

FINANCE COMMITTEE
November 13, 2017 AT 6:02 P.M.
LINCOLN CENTER – 1519 WATER STREET

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

ALSO

PRESENT: C/T Ladick; Mayor Wiza; City Attorney Beveridge; City Clerk Moe; Directors Schrader, Lemke, Ostrowski, Beduhn; Police Chief Skibba; Asst. Fire Chief Gemza; HR Manager Jakusz; Assessor Shepro; Street Superintendent Laidlaw; Ald. Slowinski, Morrow, Oberstadt, Dugan, Jennings, Nebel; Deputy C/T Freeberg; Brandi Makuski; Mary Ann Laszewski; Kevin Ruehl; Neil Prendergast; and Michael O'Meara.

ITEM #1 – ISSUANCE OF GENERAL OBLIGATION BOND 2017B FOR REFINANCING BOND 2011A AND FOR 2018 CAPITAL PROJECTS.

Greg Johnson from Ehlers gave a brief presentation on the proposed borrowing. He stated that the borrowing has two different purposes, to refinance existing 2011 bonds related to TIF District 6, which will both save money on interest and structure the payments to better match the anticipated cash flows, and to borrow new money for 2018 capital projects. He stated that timing was also an important consideration because we want to get the borrowing completed by the end of the year so that it will count toward our 2017 bank qualification limit. For that reason, we are doing a parameters resolution, which means that the sale is being authorized contingent on certain parameters being satisfied. He explained that because this is a bond issue (longer than 10 year term) we need to do a separate resolution for each purpose. One of the purposes is refinancing the TIF debt, and he covered the anticipated savings and the analysis that was undertaken to anticipate the future cash flows of the TIF District.

Ald. Johnson asked, considering our bond rating, if the 3.5% interest rate parameter is a flat interest rate on the total borrowing. Greg Johnson explained that each maturity has a separate interest rate and that would be the true interest cost, which takes all of the interest rates on the different maturities into account.

Ald. Shorr stated that he wanted to make sure he understands the point about bank qualification, that right now there isn't a big difference if a borrowing is less than 10 years, but beyond 10 years it is a more significant concern. Greg Johnson explained that is correct, and that part of the money that is being refinanced goes beyond 10 years, which is the piece that then becomes more of a concern as it relates to bank qualification.

Ald. Johnson stated she wanted to make sure she understands what we are doing, which is to authorize the borrowing based on the stated parameters, and then they will go out and find the best deal possible for the City, with the Comptroller-Treasurer or Mayor authorized to sign for it if it meets all the requirements. Greg Johnson stated that is correct.

Ald. Johnson asked why we opted to do this parameters type of system, and if it was timing.

C-T Ladick responded that was correct, it was related to timing especially considering how close we are to the end of the year.

Motion made by Ald. Johnson, seconded by Ald. Shorr, to approve the issuance of General Obligation Bond 2017B.

Ayes: All

Nays: None

Motion carried.

ITEM #2 – REALLOCATION OF CAPITAL FUNDS IN ORDER TO PURCHASE A PICKUP TRUCK FOR THE PARKS DEPARTMENT.

C-T Ladick stated that the Parks Department has a pickup truck that they use for security patrol and other various uses, but unfortunately it had a transmission failure and the recommendation from the Fleet Manager, Dennis Laidlaw, is that it doesn't make sense to spend a lot of money on this vehicle given its age, so it is recommended to simply replace it. The money would come from leftover capital funds in the Parks Department.

Motion made by Ald. Johnson, seconded by Ald. McComb, to approve the reallocation of capital funds in order to purchase a pickup for the Parks Department.

Ayes: All Nays: None Motion carried.

ITEM #3 – PUBLIC COMMENTS ON THE PROPOSED 2018 BUDGET.

C-T Ladick stated that this is one of several opportunities for the public to make comments on the budget, another one being next week at 6:30pm at the Special Council meeting when the budget is approved.

The public was invited to speak.

No members of the public came forward to offer testimony.

ITEM #4 – REVIEW AND POSSIBLE ACTION ON THE PROPOSED 2018 BUDGET.

