

**FINANCE COMMITTEE
JUNE 13, 2016 AT 9:55 P.M.
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Ald. Phillips, Doxtator, Kneebone, Shorr and Dugan

ALSO

PRESENT: Mayor Wiza; C/T Ladick; City Attorney Beveridge; Clerk Moe; Directors Ostrowski, Schrader, Lemke, Schatschneider; Ald. Slowinski, Morrow, Ryan, McComb, Oberstadt, Johnson; Police Chief Skibba; Fire Chief Finn; Deputy C/T Freeberg; Bob Fisch; Lori Giese; Mary Meyer; Greg Diemer; Marty Loy; Andrea Olson; Greg Wright

ITEM #1 – AGREEMENT FOR PROFESSIONAL SERVICES RELATED TO A COMPREHENSIVE PLAN UPDATE.

C/T Ladick stated this was previously approved for \$50,000 to come from contingency.

Director Ostrowski stated the contract proposal that we received from SEH was the lone submittal and their contract cost was \$49,540. He stated they have worked with them in the past and do feel comfortable with them. There was some minor changes made to the contract, which they were agreeable to.

Motion made from Ald. Doxtator, seconded by Ald. Shorr, to approve the agreement for professional services related to the comprehensive plan update in the amount of \$49,540.

Ayes: All Nays: None Motion carried.

ITEM #2 – OPTIONS FOR FILLING THE ORDINANCE CONTROL OFFICER POSITION.

Director Ostrowski stated if we are going to have specific qualifications for this position, as mentioned earlier in the Personnel Committee meeting, we will need to adjust the pay rate accordingly.

C/T Ladick questioned if any of the other inspectors have college degrees or if a degree is required. Director Ostrowski stated they would be required to have the building inspector certification. C/T Ladick then added that it is maybe more of a technical knowledge that these positions need.

Ald. Kneebone agreed with Director Ostrowski and would like to leave it up to his expertise as to what he would want the individual to have.

Ald. Ostrowski questioned if a grade of pay had been determined and C/T Ladick replied that the \$65,000 estimate was using grade G, but he stated he does not believe a grade had been settled on yet.

C/T Ladick stated the position would cost about \$65,000 and of that, about \$31,000 would be offset by special charges. Since revenues go up and down, we try to be conservative. He stated we would never require a certain amount be made.

Director Ostrowski stated that he would be comfortable with starting with that amount and if we have any problems filling the position, he would come back to the committee.

Ald. Phillips questioned if this position will cause more work for others, such as phone calls, etc. Director Ostrowski replied they do get a lot of calls regarding code enforcement, as do other offices, but the current inspectors are doing code enforcement as well as building inspection, so having another full-time employee will help with that.

C/T Ladick stated he would recommend that if we move forward with this, he would like it to be contingent on resources being available for this person to connect with. He stated that the RDA will be meeting later this month and they will be determining what to do with the Housing Trust Funds. Right

now we are seeing the money grow but have not been making any new loans. He would like to see what their strategic direction is going to be with that money.

Motion made by Ald. Shorr, seconded by Ald. Doxtator, to approve filling the Ordinance Control Officer as a full-time position.

Ayes: All Nays: None Motion carried.

ITEM #3 – ORDINANCE AMENDMENT – CREATION OF A TOURISM COMMISSION (SECT 3.54 OF THE RMC).

C/T Ladick stated this is related to a statutory change whereas up to this point the distribution of room tax dollars has been under the City Council, even the portion that is used for tourism/promotion and development. Due to a legal change, that portion can no longer be under the control of our elected officials, they now require a creation of a Tourism Commission. This commission would be formed by the Mayor and he would appoint 5 members, one of them would have to be from the hotel or lodging industry and that commission would make the decisions on the 70% of room tax dollars that are designated for tourism promotion and development.

Mayor Wiza stated that the committee is mandated to have someone from the hotel industry, who is a City resident. The rest of the committee will be made up of a citizen advocate, a sports advocate, chair of Parks Commission and/or their appointee, and a representative from UWSP. He stated the goal would be to change very little as there are some very important things that come out of room tax that this community would be at a loss for if the funding went away, such as Riverfront Rendezvous.

