



CITY OF BURLINGTON
Committee of the Whole Minutes
Robert Miller, Mayor
Diahnn Halbach, City Clerk
Tuesday, June 16, 2015

1. Call to Order/Roll Call

Before the meeting was called to order, Mark Anderson was sworn in as Chief of Police by Judge Marvin Daniel, and Dr. Brenda Long, of Burlington Longview Animal Hospital, was given a Commendation by Mayor Miller for her years of veterinarian care to Natz, the Burlington Police Department's Canine Unit.

Mayor Robert Miller called the meeting to order at 6:37 p.m. starting with roll call. Aldermen present: John Ekes, Ed Johnson, Bob Grandi, Ruth Dawidziak, Tom Vos, Tom Preusker, and Todd Bauman. Excused: Jon Schultz

Also present: City Administrator Carina Walters, Director of Administrative Services Megan Watkins, City Attorney John Bjelajac, Treasurer Steven DeQuaker, Fire Chief Perry Howard, Public Works Supervisor Dan Jensen, Library Director Gayle Falk, Building Inspector Gregory Guidry, and Tom Foht from Kapur & Associates.

2. Citizens Comments and Questions

There was none.

3. Approval of Minutes from July 7, 2015

A motion was made by Johnson with a second by Vos to approve the minutes from July 7, 2015. With all in favor, the motion carried to approve the minutes.

4. Topic: Motion 15-812 to consider approving the 2-14 Annual Audit.

Patrick Romenesko, S.C., reviewed the major items highlighted in the annual financial report and brought attention to two items that need to be addressed: Infrastructure Fund Deficit Balance, and Amending the City Budget.

Preusker inquired as to why there was a deficit in the Infrastructure Fund. Steve DeQuaker responded that over the years, the leftover project funds that were used to do road projects, sidewalk improvements, and those types of projects, were never transferred from the Infrastructure Fund and now needs to be resolved, of which a plan is in place to do so.

Johnson inquired if the City has amended its Budget in the past. DeQuaker replied that the City has amended its budget in the past.

Vos requested for a specific meeting with Steve DeQuaker to discuss where the city is financially, prior to the upcoming budget process, so that there is a clear understanding of the City's current and future expectations.

5. Topic: Discussion and Workshop regarding Tax Incremental Financing Districts (TID 102).

Dave Wagner, Senior Financial Advisor for Ehlers, Inc. presented to Council and staff an update of what can be expected and what options the City will have related to TIF closure, levy limit law and tax rates. Wagner

essentially explained that due to the current levy law limit, without substantial increases in non-levy revenue, operational levy increases will be problematic by the year 2027-2028.

Vos wanted to know what the City would need to do now in order to prevent a future shortfall. Wagner responded that under current state law, if there is no other way to close the debt gap, an Operating Referendum would be required which would let the people decide.

DeQuaker clarified that the projected numbers are based off extremely conservative assumptions and does not include any additional growth in the City and little change to where the City is currently at today. DeQuaker further stated that should there be growth, new business, and annexations, etc., then the current shortfall projections would change. DeQuaker added that part of the budgeting process this year will include a forward looking financial plan.

Preusker inquired about borrowing money at a low interest rate before the rates start to go up again. Wagner responded that borrowing would be a limited solution and could also create a worse situation when borrowing money for capital projects.

Johnson asked if the City could have done anything different to avoid this projected shortfall. Wagner responded that City has not done anything wrong and in fact, without the TIF districts performing positively, the city would already be in the red.

Walters stated that it's important to show the financial forecast and be mindful of where we'll be in twenty years and managing and controlling debt will be an ongoing endeavor that will require some tough decisions.

6. **Topic: Resolution 4739(13)** to consider approving the purchase of two patrol vehicles for the Police Department from Miller Motors in the amount of \$54,988.

Mayor Miller introduced Resolution 4739(13) and explained that both vehicles being replaced were 2012 Ford Police Interceptor vehicles – one had 87,000 miles, the other had 72,000 miles.

Preusker stated that given the budget restraints just discussed, that it should be considered to extend the life of the fleet by adding an additional year and bring vehicle to 100,000 miles.