C-T Ladick explained the list of budget changes that was handed out. He stated that adjustments were made since the budget was presented on October 23rd. These adjustments were related to adding a part-time custodial position in the Fire Department, adding a Bailiff position in the Municipal Court, and an adjustment related to facilities budgeting in preparation for the Police Department move to 933 Michigan Ave.

Ald. Shorr clarified that the facilities adjustment was related to the difference in the percentage of the City/County building that we will be occupying.

C-T Ladick responded that was correct.

Ald. Slowinski asked for clarification on the different line items that pay for the City Hall and Police Department facilities. C-T Ladick clarified that they are now going to be split out based on the need to allocate expenses properly for various functions and various departments. This is the reason why there would be two line items for 933 Michigan Ave., one for the PD space and one for the space that the potential tenants would be renting.

Ald. Johnson stated that she did have a number of questions related to Public Works, and Director Beduhn was very helpful in answering all of those questions.

Ald. Phillips stated that he is looking at the \$20,000 in the capital budget for a strategic plan, and that he feels this is wasteful spending. He stated he is concerned that the plan will just be copied from another City, so he wants staff to do it instead.

Ald. Johnson stated that it is capital, not operating. She stated that it is possible that someone would be able to do it in house, but that the development of a strategic plan involves someone facilitating the process. She stated that she has had many experiences with strategic planning, several that were facilitated very well and resulted in a plan that really reflected the input of the group, not just "boiler plate" language.

Ald. McComb asked if we were to do it in house, who would have the qualifications and time to do it.

Mayor Wiza stated that he has also been involved in strategic planning, and that the role of the facilitator is to facilitate and bring together all of the parties and create the path to develop the end product. He stated his expectation is that we involve outside parties as well in the process.

Ald. Shorr stated that his own business is closely related to this topic, but his clients are foundations and non-profits. He stated the test of doing a decent job is what is being discussed, adding value by eliciting different perspectives from stakeholders and focusing discussion to generate ideas that are useful.

Ald. Kneebone stated that if she knew she could just search a plan on the internet she wouldn't have spent money to study planning. She stated that a good planner will tailor their plan to the municipality based on the input from the stakeholders.

Ald. Johnson stated that she would like to talk about another topic related to the capital budget. We have talked about safe routes to school before, and it is in a plan, with implementable components. The only way to get these things done is to start allocating funds. She stated that we have quite a bit of money allocated to our streets, but she would like to see a line item every year for safe routes to school. It wouldn't have to be 17% of our road budget, which would reflect the number of bicyclists and pedestrians who use their feet for commuting, but she would like to see something.

Ald. Phillips asked for an example of where that would be used.

Ald. Kneebone replied that her constituents have been talking about the area around Bannach Elementary School on Walter St. There is not a sidewalk, and it would be over \$300,000 to add a biking or walking path. However, for about \$10,000 we can add a sign with flashing lights that says it is a school zone, which would slow the street down and save money by avoiding the requirement to reconstruct the street to add a path.

Ald. Phillips asked where the money would come from.

Ald. Johnson replied that it would come from within the Department of Public Works capital budget. She said she would leave it to staff to figure out exactly where.

Mayor Wiza stated that we need to recess in 2 minutes. He stated that this budget increases our borrowing, and increases taxes, but we needed to do that because we needed a sustainable capital plan. He stated that C-T Ladick and his team looked at all of our assets and took inventory to make that plan. If we take funding from our capital plan, we are now digging a hole again. He stated that he would instead suggest either adding the \$15,000 to the borrowing, or taking it from something that was not part of that capital replacement plan.

Meeting recessed at 6:44pm.

Meeting reconvened at 6:52pm.

Motion made by Ald. Johnson, seconded by Ald. Kneebone, to amend the capital budget by adding \$15,000 for safe routes to school, with the money coming from additional borrowing.

Ald. Slowinski stated he doesn't feel comfortable adding more to the capital budget. He stated that he wants to look at the \$60,000 for Stanley St. and wanted to clarify that is for restriping that street.

