

**FINANCE COMMITTEE
AUGUST 12, 2019 AT 6:00 P.M.
POLICE DEPARTMENT – 933 MICHIGAN AVENUE**

PRESENT: Ald. Phillips, Slowinski, Morrow, and Johnson

EXCUSED: Ald. Shorr

ALSO

PRESENT: C/T Ladick; Mayor Wiza; City Attorney Beveridge; Clerk Piotrowski; Director Ostrowski, Lemke, Kremer, Beduhn; Fire Chief Finn; Asst. Police Chief Zenner; Supt Schneider; Deputy C/T Freeberg; Ald. Kneebone, Dugan, Nebel, Jennings, Dalton, and Zarazua; Carla Gogin; Al Haga; Chris Holman; Brandi Makuski; Dave Medin; Sandy Medin; Jo Seiser; Tom Brown; Karlene Ferrante; John & Barbara Parks; John Sullivan; Sally Topinka; Trevor Roark; Vincent Miresse; John Finn; Carol Molepski; Vicki Guyette; Jim Altenburg; Duane Danielski; Nancy & Joe Roppe; Liz McDonald; Richard Ruppel; Barbara Bartkowiak; Will Stites; Dennis Riley; Marv Noltze; Gordon Hamilton; Cathie Steffen; Suzanne Fee; Cass Cousins

ITEM #1 – PRESENTATION OF 2018 AUDIT REPORT BY BAKER TILLY.

Carla Gogin from Baker Tilly, gave a presentation on the 2018 Audit Report. She stated that they issued a clean or unmodified opinion, which is the highest level of assurance that they can provide that the financial information presented is accurate. She covered changes in fund balance, with the overall level of unassigned fund balance staying very consistent, and within the City's fund balance policy.

Carla Gogin also covered changes in outstanding general obligation debt, which has also stayed stable and is favorable for the City's bond rating.

Ald. Johnson noted that the amount of interest that the City is paying on debt has been going down over the last five years, and wondered if this was related to market changes.

C-T Ladick replied that it is related to market changes in interest rates, and noted that when we borrow money we borrow at a fixed rate over a number of years, so although interest rates were also low in 2014, at that time we were still paying off higher interest debt that had been issued previously, and since then we have been paying that off and replacing that with lower interest debt.

Carla Gogin moved on to covering the enterprises. She noted rate increases in both the Water and Wastewater utilities, and that increases in expenses were mainly inflationary. For Transit, she noted that the City did acquire a new service area (under agreement with Portage County), which has increased both the expenses and revenues.

ITEM #2 – APPROVAL OF THE 2020-2023 AMBULANCE SERVICE PROVIDER AGREEMENT BETWEEN PORTAGE COUNTY AND THE CITY OF STEVENS POINT.

C/T Ladick stated that this contract has already been approved by the Police & Fire Commission and allows for inflationary increases of 1.5% for 2019 and a 2.5% increase for 2020-2023. The 2.5% increase was based on the union contracts and what we needed to settle for in terms of a cost of living adjustment for the current 3 year fire union contract, which included a 2.5% wage increases each year. For the 2019 year, we are making a concession due to the difference between the 2.5% increase in costs versus the 1.5% increase in the contract amount, however the Fire Department usually does a good job of managing their expenses.

Ald. Johnson stated since the contract expired in December 31, 2018, we have continued on a month-to-month basis. Mayor Wiza added that was correct and we have been operating based on

a continuation of that contract, it is not a month-to-month. It automatically extended one year beyond the expiration date.

Ald. Johnson questioned what the dollar amount difference was from what we settled for in the fire union contract. C/T Ladick replied it was about a \$20,000 increase and that they are working with the Fire Department on a budget amendment for that.

Mayor Wiza briefly explained the contract and thanked everyone who worked on it.

Motion made by Ald. Morrow, seconded by Ald. Johnson, to approve the 2020-2023 Ambulance Service Provider Agreement between Portage County and the City of Stevens Point.

Ayes: All Nays: None Motion carried.

ITEM #3 – RENEWAL OF AGREEMENT WITH PORTAGE COUNTY REGARDING DELINQUENT SPECIAL ASSESSMENTS AND CHARGES.

