

FINANCE/PURCHASING & BUILDING COMMITTEE
January 12, 2021

A meeting of the Finance/Purchasing & Building Committee was called to order at 4:00 pm by Chairperson Bacon in the Council Chambers, City Hall. Roll call: Alderpersons Bacon, Wiederanders and Williams were present. Ald. Wiederanders appeared by zoom and Alders. Bacon and Williams appeared in person. Also present: City Administrator VanLieshout, City Treasurer/Finance Director Clarizio per zoom, Community Development Director Olejniczak, Bailey Harbor Town Chairman/Tourism Zone Commission Vice Chair and Office Accounting Assistant II Metzger.

A motion was made by Alderperson Williams, seconded by Alderperson Wiederanders to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Public comment on agenda items and other issues related to finance & purchasing.
4. Consideration of: Professional Services Agreement-Building Plan Review.
5. Consideration of: Lodging Tax Rates.
6. Consideration of: Cable Installation Agreements, Canal Lane.
7. Review bills.
9. Adjourn.

Carried.

No one spoke during public comment on agenda items and other issues related to finance & purchasing.

Consideration of: Professional Services Agreement-Building Plan Review:

Community Development Director Olejniczak explained that the City is a delegated municipality for plan reviews. Small projects are reviewed by in house building inspection, large plans are sent either to the State or the City's contracted plan reviewer Safebuilt. He stated that Safebuilt only provides plan review services, however due to eliminating their northeast Wisconsin staff, plans are now sent to a reviewer in Florida. Mr. Olejniczak further explained, that E-Plan Exam, a relatively new plan review company located in southeast Wisconsin submitted a proposal to the City. They would provide plan review services, including sprinkler systems which Safebuilt does not offer they must be sent to the State. The fees are the same as Safebuilt, which is 85% of collected plan review fees based on the City's fee schedule, in addition to 15 business day review completion vs Safebuilt's 20 day. The current contract with Safebuilt ends May 16, 2021 with annual automatic renewal unless 30 day notice is given. The City also has the option to terminate the contact by providing a 90 day notice.

Moved by Alderperson Williams, seconded by Alderperson Bacon to recommend to Common Council to immediately enter into a professional services agreement with E-Plan Exam for sprinkler system plan reviews and to submit a 30 day notice to Safebuilt for termination of services effective May 16, 2021 thereafter E-Plan Exam will provide plan review services. Carried.

Consideration of: Lodging Tax Rates.

Baileys Harbor Town Chairman and Door County Tourism Commission Vice Chair Dave Elliot presented a proposal to replace the current room tax funding structure as a way to increase tourism tax revenues and funding for the Door County Tourism Commission. His proposal includes increasing the lodging tax rate from 5.5% to 8%, changing the current funding allocations and implementing permit fees. Mr. Elliot explained that currently funding is split as 30% for the municipality, 66% to Destination Door County and

4% to the Tourism Commission for operations. With levy limit restrictions the 4% collected by the Tourism Commission is no longer adequate to cover the budget costs. He stated that state statute requires that no less than 70% is to be distributed to destination marketing entities. Therefore to align with the statute, he is proposing that 70% of the room tax revenue go to Destination Door County. To replace funding for the operation of the Tourism Commission, he proposed a permit fee system of approximately \$200-\$250 annually, which would be assessed to all permit holders (lodging industry). This piece of the proposal received a lot of push back. Mr. Van Lieshout informed the committee that per city ordinance, permit fees are not allowed, and would therefore need amending.

Mr. Elliot continued, suggesting that municipalities take responsibility for covering the costs related to the collection and enforcement of the lodging tax ordinance to the Tourism Commission. If Destination Door County agrees, they will then reimburse each municipality for this expense paid with the understanding that the reimbursement money can only be spent on tourism related infrastructure. In other words, of the 30% of room tax revenue the City of Sturgeon Bay would receive, a share is put toward the Tourism Commission budget, and Destination Door County would then reimburse that exact amount back to the City which would then need to be spent on tourism related infrastructure. At this time, Mr. Elliot is suggesting the room tax increase become effective in January 2022. The Committee questioned and discussed the pros and cons of the proposed increase and the concern of permit fee impact on the industry. It was the consensus of the Committee to support the increase but not the permit fees.

Moved by Alderperson Williams, seconded by Alderperson Wiederanders to recommend to Common Council to support going forward with the room tax increase from 5.5% to 8%, the 70/30% revenue allocations and not to support the permit fees. Carried.

Consideration of: Cable Installation Agreements, Canal Lane.

City Administrator Van Lieshout explained that a subdivision off Canal Lane consisting of 16 privately owned properties are without high-speed wired internet service. Satellite and cellular services are available but unreliable or inadequate due to the heavily wooded area. The Canal Lane neighborhood approached the City for assistance to get reliable high-speed wired internet service. Mr. Van Lieshout stated this would be public funds being utilized for private benefit that would require reimbursement back to the City. Typically the City would collect thru the special assessment however this option is not available. The other option is to enter into private agreements with each of the property owners structuring the repayment terms based on the special assessment policy. Per the draft agreement by the City Attorney, the City would be repaid over 6 years at the standard special assessment interest rate and unbuilt properties would defer payments for 6 years.

Moved by Alderperson Wiederanders, seconded by Alderperson Williams to recommend to Common Council to approve the draft cable installation agreement for Canal Lane as presented. Carried.

Review bills

Moved by Alderperson Wiederanders, seconded by Alderperson Williams to approve the bills as presented and forward to the Common Council for payment. Carried.

Moved by Alderperson Williams, seconded by Alderperson Wiederanders to adjourn. Carried. The meeting 5:43pm.

Respectfully submitted,

Tricia Metzger