

**FINANCE COMMITTEE
SEPTEMBER 14, 2015 AT 6:47 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, Schrader, Lemke, Schatschneider; Ald. Doxtator, Ryan, Mrozek, Morrow; Interim Police Chief Skibba; Asst. Fire Chief Gemza; Human Resource Manager Jakusz; Deputy C/T Freeberg; Supt of Maint Laidlaw; Brandi Makuski; Nate Enwald; Larry Lee; Barb Jacob; Cathy Dugan; Steve Shepro; Jackson Case; Andrew Green

ITEM #1 – REVIEW OF PROPOSED 2016 CAPITAL BUDGET.

C/T Ladick gave the attached PowerPoint presentation, stating this is just a discussion and that action would be taken at the meeting in October.

Ald. Phillips commented that he worked with the last Mayor on garbage collection. There is \$500,000 for two new garbage trucks and he is sure that the next few years will include buying two more for a total of \$1,000,000. It was determined that the City could save \$130,000 a year in wages if we privatized the garbage, which does not include buying the garbage trucks. He stated that 71% of municipalities in Wisconsin privatize their garbage and questioned why ours should be different when we have to pay this much money. In ten years, \$130,000 would be \$1.3 million, which he would like to move that money into the Road Service Improvements since we are behind on our street sealings and coatings. He would recommend moving towards privatizing garbage and asked everyone else to think about.

C/T Ladick stated that during the October Finance Meeting, any recommendations for changes will be heard and the recommendation at Finance will go to Council for final approval. At the end of October we have a special meeting to present the operating budget, which will be approved in November.

ITEM #2 – EXERCISING THE REPURCHASE OPTION DUE TO FAILURE TO BUILD BY THE PROPERTY OWNER AT 4908 WHITETAIL DRIVE (PARCEL ID 2408-15-4004-27).

C/T Ladick stated there is a requirement, when purchasing a lot in Whitetail Subdivision, that you have to break ground within one year and complete construction within two years. There is someone who purchased a lot in 2008 and has still not broke ground, nor does he have any plans to do so, so at this point we would like to exercise our option to repurchase that lot and sell it to someone who does want to build. We have sold 8 lots this year and only have 1 left, so he is confident that we will be able to resell this quickly.

Motion made by Ald. Slowinski, seconded by Ald. Phillips, to exercise the repurchase option for 4908 Whitetail Drive.

Ayes: All

Nays: None

Motion carried.

ITEM #3 – APPROVAL OF PROPERTY MANAGEMENT AGREEMENT WITH CANDLEWOOD PROPERTY MANAGEMENT, LLC FOR OPERATING AND MANAGING EDGEWATER MANOR.

C/T Ladick stated this agreement was formerly between the Redevelopment Authority and Candlewood but with Edgewater now being transferred from the Redevelopment Authority to the City of Stevens Point, we need to get the name on this agreement changed to reflect the City of Stevens Point.

Ald. Phillips clarified that nothing else is being changed except the name. C/T Ladick responded that we are not changing the terms, it is name only.

Director Ostrowski stated none of the terms will change, but he did state that the agreement does automatically renew at the end of the year if we do not provide them with a 30 day notice. Should we not want to renew, we would need to give them notice prior to December 1. If the City does decide to dispose or sell the property, there is a clause in there that they would get paid an extra month of commission plus a certain percentage of any leases they signed within the prior six months.

Cathy Dugan, 615 Somers, stated that she thinks Candlewood is doing a good job, the residents seem to like them, and would like to see them be able to continue their work.

Motion made by Ald. Patton, seconded by Ald. Kneebone, to approve the property management agreement with Candlewood Property Management, LLC for operating and managing Edgewater Manor.

Ayes: All Nays: None Motion carried.

ITEM #4 – APPROVAL OF CONTRACT FOR ASSESSMENT SERVICES WITH FORWARD APPRAISAL LLC.

C/T Ladick stated this is a contract renewal with Steve Shepro of Forward Appraisal LLC, which is our contracted Assessor. The terms have stayed the same and the prices have also stayed the same, which is \$50,000 per year.

Motion made by Ald. Phillips, seconded by Ald. Patton, to approve the contract for assessment services with Forward Appraisal LLC.

Ayes: All Nays: None Motion carried.

ITEM #5 – REQUEST FROM DBGREEN LLC, FOR FAÇADE IMPROVEMENT GRANT FUNDS IN THE AMOUNT OF \$119,445.00.

