

OCTOBER 29, 2019 AD HOC COMMITTEE MEETING MINUTES -OCTOBER 45

5 p.m. Council Chamber. Members present: S. Berg, B. Groothousen, M. Hraban, J. Olsen, M. Platteter. Others present: A. Christianson, B. Ellmann, K. Gorsegner, A. Kenyon, D. Parker, J. Pohlman.

Call to Order:

Mr. Hraban called the meeting to order and presided.

Initial Changes:

Mr. Hraban noted changes already made to rules pertaining to levying of special assessments:
-A significant reduction, from previous, in the interest rate charged for Fritz and Worden projects.
-Assessment repayment period extended out to 30 years to reduce required annual payments.

Potential Changes:

Attention then turned to other ideas that have been floated, which generated further, maybe repetitive discussion of many of them.

Language Change

Changing the reference from "indigent" to "low or moderate income" (LMI) persons in a portion of the current rules that allow a person who receives an assessment to seek a limited time deferral of the repayment.

Wheel Tax

While this tool has potential to raise, perhaps, \$30,000, current State rules would require that gain to be offset by a reduction in general tax revenue. So, a time-consuming system would need to be set up to collect no more money.

Referendum

Mr. Ellmann again advocated for a "community" spirit of sharing costs. It was noted that a tax by any other name is still a tax and very few people advocate tax increases. Atty. Kenyon noted that before a referendum is possible the Council would have to agree to increase taxes. He added that one thing he has never heard over his years as City Atty. is an elected official indicating they want to raise taxes.

Other Measures to Determine Assessments

Mr. Groothousen reviewed a mechanism whereby the City might levy assessments for pavement placement rather than utilities and how it might be measured. This led to a question whether the life expectancy of pavement might not be equal between those residing in low traffic residential areas vs. those residing along routes used by heavy truck traffic. In any case, he noted this might not yield end results any different than those under the current system. This has been the finding with other means of measuring comparative benefit, such as measuring comparative impervious surfaces on one property vs. another. While there may be individual winners and losers with one form of measurement or another, the same overall population essentially pays the same overall costs.

Another submittal from a Council member under this heading outlined a "Draft Proposal" that would involve making special assessments City wide for each project based upon comparative street frontage owned. Previous correspondence with the Weld Riley law firm had indicated, however, that special assessments are, by definition, site specific and cannot be made City wide for an improvement that is not.

Change Sidewalk Cost Share Formula

Adm. Christianson noted that, over the years, he has heard more criticism of sidewalk issues than any other. Likely because, while some owners have to both pay for them and shovel them, others do neither. Others present also noted that the City doesn't have a clear policy on sidewalk installation. It seems somewhat hit and miss where it exists and where it doesn't. Some sections are isolated. On the other hand, Lindoo Ave. east of E. 6th St. has never had sidewalk even though kids walked it to the former elementary school for decades in the presence of mill traffic. In still other cases, like E. 8th St. S., which was only recently rebuilt, sidewalk was replaced on just one side of the street while there is none on the other creating a "why me and not them?" issue among neighbors. Adm. Christianson noted that, although he doesn't have a vote, if he did he would support revising the sidewalk cost share formula from the current 25% City/75% abutting owner to 50/50 or, perhaps, even 75/25 in recognition of the seeming ongoing disparity. It is his sense that the reason Ladysmith has never been willing to assess for storm water improvements is that, as with sidewalks, it exists some places and not others. Asking some people to start paying for it would result in those folks saying why should we pay when nobody else ever has and so many never will.

Comparables:

It was again noted that many cities like Eau Claire levy special assessments to pay for a good deal more than Ladysmith does: paving, street lights, street trees, and storm sewer among them. Ladysmith was very fortunate to receive a combination of grants, low interest loans and principal forgiveness on portions of those loans for the Fritz and Worden projects such that special assessments were covering only an estimated 25% of the total project cost. [Some of those assessed seemed to believe the assessments were for 100% of the project cost.]

Limiting Factors:

Major limits exist on what the City can finance, including the following:

- Declining population means ever fewer people are supporting keeping up systems designed to serve a maximum population of about 5,000 in about 1950.
- Special assessments are the only mechanism clearly provided for under State law to cover these costs.
- Utility user rates might be used to cover utility replacements, but water improvements and related user rates are subject to control of the Public Service Commission.
- While most types of municipal expenditures can be paid from general property taxes, the State of Wisconsin, over one decade ago, imposed strict limits on increasing taxes; so-called "levy limits". Taxes may only be raised by public referendum or by the amount of taxable value created by "net new construction". Mr. Hraban quipped that the City doesn't have the financial resources to "put frosting on the cake", adding "it is lucky we have the ingredients for the cake".

Committee members Berg and Olsen stated that they understood they would need to pay for sidewalk replacement, but were unaware of assessments related to utility replacements.

Lake Avenue:

DPW Gorsegrner replied to a question by outlining the time schedule for the Lake Ave./U.S. 8 resurfacing project; 2021.

Assessments as Match:

Mr. Grootousen reviewed a writeup explaining how a Proposal to allow use of levied assessment as match for façade assistance might work. He stated it is a "work in progress" and so might need some

refinement. Both citizen members on this Committee expressed support for this Proposal. Motion was made by Berg, seconded by Hraban and carried by voice vote to recommend Council approval.

CDBG Housing:

A question was raised whether there is a residential counterpart to façade assistance and if a dwelling in the Main Street district is eligible for such assistance. Adm. Christianson stated that he doesn't know and would need to reread the façade program rules. He went on to note, however, that both LMI homeowners and landlords who rent to LMI tenants are eligible to use the City's deferred payment housing loan program (since 1977). Homeowners don't have to repay these until the property is transferred, often when recipients pass. Even then, maybe years later, they only pay the principal amount borrowed; not interest. Landlords are required to make monthly loan payments, but also without interest.

Cost Effectiveness:

A question was raised about the cost effectiveness of the recently completed Fritz/Worden project. The following were among replies provided:

- Because a CDBG grant was used, workers were paid required State and Federal wage rates, which the hired Project Administrator closely monitored, including conducting employee interviews and checking certified copies of payroll records the contractors had to provide.
- Competitive public bidding was required. Competition is stiff, with bidders known to play material suppliers and subcontractors against each other down to the last minute.

Adjourn:

The meeting was adjourned at 6:55 p.m.

