director Ostrowski stated the person will mainly enforce the codes that we have for exterior violations, he would not feel comfortable having a code enforcement officer going into a building making building code decisions, that should be left to the building inspectors. That being said, if they do see a code violation on the outside that may warrant something further, they can call the building inspector.

Ald. Slowinski questioned if this person will be able to use the vehicle that is already within the department. Mayor Wiza stated that they just retired a fleet of squads and rather than auction them off, he asked that they be held. He realizes there would still be some costs for repairs, etc., but they would not be purchasing a new vehicle but rather repurposing an existing one.

Ald. Patton stated when reading some of the comments about it, hopefully this will help answer some of the Main Street Association questions, but he stated he gets calls and when the Inspection Department goes there, it is not garbage on the side of the garage, it is just their stuff, so it does not break the code. He also had someone call and say the old Fleet Farm building is faded and needs to be painted but we cannot force it to be painted because it is not dilapidated.

Mayor Wiza said we are looking at better enforcement of existing ordinances. Ald. Patton stated it would have been helpful to have a list of the violations that this person will be responsible for.

Director Ostrowski stated this person will be responsible for grass/weeds, snow removal, peeling paint, masonry, siding, broken windows, roofs that are peeling up, garbage in the yard, carts that have not been taken back and general outside exterior maintenance. These would not only be complaint basis, but also from patrolling the City and finding them. Ald. Patton stated it would have been nice to have a list of all the complaints that we have had, things that this person would be taking care of. He stated if we would have had a number of complaints, such as 10 complaints about broken windows, it would have told them if it is worth a position. Director Ostrowski replied that the monthly inspection report does list all of the violations that the building inspectors currently go to, which is about 750-1000 orders that they issue per year.

Ald. Kneebone stated there are currently three of those types of violations in her district and one is excessive trash in the backyard, which is a health hazard, and another that is high weeds. She stated that she knows the inspectors play a vital role in the community and she is impressed at how good of a job they have done and their professionalism but they have other things they need to do as well that may be a higher priority, so she is in favor of seeing someone whose main focus is those types of violations.

Ald. Slowinski stated that in all the years that he has been on Council, he has heard many complaints that we do not enforce our codes enough because our building inspectors are tied up with other things. He thinks that this position is going to be self sufficient, that they are going to collect extra revenues and we will not have to worry about taking money away from something else.

C/T Ladick stated he expects there to be some impact on the operational budget, but either way, it is not like adding a full-time position.

Ald. Phillips questioned if this could be done on a trial basis. Mayor Wiza pointed out that this is done every year in the budget process. You either budget money for it or you do not. His goal is that everyone complies and there is not a need for this person anymore. He does not see that happening but he is not looking at this being a financial benefit to the City. He is looking at it as being a better ability to enforce the rules that we already have on the books. We are not making new rules, just enforcing the ones we currently have.

Motion made by Ald. Phillips, seconded by Ald. Van Stippen, to approve the funding for the new Code Enforcement position in the Inspection Department.

Ald. Ryan stated this was one thing that he pushed for because we have a lot of unkept housing. He has done two walks, one with the Mayor and one with the Inspection Department and officials from UWSP. He said it was the number one thing he heard from people when he was campaigning, people are not happy with how the Inspection operates. He believes that part of it is that we just do not have the manpower to enforce current housing as well as all the new builds. He stated there are smaller communities that have two of these positions and do not have a college or student housing. He believes it is vital to the long-term longevity of the downtown, to clean up what is there. He has talked with people who have lived in areas for a long time and are ashamed of how things are continued to allow to look. It is house after house of the same violations and to have someone who can be focused on this will free up the people who need to do the new inspections, will expedite things and hopefully people will feel like they are being listened to and things are being done in a timely manner. He asks that Council vote yes for this.

Cindy Nebel, 1100 Phillips Street, President of the Old Main Neighborhood Association, spoke on behalf of the Association by supporting the creation of this position. She stated it is long overdue for these things to be addressed because it is the same houses year after year that have issues. The need for additional staff and dedication to current property maintenance is imperative; in fact the City has stated that the building inspectors main focus is the building permits and inspections generally for new developments, so it is no surprise that there is a lack of equal focus on City housing maintenance, which has adversely affected owner occupied property values. The people who have dedicated themselves to being part of Stevens Point and living and working in Stevens Point have not been equally treated in the importance of what they have as value and home ownership is a value for this town. We have over 50% of homes that are not owner occupied and we need to try to draw some of those people back in, not have them go to Plover. It's time for a change to be made and she is hoping for a more balanced equity of focus for enforcement on maintenance and occupancy.

Ayes: All

Nays: None

Motion carried.

ITEM #4 – COMPENSATION FOR ELECTIONS OFFICIALS (POLL WORKERS) AND APPOINTED CANVASS BOARD MEMBERS.

C/T Ladick stated this is a request from the City Clerk. The impact would be about \$1,000-\$3,000 per year to bump up poll worker wages. The range is because some years it is only local elections and some years have presidential elections, which would be the higher cost.

Clerk Moe stated we currently pay the poll workers \$9.50 per hour and the Chief Inspectors, who run each polling place, get paid \$10.50 per hour. Those rates were set 8 years ago, so it has been awhile since they have been adjusted. Recently, with election law changes, it is growing more difficult to get people to want to be poll workers as well as getting any current poll workers to want to serve as Chief Inspectors. He realizes they do not do this for the money, however what you get paid reflects on what people think of the jobs you do and these are very important positions and we should compensate them fairly for it.

Motion made by Ald. Van Stippen, seconded by Ald. Kneebone, to approve the ordinance amendment relating to the compensation for elections officials and appointed canvass board members.

