

**FINANCE COMMITTEE
OCTOBER 11, 2016 AT 6:41 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 Lemke, Schrader, Schatschneider; Ald. Slowinski, Morrow, Ryan, McComb, Oberstadt, Johnson; Fire Chief Finn; Police Chief Skibba; Deputy C/T Freeberg; Brandi Makuski; Nate Enwald; Sarena Melotte; Bill Schierl; Tori Jennings; Andrew Halverson

ITEM #1 – PUBLIC COMMENTS ON, AND CONSIDERATION OF, THE PROPOSED 2017 CAPITAL BUDGET.

Mayor Wiza explained that this is the first year that the capital budget worksheet lists both the initial capital requests along with the ranks given to each project by the department requesting it. He went on to say that after the departments do their part, the C/T and himself sit down and discuss each item and then he and C/T Ladick hash out what can be afforded. This year was an unfortunate year and they had to say no to every department head, at least once. He stated the worksheet also lists the final recommendations, and does not include paying down any debt, which was one of his priorities. Everything that was paid down this year for next year, we will be borrowing again, which is not the best way to run things, but there is a strong need for these projects. He also stated that Director Schatschneider has additional information on the road improvement line item of \$400,000.

Andrew Halverson, 501 Wilshire Blvd, applauded the Bike and Pedestrian initiatives that the City has started to undertake. He is hoping that the Committee continues to take the citizens priorities because he believes those initiatives are at a high level and he hopes that they can be maintained within the budget that is being presented. He questioned the zoning code rewrite, stating that number seems to be a little high.

Mayor Wiza stated recently they were introduced to the topic of a possible 4/3 conversation on Stanley Street. It was not part of the initial budget because we just recently found out about it. He is aware of public meetings by private entities that are trying to inform the public but once we were made aware of it, we started the ball rolling on the City side. He advised the Director to start compiling some numbers and gathering data, talking to the DOT to get their recommendation on it and designing a potential layout.

Director Schatschneider went over the line item details for the road improvement line in the capital budget for \$400,000. He stated this list is compiled by looking at roads that are in need of maintenance and by using the PASER system. He listed the projects for the chip sealing, which totaled \$302,200.54 and also the pulverizing and relay of Whiting Avenue, which totaled \$269,718.00. The total needed for this line item is \$625,862.14, which is far greater than the \$400,000 that is being budgeted for. The reason for this is that we put in the numbers based on our best calculation and hope the bids come in less so that we can get all the projects done, otherwise not all them will get done.

Ald. Shorr compared the lane conversion and stripping on Stanley Street to some of the other capital projects. He compared it to the Business 51 Project and the Prentice Street project. He stated that the Stanley project is simpler than Business 51 and the Prentice St projects, which is why he would like to see it in the 2017 budget.

Mayor Wiza stated there was not a formal request until 3-4 weeks ago for the conversion and stripping on Stanley Street, so there was no movement with regards to City staff to get the ball rolling so that the process could begin. He stated they have set a public meeting from the City's standpoint on October 26th at 6:30, so they will hopefully have a potential recommendation for that layout on Stanley Street and they would be taking public input. A direct mailing will be sent to all of the residents and business owners that are affected on that stretch, which will include one property back. He also encouraged anyone who uses that stretch of road, to try to attend the meeting and if they can't, they should submit

their comments to his office, the Director's office or to contact their alderperson. He also stated that as an alternative, some years all the money is not used in that road maintenance line item, so there is potential to do that project using leftover funds in the year 2017 or there is a contingency amount in the budget and if deemed worthy and recommended by public and the bugs are all worked out, we could use that money. He stated he is not resistant to the project, he is resistant to the process that has not happened yet. There are processes that need to take place within the City.

