

CITY OF SHEBOYGAN

FINANCE AND PERSONNEL COMMITTEE

OCTOBER 26, 2020

Chair Mary Lynne Donohue called the meeting to order at 5: 00 p.m. The Pledge of Allegiance followed.

COMMITTEE MEMBERS PRESENT: Chair Mary Lynne Donohue (remote), Vice Chair Jim Bohren (remote), Alderpersons Trey Mitchell (remote), Markus Savaglio (remote), Roberta Filicky-Peneski (remote)

STAFF/OFFICIALS PRESENT: , City Attorney Chuck Adams (remote), Mayor Michael Vandersteen, City Administrator Todd Wolf, Finance Director/Treasurer Marty Halverson, Director of Human Resources and Labor Relations Vicky Schneider, Director of Planning and Development Chad Pelishek, Assistant to the City Administrator Carrie Arenz, Administrative Services Manager Debbie DeAmico, Accountant II Laurie Suhrke

MINUTES: Motion by Alderperson Savaglio, seconded by Alderperson Filicky-Peneski to approve the minutes of October 19, 2020. Motion carried.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

3.1 RO 78 - 20 - 21 / OCTOBER 5, 2020 / DOC

4.2: Submitting a claim from Gordon Zastrow for alleged injuries from a trip on uneven pavement at 3622 S 15 th Street, Sheboygan.

City Attorney Chuck Adams explained this claim has been resolved under the authority given by Council and this document provides the required report back to this committee.

Motion by Alderperson Savaglio, seconded by Alderperson Filicky-Peneski to recommend the Common Council receive and file the document. Motion carried.

3.2 RO 83 - 20 - 21 / OCTOBER 19, 2020 / DOC

3.2: Submitting a Notice of Circumstances and Claim for Damages for alleged injuries Aja Buss sustained as a result of an invasion of her privacy.

City Attorney Chuck Adams explained this claim has been resolved under the authority given by Council and this document provides the required report back to this committee.

Motion by Alderperson Savaglio, seconded by Alderperson Bohren to recommend the Common Council receive and file the document. Motion carried.

3.3 RO 84 - 20 - 21 / OCTOBER 20, 2020 / DOC

3.3: Submitting a claim from Barbara Selke for alleged injuries sustained when she tripped on the sidewalk.

City Attorney Chuck Adams explained this claim has been resolved under the authority given by Council and this document provides the required report back to this committee.

Motion by Alderperson Filicky-Peneski, seconded by Alderperson Savaglio to recommend the Common Council receive and file the document. Motion carried.

3.4 RES 105 - 20 - 21 / OCTOBER 19, 2020 / DOC

4.2: A RESOLUTION authorizing an application to the U.S. Department of Housing and Urban Development through Section 108 of the Housing and Community Development Act.

Director of City Development and Planning Chad Pelishek discussed the application to the U.S. Department of Housing and Urban Development through Section 108 of the Housing and Community Development Act. The City of Sheboygan receives an annual allocation of the Community Development Block Grants (CDBG) from the U.S. Department of Housing and Urban Development (HUD). One option that HUD allows includes entitlements to the Section 108 program. The Section 108 program provides CDBG recipients with the ability to leverage their annual grant allocation to access low-cost, flexible financing for economic development, housing, public facility, and infrastructure projects. HUD calculates on an annual basis the amount of the Section 108 loan capacity for each recipient. Sheboygan has \$4,200,000. The current interest rate of the loan is 0.63 percent for 20 years. City staff plans to submit an application to HUD after the 30 -day public comment period for \$3,200,000 in loan proceeds to be used towards the purchase of the former Save A Lot (\$700,000) and \$2,500,000 in renovation funds. The proceeds of this loan program do not go against the city s borrowing capacity. The city anticipates having to allocate approximately \$160,000 \$175,000 of the approximately \$917,000 allocation to make the principal and interest payment from the yearly allocation. The security on the loan would come from a HUD first position lien on the real estate.

Motion by Alderperson Bohren, seconded by Alderperson Savaglio to recommend the Common Council adopt the resolution. Motion carried.

3.5 RES 106 - 20 - 21 / OCTOBER 19, 2020 / DOC

4.3: A RESOLUTION authorizing the submittal of a Substantial Amendment to the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program for the 2020 program year.

Director Pelishek explained the city operates two revolving loan funds that provide funds to low to moderate income households. These funds are for housing rehabilitation and job creation for new or expanding businesses. The programs that are administered under these funds include the Housing Rehabilitation Loan Program and the Economic Development Loan Program. Over the past three years, the city has made minimal loans out of these funds and has substantial repayment of loans each year. The fund balance is significant and HUD has recommending reprogramming these funds to spend down the funds versus them being in a savings account. City staff plans to reprogram \$300,000 from the Business Development Loan Program and \$200,000 from the Housing Rehabilitation Loan program to senior services. The \$300,000 will be used to reimburse/purchase the Save A Lot building and the \$200,000 would be used to potentially purchase the existing senior center building from the Federal Government should that be the option that is chosen.

Motion by Alderperson Filicky-Peneski, seconded by Alderperson Savaglio to recommend the Common Council adopt the resolution. Motion carried.

3.6 DIRECT REFERRAL RES 114 - 20 - 21 / OCTOBER 26, 2020: A RESOLUTION authorizing the sale of 1402 Union Avenue in the City of Sheboygan.

The City of Sheboygan obtained 1402 Union Avenue due to the outstanding building code violations on this property. The purchasing agent published a sale advertisement in the Sheboygan Press and posted a for sale sign on the property. Two offers were received. The highest offer received was from Jim Schultz Apartments to purchase the property for \$12,900 as a cash offer. City staff recommends selling the property to Jim Schultz Apartments.

Motion by Alderperson Bohren, seconded by Alderperson Mitchell to recommend the Common Council adopt the resolution. Motion carried.

DATE OF NEXT MEETING: Monday, November 9, 2020 at 5: 00 p.m.ADJOURNMotion by Alderperson Savaglio, seconded Alderperson Mitchell to adjourn at 5: 30 èp.m. Motion carried.