

**FINANCE COMMITTEE
MARCH 14, 2016 AT 6:09 P.M.
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Ald. Slowinski, Phillips, Patton, Kneebone and Johnson

ALSO

PRESENT: Mayor Wiza; C/T Ladick; City Attorney Beveridge; Clerk Moe; Directors Ostrowski, Schrader, Lemke; Ald. Doxtator, Morrow, Ryan, Mrozek, McComb, Ryan; Police Chief Skibba; Fire Chief Finn; Human Resource Manager Jakusz; Supt of Streets Laidlaw; Deputy C/T Freeberg; Steven Shepro; Nate Enwald; Ernie Quesada; Steve Plaski; Dale Schulfer; Dave Worzalla; David Shorr

ITEM #1 – REFINANCING OF 2008B GENERAL OBLIGATION BOND.

C/T Ladick stated this bond was issued as part of the Developers Agreement with Travel Guard for their initial construction. The callable date is coming up on May 1, 2016, so we now have the option to look at some refinancing opportunities. Our financial advisors have looked at it and determined that we could save an estimated \$366,790 (over the course of the agreement) by refinancing. He stated either Travel Guard or the City would get the benefit, depending on whether Travel Guard hits their employment numbers.

Ald. Slowinski questioned when Travel Guard has to supply their numbers and where they are at with them. C/T Ladick replied that per the agreement, they have to maintain the employment rate consistently for 12 months. The most recent information they turned in is that they are above 600, which is their current requirement, but the requirement does escalate to 700 starting in 2019. Providing they keep their numbers within the agreement, they keep the excess increment of about \$30,000 per year, if they do not, we keep it.

Motion made by Ald. Phillips, seconded by Ald. Kneebone, to approve the refinancing of the 2008B General Obligation Bond.

Ayes: All Nays: None Motion carried.

ITEM #2 – CONSIDERATION OF CLAIMS FOR UNLAWFUL OR ERRONEOUS PERSONAL PROPERTY TAXES.

A. JAMES BUCK, 2801 STANLEY STREET. B. WOLTER INVESTMENT CO LLC, 2625 RICE STREET. C. SERAMUR FAMILY LIMITED PARTERSHIP, 3308 DIXON STREET.

C/T Ladick stated personal property taxes are unique because the owners are the ones that actually fill out the form and state what they have. These claims are mistakes that people have made, such as miscommunications and certain assets that were recorded twice.

Motion made by Ald. Phillips, seconded by Ald. Patton, to approve the claims for unlawful or erroneous personal property taxes.

Ayes: All Nays: None Motion carried.

ITEM #3 – FUNDING FOR COMPLETION OF COMPREHENSIVE PLAN.

Director Ostrowski stated for the past year they have been working on the statutory updates to the comprehensive plan, which needs to be done every 10 years, our last one was adopted in 2006. They thought they were going to, again, have the assistance of the Portage County Planning and Zoning, but since they have had some major staff changes, he is assuming we will not. He is requesting to hire a consultant to work on some of the background drafting of the physical plan, which is the stuff that takes a lot of time. In speaking to some of the consultants, he estimated that it could cost upwards of about \$50,000.

Ald. Phillips questioned how much we spent the last time this was done. Director Ostrowski stated that last time, in 2006, the plan was pretty much done by the County and he is not sure if there was a dollar figure that was paid to them.

Ald. Patton commented that he thought the County received some money to do the plan the last time. Director Ostrowski stated they did, they received a state grant. Ald. Johnson stated there was a pool of money that was split amongst the counties, but it was not an adequate amount to cover the cost since there was a lot of work involved being it was the first comprehensive plan being done.

Ald. Slowinski stated the money is being requested out of contingency and questioned what the balance is in that account. C/T Ladick stated we have not spent any money out of contingency for 2016 and \$100,000 is budgeted into that account yearly.

Ald. Johnson questioned what contingency has historically been used for and could we be potentially cutting ourselves short. C/T Ladick stated it has been used for things that have been unforeseen after the budget process has been completed. It has been used for studies, etc., not necessarily emergency situations, as we also put \$50,000 in building maintenance emergencies for items like water heaters and boilers.

Motion made by Ald. Kneebone, seconded by Ald. Patton, to approve funding from contingency for the completion of the comprehensive plan.

Ayes: All Nays: None Motion carried.

ITEM # 4 – APPLICATION FOR DESIGNATION AS A “CONNECT COMMUNITY”.