Ald. Phillips stated that he feels as though this Stanley Street project is being fast-tracked and questioned if that is necessary and also questioned how long of a process it takes to set up a Prentice Street type of project. Director Schatschneider replied that Prentice Street waited in the queue for about 2-3 years. He stated that, as staff, he does not know how to answer the comment on fast-tracking the Stanley Street project. Ald. Phillips stated that it seems as though this has really moved along and that we may be missing some steps. He questioned how long, under normal circumstances, would this type of project have to wait in the queue. Director Schatschneider replied that typically they are in the queue for 1-2 years, at a minimum.

Ald. Dugan asked for more information on the October 26th meeting. Mayor Wiza replied there is not much detail yet, but he has asked the Director to work out what may be a suitable option for the possible lane conversion, so he is hoping to have some costs by then and hopefully having an official recommendation from the DOT. It will be a public input session with a very probable recommended road design. The meeting location has not been determined yet, but will be given to all the media sites.

Mayor Wiza stated that staff has already starting compiling data for the Stanley Street project and so far they have found that there has been one incident involving a bike in the last 3 years. He stated that the same number holds true for Water Street, which is part of the TAP grant proposal.

Ald. Slowinski questioned if the Stanley Street project is in the 2017 budget. Mayor Wiza replied, not at this time. Ald. Slowinski stated that the Director has put this list together of streets that are in need of repair and if Stanley needed to be fixed, it should have been on the list and prioritized with the rest of the projects. He stated it is his understanding that there is nothing wrong with the structure and integrity of Stanley Street. This appears to be a request to change it from 4 lanes to 3, there is no need for the road to be fixed. He stated it appears as though there is a group of people who want the road changed and he has a problem with spending all this time and considering possibly moving this up the ladder to get it done, which would move the current projects down the prioritized list. He is not against the project, he would just like to see it wait its turn.

Ald. Dugan stated she believes the reason we are hearing about this now is that she is an alderperson and that she has experienced the problems on Stanley Street, so she brought them forward. She also stated that she believes it is a cheap fix and will slow traffic down.

Mayor Wiza stated that the request did not come through the Bike and Pedestrian Advisory Committee.

Ald. Phillips stated that since the Stanley Street project is not in the recommended 2017 Capital Budget for 2017, he would like to move onto any comments about anything that is in the 2017 Capital Budget recommendations.

Ald. Johnson stated that she appreciates wanting to move on, but reminded the Committee that the role of the alderpersons is to advocate for the people in their district, which means their priorities may be different than the work by the Public Works Director. That being said, she stated it is her understanding that Alders have the ability to amend the capital budget, or the budget, at any time during the hearings, so it is completely in order to have that discussion even though the project may not be on the list at this time. She stated she was asked when the alders get to state their priorities for road projects to which she replied that was a good question and that discussion needs to be had. She stated that along with financial, we also need to look at safety when planning a project and not all of our priorities will be the same but building consensus towards those priorities is part of what we have to do.

Ald. Kneebone stated she does not like to see the process hi-jacked for a pet project that has come up in the last couple of months when some alders have been trying to get some serious safety issues addressed for over a year, which is now being put off until maybe 2018 or 2019. She stated she has been generally supportive of a 4 to 3 conversion but would like her request of a safe route to school for elementary school students be as important.

Ald. Phillips stated he asked about a year ago, for a round robin session with just the aldermen, in an open meeting, discussing their issues and projects they want to maybe help our Directors. He stated in 1995 or 1996 under Mayor Wescott, they had a round robin where they all were able to state their ideas. They then sat, as a group and prioritized them. He stated his project was to fix Water Street and it took 7 years. He would suggest we do that again.

Mayor Wiza stated having a round robin has been brought up and many attorneys have had issues with that due to open meetings. Open meetings require you to have a specific agenda where anyone from the public can reasonably know what will be talked about. However, we do have things in place, for instance, standing rule 2.05. He stated he has met with all the alderpersons individually on multiple occasions to talk about what the priorities are, and has delivered those to staff. In the case of roads, we have engineers that we pay good money for, to evaluate the conditions of the roads and prioritize them based on engineering as road repair should not be a political decision.

City Attorney Beveridge stated he does not have a problem with a brainstorming session on capital items as it is within the confines of Chapter 19.

