

**FINANCE COMMITTEE  
NOVEMBER 14, 2016 AT 7:10 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, Ostrowski; Ald. Slowinski, Morrow, McComb, Oberstadt; Fire Chief Finn; Police Chief Skibba; Deputy C/T Freeberg; Nate Enwald

**ITEM #1 – PUBLIC COMMENTS ON THE PROPOSED 2017 OPERATING BUDGET.**

There were no public comments on the proposed 2017 Operating Budget.

**ITEM #2 – REVIEW AND POSSIBLE ACTION ON THE PROPOSED 2017 OPERATING BUDGET.**

C/T Ladick stated that Ald. Phillips approached him with a proposal that he had for the operating budget. Since there will be some adjustments coming up in relation to property taxes with the revaluation, Ald. Phillips questioned if phasing in the adjustment would make sense. C/T Ladick stated that initially he was reluctant toward the idea because that was not his initial recommendation; however he became more open to it when we found out that the school district tax rate will be decreasing. Basically, even with the County going up a bit, we are still projecting a 20 cent decrease in the tax rate, so the thought was rather than decrease the rate for 2016 and then have it possibly go back up in 2017, we could smooth it out a bit by increasing our tax rate this coming year by 10 cents, so instead of \$9.84, it would go to \$9.94. He stated due to levy limits, we would have to use the money for debt payments since they are not restricted. Every cent is about \$15,000, so the 10 cent increase would equal about \$150,000, which could be put toward early retirement of debt. He stressed that we do not have all the information on tax credits back yet, such as the lottery credit and the school property tax credit and whether or not those will change, so we would be making the best decision based on the information we currently have.

Ald. Phillips stated his thoughts were that if your tax bill was \$5,000 last year, he did not want it to go higher than \$5,000, but he would like to put some money towards paying down more debt and this would give us the opportunity to do that.

Mayor Wiza stated his concerns were that there will be two consecutive years of City increases. Then again, some people budget through an escrow account and this would keep that on track. He is not sure how the homeowners would want this handled, to save some on taxes this year and have it go up more next year, or have it relatively stable this year and still go up a bit next year.

Ald. Dugan and Ald. Shorr stated they are supportive.

C/T Ladick reminded everyone that we have not had a revaluation done in over 10 years so a lot changes with regards to real estate prices and valuations, so you could see some significant adjustments. He also stated we are taking a little bit of edge off, but you could still see some significant adjustments next year.

Ald. Kneebone stated she is supportive of paying off more debt, but she stated her concern is those that are on fixed incomes. Mayor Wiza stated this will not take the blow completely away, but will lessen it and your bill should not be more this year because of the decrease in other taxing jurisdictions.

Ald. Doxtator stated he is supportive and likes the idea of paying down more debt.

Motion made by Ald. Doxtator, seconded by Ald. Dugan, to approve the proposed 2017 operating budget and increase the tax rate to \$9.94.

Ald. Dugan stated she would like the Council to have more input and be involved at an earlier time. Mayor Wiza stated that they are working to get the Council involved earlier in the process and this Council has been involved earlier than previous Councils. C/T Ladick also stated that a great deal of work goes into the budget, but 95% of what you see in the budget is continuing our current operations, there is not a pot of money that we have to find a place to put it, most of it is already claimed by wages and continuing the current services we provide.

Ald. Kneebone stated she would like to see a public hearing on infrastructure priorities which can translate into some capital projects.

Ald. Dugan stated she would like to see the Council members set priorities. C/T Ladick reminded the Committee that if you want to add priorities, you will need to find things that are not priorities to make room because due to levy limits and reductions in Aid, there is not extra money.

Ayes: All

Nays: None

Motion carried.

### **ITEM #3 – ADJUSTING THE PRICE OF CABLE CHARGED AT EDGEWATER MANOR.**

C/T Ladick stated at Edgewater Manor, the cable is automatically included in the rent so all the tenants have it. They are charged \$30 per month for the service, but the actual cost to Edgewater is \$37. He stated last month the extension of the cable contract was approved and there were some requests to bring it back this month to discuss the price that residents were paying. Candlewood's recommendation is to charge the full price of \$37 per month for the cable. Currently, Edgewater is doing ok financially and is making a profit, which is good, but once renovations start and money needs to be borrowed, that could change.