C/T Ladick stated this is a request from the Façade Improvement Grant Program. The program originally started with \$300,000, which was transferred from the General Fund. It was originally planned to be a revolving loan fund and was later changed to be a straight grant fund. This request is for a fairly large project involving a large building and typically the limit has been \$30,000 per building; however the size of the building constitutes 3 buildings, so staff is willing to make an exception this time. Staff recommends a maximum of \$90,000, basically giving him credit for 3 buildings, with the requirement that 3 bids be obtained. If approved, this will pretty much take care of the funds left in that program, leaving a small portion. This has been passed at Historic Preservation. One of the items that was discussed was how many bids we want them to get; staff recommendation was for 3 bids. We feel that because these are public dollars, there is that need for accountability; however Historic did approve it with only 2 bids.

Ald. Patton questioned how much money was left. Director Ostrowski replied there is about \$120,000-\$130,000 uncommitted at this time so if this does go forward with the \$90,000, there would be approximately \$30,000.

Ald. Patton questioned what the plan was after these funds are gone. C/T Ladick stated with other approved projects on the horizon, we would need to build up our fund balance before we would have more money to put back into this. Ald. Patton questioned if that would hurt little projects. Director Ostrowski stated the program has been extremely successful and there have been some additional requests that haven't formally been submitted yet, but he does not think they will hit the \$30,000 mark.

Ald. Slowinski questioned if there was any other funds that we could use to offset the cost, so that we are not pulling 100% from this fund. Director Ostrowski replied that this program has been established for 3 years so the property owners have had the opportunity to come forward to request funds.

Motion made by Ald. Phillips, seconded by Ald. Patton, to approve the Façade Improvement Grant for DBGreen in the amount of \$90,000 with the requirement that they have at least 3 bids.

Andrew Green, owner of DBGreen, stated this project is extremely important to Main Street. When it went to Historic Preservation, the recommendation from staff was to go for 3 bids. After that meeting, it was brought back to 2 bids. The concern with 3 bids, or even 2 bids, is there are so many unknowns in these old historic buildings that it is difficult to get bids from 3 contractors that all match. He stated that 3 bids will be extremely difficult to get, especially with this project being a total remodel by removing the façade, without knowing what is underneath it. They have to go source some columns that are exact reproductions from 1908, when columns were made from sandstone, which is difficult and could bring a wide variety of bids with it. He stated that as an owner, it will be extremely difficult for him to go out and get 3 bids that are identical. There is a school of thought that he could do a bid as a design/build, which basically is a time and material project whereas whatever you spend comes to a bottom line total and the overhead and profit of the contractor is shown. If the contractor gets multiple contractors for each line item, that would be equivalent to getting 2 or 3 bids. He stated that for example, window glazing you can get 2 to 3 bids but the other unknowns, you cannot.

Mayor Wiza questioned Mr. Green if he was asking the Committee to reconsider the motion and reconsider taking it down to 2 bids. Andrew Green stated yes but he would like the designer to explain why a design/build type of scenario would also work. He stated he spoke with Director Ostrowski today and he understands why, from the City's standpoint, they want to see multiple bids, but from a practical standpoint, it is difficult to do on something that is historic.

Andrew Green questioned what the process would be if he received 2 bids that came in at \$100,000 and 1 that came in at \$60,000. He believes he would have to take the \$60,000, knowing there is a discrepancy somewhere, so he would like to know what the process would be for working through that.

Ald. Patton questioned if the problem was that he was on a time restriction or that it would be hard on a contractor to make a bid. Andrew Green replied that it is both as he cannot work on the total remodel of the inside until the façade is completed.

Ald. Patton stated he would like to retract his second to the motion unless Ald. Phillips would like to change his motion to allow 2 bids. Ald. Phillips stated he will not change it. He stated there is competitiveness out there and if it was him, he would get 3 bids and sit down with them and tell them that he is not going to go with the highest or the lowest, he would go with the middle bid because it would make the contractors get to the honest amount to do that project.

Ald. Mrozek agreed with Ald. Phillips with regard to obtaining 3 bids. She stated that it sounds like there is a preferred contractor that they really want to go with, so in fairness the City needs to go with 3 bids and from there they can make sound, reasonable decisions.

Cathy Dugan congratulated Mr. Green for the proposal as it is an important building downtown. It has been vacant for a long time and the people who owned it before neglected it for some time. She sees this as a wonderful project but encouraged the interaction with restoration specialists, whether from the area or even the Milwaukee or Madison area. She likes the project, she just wants to see more feedback or input and agrees with Ald. Mrozek that this is obviously a preferred contractor situation.