Ald. Slowinski stated he does not support using contingency for capital projects.

Ald. Doxtator stated it is going to take time, do it right and follow the procedures and people will be more accepting to it.

Motion made by Ald. Doxtator, seconded by Ald. Shorr, to move forward with the proposed 2017 Capital Budget as presented.

Ayes: All Nays: None Motion carried.

ITEM #2 – APPROVAL OF LONG TERM CAPITAL PLAN.

C/T Ladick stated this was presented two months ago and really looks very long term as far as every single asset that the City has, useful lives and how much we would need on an annual basis to keep up with street maintenance repairs, replacing vehicles, replacing equipment, maintaining our facilities, etc. The analysis found that we have a capital budget of about \$3.9 million for an average year, and right now, just to keep the City in the same condition that it is in, we need about \$5.5 million. He stated we have an opportunity to fix the large gap with the revaluation that is currently underway, which would be effective for the 2017-2018 tax bills. He stated that right now the tax rate is \$9.84 per thousand and with the revaluation, we are estimating that could go down to \$8.34, and if we went with the required capital and increased by \$1.6 million, it would bring the rate to \$9.45. He also stated that there are a number of issues that got us into this situation, one being it is really easy to keep pushing the capital projects down the road and to put that money into operations instead. Another issue is when a subdivision is first built, the developer pays for all the utilities, roads and infrastructure, so when a community is fairly new, there is not a big need for a large capital budget, but when that stuff comes due to be replaced, the City is now responsible for paying for it all. We are not alone, as many communities are in the same situation.

Ald. Phillips questioned how much taxes would go up on a \$100,000 house. Mayor Wiza stated the tax rate will go down, but that does not mean the tax bill will go down. C/T Ladick stated that the difference would be \$111, but we need to keep in mind that with the revaluation, different people will have different changes. There are a lot of factors that could play a role in the amount of increase or decrease in taxes. Some assessed values could go up by 15% and you may only go up by 5%, and also

keep in mind there are other taxing jurisdictions and their rates would change also. He also stated that the reason we are in this situation is because there has not been a revaluation in a very long time. Mayor Wiza stated that typically we see homes that are under assessed, the revaluation is going to bring that assessment value closer to actual value.

Motion made by Ald Doxtator, seconded by Ald. Shorr, to approve the long term capital plan.

C/T Ladick stated that recently, a new idea was brought up that we could incorporate with this as well. He stated currently constructing sidewalk and maintaining sidewalks are special assessed, so even existing sidewalk that needs to be repaired, it is special assessed to the property owner. He stated occasionally we are asked why the homeowner has to pay for it and stated a discussion that we could have is to whether or not we still want to special assess those or if we wanted to incorporate that with the property tax rate. If it was decided that we wanted to do that, it would be an additional 6 cents per thousand, making the tax rate \$9.51. He suggested that since this is new, we can just approve it as is and we can discuss this next month at Finance Committee.

Ald. Phillips questioned if that meant that he would be fixing someone else's sidewalk, stating he does not have a sidewalk. Mayor Wiza stated that he feels it is appropriate for the property owner to pay for those sidewalk repairs, but we can have the discussion next month.

Ayes: All Nays: None Motion carried.

ITEM #3 – REALLOCATION OF THE 2016 TRANSIT CAPITAL.

Director Lemke stated in last year's approved capital the dollars requested for those 4 items only represent 20% of the total capital needed to do those projects. As of last year, the State and Federal resources we have stopped awarding capital dollars to anything but revenue vehicles, or buses, so we did not get those funded through the Transit program like normal. For the dollars associated with those, we would like to reallocate the money in order to pay for 100% of one of them, which would be the mower.

Mayor Wiza questioned what is happening with the ADA door systems that were proposed in the capital, but are not here. Director Lemke stated they are listed here as what we got approved last year, assuming we would get 80% funding, so since we did not, we are requesting the full amount be used for the mower and the ADA doors would be put into 2017 for full funding.