Ald. Doxtator stated he would like to see quotes from other providers, such as Dish Network and Direct TV, especially since the renovations are going to be starting, now would be the time to run wires. Mayor Wiza stated that the cable contract has been renewed so this is just regarding the cost. Candlewood is looking at the infrastructure because there is some old copper wiring that they are considering upgrading during the remodeling project, but that is still on the table.

Ald. Kneebone stated she supports splitting the cost evenly amongst the residents, but does agree that she would like to see something in the future with regards to other providers.

Motion made by Ald. Kneebone, seconded by Ald. Shorr, to approve the recommended adjustment of the cable price to \$37.

Ald. Dugan stated she supports the increase but agreed with Ald. Doxtator and would like to see something brought up in the future with regards to pricing from other providers.

Ald. Phillips questioned when the contract was up. C/T Ladick replied we just renewed it, and it is a one year contract.

Director Ostrowski clarified that in the memo from Candlewood, they are recommending to only increase it to \$37 this year, but if rates do go up in the future that they will be split equally. That being said, this would not come before Committee every time an increase is warranted, but rather be dealt with during the approval of the cable contract. Charter has a certain percentage escalator clause that they can do every year, so with that, Candlewood would adjust accordingly to charge equally amongst apartments, rather than bringing it back to Committee. Travis from Candlewood has tried repeatedly to contact other providers and has not heard back from them. He also stated that one of the challenges that they face is that once the coax cable is run through the building, Charter uses those lines so if individuals want cable and internet and Charter supplies the internet and Dish (or whoever) does not, it will present challenges in how we feed each one of those apartments, unless we run two or three lines to every apartment which we are looking at as we go through the improvements. They are looking at maybe running the lines on the outside of the building rather than the inside.

Ald. Doxtator stated he would like to see this looked at again next year at contract time.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #4 – APPROVAL OF SNOW AND ICE REMOVAL CONTRACT FOR SIDEWALKS AND BOULEVARDS.**

C/T Ladick stated the Community Development department has a contract with a small business called Larry's Helping Hand, that takes care of the snow removal, etc. for homeowners that do not take care of it, which in turn gets billed back to the property owner. We have used this contractor for several years and the Director is recommending a renewal of that contract.

Director Ostrowski stated we have used Larry's Helping Hand for a number of years as his rates have been very competitive and he has handled some of the difficult situations well. He has also taken care of our grass and weed issues along with junk in the yard removal. He recommends continuing the contract and stated the contract does include an automatic renewal so we do not have to keep bringing this back, unless it would exceed a 3% annual increase, at which time we would bring it back to Committee.

Motion made by Ald. Kneebone, seconded by Ald. Doxtator, to approve the contract as presented for snow and ice removal for sidewalks and boulevards with Larry's Helping Hand.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #5 – SUBORDINATION AGREEMENT FOR THE EXISTING LOAN WITH SERVICE COLD STORAGE.**

C/T Ladick stated a few years ago the City made a \$200,000 interest free loan to Service Cold Storage as part of a Developer's Agreement that we had with them. In regards to property/mortgage loans, there is a pecking order when it comes to recording as far as who is first in line and who is second, etc. The primary lender is first in line and we agreed to be second in line. Now, they have refinanced due to their expansions, so we need to again approve the subordination to agree to stay in second place.

Motion made by Ald. Doxtator, seconded by Ald. Dugan, to approve the subordination agreement for the existing loan of \$200,000 with Service Cold Storage.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #6 – APPROVAL OF PAYMENT OF CLAIMS.**

Motion made by Ald. Doxtator, seconded by Ald. Shorr, to approve the payment of claims in the amount of \$873,648.79.

Ayes: All                      Nays: None                      Motion carried.

Adjournment at 7:46 p.m.