City Attorney Beveridge stated the ordinance is simple, the duties and obligations are all spelled out in the statute, so reference was made to that. The only question he had is to whether or not you want it set up to require members to be City residents. It was written that way, but if you want it changed, he could do some research to make sure it is ok to write it that way.

C/T Ladick stated he will get the ordinance emailed out immediately tomorrow morning.

Ald. Phillips questioned if we will be approving what the committee does, Mayor Wiza replied no, everything is being taken away from the local governing body.

Ald. Doxtator questioned how much money we are talking about, C/T Ladick replied we collect about \$750,000 and 70% of that goes to tourism promotion and development, so over \$500,000. Currently 2/3rds of that goes to supporting the Convention and Visitors Bureau and 1/3 goes to the Willett Arena, Riverfront Rendezvous, Riverfront Arts Center, etc.

Motion made by Ald. Doxtator, seconded by Ald. Dugan, to approve the amendment ordinance for the creation of a tourism commission, section 3.54 of the RMC.

Ayes: All Nays: None Motion carried.

ITEM #4 – FUNDING FOR THE CENTER FOR ENTREPRENEURSHIP AND CREATIVITY.

C/T Ladick stated that a 3 year commitment of \$10,000 per year was approved last year. They were given \$10,000 last year and since then there have been a few changes, so he wanted to bring Greg back to give an update.

Greg Wright, 1217 Franklin Street, representing Create Portage County, currently at 945 Main Street but moving to 1039 Ellis Street, which will be the address for the new IDEA center, gave an update on where things are and what has happened in the past year.

Ald. Doxtator stated the University Entrepreneur program for small business models was a very good program and asked if they worked with them at all. Mr. Wright stated that they are familiar with the

program and have worked with them and are currently working on creating a space for them to support their program.

Ald. Doxtator questioned what the \$10,000 they were given last year went for. Mr. Wright stated that the bulk of the money they spent last year went to a \$30,000 fee for an architect to do concept designs for the plan they were looking at. Some money went to staff costs that allowed them to plan, some travel for them to do research, they spent some money on the Fox in terms of paying for taxes and insurance fees, and programming. He offered to provide the budget from last year, if desired.

Mayor Wiza stated he realizes it seems slow but this idea is not something new and he does not want to be left behind. The County has reaffirmed their commitment and he said it is important that we affirm our commitment so that we give it its best chance for success.

Ald. Phillips stated that last year this was sold on the idea that there was supposed to be equipment bought, such as a 3D printer, and questioned if any of that has been bought yet. Mr. Wright replied when this was proposed it was a 3 year plan to do research into a facility to invest in technology in the second year and make sure we had the operations covered by the third year. The first year was a year of design, research and feasibility to figure out the best place for this to figure out how it could work. They are now in the second year moving towards those specific questions as to what sort of technology we should invest in. He stated they have not yet purchased a 3D printer but that should happen within the next few months when they move into their new location. He stated he appreciates that people want this to move faster, but he stated they also want to make sure they are doing it correctly.

Motion made by Ald. Kneebone, seconded by Ald. Shorr, to approve this year's payment of \$10,000 to fund the Center for Entrepreneurship and Creativity.

Ayes: Ald. Doxtator, Kneebone, Shorr, and Dugan Nays: Ald. Phillips Motion carried.

ITEM #5 – RENEWAL OF CABLE TV CONTRACT FOR EDGEWATER MANOR.

Travis Haines, 1317 College Court, Candlewood Property Manager, stated they took over management of the struggling Edgewater Manor in January 2014 but through the ups and downs, they have achieved full occupancy and now have a waiting list. The rent is currently \$530 a month and cable is \$30 a month. There is no option as Edgewater supplies cable to all residents. Edgewater pays a flat fee, regardless of whether or not they have vacancies. In looking at this, the question has come up as to whether or not this is a good choice to continue to do this. He informally asked in a meeting with the residents as to whether or not they enjoy it and want to keep it and they overwhelmingly felt it was a benefit and wanted to keep it, even if there is a price increase. The current contract was a 5 year contract and the new one is proposed as a 7 year contract because the building needs rewiring. The rewiring is going to cost approximately \$20,000 and Charter has agreed to do that wiring in exchange for a longer term contract. He stated it might be a good idea to see if any part of the contract could be negotiated, such as the number of years or the pricing. He stated the contract seems to be the same as before with just a few changes that he mentioned.