C/T Ladick explained that we have an agreement with the County as far as how things work regarding delinquent special assessments and special charges, in the event that we put a special assessment or charge against a property and it gets transferred to the County due to nonpayment. Currently, the County takes that receivable with any taxes that are due. We have several larger raze orders out there that could result in a large special charge. He stated he is still working on clarifying some things with the County but he would like to have some formal changes to the contract to make things clear. The contract automatically renews September 1st of each year, so he would like to terminate the current contract and work with the County on a successor contract. This particular process would be for the charges that would transfer in August of 2020, so we do have some time to get that in place.

Motion made by Ald. Slowinski, seconded by Ald. Johnson, to terminate the agreement with Portage County regarding delinquent special assessments and charges.

Ayes: All Nays: None Motion carried.

ITEM #4 – DISCUSSION ON THE CITY/COUNTY PROPERTY EXCHANGE.

Ald. Jennings stated she did write a letter, which is in the packet, and also wanted this item put on the agenda as a discussion with possible action, but she noted that the action part of the item was omitted. She brought it forward because there has been no discussion, in public, with City Council on this issue.

Chris Holman, Portage County Executive, read a letter he wrote (attached) regarding the property exchange. He stated that the County has not moved out of the conceptual stage of evaluating the proposal. He stated that regardless of what the City decides, he remains committed to identifying areas where collaborative, mutually beneficial efforts can be explored. He stated that if the City withdraws its proposal framework, the County will move on and continue to explore options. He stated that infrastructure deficiencies don't care what any of us think, so what's important is that we look at our deficiencies and address them.

Ald. Nebel stated she would like to see more open constructive conversation regarding this issue. She stated that she has heard numerous times that the City supports this, but she does not know what she supports because she has not heard enough information about it. She has only been able to attend one meeting because of the walking quorum issues. It was brought up in a closed session with the City and they were asked what their thoughts were regarding the swap because we all know that something needs to be done with the current building City Hall is in.

Al Haga, Portage County Board Chair, stated that it is a catch 22 situation in how the two entities can talk because we have to worry about walking quorums or not having a meeting noticed

correctly. He stated that the Mayor, himself and the County Executive should be able to figure out a meeting, such as Space and Properties Committee, so that we can get together and have that kind of discussion and bring all the information forward. There has been a lot of staff time and energy put into this to figure out what is best for Portage County and what makes the most sense, all while listing the reasons why.

Mayor Wiza clarified what a quorum is, which is enough people to make a positive or negative impact on a deciding body. Typically, for City Committees, it is 3, because 5 is the number of people on a committee. Those types of meetings have to be noticed, stating that group is going to be there. The meeting that Ald. Nebel referred to was a County meeting discussing the topic of the swap and if the Alders had been there, they could have violated the quorum rule. Because of that, we have been recording all of those meetings so they can hear the discussion, which is not the best way to do it because you cannot interact with people or see the reactions of the crowd, etc. The way that this can be done, is to have meetings like this. He went on to say that there is a possibility of a conditional use and how that, as the Council would act in a quasi-judicial capacity, discussing that or making decisions on a potential use in the future, could affect their ability to vote on something that would require a conditional use in the future.

City Attorney Beveridge stated that the consideration of a conditional use permit is a quasi-judicial function. An application is made, testimony is taken at a hearing, and that information needs to be considered based on the standards of review. He stated that if a judge makes a public comment about a matter with a very strong opinion, and that matter comes before that judge, then the judge should recuse from that matter. He stated that a decision about a conditional use permit needs to be based on the review of that application, what is submitted, and the evidence presented.

Ald. Johnson stated that City Attorney Beveridge's argument about conditional use has been narrowed by the legislature, restricting local units of government, to place additional conditions where they are unwarranted, which she believes the dates were in 2016-2017. That leaves a local municipality a very narrow path to work with when issuing and allowing conditional use permits. She stated she appreciates the explanation, but wants the audience to know that they are restricted, to some degree, on how we can issue conditional use permits.

City Attorney Beveridge stated he is also somewhat restricted in how in depth and in what manner he can address this topic.

Mayor Wiza questioned if the members of the Council who are at this committee meeting, being here and listening to people speak, would put that quasi-judicial status in jeopardy, should the need for a conditional use permit come up. City Attorney Beveridge replied no.