Director Ostrowski stated that prior to 2012, we were a designated a Main Street Community, which was 1 of 35 in the state. However, the City decided to stop funding for the Executive Director position and refocus some of those funds to a new position in the Community Development Office among other things. At that point, we were no longer designated a Main Street Community because the organization could not afford the funding for an Executive Director on their own, which is a requirement for that program. Since then WEDC has come out with a new program called “Connect Communities”, which is a light version of the Main Street Communities and sometimes used as a stepping stone to get to that status. This will give us some additional training opportunities, potential insight to some financial assistance that may be coming down with WEDC and is a lot less expensive as it is \$200 annually versus the \$30,000 we were spending on the Main Street program. We are looking for approval to move forward with the application, which is due in May, and also the \$200 fee, which he feels he can support in his own department budget.

Motion made by Ald. Slowinski, seconded by Ald. Johnson, to approve moving forward with the application for designation as a “Connect Community”, and approve the \$200 annual fee.

Ald. Slowinski stated he feels the benefits from the program outweigh the costs.

Ayes: All Nays: None Motion carried.

ITEM #5 – ESTABLISHING A PROCESS FOR REVIEWING DEFERRED SPECIAL ASSESSMENTS.

C/T Ladick explained that we have 43 deferred special assessments with issues on the books, totaling \$168,000 that were placed on properties up to 20 years ago. These assessments are set up when the City is extending utilities to properties that are not yet annexed in the City with the intent to bill them either when they enter the City or when they actually hook up to the utility. Unfortunately, a lot of those deferred assessments were placed on the parcel number that the property had at that time, which would be a County parcel. When the properties annex into the City, often times they are split, which means two new parcel numbers are created and the original one is deleted. Then, when they were annexed in the City, they did not show in the database as having a deferred special assessment because it was under the old parcel number. He stated that what he would like to do is sit down and

go through all of them and then decisions would need to be made as to whether or not we want to try to collect on them or write them off. He believes the process is involved enough that it is not appropriate to do it in our nightly committee meetings because it is going to take some time. He suggested that we either have a Special Finance Committee address the issue or we could also look at forming an ad-hoc committee. He also suggested, since there are a lot of departments involved in this process, that we could have the meeting during regular working hours so that we have the staff available.

Ald. Slowinski agreed with C/T Ladick that this is not something we can tackle in this setting and he supports a Special Finance meeting rather than an ad-hoc committee, he would like all the alderpersons on the Finance Committee involved with the process since they are the ones that represent the taxpayers. Ald. Johnson agrees that it should be the Finance Committee and would like to see consistency as it relates to all of them. C/T Ladick agreed that consistency is important and would like to see the process starting with reviewing all of them first, without making any decisions, make some ground rules and then go back and start making decisions.

Ald. Johnson questioned if we had made contact with these people yet, C/T Ladick replied that we have not.

Ald. Phillips questioned if it was the realtors responsibility to check into this. C/T Ladick replied the answer it is not that simple as currently the process is that a title company will send the Clerk's Office a request to check for any special charges and assessments. They pay \$15 for the search and will receive a special assessment letter from the Clerk's Office stating whether or not there are special assessments. The properties that have been sold have probably gone through this process so we would need to find out what information was given and whether or not the parcel number had changed from the original deferred assessment. If they were told that there was not any special assessments we may not be able to do anything about collecting it because they paid \$15 and had a letter stating there was nothing.

C/T Ladick stated in the future, to make this process easier, one of the procedures Director Ostrowski is working on is to see if we can get some color coding mapping so that even if the parcel splits, we can still see that this area has a special assessment attached to it.

Ald. Slowinski questioned how we want to proceed. C/T Ladick replied he would like members of the Finance Committee to let him know their availability and he would go from there to try to find a time that works for everyone.

ITEM #6 – 4TH QUARTER ROOM TAX REPORT.

C/T Ladick reminded everyone that room tax has changed as far as how we are using it. There is still some money available that will most likely be spent on the Willett Arena.

Ald. Phillips questioned if the Arts Center was now in the positive, C/T Ladick replied they are in the positive by \$29,000.

Motion made by Ald. Patton, seconded by Ald. Phillips, to approve the 4th quarter room tax report and place it on file.

Ald. Patton questioned the new law changes as to how the money is divvied up and whether or not we are prepared for the change. C/T Ladick stated the new law takes effect January 1, 2017 and is something that we are on top of. We will need to form a Tourism Commission, which will be appointed by the Mayor.

Ald. Patton questioned if we have looked at the legality of that to make sure we are doing things correctly in case other entities challenge us. Mayor Wiza replied yes, we have been getting legal opinions and are pretty solid.

Ayes: All

Nays: None

Motion carried.

ITEM #7 – APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. Kneebone, seconded by Ald. Patton, to approve the payment of claims in the amount of \$7,114,301.99.

Ayes: All

Nays: None

Motion carried.

Adjournment at 6:35 P.M.