Johnson concurred with Preusker and agreed that the life span of the fleet should change from 4 years to 5 years.

Mayor added that the offset in retirement of the vehicles could be an added cost in maintenance and repairs. Preusker responded that vehicles could be replaced sooner if maintenance and repairs are too much.

Walters stated that staff could look into seeing if the vehicle life could be extended before making a decision to trade in and then provide that information to Council.

7. **Topic: Resolution 4740(14)** to consider approving Change Order Number One to Five with Scherrer Construction for the Wehmhoff-Jucker Park Project in the amount of \$3,213.13.

Mayor Miller introduced Resolution 4740(14) and opened it up for discussion.

There was no discussion.

8. **Topic: Resolution 4741(15)** to consider approving the 2014 Compliance Maintenance Annual Report (CMAR).

Mayor Miller introduced Resolution 4741(11) and explained that the CMAR is a report required by the Department of Natural Resources (DNR) to ensure the City's Wastewater Treatment Plant is in compliance with the permit issued by the DNR. Mayor further stated that the grade point average for the Burlington

Wastewater Treatment Plant was 4.0, based on a 4.0 point grading system and that overall the wastewater plant and collection system are in full compliance with the City's WPDES permit.

9. **Topic: Ordinance 1995(1)** to consider amending Section 265-4, "Permitted Yard Waste Disposal", in the City of Burlington Municipal Code regarding brush collection and leaf pick up.

Mayor Miller introduced Ordinance 1195(1) and explained that this ordinance is to approve a revision that clarifies who can deposit brush, how much can be deposited, where it should be placed, and what alternatives can be used for property owners to remove their brush.

10. **Topic: Ordinance 1996(2)** to consider approving an amendment to the Planned Unit Development (PUD) Overlay District for the Fox Crossing Apartments at 200 Bridge Street.

Mayor Miller introduced Ordinance 1996(2) and opened it up for discussion.

Grandi raised questions and concerns in regards to the maintenance and current appearance of the existing units and wanted to know if something would be done about that and what kind of landscape plans are being made moving forward with the next phase. Attorney John Hotvedt, representing S.R. Mills and Bear Development, reassured Council that a substantial amount of landscaping is planned and will begin as soon as Phase 2 is completed. Hotvedt stated that while construction is still happening, it makes the most economical sense to complete landscaping when the construction is completed.

Grandi inquired about the above ground parking that Phase 2 would have and raised concern about the potential of that being a visual eyesore to the community as there would be 75 outdoor spots in front of the building. Hotvedt replied that underground parking is not an option in that area due to the physical limitations to the site and that the developer was up front about that fact with Planning Commission when the PUD was created. Hotvedt further stated that Bear has a very good reputation for the quality of the work they do and the community should be very pleased when the project is completed.

Preusker stated that the City has a need for more active parks and inquired as to whether or not this project had a plan to create a park or a planned play area, clubhouse, or pool for the kids that would be living in these units. Hotvedt replied that there will be a community room and exercise facility in both buildings but no pool and no park.

Vos recalled that the Park Board requires a per unit fee of \$500 to be put towards the park fund if there is not enough available space for a park area to be created within the developed parcel. Vos further stated that those funds have helped to maintain and develop our existing parks, such as the new pavilion at Wehmhoff-Jucker Park.

Preusker asked for further clarification in regards to the HUD process in this development and what the requirements entails if someone wanted to apply for HUD, and more specifically what was required of Bear Development in order to qualify for the development grant. Hotvedt explained that the federal tax credits are administered by HUD and then awarded, allocated, and managed by WHEDA. Hotvedt further explained that as far as how tenant's qualify for the low-income housing tax credit (LIHTC) units, they cannot exceed a percentage of threshold median incomes which is based on the size of their household. Hotvedt also clarified that this is not Section 8 Housing where the landlord receives a subsidy from the government. Hotvedt further clarified that all rents are paid by the tenants, which is controlled in the LIHTC units so that the developer can't charge rents above a certain ceiling, which in turn is the trade-off of the award of credits. Hotvedt stated that tenants are extremely vetted via credit and background checks and that this program has been very successful and that Phase 1 has been 100% leased and there is a substantial waiting list for Phase 2.