Mayor Wiza asked Director Ostrowski to explain the statutory requirements at the Plan Commission regarding land use and then circumstances that might warrant a conditional use at either location.

Director Ostrowski stated because of its use, it is called a conditional use under our zoning code, so regardless of where it is going to go, it is required to go to the Plan Commission and Common Council, and us, to review the conditional use standards. The location and architectural design of a public building is also a matter referred to the Plan Commission under State Statute. He stated he does believe it warrants more conversation and maybe even a joint Plan Commission and Space and Properties Committee, would be more appropriate. He believes it would be a disservice to have conversations without the direct Committees and Commissions involved. Mayor Wiza stated that is why there was not an action item listed with this agenda item.

Tom Brown, 317 Green Avenue, spoke against the land swap as he feels that it is not in the best interest of the City. He stated that he feels that any advantages that the City might enjoy, would be short-term and detrimental in the long run.

Mayor Wiza stated that the preconceived or predetermined is not true. He stated that the County is required to have the courthouse within the City of Stevens Point, it has to be in the County seat by law.

Sandy Medin, 2101 West River Drive, spoke against the land swap, stating she elected some of the officials, pays stipends and now wants to be represented with her vote of no.

Sally Topinka, 732 West River Drive, expressed her opposition to part of the land swap that would enable the County to move to the far east part of the City. She paraphrased a comment at the County Board Meeting by stating the physical proximity of City and County government adds to better communication, better relationships, and better government.

John Finn, 2125 Clark Street, agreed with keeping the County and City together and gave two examples of how being in close proximity has benefitted both the City and County during his time as judge. He stated that he has talked to numerous people, all who are against this.

Jo Seiser, 317 6th Avenue, spoke against the land swap, stating she would like to see the buildings in the current area, recycled and reused, which would help use less energy. She would also like to see the cooperation between the staff of the City and County and keep them combined.

Will Stites, 425 Bukolt Avenue, spoke against the land swap. He recommended people visit the news source for Wisconsin called urbanmilwaukee.com. He stated that the article on August 5, spoke about how Wisconsin is getting older and the population is stagnant. He stated that we need to encourage development and management of our land that will attract the young, dynamic, entrepreneurial kind of people. He believes moving the courthouse out of the City is utterly contrary and will tear a big hole in our community.

Liz McDonald, 1760 Strongs Avenue, stated she agrees with most of what has already been said and is also against this. She stated she feels the downtown area is the best place for the County and City offices. She also questioned if this land on the east side is within a TIF District and stated putting this building out there would defeat the purpose of a TIF District. She does not believe that the short-term savings is a good excuse for what in the long-term would prove to be a mistake. She also made note that the current County-City building is not mentioned in this land swap so she wondered what would happen to that. She would like the City to reconsider alternatives in downtown.

Richard Ruppel, 1972 Church Street, stated he agrees with everything that has been said and spoke against the land swap. He questioned why the annex could only be built up, he thought there was no reason why it could not be built out. He questioned why the library and ADRC were included in the land swap. Mayor Wiza stated that the Lincoln Center (ADRC) and the library are wholly run by the County, but the building is owned by the City.

Carol Molepske, 2125 Clark Street, spoke against the land swap, stating the downtown is the heart of the City and County and helps keep the downtown vital.

Trevor Roark, 601 Washington Avenue, spoke against the land swap stating it is all short-term planning and touched on a variety of other issues. He stated there are a lot of external long-term costs that have not been outlined and need to be discussed. He brought up additional travel expenses that would be existent due to a variety of government staff driving to and from other sites to collaborate on a daily basis. Moving this building would cause a transportation issue for those traveling by foot or bike and cause a disconnection by not allowing people to interact randomly with each other.

Dave Medin, 2101 West River Drive, explained what the land swap is and clarified the properties. He stated that the County Annex and the County Jail would be transferred to the City and the ADRC, the Library, and the East Park Commerce land would all be transferred to the County. He went on giving backgrounds on the properties being discussed. He does not support transferring the library

to the County. He also spoke about the problems with the land in East Park Commerce Center stating it would need some work. He stated with regards to the downtown parcel, it is approximately 10 acres, from the east side of the County-City building, to Edgewater Manor. He stated he thinks the swap is bad for both sides and wants to see it abolished.