Mayor Wiza responded that it is just for improvements to Stanley St., whatever form those may take.

Ald. Slowinski replied that is where he would suggest we take the money from.

Ald. Shorr stated that redesigning Stanley St. is a priority of his, but as we talk about numbers and costs, he would be comfortable that with the costs of redesigning, he is comfortable that we can get it done for \$45,000 because he knows that we tend to budget conservatively, and then be happy when costs

are lower, so if this is solution that seems to make sense, then he is comfortable with reducing the Stanley St. budget from \$60,000 to \$45,000.

Ald. Dugan stated that District 8 also shares a good deal of Stanley St., and that it also has a great need for safe routes to school. She stated that she thinks we could get some things done on Stanley with \$45,000, and then also do safe routes to school. She stated that she would like to add each year a little bit to safe routes to school for the area around Washington Elementary.

Ald. Kneebone stated that she is not opposed to using leftover capital project dollars, but that it is important that we make a commitment and then build on it, rather than just relying on what might be leftover.

Motion withdrawn by Ald. Johnson.

Motion made by Ald. Johnson, seconded by Ald. Kneebone, to amend the capital budget to have a line item for safe routes to school, and taking \$15,000 from Stanley St. improvements to fund that line item.

Ald. Slowinski stated that he agrees with the intentions, but asked how we will decide how the money in that line item will be spent since it is not very specific.

Mayor Wiza replied that you as a body (Common Council) will make those decisions.

Call for the Vote.

Ayes: All Nays: None Motion carried.

Motion made by Ald. Johnson, seconded by Ald. McComb, to approve and advance to Council the proposed 2018 budget which includes both operations and capital.

Ayes: Majority Nays: Minority Motion carried.

Meeting recessed at 7:08pm.

Meeting reconvened at 10:03pm.

ITEM #5 – REQUEST FOR THE APPROPRIATION OF FUNDS TO PURSUE THE NOMINATION OF THE CLARK STREET NATIONAL REGISTER HISTORIC DISTRICT IN COOPERATION WITH THE WISCONSIN HISTORICAL SOCIETY’S CERTIFIED LOCAL GOVERNMENTS GRANT PROGRAM.

Director Ostrowski explained that previously we had applied for some funding for a state/federal historic district designation. This is different than our local historic district, which has specific requirements for all of the properties in the district. With the state and federal designation, it allows the property owners to get tax credits, and the requirements only apply to those who take the tax credits, so there are no requirements for the properties that choose not to participate. He stated that there is \$4000 leftover in the program, which has been offered for the City. Staff would recommend using the funding for a designation for the Clark St. corridor, but that would cost about \$10,000 so the City would have to contribute \$6000.

Ald. McComb asked if it was for the district that outlined in red or the one in turquoise on the map. Director Ostrowski stated that it is the one in turquoise, as the one in red is the local district.

Ald. McComb stated that there would be a lot of intangible benefits as people are attracted to historic districts.

Ald. Kneebone asked if there would be a benefit to designating a larger district.

Director Ostrowski replied that in 2011 there was a historic survey, and these were the districts that have been identified.

Ald. Oberstadt read a statement from Neil Prendergast. The statement encouraged the committee to allocate the funding for this, since it will not restrict what owners can do with their properties, as it uses a "carrot" rather than a "stick" approach through the offer of tax credits. He stated that this will allow over 100 property owners in this district to rehabilitate their properties, with costs reduced by 25-40% from the tax credits.

Motion made by Ald. Johnson, seconded by Ald. Kneebone, to approve funding for the request.

Ayes: All Nays: None Motion carried

ITEM #6 – AGREEMENT WITH WISCNET FOR PROVIDING INTERNET SERVICE.

Mayor Wiza explained that we have an internet service provider that was sold off to a different company and we are not experiencing what we would expect as far as internet speeds. Wiscnet is able to provide better service and much more bandwidth for a nominal increase in what we pay annually for internet service.

Motion made by Ald. McComb, seconded by Ald. Johnson, to approve the agreement with Wiscnet.

Ayes: All Nays: None Motion carried

ITEM #7 – BOLDT CHANGE ORDER #2 FOR THE EDGEWATER MANOR PROJECT.