Preusker asked how many rent controlled units are proposed for the new building. Hotvedt replied all but three units would be rent-controlled.

Ekes clarified that the decision before them was just to amend the current PUD agreement which had already been approved, and only involves adding units and parking spaces. Preusker felt concerns were previously raised and wondered why the problem should be exacerbated by adding to the number of rent-controlled units in the City that would be subject to AFFH (Affirmatively Furthering Fair Housing) regulations, in which Preusker stated, whose goals are to inhibit suburban growth and to establish a regional tax base sharing, which Preusker felt would hurt the City's efforts to grow in accordance with earlier discussions. Preusker further stated that he is trying to balance construction that will help the City financially versus the potential drain on City services because these types of structures, per conversation with the police chief, usually receive more calls for City services.

Mayor Miller clarified that the Boardwalk was built using HUD funding and WHEDA involvement, which is exactly the same way the Fox River Crossing project is being built. Mayor further clarified that tonight's topic included changing the PUD from a 24 unit building to a 32 unit building and the parking and that everything else has already been preapproved.

Grandi stated that the City is being asked to add units and felts Preusker's questions were viable. Preusker added that this wasn't simply an amendment, it's adding a third story and adding units and if every incremental unit is a net drain on the City then that would not be in the City's best interest, which is to make the City a better place to work, live, and play.

Walters explained that this item was discussed at the Plan Commission meeting in which the Commission has already gone through the detailed issues. Walters further stated that she thinks that there is a valid question on how this will potentially impact the City, however, one thought process is the positive affect it will have, as there could be a good number of residents living in the downtown area that might be walking to and from downtown businesses, shopping, dining, and working. Walters said she also had conversations with the police chief and asked if there was any kind of increase in call volume for the Boardwalk or Fox River Crossing, and according to the most recent police report, Burlington is one of the safer cities to live in and that as to date, the City has not had significant challenges or issues with any of these apartment complexes.

Vos stated that Bear Development either meets or exceeds the City requirements and sees no issue with moving forward with the additional eight units and that Bear has always built quality projects.

Mayor asked if the objection to the amendment was because HUD was being used. Preusker responded he did have an issue because if they are rent controlled, then people will never move out of those units until they have to, which means they won't get turned over and get re-painted, carpeted, and all the other necessary updates. Hotvedt responded that was not true and is actually designed to do exactly the opposite, in which there's roughly an 11 year schedule over which the terms of the tax credits are administered and when completed, absolutely spurs redevelopment. Hotvedt further stated that Bear Development has an outstanding track record when it comes to redevelopment and also disagrees that these types of multi-family units cause an increase in police activity and that these projects are beautifully constructed and create \$10 million worth of tax infusion.

Grandi added that he did some additional research on both rental households and subsidized housing and found that according to the 2010 Census, per capita, Burlington has a higher percentage of rentals than Waterford or Racine and questioned if Burlington is becoming a community of multi-unit apartment buildings and is this what we really want and the vision we have for our City.

Bauman stated that Council did discuss this and because of existing waiting lists for additional low-income housing, determined that there is a demand for qualified people for this kind of housing who otherwise wouldn't be able to afford it. Grandi disagreed and stated that being a renter community should not be in the best interest of the City.

Vos stated that he felt this wasn't an issue at all and Council needed to move on.

Town of Burlington resident, Amber Moll, 32337 Bushnell Road, asked what the average rate for rent in Burlington is. Mayor Miller replied that he does not have an average rate for rent in the City and doesn't believe that information is available at this time.

11. Topic: Motion 15-813 to consider approving an airport hangar lease with Burlington Aero Group at the Burlington Municipal Airport.

Mayor Miller introduced Motion 15-813 and opened it up for discussion.

Preusker inquired about the rate charge of \$.115 and thought it was typically 9.5 cents per square foot. Mayor responded that this is a commercial lease.

12. Adjourn

A motion was made by Ekes with a second by Johnson to adjourn the meeting. With all in favor, the meeting adjourned at 9:06 p.m.

Minutes respectfully submitted by:

Diahnn C. Halbach
Burlington City Clerk
Racine & Walworth Counties