

**JUNE 22, 2004**

Regular meeting of the Common Council was called to order by Mayor Meyers at 7:00 p.m., in the Council Chambers, City Hall Plaza.

**PRESENT:** Michael Feirer, Gerald Nelson, Tim Kraus, Jerry Bennington, Sr., Russell Stauber, Donald Krueger, Ray Gougeon, Tom Buttke and Edward Beaudry, Jr.

**ABSENT:** Brad Parks

The flag was saluted and the pledge given.

Pastor Larry Jones, Cornerstone Community Church, gave the invocation.

### **RECOMMENDATIONS FROM MAYOR**

1. Word to the Wise: It is better to ask some questions than to know all the answers. Author: James Thurber
2. Stormwater Utility: This is a community problem not just a City Council problem. This is not the City versus industry and commercial businesses in town. It is a means of addressing a problem that the entire community should be concerned with. The Council set the stage for this year as long ago as early as 2002 and has done so repetitively through the years every time they set up their parameters for budget preparation for the department heads and City Administrator. The three key points in the parameters are 1) to maintain current services; 2) to come up with innovative revenue sources and in some cases it is user fees; and 3) a no city tax rate increase. The Council has acted responsibly by supporting the study of a stormwater utility. The city staff has taken a very active part in this process. The Mayor looked at making up a committee with the help of the Public Works Director of people who would have an interest in this and would be affected by this. He did it for educational purposes and so that nobody would be surprised at what the outcome would be once they got down to the numbers. This has been a good process.

**CC04-201** Motion by Buttke, second by Stauber to approve the minutes of the Common Council meeting of June 8, 2004. All Ayes

**Motion carried**

No items were added to the agenda.

### **CITIZEN COMMENTS**

Director of Parks and Recreation Englehart introduced Ryan Doebereiner who is the summer intern for the Parks and Recreation Department.

The following spoke on the creation of a Stormwater Utility:

1. Barb Fleisner, Executive Director of the Marshfield Area Chamber of Commerce and Industry. They have enjoyed a good working relationship with city staff and council and regardless of the outcome of this particular issue, they anticipate the continuance on working together for the future growth and development of this community. Comments were made regarding why now are businesses concerned when this process has been going on since January of 2003. Their organization held a BGA forum on October 22, 2003 to obtain the facts of where this utility concept would be headed. At that time, no formulas were available, as the discussions had just gotten underway. The final report was released in March of this year. In April, they invited the industry leaders to a meeting to better understand the impact of this proposed utility. These discussions have not hit the council floor prior to two weeks ago as that was the first reading of the ordinance. At that time, they restated their concerns expressed in April. They are grateful that they live in a community that encourages public debate. They appreciate the willingness to listen to their concerns and strategize how we as a whole community can work together in the name of progress.

