

City of Portage
Finance/Administration Committee Meeting
Monday, February 23, 2015 6:00 p.m.
City Municipal Building, 115 West Pleasant Street
Conference Room One
Minutes

Members: Rick Dodd, Chairperson; Mike Charles, Martin Havlovic, Doug Klapper, Richard Lynn

Also Present: Administrator Murphy; Finance Director Mohr; Alderperson Bill Kutzke; Mike Decker - Divine Savior Hospital, Jerry Spencer – Divine Savior Hospital; Craig Sauer from Daily Register

1. Roll call

Chairperson Dodd called the meeting to order at 6:00pm. As there were no objections agenda item 4 related to the Development Agreement with Divine Savior Hospital was moved up.

2. Approval of minutes from February 9, 2015.

Motion by Havlovic, second by Charles to approve minutes from the February 9, 2015 meeting. Motion carried unanimously on call of roll.

3. Discussion and possible action on Development Agreement with Divine Savior Hospital

Murphy reviewed the Development Agreement (the “Agreement”) with Divine Savior Hospital (the “Developer”) highlighting the various responsibilities of both parties. He noted under section 1B that items 1, 2, 4, and 5 have been completed. Item 3 required the completion of a Traffic Impact Analysis (TIA) no later than 90 days following the execution of the Agreement. It was later stated that it is the Developer’s responsibility to pay for the TIA and that there were previous studies done in the area when Tivoli and Pizza Ranch were constructed that resulted in no improvement recommendations. Any improvements recommended by the TIA would require a subsequent agreement for payment and implementation.

The Developer is responsible for all public and private improvements. Murphy further pointed out that under section 3.A., a deposit of \$2,500 has been received from the Developer for use in paying for costs and expenses incurred by the City for items as noted in the Agreement and under section 3.D. related to Utility Improvements the Developer will reimburse the City for inspection costs. Section 6 denotes the Financial Guarantee requirements from the Developer. Murphy further reviewed Section 7 Taxation of the Wellness Center and the possibility of a PILOT (Payment in Lieu of Taxes) between the Developer and the City to cover governmental services paid by taxable properties if the project is designated as tax exempt.

Lynn inquired as to the stop work order that was put into effect. Murphy stated that a permit was issued to allow for footings, foundation, and site work to be done. A stop work order was issued when it was observed that structural building construction was

underway. Murphy also stated that the size of this project was also a factor in issuing the stop order. The Developer was allowed to secure the work that had been done after the stop order was issued. In order to resume work the Developer will need Council's approve of this Agreement along with state approved plans and Conditional Use Permit.

Lynn further inquired as to whether a penalty was issued for violating the ordinance. Murphy stated that the first step is to educate and make the developer aware on the non-compliance issue and if at that point the developer chooses not to comply with the stop work order a penalty would be addressed. It was also noted that the application for a conditional use permit will be considered at the 3/2/2015 Plan Commission meeting.

Dodd invited Mike Decker to offer any comments. Decker indicated that the Hospital and City have been collaborating since 1917 in providing medical services to the community. He stated that with the recent healthcare initiatives (Affordable Care Act-ACA) Divine Savior Hospital is required to not only provide services when people are sick or injured but to provide wellness and preventative opportunities to the community. He regretfully will not be able to attend the Council meeting Thursday but there will be representatives from Divine Savior Hospital there.

Lynn indicated that he would not be supporting the Agreement as he does not feel he has proper time to review the Agreement. Murphy indicated staff and City Attorney are recommending approval of the Agreement as presented.

Motion by Klapper second by Charles to approve the Development Agreement with Divine Savior Hospital. Motion passed 3-2 with Lynn and Havlovic voting no.

4. Discussion and possible action on updated preliminary resolutions for proposed 2015 Debt Issuances.

Murphy reviewed the changes from the previous information presented at the 2/9/15 meeting. The estimated 2015 GO Bond amount is \$3,675,000 the amount presented at the 2/9/15 meeting was \$3,200,000. The major changes were adding in the \$630,000 Sewer amount which was missed by a formula error; \$30,000 increase in the estimated cost for the Sewer Screw Pump; (\$100,000) decrease for duplication of the Storm Water Facilities (included in Roads and in Storm Water Improvements); \$94,500 decrease for removal of Municipal Building Elevator which State Statute does not allow for Bond Issues over 10 years without referendum.

The 2015B Water Revenue Bond is at \$855,000 which was \$880,000 at the 2/9/15 meeting. The major difference here is in the Debt Service Reserve dropping from \$88,000 to \$63,909.

The motion today would recommend allowing Ehlers to seek bids on the proposed debt issuances. Final result of the bids would be considered at a Council meeting in March. In addition to soliciting bids for the bonds, the City will undergo a bond rating review for this issue. The estimated impact on the tax levy is shown on Options 1 and 2 in the Committee packet.

Motion by Klapper second by Charles to recommend the preliminary resolutions for proposed 2015 Debt Issuances. Motion carried unanimously on call of roll.

5. **Adjournment.**

Motion by Klapper, second by Charles to adjourn the meeting at 7:00 p.m. Motion carried unanimously on call of roll.

Submitted by Jean Mohr, Finance Director