Nancy Roppe, 925 Smith Street, stated she takes exception to the suggestion that all of these meetings have been held and everyone has had an opportunity to speak. She stated that agenda items are inadequate and are not being written clear enough for people to know what is being discussed and would like the agenda items written so people would know exactly what was being discussed. She spoke against the land swap stating it would be a death blow to the downtown. She also asked what would happen to the current County-City building if the land swap occurred.

Ald. Jennings read the end of a letter she received stating they also mentioned the same issues that others have brought up. She stated they said that for many of them who live outside the City limits, it is not a hardship for them to travel downtown to access the County Municipal buildings and have never had a problem finding parking. She stated that this was the first public discussion that has been had with Council members present. She went on to say the swap first came before the Finance Committee in closed session so this would be the appropriate place for this to be discussed. She stated she was glad this was recorded because it exemplified some of the ways the Mayor tried to shut down and control discussion in indirect and implicit ways. She stated he tried, through the conditional use conversation, to place in the mind of alders and some members of the public, that they cannot discuss this and have this conversation.

Ald. Zarazua stated that the downtown alliance and business owners should be heard at some point due to the impact that it would have on them.

Ald. Morrow echoed the County Executive with regards to there being discussions on the County Jail and Courthouse for 15-20 years and for so many years now, it has been silent. The infrastructure is deteriorating, items like the AC, the heating, the drain, the roof leaking, etc., and has been going on for years and the County and City just put band aids on them. Unless you work in the courthouse, you really do not see this. He stated that something needs to be done before something major happens and the County will be forced to do something.

Ald. Johnson read a letter that she received that was against the property exchange. She stated that she agrees with Ald. Morrow that there is a lot that needs to be done with the Courthouse. She believes that the question should be more about what is our vision of criminal justice in Portage County. What does it mean to restore someone who has violated the law to a productive part of our society and what is the goal. She spoke about having a discussion about the impact of non-monetary bail on the number of jail beds we will need. She stated the brick and mortar part of this is the easy part, but dealing with how we can change things to not need so many beds at the jail is a bigger part. She spoke about the mental health issues and decriminalizing marijuana and what the impact of these things are on our jail capacity. She stated that doubling the size of the jail is not something we should be talking about until we address what the people of the community think about people who have violated the law and our role at restoring them back to productive citizens. She also stated that after talking to Judge Fluguar, half the people who are in jail are there on bail holds and since 17 year olds are being treated as adults, what would that do if we moved them back into the juvenile justice system.

Ald. Phillips stated he was stepping down from the Chair of Finance Committee role so that he could act on behalf of the 10th District Alderperson. He stated that he had a blueprint of the building that he drew 4 years ago and would accommodate all the needs of Portage County and not need to use any more property. The blueprint showed the square footage, approximate costs, and would include a new ventilating system, more energy efficient building by filling in the "H's" which would eliminate the longer outside wall and leaving only a small wall. He stated it is a common sense approach and would save money. He calculated remodeling the County-City building to be approximately \$10 million, the additions would be approximately \$20 million, adding a second story to the jail with a walkway going across to the second floor, which could increase the number of jail

cells, for \$55 million, all which were calculated at \$400/square foot. The cost of this would be half of what a new building would cost. He stated the people of his district want the municipal buildings to stay downtown.

Ald. Phillips requested that the Mayor put this item on the Council agenda for action. Mayor Wiza stated we need to be more specific. Ald. Phillips replied that he would like to say that it is for discussion and possible action on the land swap for the 20 acres in East Park Commerce Center.

Recess was taken at approximately 7:55 P.M. and resumed at 8:03 P.M.

ITEM #5 – DISCUSSION ON THE 2020 CITY BUDGET, AND PLANNING FOR FUTURE BUDGETS.

C/T Ladick gave a brief presentation on the budget timeline and some initial indications as far as how the budget is looking for 2020. He stated that the net new construction adjustment for the 2020 budget is 3.99%, which allows us to increase our property tax levy for operations by 3.99%. However, because much of that growth was inside TIF districts, if we take advantage of this flexibility, it will result in a tax increase.