Mayor Wiza questioned what we are paying now per unit. Mr. Haines stated the residents are paying \$30 and our cost is \$38-\$40. He suggested the total bill be split amongst all the residents. Edgewater has had to pay more during periods of vacancy so this would help absorb some of those costs. The total bill is about \$3,000 per month, so \$36,000 per year, and the tenants pay about \$28,000, so Edgewater ends up paying about \$7,200/year or \$600/month. He would recommend taking the annual cost and divide it by the number of units, which would then be the resident portion.

Ald. Shorr stated he would like to see the City try to negotiate some of the terms of the contract.

Lori Giese, 1450 Water Street, stated she would also like to see the contract negotiated and would like to see if it could include WIFI since cable is not something she is interested in, however she does have to pay the \$30 for the cable, plus an additional \$50 for WIFI.

Mary Meyer, 1450 Water Street, stated that she understands if the price goes up for the residents, but if the contract was negotiated, they may not have to increase the price since they have bargaining power with 81 units. She stated the wiring is important and would like to make sure that is included in the contract as she could not find it in the contract.

Ald. Kneebone questioned if satellite has been looked at. Mr. Haines stated he had not looked into it. Mayor Wiza stated we would need a lot of receivers to cover the 81 apartments. Ald. Kneebone questioned how hotels do it.

Ald. Doxtator also stated he would like to see their feet put to the fire to negotiate a better deal. He stated he is on the Housing Committee so he will find out what they did at the Hi-Rise because he knows they saved a lot of money by doing the bulk buy. He would like to see the residents be able to get what they need for cable, phone and internet as there are home bound people there. He also stated the 6% per year increase is unacceptable.

Mr. Haines stated the residents can expand their services, as the cable provided by Edgewater is just the base level. He stated they do have some time to work on the contract as it does not expire until October but does not want to wait until the last minute.

City Attorney Beveridge stated he has reviewed the contract and the confidentiality provision at the end of the contract is illegal for an entity of our type. He added that he would like to see more exploration done as to what else is available since things are changing in this market.

Motion made by Ald. Dugan, seconded Ald. Doxtator, to move this to a future date, no more than 60 days from now.

Ayes: All Nays: None Motion carried.

ITEM #6 – SETTING RENTS AND FEES FOR EDGEWATER MANOR.

Mary Meyer, 1450 Water Street, stated she would like to see rent increases to never be more than the Section 8 payment standard. She asked that the City continue to do what it has since 1979, which is never raise Edgewater rent higher than the payment standard. She went on to say that 25% of Edgewater residents are on the Housing Choice voucher or the HUD program for veterans, which allows qualified persons to live in a decent home as they only have social security, SSI or disability to live on. In March, the payment standard was raised such that the proposed monthly rent increase of \$15 would be in step with Section 8 and this opportunity to raise the rent would allow the approximately \$14,000 to help Edgewater pay its expenses and help pay back the loan it would be getting. She is not in favor of some of options that are being proposed, such as raising the rents higher than the \$15. She also stated to keep in mind that social security, SSI and disability payments are not increased every year, so neither should rent.

Ald. Doxtator questioned what the subsidy payment standard is now. Ms. Meyer stated it has been raised \$20, from \$530-\$550, but Nancy Wild said \$15 is enough at this time.

Lori Giese, 1450 Water Street, thanked Mary Meyer and Candlewood for all they have done for Edgewater. She questioned if it is wise to give Candlewood the power to raise rents or if the City should keep that power. She is also concerned about what appears to be an undercurrent that could squeeze out the seniors who live at Edgewater and are on vouchers by continuing to increase the rents. She encourages keeping the rent increases to no more than \$15 to keep in line with the payment standard.