2. Dan Helwig, President of MACCI. It is so important to the businesses to have their input on this issue. A lot of the members did not get the information that they needed until last week. The City of Marshfield does not have the same business climate as those in Appleton, Weston and Oshkosh. We don't have the access, 4-lane highway and location. In an effort to make sure that our businesses our competitive we do need an edge, we do need a break. There is so little benefit to the residential. If this were to continue and we were to lose some business, what ultimately will happen is that the residential will suffer because they will end up paying higher taxes. Regarding fairness, the streets should be factored in. The soil in Marshfield does not absorb a tremendous amount of water because it is clay so we are not the same as other communities. Stormwater management is equally necessary to our community than sanitary sewer, water and streetlights. Therefore the concept of it being for the common good and public good than it should be on the public tax roll.
3. John Bujalski, one of the managing partners of Automated Products and EBS. Industry is taxed the same as residential. The mill rate is identically the same. But they pay for their refuse. They don't get garbage pickup. There are some serious problems there. He asked the council to give them 60-days and allow industry who has the intellect, ability and the people who have the talent to help you formulate this program. If the stormwater utility is really necessary, than take the best of the best and use them in the next 60-days.
4. Russ Reis, representing Marawood Construction Services. When he looked at the stormwater user fee formula it seemed like the savings that he was hearing about, the \$59.00 per homeowner was not really actual dollars. Shifting the stormwater operating budget from the tax rolls to a utility funded by user fees does not benefit the average homeowner at all. The average homeowner is to realize a reduction of \$125 in property taxes, less the stormwater user fee of \$66.00, or a savings of \$59.00. However this savings of \$59.00 must be reduced by an increased federal and state income tax liability of \$34.00. This increased income tax liability is due to the elimination of the \$125 of property taxes that they can use as an itemized deduction and they also lose the reduced property tax credit on their Wisconsin Return. The net result is an effective savings of only \$25. Exempt organizations will now be assessed a user fee and they do not have an offsetting reduction in property taxes. The homeowner will ultimately have to pay this added expense for these organizations. Businesses will be forced to choose between absorbing the added cost, cutting their expenses, reducing employee wage increases or raising retail prices to the general public, the homeowner.
5. Shannon Nienast, VP at Wisconsin Homes. He talked about how much it would cost them if the stormwater utility was passed and they were to expand. It would be less expensive for them to build in a different municipality. Wisconsin Homes supports many local suppliers. It was mentioned that why don't the businesses just pass on their costs. If one business ups their costs and we are buying their stuff, it could get too costly and they would have to find a new supplier. Don't make him come up with an alternatives document next year on where they are going to do their next expansion. They want to stay in Marshfield.
6. Steve Donarski with WOW Logistics. They just opened up a new warehouse about 90-days ago. The stormwater utility is a significant fee. They are a small business with about six employees. How are they expected to pass this new user fee unto their customers? They are full right now and are thinking about expanding but with a new user fee, they will probably not expand. Government is not in the business of putting up obstacles for growth, government is responsible for removing obstacles for growth.
7. Lamont Nienast with Wisconsin Homes and Oak Grove Terrace. On Oak Grove Terrace they have two drainage ditches that not only provide drainage for the residents but also for a lot of Marshfield. They put in these ditches and maintain them and now they find out that the user fee

would be \$9480 for them. His recommendation would be to table this ordinance so that all businesses would have a chance to talk and see what they want to put in for what they are paying and make sure it is fair.

8. Bob Wick with Wick Building Systems. He asked the Council to continue the educational process. Let's put this out so that it can be looked at in further ways, possibly issue some credits. He would like to see the City keep the operations, administrative costs and budgeting under one roof. The push and pull of all services under one budget. Keep working to reduce the spending overall versus splitting and expanding. They deal with many Marshfield businesses and like to buy from Marshfield businesses and it is going to be an additive process for each one of the things they buy. So by the time it gets to them and their customers, it does add to some money that in the end their customers will have to pay for.
9. Glen Carolfi with G & D Wood Products. If he raised his product price a 1/4 of a cent, he will lose his business. That is how competitive it is.
10. Russ Wenzel, President of Harry C. Wenzel and Sons. The land that their business sits on has been there since 1914. The city's best storm ditch runs through their land. They have never been compensated for that. Every year when there is a big rain, the city's floodwaters flood their land. It is his people that clean that area up and maintain it as a lawn. Businesses don't pay taxes or user fees. They pass them on to their customers. If they can't pass them on or absorb them, then they go out of business. If they go out of business, those jobs are lost or if the money is not there, they can't pay their employees more. Another utility does not need to be created. We all pay taxes and for those taxes, they should get some services and stormwater should be part of that.
11. Jim Reigel of Paget Equipment. This is a competitive world. Paget has not been able to raise their fees, charge out rate in four years. They can only do this by being more competitive by increasing their technology and advancing as to how they can develop more with less. If the stormwater utility goes forward, it is an injustice if the streets are not included.
12. John Nelson from 1010 W. 5<sup>th</sup> Street. The businesses are already at a competitive disadvantage in recruiting. This would add to it. This is a permanent solution to a temporary situation. We are all reacting to a recession that is over. The State's coffers are going to fill up and he would guess that sharing revenues will be back in ways that will make everybody happy in the coming years. However, what is being contemplated here is a permanent solution, creating a separate branch, bureaucracy and structure for collection of revenues, which is permanent. Review the possible alternatives and look at a temporary circumstance rather than a permanent circumstance. Businesses are the organizations that make a community work, grow and share the taxes. If the businesses are not growing, if we are not recruiting more businesses to Marshfield, ultimately there will be less and less tax covered by businesses and more and more by citizens.
13. Rich Chronquist with ERA Shong Realty. He recently worked with a company that was looking for a new location. The company chose to locate to another town north of Marshfield. Not because of the stormwater runoff utility but because of a wage issue. He asked them that if all things were equal and then a stormwater utility charge would be added, would this have an effect on their decision. They said that they would not even consider Marshfield.
14. Donna Rozar from 1126 Ridge Road. Things cost more and government is going to cost more as the time goes on. We can't continue to finance government on the backs of the property owners of this community. We have an aging population and that population continues to live more and more on a fixed income. Fairness and equity is an issue. Tax exempt properties and businesses need to contribute to the tax base. Property owners need tax relief. People who own property need to not continue to finance the bulk of government services.
15. Mayor Meyers read a letter that was written by Lori Gropp, Automated Projects, Inc. The long term impacts may far outweigh any benefits derived. It will be very difficult for most businesses

