

**FINANCE COMMITTEE  
SEPTEMBER 12, 2016 AT 6:36 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, Schrader, Schatschneider; Ald. Slowinski, Morrow, Ryan, McComb, Oberstadt, Johnson; Fire Chief Finn; Police Chief Skibba; Deputy C/T Freeberg; Brandi Makuski; Reid Rocheleau; Tom Brown; Armin Nebel; Richard Ruppel; Neil Prendergast; Zach Hagenbucher; Bill Seybold; Tori Jennings; Liz McDonald

Chairman Phillips changed the order of the agenda, the items will be listed using the original agenda item number.

**ITEM #4 – SECOND QUARTER ROOM TAX REPORT**

C/T Ladick explained that the report does look a little different since the changes were made this year as far as how we use the City managed portion of room tax. He also stated it does show a projected deficit for this year and the reason for that is because the Room Tax Fund has had a surplus in the past for the City managed portion, so this year we are planning on spending more than we take in for that pot of money.

Motion made by Ald. Doxtator, seconded by Ald. Dugan, to accept the second quarter room tax report and place it on file.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #5 – REQUEST FOR INCREASED FUNDING FOR THE 2016 GENERAL ELECTION.**

City Clerk Moe explained that when calculating costs for the next year's budget, with regards to election expenses, it is always a challenge and he does his best to estimate the costs by looking back at past years and then tries to predict how much he will need for the next year. This year started quiet but then the City did get hit pretty good in April, as turnout was well above what was expected, which increased the costs. With the presidential election and the large turnout expected, he is looking at setting up a second office where people could go to register and vote by absentee. This would come at a cost, but would be more convenient for taxpayers and help with the space issues at City Hall. The estimated cost for the April election charges and the anticipated charges for the presidential election, he is requesting \$15,300 additional. He noted that he had a typo on the letter he submitted and stated the amount for the adjustment for data entry/office assistance should have been \$4600, not \$4500.

C/T Ladick stated the funding would come from contingency, but would be charged to the Clerk's Office accounts so that we can track the actual spending on the election. He also stated this would finish off the contingency account for the year, if approved.

Motion made by Ald. Shorr, seconded by Ald. Doxtator, to approve the increased funding for the 2016 general election with the additional amount to come from contingency.

Ald Doxtator requested the City make sure there is appropriate signage.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #6 – REQUEST FROM THE POLICE DEPARTMENT TO FILL TWO VACANCIES EARLY.**

C/T Ladick stated the Police Chief stated he could find the money in his budget and he stated they are tracking on course that they should be able to cover it.

Chief Skibba added that even though he believes they should be able to absorb this, in this line of work, things do happen so he would like assurance from Finance that there will not be any problems supporting this should something come up within their budget beforehand.

Motion made by Ald. Shorr, seconded by Ald. Kneebone, to fund the early hiring of two new officers.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #7 – APPROVAL OF PAYMENT OF CLAIMS.**

Motion made by Ald. Doxtator, seconded by Ald. Kneebone, to approve the payment of claims in the amount of \$7,398,060.31.

The claims were discussed.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #2 – DISCUSSION ON THE OPTION OF IMPLEMENTING A MUNICIPAL VEHICLE REGISTRATION FEE, COMMONLY KNOWN AS “WHEEL TAX”.**

C/T Ladick stated he checked into this as an option since he has had so many inquiries regarding it. He stated that this “wheel tax” is added to your registration fee and collected by the State. This would only be for City residents, so it would not apply to anyone outside the City limits, even though they do use our roads. He stated he does not recommend going in this direction for various reasons. Property taxes are a good way to raise revenue from the perspective that it is tax deductible for the residents so they do get some tax benefits from that. We also receive State Aid payments that are based on what we charge in property taxes, so his recommendation is using property taxes. He also mentioned a big reason he does not support the wheel tax is that it only applies to vehicles less than 8000 lbs, so anything bigger than a pick-up truck would be exempt from this. By using property taxes, 50% of the property tax base is residential and 50% is commercial, so we would be collecting from a more balanced mix of properties that benefit from our road network. For instance, we don’t really have a way to collect from a semi coming from out of town and using our roads, but if it is delivering to a business that pays property taxes, and if we use our property taxes to fund our roads, then we are collecting for that activity and everyone is paying into the system.

Ald. Dugan stated she supports the recommendation.

Ald. Kneebone stated she also supports the recommendation.

Mayor Wiza commented that he is also opposed to a wheel tax because most of the people that use our roads are not City residents. He also read an email he received from former C/T Schlice stating this was looked at a few years ago and it was found that an overwhelming amount of people who were using the roads were from outside the City and the residents of the City were already paying for road repair with their property taxes, so it would be unfair to tax them more. This would only be fair if all surrounding municipalities levy the tax. Mayor Wiza agreed.