Director Ostrowski explained that they are working with Boldt to do the upgrades to the Edgewater Manor. One change order was related to the electrical system, however we may be able to keep the existing switchboard. This would cost \$3900, but would allow us to avoid an expense of \$120,000-\$150,000 for replacing the switchboard. However, parts are no longer made for this switchboard since it is old, so if it goes down it could be down for a while. Otherwise, he stated we are not really seeing any gains in safety or efficiency.

Ald. Shorr stated that he trusts the professional advice and also recognizes that the costs of the project will ultimately be paid by the tenants.

Motion made by Ald. Shorr, seconded by Ald. Johnson, to approve the change order for \$3900 and keep the existing switchboard.

Ayes: All Nays: None Motion carried

At 10:24 pm. Item #13 was pulled forward for public comment.

PUBLIC COMMENT ON ITEM #13 – RECONVENE INTO OPEN SESSION FOR POSSIBLE ACTION ON THE ABOVE REFERENCED CLOSED SESSION ITEM.

Michael O'Meara stated it is really important that we take this opportunity to get this rail right of way, because we would never be able to put together this type of corridor ever again. There are times when if we don't do something one year, we can always do it in the future. However, if we don't do this now we won't be able to get it in the future because it will be split up and there is a new law prohibiting use of eminent domain for bicycle and pedestrian facilities. There is not a do-over if we make the wrong decision.

Bill Seybold stated that this issue is important because the area is known for the Green Circle Trail. He stated that he shops in Stevens Point and he likes to bicycle. The easier it is to come to the City of Stevens Point, the more that people will come here, so it has an economic and safety importance.

Mary Maller stated that the reason she moved into Stevens Point is because she will be driving less and less so bicycle transportation is important for accessibility and quality of life. This is because of the physical fitness and pleasure of bicycling.

Mayor Wiza read a public comment on behalf of John and Penny Quirk. It stated that they wholeheartedly support the project.

Mayor Wiza read a public comment on behalf of John Jury. It stated that this is a once in a lifetime opportunity. It will provide a direct commuter corridor. Once the Okray trail is completed in Plover, it will be a natural North-South corridor across almost the entire urban area. It will provide an alternative to business 51. Also, people like to live near bike trails so it will increase property values. It is also specifically identified in the bicycle and pedestrian study. Further, it will increase wellness for commuters who use it regularly.

Trevor Roark stated that BPAC supports the purchase as it is an important commuter route and people will walk or bike it. He stated some might ask if people should just use the Green Circle Trail instead, but this corridor would be more direct so it would cut the distance and time in about half. He stated that this is a huge opportunity and he hopes that the City will move forward with the purchase.

At 10:37pm the committee returned to the regular order of the agenda, Item #8.

ITEM #8 – PURCHASE THREE PROPERTIES: 1466 WATER STREET (PARCEL ID: 281240832201931), 0 WATER STREET (PARCEL ID: 281240832201912), AND 924 ARLINGTON PLACE (PARCEL ID: 281240832201911) FOR THE PRESERVATION OF PROPERTY FOR A FUTURE CITY HALL.

C-T Ladick stated that although the committee voted last month to approve the purchase, we did not have the Plan Commission recommendation at the time. We have since received that recommendation, which was unanimous to move forward with the purchase, so now we would like to vote again with that recommendation taken into consideration.

Motion made by Ald. Shorr, seconded by Ald. Johnson, to approve the purchase of the properties.

Ald. Slowinski stated that he is still concerned about the particular corner and people crossing Water St. He wants to make sure that we are not relying on the parking lot across the street for parking for City Hall.

Ald. Jennings stated that she does not support the land purchase because she sees it as valuable and developable property for multiuse development.

Ald. Johnson mentioned that she did have a call from a business owner stating that he was surprised to see this on an agenda. Ald. Johnson stated that although we have had a lot of discussion about it, the media hasn't covered it a whole lot, so although we have been following this journey very closely, the public may not be as aware as we are, so in general outreach to the public is important.