to absorb these additional costs. These costs will probably result in further cutbacks by the companies. This will negatively impact the employees and the community. A portion of the budget that was allocated to the stormwater utility includes road sweeping. Most of the debris that is picked up in the City related to grass, etc. that has been deposited into the road by residential properties, not by businesses. She is concerned about the impact that the proposed utility will have on area churches and non profit entities. Who will monitor the costs of the proposed stormwater utility once these costs are removed from the City budget? As a result of the budget crunch, the City has spent more time looking into ways to increase revenues rather than looking at new and creative ways to reduce costs. Who determines what compromises what is a fair distribution and what is fair? Closely examine the potential impacts of the proposed stormwater utility on the City of Marshfield. Although it would be a quick fix for the city budget, its long term impacts and loss of businesses may end up being far more substantial than anyone had anticipated.

**CC04-202** Motion by Bennington, second by Kraus to move item #S; second reading of Ordinance No. 1025, pertaining to the creation of a Stormwater Utility, up on the agenda to follow citizen comments. All Ayes

**Motion carried**

**CC04-203** Motion by Bennington, second by Nelson to table Ordinance No. 1025 for a period of time not to exceed 60 days.

Aldermen Beaudry, Buttke and Feirer all stated that if the 60-day extension is granted, they expect the businesses to get involved and help form what is fair and what is good for Marshfield.

Alderman Kraus said that there is another opportunity that they can look at. It takes into consideration some of the infiltration rates. Naye sayers can say that we are threatening them to move to other cities but we also have to look at the fact that we are affecting new residents that may come into town. We have a lot of business owners and people who work in town that do not live in the City of Marshfield so we are providing an infrastructure to those people as well. It is up to the Council to ensure that if we in fact institute any type of user fee, dollar for dollar that should come off of the tax levy. This is an alternative source of revenue. This is not a new source of revenue. He would like to look at having a per foot charge within the City of Marshfield for stormwater runoff.

Mike Hoerl of Automated Products talked about some information he found regarding calculating runoff. There are a number of programs out there to calculate runoff in water sheds but most of them incorporate at least a significant part of the soil conservation service series of numbers. Those numbers indicate that we have runoff from what is classified as pervious soil in this watershed as well as runoff from impervious soil. The difference is not a 100% from the impervious and 0 on the pervious, which is the way the rate structure is set up. There would be significant runoff from the 13.3 sq. miles that constitute the City of Marshfield whether there was any impervious surface here. The way the rate structure has been proposed only the people who own impervious surface would pay for that. That is where the big flaw is in the assessment manner that has been proposed in this utility. There doesn't seem to be a clearly defined goal on what is trying to be accomplished by this utility.

Jim Bachhuber with Earth Tech explained that he is a licensed professional Hydrologist and he knows what curve numbers are, they use them every day to calculate runoff conditions. This curve number is one factor that gets used in a very complicated equation when the question gets asked, how

fast does water runoff a piece of property and how much volume comes off that property? He presented some information regarding this. To try and do this calculation on every piece of property is probably not very feasible to do. 99% of the communities don't do this, they do it just on the impervious area and that has been upheld as being a fair and equitable way of doing it. But that's not to say that you can't do it some other way. You have to make some assumptions and simplifications to make this work. The basis for the system as it is presented today is only based on the impervious area. That \$66.00 was simply taking the amount of impervious area throughout the city and dividing it by the program that needed to be supported, about \$1.4 million dollars.

