

AMENDED

**FINANCE COMMITTEE
OCTOBER 9, 2017 AT 8:20 P.M.
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Ald. Phillips, Kneebone, Shorr, Johnson, and McComb

ALSO

PRESENT: C/T Ladick; City Attorney Beveridge; City Clerk Moe; Directors Schrader, Lemke, Ostrowski, Beduhn; Police Chief Skibba; Asst. Fire Chief Gemza, Ald. Slowinski, Morrow, Oberstadt, Dugan, Jennings, Nebel; Deputy C/T Freeberg; Mary Ann Laszewski; Cassie Lennox

ITEM #1 – OPTIONS FOR A CITY HALL FACILITY, INCLUDING LOCATION.

C/T Ladick reviewed what was included in the packet, which included a spreadsheet analyzing the different options and pros and cons, the powerpoint presentation from the County's architect analyzing the County/City building, and a memo from Director Ostrowski explaining a proposed location on Water St. He stated that staff is interested to know what questions the Council has and what else they would like us to look at, so that the required information can be provided.

Ald. Shorr stated that we have been looking at this for quite some time, and more intensely in the past few months. He said that in looking at this, the advantages of building new have become stronger and stronger, especially considering the disruption of relocating multiple times, and the potential expenses of the current County/City building.

Ald. Johnson asked about the County's counterproposal to offer us all of the second floor. She asked what the additional cost would be if we take over more of the building.

Director Ostrowski explained that the initial financial projections he used were based on only occupying 27% of the building, not 50%, and he also explained that he expects that the estimates he used for remodeling costs are low. He said that the remodeling costs may be slightly less expensive than constructing a new building, but not very much. He stated that there are concerns about potential change orders, and timing is also a concern based on the amount of time it will take for the County's plan to be implemented.

Ald. Johnson noted that in the County's capital budget there is only money for design but not money for constructing a new Courthouse building.

Ald. Kneebone stated that she knows that the County is offering us additional space, but asked if there would be an option for any additional space in the future.

Director Ostrowski stated that the County would need to relinquish space, or we would need to add on to the existing building.

Ald. Morrow asked if the County has been in communication with the City about their plans.

Mayor Wiza stated that those conversations have been taking place for quite some time. They have tossed around some ideas but have not come up with anything solid. He stated that we could make it work but it wouldn't be ideal. He stated that it is important that we remain in the downtown location so that residents don't have to travel too far if they go to the wrong building.

Mary Ann Laszewski asked if we have considered using the Weber building (1039 Ellis St.).

Mayor Wiza responded that we do not own the Weber building.

Ald. Dugan stated that she was surprised and pleased with what the County is offering. As an environmentalist, reusing an existing building is the most sustainable. She stated that it is a good building, but needs to be renovated inside. She wondered if the County didn't move more people in the County/City building, would we have enough room to consider the option.

Ald. Slowinski stated that he wanted to look at all the options for staying downtown. He said that he is concerned about staying in the current building, because Edgewater, an older building, has repairs piling up, and is concerned that the County-City building could also have very expensive repairs. He asked if we have looked into the Lullabye site.

Mayor Wiza stated that Lullabye is prime real estate, and the spot on Water St. is not in as desirable of a location.

Director Ostrowski stated that the Water St. site really isn't a prime riverfront site. It is next to an industrial building, and does not directly front on the river. He also expressed concern with building on existing downtown parking lots, as that may create parking issues.

Ald. Slowinski stated that he questions the Lullabye site being prime real estate since we have owned it for a long time and haven't been able to develop it.

Ald. Nebel stated that she agrees we need to look at other options downtown. She stated that she doesn't think the Water St. site has been a good spot for people. She would like to look at the parking lot on 3rd and Water since it is big and there may be space for us.

Director Ostrowski stated that with the Water St. site, we would keep the tenant in the building, and will make more from the lease revenue than from tax revenue. He stated that purchasing it allows us to make a continuous parcel of City-owned land. He stated that we are acquiring the property at a good value, and also acquiring a revenue stream with the tax revenue.

Ald. Jennings stated that she already expressed concerns about taking good riverfront property off of the tax rolls. She stated she is concerned about how this project will be explained to constituents when taxes go up. She is also concerned about constructing the building on the cheap. She stated that she is worried that people will think that their taxes are going up just to pay for City Hall.

C/T Ladick stated that he agrees it will be more of a challenge to sell a new City Hall, but that it is important for people to understand that there is not a cost-free option. Whatever we do, including the status quo, will involve a significant expense. Therefore, if we can spend a similar amount of money and get a new building that meets our needs for the long-term and has better efficiencies, that is a good financial decision.