Ald. Phillips questioned why the mowers cannot be shared amongst departments and questioned if a bus driver is cutting grass. Director Lemke stated summer help interns cut the grass, but they are hauling the lawn mower owned by the Utilities out to the Transit facility and it is taking up too much time.

Motion made by Ald. Doxtator, seconded by Ald. Dugan, to reallocate the 2016 Transit capital to purchase the mower.

Ayes: All Nays: None Motion carried.

ITEM #4 – CONTRACT EXTENSION WITH CHARTER COMMUNICATIONS FOR PROVIDING CABLE TELEVISION SERVICE TO EDGEWATER MANOR.

C/T Ladick stated this is a one year extension of the contract at the same rate as before, so no increase. He noted that currently we are still paying a higher rate for cable than what we are charging the residents by about \$6-\$7, so at some point we need to have a discussion about that.

Ald. Kneebone asked who was taking care of checking prices with other vendors. C/T Ladick stated Candlewood has been working with Charter, but they were also going to incorporate something with a longer term because with all the work that is being planned for that building, they wanted to wait to look for a longer term solution. With the renovations, there may be some rewiring and so forth.

Ald. Slowinski stated he would like to have the issue of the rate that is passed on to residents for cable on the Finance Agenda next month.

Motion made by Ald. Shorr, seconded by Ald. Kneebone, to approve the one year extension with Charter Communications at the current rate.

Ayes: All Nays: None Motion carried.

ITEM #5 – APPROVAL OF NEW ASSIGNMENT AGREEMENT WITH NORTHPOINT CENTER LLC, RELATED TO THE PAYMENT OF THEIR DEVELOPMENT INCENTIVE.

C/T Ladick stated Northpoint Center LLC opted to have their development incentive sent to their bank and they have refinanced, so now we need to enter into a new agreement with their new lender.

Motion made by Ald. Shorr, seconded by Ald. Doxtator, to approve the new assignment agreement with Northpoint Center LLC, related to the payment of their development incentive.

Ayes: All Nays: None Motion carried.

ITEM #6 – APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. Shorr, seconded by Ald. Dugan, to approve the payment of claims in the amount of \$1,848,959.13.

Ayes: All Nays: None Motion carried.

ITEM #7 – ADJOURN INTO CLOSED SESSION 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 SALE OF A LOT IN WHITETAIL SUBDIVISION. B. NEGOTIATING A POTENTIAL DEVELOPMENT AGREEMENT IN TIF DISTRICT 9.

Motion made by Ald. Kneebone, seconded by Ald. Doxtator, to adjourn into closed session at 7:52 p.m.

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

ITEM #8 – RECONVENE INTO OPEN SESSION (APPROXIMATELY 30 MINUTES AFTER CLOSED SESSION STARTS) FOR POSSIBLE ACTION ON AGENDA ITEM 8A, NEGOTIATING THE SALE OF A LOT IN WHITETAIL SUBDIVISION.

Motion made by Ald. Kneebone, seconded by Ald. Dugan, to reconvene into open session at 8:34 p.m.

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

Motion made by Ald. Doxtator, seconded by Ald. Shorr, to accept the offer to purchase Lot #2 in Whitetail Subdivision for \$25,000.

Ayes: All Nays: None Motion carried.

Adjournment at 8:35 P.M.