Director of Public Works Knoeck said that the primary goal of this is a dedicated funding source for the stormwater program. That funding source today is property taxes. The funding sources that the city has available to fund all of the programs are constantly in jeopardy. Out of that come other secondary goals that allow the city to maintain the infrastructure, comply with regulatory requirements that are coming and we can do capital projects that address stormwater needs in the city with a dedicated funding source.

City Administrator Brehm commented that the \$1.4 million dollars is not additional costs. That's costs that we are incurring now to provide that service. It is financed by tax levy. What the creation of a stormwater does is that instead of having that paid for by tax levy, it is paid for by user fees. When you create a user charge, the users pay for that service. There are certain organizations within our community that are not paying for services that they receive. All of us can pick out different parts of the budget and city taxes as to what is fair and equitable. There are a lot of inequities in the system. But the fairest tax is a users tax. A comment was made that after you subtract the federal and state benefits that you get from itemizing deductions the actual savings is not as great as what it is. That is correct but that is based upon an average residence with a value of a home of \$90,000. The higher the value of home the more benefit you get out of it. The other point is that this is only applicable to those residences that itemize deductions. Statistics show that statewide approximately 1/3 of the residences in Wisconsin itemize deductions. All people and organizations that are receiving this service should pay their fair share. Not all of us are members of churches or fraternal organizations. That membership goes beyond our boundaries. There has been a shift in property taxes. Statewide gross levies in 1990, residences paid 60% and manufacturing paid 4% of the taxes. In 2002, residences paid 69% and manufacturing paid 3-1/2%. The question was asked about what are the goals? Regulations, to have a dedicated source, equity are all part of that. The City is struggling just like everyone else. The Common Council's mandate for the last several years is to provide the same level of services and keep the tax rate the same. That is a challenge. The Common Council has reduced the city's tax rate from an amount in 1998 of \$13 to a current amount of \$9.25. The question has been asked about what the City is doing just looking at revenue sources, you need to look at expenditures. The City has refunded several debt issues. We are saving with net present value over \$13.4 million dollars. 80% of our operating revenues comes from two sources, property taxes and state aids. The state is in a big world of fiscal hurt. They don't have that savings account now to go back and balance their budgets for the next two years. That should be a very real concern of all of us in this community. One of our biggest strengths in our community is that we have a diversified tax base. We as a city have a very real concern with the businesses and the entire community. We are pro business. We have been very supportive and our record speaks for itself. What he needs in this 60-day extension is what is it that you want that you haven't already been provided for? Let's come up with a rate base that you feel is equitable in distributing these costs.

Finance Director Strey stated that the \$593,000 budgeted in the 2004 budget for stormwater utility is not all inclusive of everything that flows in through the stormwater utility. That does not include the debt service costs that are currently on the books. Under the current accounting mechanisms those are else where for existing debt. If anybody looks at the \$1.4 million dollar figure that is being brought in the study and tries to match that against the 2004 budget, you are not talking about all inclusive costs in the current budget structure.

Vote on motion **CC04-203**; All Ayes  
**Motion carried**

Recessed at 9:08 p.m.  
Reconvened at 9:22 p.m.

### **CITY ADMINISTRATOR'S REPORT**

City Administrator Brehm gave a report on the following:

1. Hotel/Conference Center
2. Current State Legislation
3. GIS Update

### **MINUTES OF GOVERNING BOARDS AND COMMISSIONS**

**CC04-204** Motion by Nelson, second by Bennington to receive and place on file the minutes of the University Commission of March 17, 2004; Community Development Authority of May 6, 2004; Fairgrounds Commission of May 19, 2004; Marshfield Utility Commission of June 7, 2004 and Zoning Board of Appeals of June 8, 2004. All Ayes

**Motion carried**

### **MINUTES OF ADVISORY BOARDS, COMMISSIONS AND COMMITTEES**

**CC04-205** Motion by Feirer, second by Bennington to approve the minutes of the Convention and Visitors Bureau of June 9, 2004 and Plan Commission of June 15, 2004. All Ayes

**Motion carried**

### **MINUTES OF COUNCIL COMMITTEES**

**CC04-206** Motion by Buttke, second by Stauber to approve the minutes of the Parks, Recreation and Forestry Committee of June 10, 2004. All Ayes