Ald. McComb said that she also has concerns about how the public would respond. She stated that even if a new building would cost less, it would be perceived as being unnecessary and a waste of taxpayer dollars. She stated that in the County/City building, she noticed that there is not a plan to use the basement, and maybe we could take that space.

Ald. Shorr stated that making it about comparisons is a crucial point. While the Lullabye site may be taking longer than we would like, we need to compare it to the Water St. The Lullabye site has more potential as a development site, and if we build there it would also create more distance between us and the County. He said he feels like we are straining to stay in the County/City building and then we would lose flexibility. Also, in terms of comparisons, a new building would take several years, but the option of staying in the County/City building would be much longer. Also, the disruption would be greater with staying since we would have to move twice.

Ald. Jennings asked if there has been any discussion with the Post Office, since it would be a really interesting combination of City Hall and Post Office.

Director Ostrowski stated that the Post Office building is privately owned, and he is not sure if the US Postal Service would want to stay there if we buy it and construct a new building.

Ald. Slowinski stated that we should consider still purchasing the Water St. site but using it for Edgewater parking, which would free up space in the parking lot on 3rd and Water streets to build a new City Hall.

Mayor Wiza stated this is probably one of the biggest decisions that we will make. He would caution against waiting to see what happens in a lot of cases, since new options will always come up. We need to decide when we will take action. We also need to prioritize the different factors in making a decision. It is up to the Council to decide what is important, and how they will make the decision.

ITEM #2 – PURCHASE OF 1466 WATER ST., 924 ARLINGTON, AND THE UNADDRESSED PROPERTY ON WATER ST., PARCEL NUMBER 2408-32-2019-12.

C/T Ladick stated that we are still waiting for a recommendation from Plan Commission, but still wanted to bring this forward.

Ald. Shorr stated it was clear that the Plan Commission needed more time since this was newer to them. He wondered if input from them was necessary for their decision.

Ald. Phillips asked if we could make a motion to purchase contingent on a favorable Plan Commission recommendation.

City Attorney Beveridge stated that we could but then the decision is up to the Plan Commission. He stated a better option may be to schedule a Special Council meeting after Plan Commission.

Motion made by Ald. Shorr, seconded by Ald. Johnson, to recommend purchase of the properties on Water St.

Ayes: All

Nays: None

Motion carried.

ITEM #3 – PROCURING ARCHITECTURAL AND ENGINEERING SERVICES RELATED TO THE POTENTIAL CONSTRUCTION OF A NEW CITY HALL.

Director Ostrowski stated that when we started looking at this in 2013 we put out an RFP for services for the conceptual design and layout. We wanted a firm with experience in municipal facilities. Eleven proposals were reviewed and we chose Bray Architects. He asked if the Council wants us to continue with Bray Architects or put out another RFP.

Ald. Shorr asked if the original study was linked with the broad issue of building new.

Director Ostrowski responded that Bray didn't just look at the facility, but also how the different departments interacted and which ones should be next to each other. If we changed companies we would need the new one to get up to speed on how our operation functions.

Ald. Slowinski asked if it would be beneficial for us to just stay with Bray since they have already done some work on this.

Director Ostrowski stated that he thinks it would, given the experience working with them and also their experience in the municipal sector.

Ald. McComb asked if we would be regarded as showing favorites by selecting them.

Director Ostrowski that is always a risk, however we chose them through a competitive RFP process and have established a good working relationship with them.

Motion made by Ald. Johnson, seconded by Ald. Kneebone, to proceed with Bray Architectural and Engineering Services related to the potential construction of a new City Hall.

Ayes: All

Nays: None

Motion carried.

Took 5 minute recess, reconvening at 9:53 p.m.

ITEM #4 – PUBLIC COMMENTS ON, AND CONSIDERATION OF, THE PROPOSED 2018 CAPITAL BUDGET.

Ald. Johnson asked about the \$750,000 for road surface improvements, and if there is a list of what projects that would cover, because she would like to see something done with Miller Ct.

Director Beduhn answered that they don't have a list set currently, but that is something they are working on putting together.

Ald. Johnson noticed that there is no money currently budgeted for purchasing additional parking kiosks, and wondered if there is a plan to purchase additional kiosks.

Mayor Wiza confirmed that at this point there is not money in the capital budget or capital plan for additional parking kiosks.

Ald. Phillips asked why the request to reroof a building at Zenoff Park was withdrawn.

Director Schrader stated that they found the cap of the shingles just needs to be replaced, not the whole roof, so they will take care of that with their operating budget.

Ald. Phillips asked about \$20,000 budgeted for a strategic plan.

Mayor Wiza responded that this was a request from Ald. Johnson.

Ald. Johnson stated that a comprehensive plan is very broad and is effective for many years. A strategic plan is for 3-8 years and is more actionable. It should include a mission and vision statement and actionable strategic goals.