Jackson Case, 3028 Stanley Street, stated it is wonderful that the City is looking at assisting with the funds. He stated that this building that Mr. Green is trying to rejuvenate is a building that a lot of other people have already looked at and no one else has stayed around long enough to write a check to buy the building. He explained the relationship that he and Mr. Green have is as a team, working together to make the impossible happen. He stated this process is not for a preferred contractor at all, but rather working together, as a team to keep the prices as low as possible. He stated there are two ways they could have started this process. Mr. Green could have said that we need to bid this out to multiple contractors so the first thing we need is a set of documents so thorough that he could get an RFP going for the project. That is an extremely costly thing to do and there is not a whole lot of dollars to spend needlessly. Instead, he hired an architect that can help him through the process of looking at it and getting multiple bids from multiple material suppliers and multiple sub-contractors; therefore creating a larger team of people to do the project in the most efficient way. He said they are trying to keep this project cost effective and trying to get it done so that he can create this beautiful dream downtown in a way that he can afford to do it. It is called design/build and it is not an open checkbook process.

Ald. Van Stippen stated he would be abstaining from the vote due to owning some buildings downtown. He did state that if he was going to vote, he would vote against this motion and require only 2 bids as that is what Historic recommended and because that process is very difficult to adhere to when dealing with historic buildings and finding contractors that can do that sort of work. He applauds Mr. Green for taking on the project and appreciates all his hard work.

Ald. Doxtator stated since it made it through Historic Preservation/Design Review for 2 bids, he would recommend approving a 2 bid process.

Director Ostrowski stated that Jackson is correct in terms of other people trying to do this as his office has been contacted several times regarding this building and yet, it has not been purchased. He stated he would be fine with 2 bids. Another thing that would come into play is that it is a \$238,000 project, making it a \$120,000 request, and the grant would be for \$90,000 so far less than the 50% that would be given, so it will likely come in less with that. Also, any project that is done does have to be submitted, so if there are any costs that are cheaper and they do not find any issues behind the façade, we only pay 50% of the costs, we do not exceed that. They have to submit receipts as to what they found so if they did tuck pointing for a certain percentage of the building, they would have to say what they found through that process. He thinks it is a great project, a huge transformation, and something that is terribly needed for that building. It probably would have sat vacant for a long time due to the size of the building and the lack of parking.

Ald. Slowinski also stated he thinks it is a great opportunity for this building and he does not want to create any issues that could stop this project from moving forward so he would be in support of 2 bids.

Ald. Patton retracted his second on the motion.

Motion died due to no second.

Motion made by Ald. Kneebone, seconded by Ald. Slowinski, to approve the request from DBGreen LLC for Façade Improvement Grant for up to \$90,000, with the requirement of having at least 2 bids.

Director Ostrowski clarified that the owner does not receive any funds until the project is completed. All of the exterior portion of this project must be completed and signed off before

they receive any funds. After inspection of the property, if it is done to Historic Preservation's recommendation, we would get receipts from the owner and we would reimburse up to \$90,000. If they would turn in receipts for \$160,000, we would only reimburse \$80,000, it is 50% of what is spent, up to \$90,000.

Ald. Patton questioned if Director Ostrowski is now ok with just 2 bids because his original recommendation was for 3. Director Ostrowski replied yes, because Historic changed it to 2 and he does see a value with 2 because of the challenges.

Ald. Phillips stated that it is insanity to claim that the project may not go through because of 1 more bid. There are people out there bidding projects every day, they are looking for work.

Ald. Slowinski commented that he is listening to the professionals and that is what he is hearing, and not from just one person, but from many.

Ald. Kneebone stated she was at the Historic Preservation meeting when the Committee decided to go with 2 bids and there was a lot of discussion.

Andrew Green stated he is concerned over having to take the lowest bid. He questioned if that would include change orders because if he was a bidder, he would be smart enough to win the bid and then continue to add change orders and bring it up. The other thing he would like to ask is if the bid could be the overhead and profit, which is a summary of all your costs and at the bottom is overhead and profit.

Barb Jacob, 1616 Depot Street, stated she owns a building that is over 100 years old and it is hard to find someone to do bids for façade. She did hers a few years ago, without funds from the City. She believes 2 bids is fair and feels that they would not have to take the lowest bid.