2017 Pavement Maintenance Projects (Estimate Only)

STREET	LOCATION	Length	Width	Square Feet	Square Yards	Est. Price	Total
North Point Drive	Michigan Avenue to Wilshire Boulevard	4,906.0	48.0	235,488	26,165	\$2.45	\$64,105.07
Michigan Avenue	North Point Drive to Maria Drive	2,845.0	43.5	123,758	13,751	\$2.45	\$33,689.54
Water Street	Wisconsin Street to Whiting Avenue	3,930.0	27.0	106,110	11,790	\$2.45	\$28,885.50
West River Drive	West Clark Street to Railroad	2,017.0	33.0	66,561	7,396	\$2.45	\$18,119.38
West River Drive	Railroad to CTH-HH	5,293.0	27.5	145,558	16,173	\$2.45	\$39,623.99
West Zinda Drive	City Limits to STH 66	1,990.0	30.0	59,700	6,633	\$2.45	\$16,251.67
West Zinda Drive	STH 66 to West Maple Ridge Drive	2,605.0	24.0	62,520	6,947	\$2.45	\$17,019.33
Fourth Avenue	Second Street to First Street	230.0	31.0	7,130	792	\$2.45	\$1,940.94
Fourth Avenue	First Street to Frederick Street	845.0	30.0	25,350	2,817	\$2.45	\$6,900.83
Fourth Avenue	Frederick Street to Lee Street	1,963.0	22.0	43,186	4,798	\$2.45	\$11,756.19
Minnesota Avenue	Rice Street to Church Street/Bus. 51	4,191.0	30.0	125,730	13,970	\$2.45	\$34,226.50

Subtotal		111,232		
Undistributed		268	\$2.45	\$656.60
Subtotal		111,500	\$2.45	\$273,175.54

HMA Pavement E-0.3 (wedging areas) (TON)	Est. Quan. Ton	145	Est. Price	\$145.00	Total	\$21,025.00
Adjusting Manhole Covers - City Will Do (EACH)	10		\$0.00		\$0.00	
Subtotal					\$21,025.00	

Supplemental Unit Bid	Est. Quan. LS	1	Est. Price	\$8,000.00	Total	\$8,000.00
Supplemental Traffic Control (LUMP SUM)					\$8,000.00	
Subtotal					\$8,000.00	

CHIP SEAL Total **\$302,200.54**

Pulverize and Relay Whiting Avenue New Pavement-Water Street to CTH-HH

Prepared on 10/04/2016

Item	Quantity	Unit Price	Total Cost
Removals			
Excavation Common	1,206 CYD	\$12.00	\$14,472.00
Sawing Asphalt	460 LF	\$4.00	\$1,840.00
Sawing Concrete	20 LF	\$5.00	\$100.00
Removing Concrete Pavement	16 SYD	\$8.00	\$128.00
Pulverize and Relay	7,234 SYD	\$2.50	\$18,085.00
Removing Asphaltic Surface	260 SYD	\$5.50	\$1,430.00
Removing Curb and Gutter	250 LF	\$8.00	\$2,000.00
Removal Subtotal			\$38,055.00
Roadway Items			
HMA Pavement Type E-3 (5 1/4")	2,280 TON	\$75.00	\$171,000.00
Asphaltic Surface 3-Inch	50 TON	\$180.00	\$9,000.00
Concrete Driveway 6-Inch	16 SYD	\$40.00	\$640.00
Concrete Curb and Gutter 30"	250 LF	\$30.00	\$7,500.00
Base Aggregate Dense 3/4"	126 CYD	\$50.00	\$6,300.00
Base Aggregate Dense 1-1/4"	10 CYD	\$28.00	\$280.00
Finishing Roadway (Project)	1 LS	\$2,000.00	\$2,000.00
Adjusting Manhole Covers	15 EA	\$750.00	\$11,250.00
Prepare Foundation for Asphalt	1 LS	\$13,500.00	\$13,500.00
Roadway Items Subtotal			\$221,470.00
Miscellaneous Items			
Inlet Protection	8 EA	\$75.00	\$600.00
Line Striping (4-Inch Yellow)	1,200 LF	\$1.00	\$1,200.00
Signing	EA	\$100.00	\$0.00
Move Mailboxes	EA	\$350.00	\$0.00
Topsoil, Seeding, Mulch	754 SYD	\$4.50	\$3,393.00
Traffic Control	1 LS	\$5,000.00	\$5,000.00
Miscellaneous Subtotal			\$10,193.00

PULVERIZE AND RELAY

Total Project Cost **\$269,718.00**
Total Project Cost with 20% Contingency **\$323,661.60**

CHIP SEAL AND PULVERIZE TOTAL

\$625,862.14