Ald. Slowinski asked if the Assessor agrees with the price that we are paying.

C-T Ladick stated that we are aware of what the assessed value is, but the purchase price on a property does not always match the assessed value.

Mayor Wiza stated that the Assessor does not decide what we offer on a property, that is for the Council to decide.

Trevor Roark asked if an estimate has been done for a similarly sized mixed-use building in terms of revenue, and if that estimate has been part of the equation.

Mayor Wiza stated that it hasn't because we don't own the property and the current owner has no intention of developing it.

Ald. Phillips also noted that in the past the property was for sale for many years and no one came forward to do anything with it.

C-T Ladick stated that the concept was discussed for some of the other sites that we looked at that had a higher development potential and were more prime. He said that in comparison to the other sites that we looked at, this site had the least development potential. He stated that the decision to keep City Hall downtown makes it difficult to find a suitable site with no development potential at all.

Call for the Vote

Ayes: All

Nays: None

Motion carried

ITEM #9 – PROCURING ARCHITECTURAL AND ENGINEERING SERVICES RELATED TO THE POTENTIAL CONSTRUCTION OF A NEW CITY HALL.

C-T Ladick went over the quote from Bray, which includes \$7500 for an updated needs analysis and the architectural/design services which are on a percentage basis.

Director Ostrowski stated that we could either do both as one contract, or we could split them out into two, the needs analysis and the architectural/design services for City Hall.

Ald. Phillips asked if we wait if we would end up in a design-build scenario.

Director Ostrowski said that we can't, we have to bid this out since it is public construction.

Ald. McComb asked if we used them before and if they are good architects.

Director Ostrowski stated that yes, we used them for the initial analysis and that they have done a lot of municipal work.

Ald. Johnson asked if their fee covers project management.

Director Ostrowski stated that it just covers design.

Ald. Slowinski stated that although Bray is good firm, we should put this out for RFP to make sure we get the best price.

Ald. Kneebone asked how long it would take to go through an RFP process.

Director Ostrowski stated that it would take several months to go through the process.

C-T Ladick stated that we voted on this concept last month about either entering into a contract with Bray or going out for an RFP, and the decision was to contract with Bray.

Motion made by Ald. Johnson, seconded by Ald. McComb, to enter into a contract with Bray for an updated needs assessment and departmental study, and the architectural design services for a new City Hall.

Ayes: All

Nays: None

Motion carried

ITEM #10 – CAPITAL REQUEST FROM PORTAGE COUNTY FOR IMPROVEMENTS TO THE COUNTY/CITY BUILDING.

C-T Ladick stated that per our agreements with the County on the City/County building, they are required to get our express approval for any improvements. The County has submitted a request to do a window replacement project and a new elevator cab and controls. He stated that his recommendation is to deny the request.

Ald. Shorr stated that this request is hitting us fairly late in our budget cycle, and we have already been through capital, so he is inclined to deny the request.

Ald.

Motion made by Ald. Kneebone, seconded by Ald. McComb, to deny the capital request from Portage County for improvements to the County/City building.

Ayes: All Nays: None Motion carried

ITEM #11 – 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 \$1,526,968.79.

Ayes: All Nays: None Motion carried.

**ITEM #12 – ADJOURN INTO CLOSED SESSION (APPROXIMATELY 8:30 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 FOR THE PURCHASE OF ABANDONED RAILROAD RIGHT-OF-WAY WITH CANADIAN NATIONAL RAILWAY.**

Motion made by Ald. Shorr, seconded by Ald. McComb, to adjourn into closed session at 11:15 p.m.

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

ITEM #13 – RECONVENE INTO OPEN SESSION FOR POSSIBLE ACTION ON THE ABOVE REFERENCED CLOSED SESSION ITEM.

Motion made by Ald. McComb, seconded by Ald. Kneebone, to reconvene into open session at 11:38 p.m.

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

Motion made by Ald. Johnson, seconded by Ald. McComb, to authorize staff to negotiate with Canadian National Railway for the purchase of the rail corridor.

Ayes: All Nays: None Motion carried.

Adjournment at 11:40 p.m.