Mayor Wiza questioned if a figure was obtained for what the increase would be on a \$100,000 home for the school referendum. C/T Ladick stated it should be around \$1 per thousand dollars of value, so approximately \$100 on a \$100,000 home.

Ald. Slowinski commented that even though we can increase our spending 3.99%, but due to most of the growth being in TIF districts, that increase is going to be on the shoulders of the taxpayers. He questioned what happens when the TIF's start to retire and we see a big jump, will the taxes be reduced then. C/T Ladick stated that is how it is supposed to work. Mayor Wiza replied that the first one will retire in 2028.

Ald. Slowinski stated that since this is an option to increase and with everything else going on, with the school district and the County, he wants to be careful as we need to look out for the taxpayers. He stated that just because we can, doesn't mean we should. C/T Ladick replied that would be a fair conversation to have, because we should consider if the increase in taxes is justified by what we are getting in return, which would be the extra personnel.

Mayor Wiza stated he asked the department heads to keep their budgets at no more than a 1% increase, it doesn't really keep up with the cost of living, but by keeping it at 1% affords us the opportunity to go with what was discussed and voted on at Council regarding putting in these additional positions. It is still a choice.

Ald. Johnson stated that within that range, we have latitude to prioritize those things and decide where we are comfortable.

C/T Ladick went on to state that when we look ahead, as far as what 2021 and 2022 will look like, we do have a lot of net new construction in the pipeline, which is good. There is about a 2-year delay from the year the construction occurs to the budget year it affects. He feels there will not be a lot of flexibility for 2021 based on new construction, but hopefully by 2022 there will be more flexibility, assuming the projects in the pipeline do move forward. Partial completions of construction projects will also count. He stated we will be looking at a lighter tax increase for 2021 and a heavier increase for 2022. With regards to levy limits, we have pretty much been taking the maximum of those limits. We can also use the debt service exemption to raise taxes for capital projects, which is important because capital continues to be a challenge. The capital analysis was done before and a plan was developed but the plan did not take into account adding any new assets or any new amenities. The capital plan put us on a course to be sustainable, but it did not give us any extra to try to catch up and as we know our streets do need some attention. The requests for capital are double what the available funds are. The capital budget also needs to be increased due to inflation as we move forward.

Ald. Johnson stated that we do have a sustainable capital plan but we need to try to balance what we are borrowing versus what we are paying off and staying within the self-imposed limit of our borrowing cap to continue to be responsible.

C/T Ladick continued on with his presentation on how we can address capital needs while keeping tax increases reasonable, suggesting that a target percentage increase be set for the overall tax levy.

Ald. Johnson stated there has been some discussion regarding the lower grades on the pay plan and lifting them. She questioned if that is going to be included in this budget. C/T Ladick replied yes, it is being worked on.

Ald. Nebel addressed some concerns regarding the alderperson capital budget requests. She commented that the playground equipment for Emerson school was changed from \$65,000 to \$60,000 and she wanted it noted that she does not want to lose any money for that. She stated they are also working on grants for it. She also voiced concerns over the pool and waterslide and wanted to make sure those did not get pushed back any further because it does impact the people of the City. She brought up maybe charging more to use the pool/waterslide for people who live out of the City limits. The Mayor also added it makes sense to make people outside the City pay a premium because those who live in the City are already paying for these things through their property taxes. It is a conversation that is being had.

ITEM #6 – APPROVAL OF CLAIMS PAID.

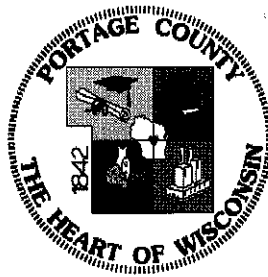
Motion made by Ald. Johnson, seconded by Ald. Morrow, to approve the claims paid in the amount of \$1,962,815.81.

Ayes: All

Nays: None

Motion carried.

Adjournment at 8:39 P.M.



TO: Finance Committee (City of Stevens Point)

Subject: City/County Property Exchange

CC: Mayor Wiza; Comptroller-Treasurer Ladick; Attorney Beveridge; Director Ostrowski;
Council President Johnson; Portage County Board of Supervisors

Date: 8/12/2019

Good Evening,

Below are a few bullet points that I hope will shed some light on this conversation from the county's perspective. If you, anyone you know, or anyone you know of has any follow-up questions or comments, I am happy to continue setting up meetings, phone calls, or in-person discussions to address them.

