

FINANCE COMMITTEE
AUGUST 8, 2016 AT 6:24 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, Lemke, Schatschneider; Ald. Slowinski, Morrow, Ryan, McComb, Oberstadt, Johnson; Fire Chief Finn; PD Sergeant Piotrowski; Neil Prendergast; Elizabeth Cecil; Nate Enwald.

ITEM #1 – PRESENTATION OF LONG-TERM CAPITAL ANALYSIS.

C/T Ladick presented the attached Powerpoint on an analysis that was done on City capital needs. He explained that every capital asset was inventoried, along with the replacement costs and useful lives, in order to estimate how big the capital budget needs to be just to keep our current assets in good condition. The results of that analysis indicate that the current \$3.9 million capital budget is not sufficient, and that it needs to grow to around \$5.5 million.

Ald. Shorr asked if we ran across any categories where there is really aggressive inflation.

C/T Ladick stated that one area was the cost of firetrucks, partly because of new features.

Director Schatschneider added that in terms of roads and streets, everything that we do involves oil, so changes in the price of oil have a big effect on street construction expenses.

Ald. Johnson asked if the chipsealing figures included activities such as crack filing.

Director Schatschneider replied that crack filing is paid for in the operating budget, so was not included in the chipsealing figures.

Ald. Slowinski asked where we are at in terms of a pavement quality rating.

Director Schatschneider replied that we have what is called a Paser rating to score the condition of our roads, on a scale of 0-10 with 10 being the best. He said right now our average is below 6, so we do have some roads that are in poor condition.

Ald. Slowinski asked about new technology related to utilities, and if new technology can increase the life cycle of utilities beyond 90 years.

Director Lemke stated that they are able to put a lining into pipes to extend their useful lives, but that it does end up quilting the road up as spots are dug up at every intersection, so while it does have benefits to the utilities it has some detriments to the streets, which is why the Utilities and Department of Public Works try to coordinate work as much as possible.

Ald. McComb stated that with the expense of traffic signals, roundabouts should be considered. She also stated that some communities charge a wheel tax to pay for roads, and was wondering if that has ever been considered.

Ald. Dugan suggested that a wheel tax may be a good way to collect money for roads from motorists who reside outside of the City.

C/T Ladick explained that with a wheel tax an additional fee is added on to vehicle registrations for people residing within the City of Stevens Point, but the fee would not be collected from people who live outside of the City.

Ald. Phillips suggested that anyone with additional questions or ideas should contact C/T Ladick to discuss them.

C/T Ladick summarized the key takeaways of the presentation, stating that our current capital budget is not sufficient long term, and that we need to minimize our capital assets as they all need to be replaced at some point. He also mentioned that, considering the large investment that we have in our assets and infrastructure, we need to do everything we can to protect our assets and get them to last as long as possible. He shared a few other thoughts, including that any additional assets beyond routine replacements need to be added to the spreadsheet, which would adjust the tax rate. He concluded by stating that a decision on the size of our future capital budgets will need to be made by January of 2017, as it will affect the debt payment structure of the 2017 borrowing.

Ald. Slowinski asked how two large projects, the grade separation and Business 51, will affect the plan.

Mayor Wiza stated that the grade separation does have an affect on next year's capital budget, which is why we tried to get as much done as possible with the 2016 capital budget, knowing that it would be difficult in 2017.

C/T Ladick stated that while the overall cost for the grade separation is pretty high, we are using jurisdictional transfer dollars that we have saved, as well as grant, which covers a large portion of the costs.

Ald. Dugan stated that she would like to see a similar presentation from Public Works and Utilities focusing specifically on the infrastructure capital projects.

C/T Ladick replied that he will ask them to do that, as he wants everyone to get the information that they need.

Mayor Wiza stated that people should also reach out to department heads and staff with any questions.

ITEM #2 – ELECTION OF VICE-CHAIRPERSON.

Ald. Kneebone nominated Ald. Doxtator to be the Vice-Chair.

Ald. Phillips called for any other nominations. No other nominations were made.

Motion made by Ald. Kneebone, seconded by Ald. Dugan, to cast a unanimous ballot for Ald. Doxtator as Vice-Chair.

Ayes: All Nays: None Motion carried.

ITEM #3 – HIRING A REALTOR TO FIND A TENANT FOR THE PROPERTY AT 933 MICHIGAN AVE. (FORMER MSTC BUILDING).

C/T Ladick stated that Director Ostrowski reached out to several realtors for marketing the former MSTC building, and that the Director is recommending Ward Wolff.

Director Ostrowski stated that the real estate listing contract would be 6% of the lease for the first 5 years. He said that there will be exclusions for any potential tenants that the City has already had discussions with.

Ald. Shorr asked if there is anything else in the contract that should be highlighted.

Director Ostrowski said that it is a 6 month contract.

Ald. Phillips asked Ward Wolff if he had anything to say.

Ward Wolff said that he has been in real estate for 37 years, and that he is looking forward to getting the building leased out.

Ald. Shorr stated that he knows that there are a lot of options on the table, and that he is eager to get a sense of what the space needs group has learned, as he is getting a lot of inquiries from constituents.

Motion made by Ald. Shorr, seconded by Ald. Doxtator, to hire Ward Wolff.

Ayes: All Nays: None Motion carried.

ITEM #4 – AUTHORIZATION TO APPLY FOR WISCONSIN STATE HISTORICAL SOCIETY CERTIFIED LOCAL GOVERNMENT SUBGRANT FUNDS TO NOMINATE HISTORIC DISTRICTS TO THE NATIONAL REGISTER OF HISTORIC PLACES.

Director Ostrowski stated that a historical survey was taken in 2011 to identify historical properties and districts. We are now looking to nominate those to the historic register. The state provides a grant of up to \$25,000 to do this, and he estimates the cost will be about \$28,000, leaving about \$3000 for the City to cover.

Ald. Doxtator asked why Sunset Fork is a potential historic district.

Director Ostrowski replied that it is due to the nature of a cluster of homes in that area.

Ald. Doxtator indicated that because he lives in one of the historic districts, he will be abstaining.

Neil Prendergast said that he lives in a historic district, and is also a member of the State Historic Preservation Review Board. He said that the state and national registers do not limit property rights. He also said that the tax credits right now for historic prop provide a 40% tax credit, which brings tax money back to our community. He said that if the City spends \$3000 to do this, it will probably be the best money the City spends this year.

Motion made by Ald. Kneebone, seconded by Ald. Shorr, to authorize City staff to apply for the grant.

Ayes: Ald. Kneebone, Shorr, Phillips, and Dugan Nays: None Abstain: Doxtator Motion carried.

ITEM #5 – APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. Doxtator, seconded by Ald. Dugan, to approve the payment of claims in the amount of \$1,356,102.33.

Ayes: All Nays: None Motion carried

Adjournment at 7:27 P.M.