**Motion carried**

**CC04-207** Motion by Bennington, second by Feirer to approve the minutes of the Board of Public Works of June 14, 2004. All Ayes

**Motion carried**

**CC04-208** Motion by Beaudry, second by Gougeon to approve the minutes of the Finance, Budget and Personnel Committee of June 15, 2004. All Ayes

**Motion carried**

**CC04-209** Motion by Bennington, second by Feirer to approve the minutes of the Judiciary, License and Cemetery Committee of June 15, 2004. All Ayes

**Motion carried**

**CC04-210** Motion by Beaudry, second by Buttke to approve the minutes of the Finance, Budget and Personnel Committee of June 22, 2004 special meeting as read by the Clerk. All Ayes  
**Motion carried**

#### **MINUTES OF COMMUNITY ASSOCIATIONS**

**CC04-211** Motion by Bennington, second by Kraus to receive and place on file the minutes of Main Street Marshfield of May 9, 2004. All Ayes  
**Motion carried**

Second reading of Ordinance No. 1024, amending Section 17-38 & 17-41 of the Municipal Code of the City of Marshfield relative to Electrical Code Licensing and Permit Requirements.

**CC04-212** Motion by Buttke, second by Feirer to approve Ordinance No. 1024. All Ayes  
**Motion carried**

First reading of Ordinance No. 1026, relative to signs in the public right-of-way.

Director of Public Works Knoeck explained that in his original recommendation to the Board of Public Works he recommended 6-sq. ft. as the maximum size sign. Prior to the Board meeting, he had some discussions with Main Street. He thought that maybe 12-sq. ft. would be appropriate for the maximum size and thus the recommendation at the Board meeting was to change that from 6 to 12. Between the Board meeting and the Plan Commission meeting, they had additional discussions with Main Street and they came to the conclusion that 12 ft. was probably bigger than they wanted to see on the avenue. So they went back to the 6-sq. ft. maximum sign area. What they are looking for is a sign that is going to be not over whelming when it is on Central Avenue. At this point there is no limit in the ordinance as to how many signs can be in a particular block.

Sheila Ashbeck-Nyberg, Director of Main Street Marshfield, said that they have had several conversations. They do have a program that is a Welcome Program to new business in the downtown. They have put a lot of dollars into signage and those are a 12-ft. size signs. They are out at the new location for about 1-2 weeks during the time frame when they are opening a brand new business. She understands the 6-ft. within reason but it is depending upon who you are attracting. They have a very large span of sidewalk to deal with. They would like to continue to use their Welcome Board.

Director of Planning and Economic Development Miller commented that they should not alter the sign code based upon a particular sign. We need to be consistent. If you have twenty signs down one block, should they all be 12-sq. ft.? That is an extraordinarily large amount of signage in one area especially where you have pedestrians walking and you may have people who are disabled who need to get through with wheelchairs, etc. A sandwich board may not be the most appropriate type of signage for something like this. Maybe a welcome banner or something would be an appropriate alternative. Sandwich boards are meant to be pedestrian in scale and are not meant to attract traffic. If that were the case, we wouldn't have any on street parking on Central.

**CC04-213** Motion by Bennington, second by Gougeon to approve Preliminary Resolution No. 2004-34, declaring the City's intent to 1) initiate various street improvements; and 2) levy special assessments upon abutting properties for benefits conferred on such properties. Improvement Project No. 1826 - West 4<sup>th</sup> Street Opening Project (Magnolia Drive to Sycamore Avenue). All Ayes  
**Motion carried**

**CC04-214** Motion by Nelson, second by Kraus to approve Resolution No. 2004-36, approving and accepting a Certified Survey Map and dedication of public right-of-way for Downwind Drive, City of Marshfield, owner. All Ayes

**Motion carried**

**CC04-215** Motion by Stauber, second by Bennington to approve Budget Resolution No. 11-2004, transferring \$9,945 from the Contingency Account to the City Assessor budget for appraisal of the Marshfield Clinic. All Ayes

**Motion carried**

Motion by Nelson, second by Stauber to adjourn at 9:57 p.m.

**Motion carried**

Deb M. Hall  
City Clerk