**ITEM #3 – PRESENTATION ON LONG TERM PLANNING AS IT RELATES TO INFRASTRUCTURE, ROADS, AND UTILITIES.**

A presentation was given by Directors Lemke and Schatschneider on how their two departments work together on repairs to roads and utilities. They explained that when selecting complete reconstruction projects where both the road and utilities are replaced, they look at both the condition of the roads

and the condition of the utilities, and select streets where both are in poor condition. Director Lemke stated that the condition of the utilities is evaluated based on age, repair records, past experiences of the utility, and imaging of the inside of the utilities. Director Schatschneider explained that the condition of the roads is quantified through a "PASER" rating, and displayed various charts showing the condition of city roads. Maps were also displayed, showing the condition of roads, the condition of utilities, and then overlapping the two to identify prime candidates for reconstruction.

Reid Rocheleau asked about the condition of Business 51 and how it ranks in the analysis. Director Lemke stated that the utilities under Business 51 South of the railroad underpass are of the age where they would be replaced if the road is rebuilt, but they do have utilities in other places of the City that are in worse condition, so it is not the highest on the list, but still old enough to start planning for it. Director Schatschneider stated that from the perspective of pavement condition, there is some time that it can wait, but we should really start looking at it within the next few years.

Ald. Dugan stated that in District 8 they have a lot of problems with stormwater, and she has been working with Director Lemke on addressing those issues. Director Lemke replied that they have been working on stormwater improvements as it has a significant impact on the life of a road surface, and if anyone notices areas where water is sitting on the road, to let him know.

Neil Prendergast stated that safety should also be part of the analysis, in addition to the condition of roads and utilities, and that crash data could be used to identify the streets with the most significant safety issues.

#### **ITEM #1 – REVIEW OF PROPOSED 2017 CAPITAL BUDGET.**

C/T Ladick explained the total size of the capital budget, including the borrowing and fund balance (savings) usage that supports it. He went on to say that it was a tough year for capital, so we weren't able to do everything that we wanted to. Also, he explained that over the few past years we have been able to reduce our debt a little every year, however for 2017 it looks like we will just be keeping our debt level stable without making any significant progress. He went on to explain the various capital recommendations for each department.

Mayor Wiza added a few thoughts. He stated that property values are driven by demand, which is affected by the proximity of services such as parks, police and roads. When we cut funding to those services we reduce the quality of life, which then reduces demand and property values. This results in more service reductions because of less taxes. The solutions and the funding need to be in sync, which means we need to have a plan to maintain services and occasionally add some additional services without borrowing ourselves into the whole. He added that although we have managed to pay down some debt over the past few years, we have some things coming up that may stress our debt capacity. We need to look at the whole picture, not just a few pet projects. When we pull money for a specific project, it has to come from something else. For instance, funding for the TAP grant meant that we were not able to replace a mower that we were planning on. He stated that it is a real challenge to do everything that we need to do and try to make progress on the debt. He stated that for anyone who wants to add something, they should think about how it would rank versus the recommended capital projects, and what could be cut in order to fund it.

Reid Rocheleau stated that he went to the County Capital Improvements committee meeting, and they voted to delay the Courthouse remodel project.

Ald. Ryan stated that he wants to discuss the undivided four lane roads. With positive changes such as the TAP grant, we have the opportunity to improve transportation options. He proposed a 4 to 3 lane conversion on Stanley St. for 2017, saying it will increase access and quality of life. He said this conversion will prove that the concept works, and be a catalyst to do the same on Division St. He also stated that we need to determine a path forward for Division St. to give staff direction and time to plan.

Ald. Shorr stated that the proposal for a 4 to 3 lane conversion on Stanley St. will be discussed at an upcoming community meeting at Washington School, and that the money should come from the \$400,000 budgeted for road surface improvements.

Ald. Slowinski asked if there will be sufficient funding for road surface improvements if some of the money is used for the 4 to 3 conversion on Stanley St. Director Schatschneider replied that he does have flexibility within the \$400,000 for some of the smaller miscellaneous projects.

Ald. Johnson stated that she supports Ald. Ryan's proposal for planning on Division St., and that we need to be thinking about safety, and Division St. is a safety issue, so we need to take action on it. She said she also supports the 4 to 3 conversion on Stanley St.

Ald. Kneebone expressed concern about the replacement cycle for police vehicles and the vehicles being stored outside. She said that she is concerned about the Detective and Undercover vehicles being delayed. C/T Ladick clarified that those vehicles were not pushed back, that is the originally requested future replacement.

Adjournment at 8:15 P.M.