Travis Haines stated he agrees with Mary and Lori, which is why he was not more aggressive with the rent increase. It has been over 5 years since there was an increase in rent and obviously the building expenses have gone up in five years so adjustments need to be made to keep the building operating. He reminded everyone that the building is not a subsidized property, it is a market building and at any point rents could be set at whatever we wanted, but he does not think that is a good idea because

25% of the people are on voucher programs and we would lose them. Since the Housing Authority is ok with the \$15, he would recommend the \$15 increase, especially since they could see an increase due to the cable contract. He said they are looking for a common ground and believes that is what they have done.

Ald. Doxtator stated he would like to see this tabled to give C/T Ladick time to figure out what we need and come back to committee once we have rates for cable.

C/T Ladick stated he is in line with Travis and the residents at the \$545. He understands there is some disagreement with charging a premium for the river view apartments, but stated if a resident is willing to pay more to have that view, that can help keep the rent low for everyone else.

Ald. Shorr agreed and stated the cable increase should be taken into consideration and stated his concern over the premium for the river view apartments would be if the next person on the list for those apartments is a voucher person, it could be an issue. He agreed with the \$15 increase.

Ald. Phillips supports the proposal, Ald. Kneebone agreed, but stated she does not want to give up oversight as we are the owners of the building. Ald. Dugan also agreed and would also like to regain oversight.

Travis Haines questioned if they were approving the fee for apartment transfers. He stated the options were that they needed to be current on rent, sign a new annual lease, and pay a fee. He would like a decision made on that portion because he has people waiting for that.

Motion made by Ald. Shorr, seconded by Ald. Dugan, to approve increasing the rent \$15 and the mechanism for people to pay to switch units.

Ayes: All Nays: None Motion carried.

ITEM #7 – APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. Phillips, seconded by Ald. Doxtator, to approve the payment of claims in the amount of \$5,021,398.90.

Ayes: All Nays: None Motion carried

ITEM #8 – ADJOURN INTO CLOSED SESSION (APPROXIMATELY 8:00 P.M.) PURSUANT TO WISCONSIN STATUTES 19.85(1)(E) (DELIBERATING OR NEGOTIATING THE PURCHASING OF PUBLIC PROPERTIES, THE INVESTING OF PUBLIC FUNDS, OR CONDUCTING OTHER SPECIFIED PUBLIC BUSINESS, WHENEVER COMPETITIVE OR BARGAINING REASONS REQUIRE A CLOSED SESSION) ON THE FOLLOWING: A. NEGOTIATING THE TERMS OF A DEVELOPMENT AGREEMENT WITH SERVICE COLD STORAGE IN TID #9. B. AMENDING THE DEVELOPMENT AGREEMENT WITH SKYGROUP LLC. C. NEGOTIATING THE PURCHASE OF PROPERTY FOR A POTENTIAL CITY HALL SITE. D. NEGOTIATING THE SALE OR LEASE OF 933 MICHIGAN AVENUE (FORMER MSTC BUILDING). E. NEGOTIATING THE PURCHASE OF PROPERTIES FOR CITY PARKLAND.

Motion made by Ald. Kneebone, seconded by Ald. Doxtator, to convene into closed session at 11:22 P.M.

Roll Call: Ald. Dugan, Shorr, Kneebone, Doxtator, and Phillips Nays: None Motion carried.

ITEM #9 – RECONVENE INTO OPEN SESSION (APPROXIMATELY 8:30 P.M.) FOR POSSIBLE ACTION ON THE ABOVE REFERENCED CLOSED SESSION ITEMS.

Motion made by Ald. Shorr, seconded by Ald. Kneebone, to reconvene into open session at 12:00 P.M.

Roll Call: Ald. Dugan, Shorr, Kneebone, Doxtator, and Phillips Nays: None Motion carried.

Motion made by Ald. Kneebone, seconded by Ald. Doxtator, to amend the development agreement with Skygroup LLC as listed.

Ayes: All

Nays: None

Motion carried.

Adjournment at 12:01 A.M.