Mary Ann Laszewski questioned what the new rates would be. Ald. Slowinski replied \$10.00 for poll workers and \$12.00 for the Chief Inspectors.

Ayes: Ald. Slowinski, Phillips, Patton, Van Stippen and Kneebone Nays: None
Ald. Phillips abstained. Motion carried.

ITEM #5 – ESTABLISHING A GRANT PROGRAM RELATED TO RESERVE CLASS B LIQUOR LICENSES.

C/T Ladick stated this is back again and an updated ordinance was included the packet.

Mayor Wiza stated that the Tavern League president is here because they are one small component of businesses that may be affected by this grant program. After explaining to people exactly what it was, making it clear that we were not adding new licenses, he recommends that we look at approving the grant proposal as presented. It is just a grant and does not talk about whether or not they will be approved for the liquor license, anyone today can come in and apply for the \$10,000 reserve license and then the Council would consider whether or not they would choose to grant that license. This is just a grant offering a reimbursement for improvements of up to \$9,500.

Ald. Kneebone stated she noticed the 51% of non-alcoholic sales was still in the ordinance and until she hears some other perspectives, she is not ready to vote on that particular aspect.

Ald. Slowinski stated he will echo what he said at Council last month, which is that he feels that by putting the 51% in there, we could possibly be losing out on some potential development. He just does not want to limit ourselves.

Jim Billings, 709 Sunset Avenue, President of Portage County Tavern League, stated they had some concerns when they initially heard of the proposal but since then they have met with the Mayor and they do not want to stifle any development. They do not have any contentions with the proposal with the way it is written. It was discussed at the Portage County Tavern League meeting and a vote was taken, so he is speaking not only as a member but as the President.

Ald. Oberstadt stated she is not sure if the 51% was received from data or how it was arrived at, but she stated she is a light eater and can go out to eat somewhere and have a salad and 2 glasses of wine, and even though it is a restaurant, she would be spending more on alcohol than food. She is hoping that whatever number is decided on, she would like that number chosen using real time statistics.

Ald. Slowinski questioned if the 51% is something they just have to say at the time of application or if this needs to be monitored or how exactly that works. Mayor Wiza replied that based on the way it is written, if someone pays the \$10,000 and gets an available liquor license and does \$20,000 worth of remodeling, any time after 3 months and up to one year that the business is in operation, they can come back and write up a proposal saying they spent \$20,000 in building improvements and submit it to the City with the grant application. Along with that, their accountant, or some other financial expert, needs to say that during that time, 51% of their sales were non-alcohol related. It would be a one-time deal for the grant, much like we do with other City grants.

C/T Ladick stated that the reason why that ordinance still has that in there is because it was discussed at Council and never really got resolved. Certainly, it can be changed, there was just not a clear consensus as to what was wanted. To answer the question as to where the 51% came from; we looked at other municipalities that also have this reserve license grant program and we basically plagiarized a lot of what they did because why reinvent the wheel. Some municipalities have had this in place for a long time so taking what they have already done is taking something that we know works.

Mayor Wiza questioned if any of the Alderpersons received any objection to the 51%. Ald. Van Stippen stated he got a call stating they wanted the 51% left in there.

Ald. Patton stated that was meant to keep someone from just opening a bar and getting the grant.

Ald. Slowinski stated that is what he stated at Council, we have some very nice bars in our community and he does not want to lose out on an opportunity that we may have and it will all come to Council in the end to make a final decision and give approval. He does not want to limit ourselves.

Ald. Kneebone agreed. She also asked if this would apply to new construction, or just the renovating an existing building. Mayor Wiza replied yes, new construction would qualify. She questioned if it needed to be spelled out.

Ald. Patton stated if you are going to build a restaurant/bar, \$9,500 is nothing, so if it is a chain, it is nothing to them.

Motion made by Ald. Phillips, seconded by Ald. Van Stippen, to approve the grant program as written.

Leah Czerwonka, 3280 Thompson Court, stated they have a restaurant in Plover and received the grant from them, without it they would not have been able to afford it. \$10,000 will make or break her budget. She stated they have 2 projects in the works and one is on the agenda tonight for a liquor license approval and the reason it is on tonight is because of the 51% so if the Council would have the opportunity to make an exception, if it was to come up that it was the right project for the City, it might solve the problem of having that clause in there.

Director Ostrowski stated he believes that is an important part and while we may not want another tavern to come in, there are some properties and establishments that may warrant a unique investment. In 2010 he put together a list, which is in the Public Protection packet for tonight, of general guidelines of items that we would look at when we are getting down to our final liquor licenses and how we weigh who gets the final license. We need to look at the Economic Development guidelines and health and safety issues, but it also talks about revitalization and unique projects. He suggested that maybe we should make this more of a development agreement, like we do with our current development agreements, where we look at the whole project.

Ayes: Ald. Phillips, Patton, Van Stippen and Kneebone Nays: Ald. Slowinski
Motion carried.

ITEM #6 – APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. Phillips, seconded by Ald. Kneebone, to approve the payment of claims in the amount of \$793,817.99.

Ayes: All Nays: None Motion carried.

Adjournment at 7:55 P.M.

Ash Tree Options

Cost estimates for managing the treatment/removal/replanting of 1,246 trees in Right-of-Way and parks

- Option 1** **\$658,900** (estimated over 5-7 years)
Remove all Ash trees located in Right-of-Way/parks and replanting.

- Option 2** **\$742,200** (over 15 years)
Treat 521 trees (high profile) and remove 725 trees and replanting.

- Option 3** **\$799,300** (over 15 years)
Treat 846 trees and remove 400 marginal trees in Right-of-Way/parks and replanting.