Ald. Slowinski asked Director Ostrowski to come forward and address the change order issues. Director Ostrowski replied that typically what happens during a project is that the Historic Preservation Commission will grant up to a certain dollar amount and they will have each individual line item identified. A lot of the projects that have been done, have been done with multiple vendors, maybe not a general contractor, so this is a different process due to the scope of it. Historic Preservation has been willing to look at other issues that have come up in other projects so if there are issues, they would be willing to look at it.

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

ITEM #6 – APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. Patton, seconded by Ald. Kneebone, to approve the payment of claims in the amount of \$5,542,405.56.

Ayes: All Nays: None Motion carried.

Adjournment at 8:05 P.M.

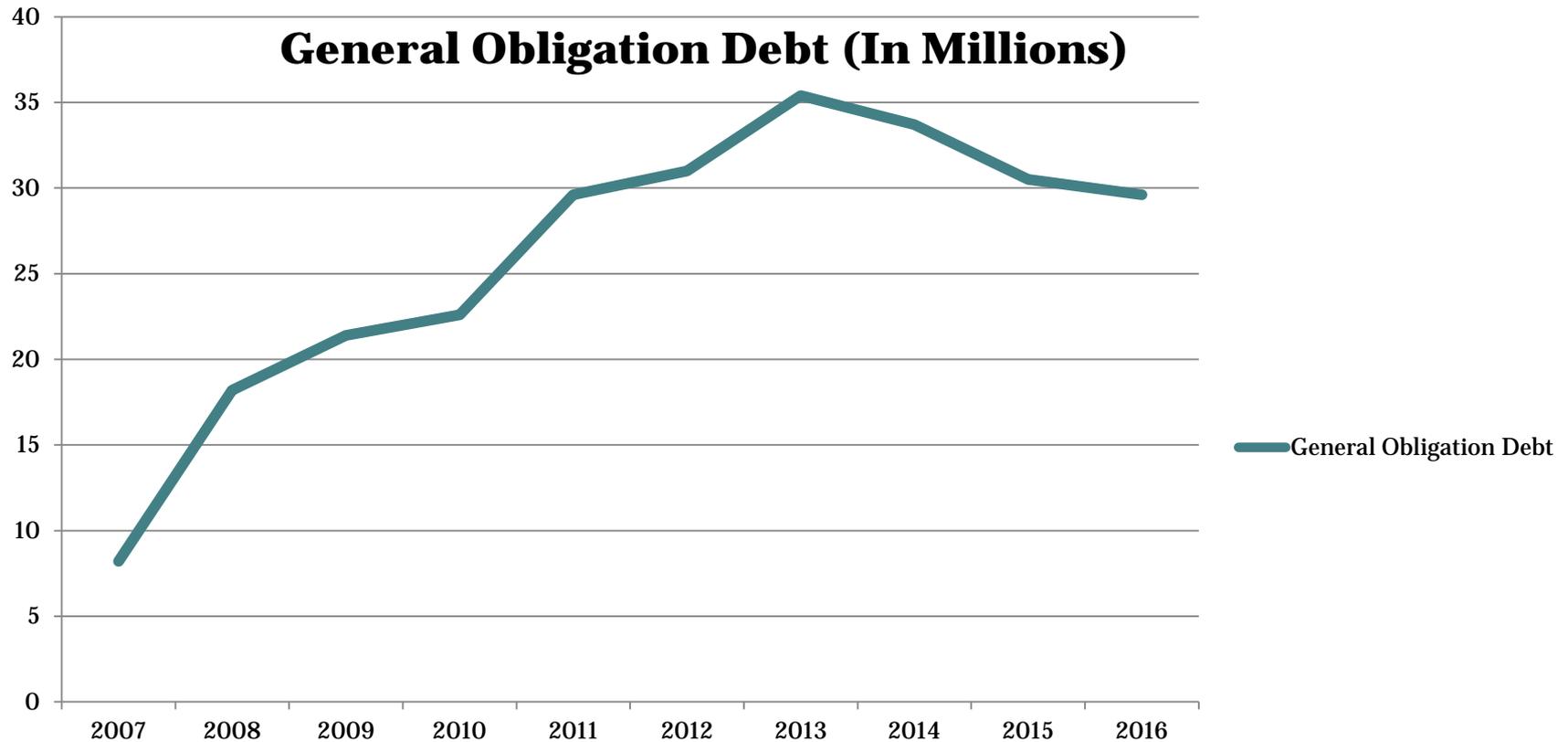
2016 Capital Budget Presentation



Capital Budget Highlights

- **Total Capital Budget: \$3,489,900**
 - **Borrowing: \$2,200,000**
 - **Fund Balance: \$750,000**
 - **Use of Reimbursements/Unspent: \$539,900**
- **Use of \$750,000 of Fund Balance, same as in 2015 budget.**
- **Continued Regeneration of Debt Capacity in preparation for very large projects. (Grade Separation, Bus. 51)**
- **Scheduled 2016 Principal Repayment Progress**
 - **\$3,162,564 Non-TIF Principal Repayment**
 - **\$2,200,000 New Non-TIF Borrowing**
 - **\$962,564 Non-TIF Debt Reduction**

Projected Impact on G.O. Debt



Dept of Public Works-Streets Projects

- **\$1,000,000: Coye and Heffron Project**
 - **\$1,393,981: Total Cost, with \$393,981 coming from Industrial Park Funds**
- **\$600,000: 6th Street Complete Reconstruction**
 - **Project Driven by Need to Replace Utilities**
- **\$300,000: Road Surface Improvements (ie. Chip Seal, Resurface)**

Dept of Public Works- Engineering

- \$45,000: Garage for Pickups
- \$40,000: Traffic Signal-Left Turn Arrows, Division and Northpoint
- \$30,000: Franklin and Division Pedestrian Crossing
- \$17,000: Radio Telemetry Project
- \$15,000: GPS Survey Equipment: Software Updates
- \$15,000: Control Cabinet Replacement
- \$5,000: Traffic Signal Controller
