

LONG-RANGE FACILITIES ADVISORY COMMITTEE
PUBLIC SESSION MEETING MINUTES
June 21, 2018

The meeting was called to order by Mayor O'Connor at 6:09 PM.

Present: Mayor Mary O'Connor, Chair; Alder Nancy Moore; Dan Eklof; Connie Miley; Josh Peterson; Kellie Unke; Brian Holmquist; Kathy Thomas and Brad Keil

Not Present: Robb Kahl

Also Present: City Administrator April Little; Lt. Curt Weigel; City Finance Director Mark Houtakker; Jeff Belongia, Hutchinson, Shockey and Erley; and Michael Hacker, Bray Architects.

Appearances. There were no appearances.

Approval of Minutes – Eklof made a motion to approve the minutes from May 3, 2018; Seconded by Moore. Motion carried.

New Business.

Presentation Regarding Debt Financing Options and Future Debt Capacity Projections (Jeff Belongia, Hutchinson, Shockey and Erley and City Finance Director Marc Houtakker) – Belongia provided a financial overview. Local governments usually use general obligation (GO) securities to finance facilities. There are some other options as well. As equalized value increases, debt capacity also increases so it is not a static number. Have about \$50 million in outstanding debt now. Have about \$13 million in borrowing capacity in 2018. Chart shows average of 3 percent growth (which is conservative). We pay off rapidly. By 2022, we could borrow about \$42 million. However, we have some previous commitments to finance such as the Riverfront and TIF 9.

Another version of the chart dated June 1 doesn't show payments coming, out which raises the capacity to \$15 million. The chart assumes the City will borrow \$3 million annually for ongoing general capital expenses. TID 8 financing will also be added before the end of this year, but is generating increment well. September 2018, the City will borrow for TID 9. Under Wis. Stats we can do bond anticipation notes that do not count against capacity, in which the interest is capitalized. This often is done before TIF increment is generated. TIF 9 bond anticipation notes will need to be converted by 2022. In 2027, we are at 37 million in capacity. The City has healthy emergency reserves as well.

Wisconsin law does not require a referendum to build facilities; it is a simple majority vote of the council. Kaukauna for example earmarked PILOT revenues toward their debt. When the City looks at its budget, it has limits on its levy for operational purposes. The debt service levy does not have a limit. When bonds are sold they are very sought after because of their security in Wisconsin. If we did not have capacity, would need to go to referendum to utilize an RDA (CDA) to authorize revenue bond funds. Referendum puts it on OPERATIONAL levy. So, it's very important to maintain capacity. More secure bonds have less interest. Revenue bonds have higher interest because they are not a tax without limit. GO bonds are limited taxes and are more secure.

Bonds are allowed 20 years, but a BAN could add 5 years to the borrowing term. So, 25 years would be the maximum term. Revenue bonds really have no statutory limit. But there is a marketing limit; buyers are used

to 20-year limits so there would be higher interest at longer terms. At \$35 million in debt, it is additional \$2 million per year to the levy, amortized. Can assume some growth; therefore, could start with lower payments and increase those payments over time. The borrowing would include the land acquisition, and could involve an option to purchase initially.

USDA has a community facilities loan program – very unlikely to get a grant. Can go 40 years with that program. It is a need based program. It's worth considering though. It's a federal program with a lot of regulations.

Generate List of Options to Be Explored / Review Initial Architectural Responses to Options Identified

Hacker began the discussion with some questions about facility and location preferences: Fire by itself or public safety (police + fire) combined? Where does administration go? Stand alone? With public safety? Or with community center? Is it addition/renovation or new building? This is a master plan, assuming not all may be able to be done at once but there might be some priorities that emerge. Then the question is how to domino the phases. There might be available capacity but not political will. What is the vision within the master planning? What can fit on different sites is also a consideration, and test fitting will eventually be done. This committee needs to provide for direction on the testing. Thomas – how does staff feel? Public safety would like to stay together; parks and recreation and senior center would like to stay together. Land size might be a limitation, as is response time. Hacker: trend is facility consolidation. City administration could really go anywhere. There are advantages to being with police, but many customers also look for recreation services. How do we reuse idle spaces? How does that compare to building new? What is also politically saleable, which relates to economics. Following are some additional comments and factors discussed:

- People often walk to city facilities now
- Private partnership could be explored; other uses could be brought in like the post office and lease out additional spaces.
- The current campus has many limits
- Court location and staff/Council security should be considered (i.e. alternate exit doors)
- Current city hall has revenue-generating cell towers and the WVMO radio tower; relocation could be problematic.
- Administration may not need the entirety of the city hall building because of its smaller size. The department could be located with either public safety or recreation services
- Renovation possibilities versus building new
- Pool planning, to be done soon, should be considered. Skate park location is another consideration.
- Library building usage – should this be on the table?
- There may be some potential for fundraising
- Short term versus long-term needs and vision
- School referendums will create financial pressure
- Green space – could it/should it be a consideration (swapping can be done; controversial in the past)
- Desire to have a “main street” central gathering area
- Parking limitations in current area (which includes Winnequah Park); a ramp could be considered
- Pedestrian connections between the facilities
- Is there an easement for the bus routing to Winnequah School?
- Potential for private development in the area; which is the most developable piece?
- Monona is getting younger; increases concern with having emergency response based from a residential neighborhood.

- Location: most of the volunteer population is on the west side of Monona Drive; volunteers must gear up at the station and wait for traffic lights en route there.
- Bus routing in the area is a factor; serves city facilities and the school (some route-sharing possibilities)
- Having new facilities could cause a dramatic usage increase (i.e. Community Center is currently undersized for many weddings). There is also a major shortage of community venues on the east side and the hotel trends are to not provide the room capacity.

Select Option(s) to Evaluate Further – It was agreed that a public safety building was the first priority, before the vision for the central campus. Community Center and administration would be later phase.

Action Items. Next agenda – Bray will take the comments and meet with staff to flesh out options further.

Next Meeting Dates. Thursday, July 31 at 6 PM.

Adjournment. Meeting adjourned at 8:08 PM.

By April Little, City Administrator