My contact information is at the bottom of this page.

1. Thank you for holding the meeting. It has been nearly six months now where the county has discussed the various possibilities within the city's land swap proposal. The county has not moved out of the conceptual stage of planning because of the uncertainty many feel in the absence of a concrete discussion within the city about its proposal and the County Board's recent 13-10 vote.
2. We have invested staff time and several thousand dollars into investigating the proposal because it came to us from all three areas you'd want to hear from; The City Council, The Mayor, and City Staff. This lent it the credibility we needed to have in order to entertain exploring the proposal in concept.
3. No matter what the city decides on this issue, I remain committed to identifying all areas where collaborative, mutually-beneficial efforts can be explored. We are already in an era for local government where longer-term survival will hinge upon our finding ways to work with each other.
4. Many frame this conversation as "this or that" and despite what some have said, I am most interested in the dialogue that's needed to move the conversation forward in a "if this, then that" or "if not this, then that" approach. The Kettering Foundation, speaks to this style better than anyone.
5. The county has—most recently—been working on these questions since April 2018, when the county board voted to move forward with the concept exploration of a downtown location. The cost estimates for a downtown project were reported to the County Board earlier this year, and I explained that aside from possible complications with the available space, the cost estimates given to us were not numbers we could responsibly work with. Inaction from the county coupled with cost escalations over time means that the overall cost has increased and will likely continue to do so.
6. If the city withdraws its proposal framework, the county will move on. Deteriorating infrastructure doesn't care what any of us think, so what's most important is that we look at our deficiencies and address them. As we both seek to do so, there will likely be other opportunities to explore.

7. It's important to note that every step along this path has been approved by county committees and the county board and with implicit support from the city. The county held 10 publicly-noticed meetings on this topic prior to the June 18th County Board meeting, where it was discussed and voted upon. Aside from tonight's meeting, the August 6th Space & Properties meeting was the most recent time this topic has been discussed. We continue to try and create opportunities for more public engagement, and as this conversation evolves over time, please keep an eye out for them.

All information relating to this topic is also maintained and updated on the Portage County website. You can find it by clicking on "Current Projects" in the "In the Spotlight" section on the home page. Then, click on "New Government Facility Project."

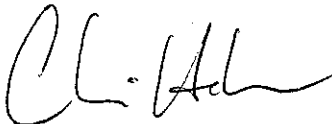
Date	Public Meeting or Media Release
March 1	Joint Press Release on the Property Swap Proposal
March 11	City Finance Committee—Closed Session
March 19	Portage County Board—Closed Session
March 28	Annex Meeting (Public Outreach #1)
April 2	County Space & Properties Committee
April 16	Portage County Board
April 26	Town of Pine Grove (Public Outreach #2)
April 30	Village of Junction City (Public Outreach #3)
May 1	Village of Rosholt (Public Outreach #4)
May 7	Village of Plover (Public Outreach #5)
May 9	Village of Amherst (Public Outreach #6)
May 21	Portage County Board
June 4	County Space & Properties Committee
June 18	Portage County Gazette Article ("A Few Thoughts On Tonight's Meeting")
June 18	Portage County Board
August 6	County Space & Properties Committee
August 12	City Finance Committee

Where are we now? We are still in the preliminary/conceptual phase (i.e. no major steps taken). To be clear, this is the terminology that the architects we've been working with use to describe where we are/have been in the process and are not arbitrary descriptors. Regrettably, there has been some confusion on this point. Overall, a decision on anything related to infrastructure does not seem to be on the horizon at this time.

There is clearly a need for more constructive dialogue if we are to consider any next steps, and absent 19 county board supervisors agreeing to a starting point for our long-term planning, we will continue our holding pattern for the time being. That said, as I will continue to note, infrastructural issues don't care if people can agree or not. They will continue to worsen until we do something to resolve them.

I hope these clarifying remarks can play a constructive role in your conversation today and moving forward, and I am always happy to answer any questions you may have.

Thank you,



Chris Holman
Portage County Executive