Ald. Phillips stated it looks like another layer of government, and asked for an example of how this would benefit the City.

Ald. Johnson responded that, as an example, one of the goals for Marathon County Solid Waste is to make landfill disposal affordable and convenient. So, whatever they do, they have to decide if it is aligned with that strategic goal, so it provides guidance to staff and the department on what goals they should be working towards.

Ald. Shorr stated that he sometimes feels that the Council is sort of making decisions when issues pop up rather than really having a framework. The goal should be to have a framework that we can make reference to and help guide our decision making.

Ald. McComb stated that this is a medium term plan and that it is philosophical but then we can start turning philosophy into actions.

Ald. Kneebone stated that this would be helpful for setting priorities and setting a roadmap for the future.

Ald. Phillips asked about the lawnmowers that are being purchased for the Parks Department.

Director Schrader stated that we are replacing mowers that have a 5-7 year useful life, and they are almost 10 years old.

C/T Ladick noted that one open item is facilities needs (City Hall).

Ald. Phillips suggested that we should do that now, and add some money for City Hall.

Director Ostrowski suggested that \$6 million would be an appropriate number to add for 2018.

Motion made by Ald. Johnson, seconded by Ald. Shorr, to approve the proposed 2018 Capital budget with the addition of \$6 million added for the new City Hall.

Ayes: All Nays: None Motion carried.

ITEM #5 – PURCHASE OF A GARBAGE TRUCK ON BEHALF OF THE MCDILL LAKE DISTRICT.

C/T Ladick stated that this is a request from the McDill Lake District, as they are looking to purchase a garbage truck in order to compress and haul aquatic weeds, and although they can borrow the money on their own, the City can get a better rate and the Lake District could simply make the payments to us.

Ald. Phillips mentioned that they are also looking at another piece of equipment, a long trailer with a big belt on it, which might just as well for about half the cost, so he is thinking that we could either loan them the money or buy the piece of equipment and then have the Lake District pay us back, whether it is a garbage truck or another piece of equipment to compress and haul weeds.

Motion made by Ald. Shorr, seconded by Ald. Johnson, to approve the concept of borrowing on behalf of the Lake District.

Ald. Jennings stated that this is baffling. She asked what kind of entities can use the City to get a better interest rate.

C/T Ladick stated that the Lake District is a political subdivision so they are a local unit of government.

Ald. Jennings asked if it is within the City.

C/T Ladick explained that the district includes properties in the City as well as the Village of Whiting, and that the City has cooperated with the Lake District in taking care of McDill Pond on items such as the weed harvester.

Ald. Jennings stated it is interesting that the City is spending this much money maintaining a pond which is not really a pond.

Ald. Slowsinki stated that those are still City residents on McDill Pond who enjoy that body of water.

Ayes: All Nays: None Motion carried.

ITEM #6 – ESTABLISHMENT OF AN ENTERPRISE FUND FOR PARKING REVENUES AND EXPENDITURES.

C/T Ladick stated that this is related to governmental accounting practices. With the new kiosks, there are new revenues and expenses, and we don't want to throw off the operating budget of one of our departments as a result of this extra activity. With the separate fund, we are not comingling parking revenues and expenses with the general operating budget. This way we can get a clear picture of what the parking program is making, and the fund could also provide for the capital replacement of the kiosks.

Ald. Shorr stated that if he understands correctly we need to do this in order to stay in line with the plan for the kiosks.

C/T Ladick stated that it was a recommendation of the parking study.

Ald. Johnson asked if this would limit the use of these funds, such as for improvements around the university.

C/T Ladick responded that he doesn't believe it to be a significant limitation, especially if there is some sort of connection between the expenses and revenues, such as keeping it to projects in the university area.

Motion made by Ald. Shorr, seconded by Ald. McComb, to approve the establishment of an enterprise fund for parking.

Ayes: All Nays: None Motion carried.

ITEM #7 – APPROVAL OF CLAIMS PAID.

The claims were discussed.

Motion made by Ald. Johnson, seconded by Ald. Kneebone, to approve the claims paid in the amount of \$1,253,285.83.

Ayes: All Nays: None Motion carried.

ITEM #8 – ADJOURN INTO CLOSED SESSION (APPROXIMATELY 7:30 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 FOR A PROPERTY WITHIN TAX INCREMENTAL FINANCING DISTRICT 9 (EAST PARK COMMERCE CENTER TID).

Motion made by Ald. McComb, seconded by Ald. Johnson, to adjourn into closed session at 10:36 p.m.

Roll call: Ald. Johnson, Kneebone, McComb, Shorr and Phillips Nays: None
Motion carried.

Adjournment at 11:24 p.m.