- \$5,000: Camera Loop Detection

Dept of Public Works-Misc

- **\$26,000: Garbage and Recycling Carts**
- **\$13,000: Main Street Landscaping Improvements**
- **\$5,000: Arrow Board**

Fleet Vehicles

- \$500,000: Garbage Trucks (2)
- \$150,000: Street Sweeper (1)
 - \$75,000 to be paid by Stormwater Utility
- \$44,000: PD Sprinter Van
- \$34,000: PD Tahoe

Police Department

- **\$75,000: Computer Equipment-Toughbooks and Docking Stations (Used in Squads)**
- **\$6,500: Office Equipment**
- **\$6,500: Replace Furniture**

Fire Department

- **\$14,000: Turnout Gear**
- **\$12,500: Nozzles**
- **\$11,500: Gear Washer**
- **\$10,000: Fire Equipment**
- **\$8,000: Hose Roller**

Fire Department-Stations

- **\$29,500: Window Replacement**
- **\$7,600: Exterior Lights**
- **\$6,200: Window Sills**
- **\$5,300: Humidifier**

Parks Department

- **\$40,000: Reroof Building (Pool)**
- **\$33,000: Parking Lot (Mead)**
- **\$18,000: Tuck Pointing (Pfiffner)**
- **\$16,000: Refurbish Concrete Floors (Pool-Shower Room)**
- **\$15,000: Parking Lot Paving (Iverson All Purpose Lodge)**
- **\$8,500: Refurbish Concrete Floors (Pool-Bathhouse)**
- **\$7,000: Replace Restroom Stalls/Dividers (Pool)**
- **\$6,000: GIS Street Tree Inventory**
- **\$5,000: Chemical System (Pool)**
- **\$3,000: Resurface 3 Basketball Courts (Various Locations)**
- **\$2,500: Tennis Courts Resurface (Mead)**

Parks-Room Tax

- **\$7,500: Refurbish Shower Room Floors (Willett)**
- **\$7,000: Blacktop West Walkway to Archway (Willett)**
- **\$7,000: Re-roof Building (Riverfront Arts Center)**
- **\$3,500: Blacktop East Entrance Pad (Willett)**

Community Development, Assessor, City Hall, IT

- **\$57,600: Assessor-Revaluation**
- **\$50,000: City Wide Building Maintenance**
- **\$38,000: Document Management Software**
- **\$15,000: Switches for Phone/Data
Infrastructure**
- **\$4,000: Community Development-Office
Equipment and Tablets**

Transit (Listed in Local Share, 80% Federal Funding for Capital)

- **\$139,000: Buses (2)**
- **\$8,500: Pickup Truck**
- **\$6,000: Support Vehicle**
- **\$4,000: Lawn Mower/Tractor**
- **\$2,200: ADA Automatic Door Opener System**

Airport

- **\$40,000: Fuel Farm Inspection, Painting, and Maintenance**
- **\$5,000: Pavement Maintenance**