



**City of
WHITEWATER**
Community Development Authority
Board of Directors Meeting
MINUTES

Thursday, March 16, 2023

1) Administrative Items.

- a) **Call to Order:** Vice Chair Allen called the meeting to order at 5:34 p.m.
- b) **Roll Call:** Jim Allen, Lisa Dawsey-Smith, Joe Kromholz, Jon Kachel; ABSENT: Jason Gleason, Patrick Singer. STAFF: John Weidl (City Manager), Steve Hatton (Finance Director), Brad Marquardt (Public Works Director), Wally McDonell (City Attorney), Bonnie Miller (CDA Administrative Assistant); OTHER: Kristen Fish-Peterson (Redevelopment Resources).
- c) **Declaration of Conflict of Interest:** Would any member(s) of the Board wish to declare any known conflict of interest with the items presented on today's CDA Board Agenda? None.
- d) **Hearing of Citizen Comments:** No formal CDA Action will be taken during this meeting although issues raised may become a part of a future agenda. Items on the agenda may not be discussed at this time. None.

2) Approval of Minutes: Moved by Dawsey-Smith to approve the Minutes of the February 16, 2023 CDA Board Meeting; seconded by Kromholz. AYES: All by voice vote (4); NOES: None; ABSENT: Gleason, Singer. Motion passed.

- a) **Review and Acknowledge Financial Statements:** Hatton stated that as we are closing out fiscal year 2022, this is the first the Board was receiving January and February financials for Funds 900 and 910. Hatton further stated that there was nothing noteworthy to call out. **Moved by Dawsey-Smith to acknowledge the Financial Statements for Periods Ending January 31, 2023 and February 28, 2023; seconded by Kachel. AYES: All by voice vote (4); NOES: None; ABSENT: Singer, Gleason. Motion passed.**

3) Action Item:

- a) **CDA Loan Programs – Establishment of 2022 Loan Loss Reserves:** Hatton stated that no action would be required for this item and provided an update documenting the status of Liz Eversoll's three Meeper loans. Eversoll has reported that Meeper has gone from a viable entity in 2021 to a non-viable entity in 2022. For accounting purposes, we are deeming those to be unrecoverable and are applying the write-offs as they already exist on the balance sheet and establishing reserves where they were not sufficient to satisfy all three of the Meeper loans on the books. Kromholz asked for clarification. Hatton referred to the memorandum included in the agenda packet which stated that Meeper had lost a significant order in their distribution channel and were ceasing operations. Hatton stated that we will continue to pursue recovery but can no longer carry them on the balance sheet. No action was taken.

4) Updates and Discussion:

- a) **Presentation and update by City Attorney concerning conflict of interest regulations and policies:** City Attorney McDonell provided a summary of regulations concerning conflicts of interest and perceived conflicts of interest. McDonell stated that the initial test is common sense. McDonell summarized policies covering receipt of gifts and participation in an action regarding an organization you are affiliated with or have a financial interest in. Weidl requested clarification of the definition of "member of an organization" as opposed to a "subscriber of an

organization". McDonnell stated that if an organization that you are a member of or you have an affiliation with that would cause a substantial financial gain or assistance from the action to your family or yourself would be considered a conflict of interest. McDonnell contacted the State Attorney for clarification who stated that if a board member had at least a 10% interest in an organization, or is a board member or officer of an organization, a conflict of interest would exist, and further stated that being merely a member of an organization would not establish a conflict of interest. McDonnell further stated that generally, if you are considering something whereby you, as a member of the community, would be affected in the same way it would affect the general public, a conflict would not exist. McDonnell further stated that when there is an appearance of a conflict or ethical violation, it is often times better to stay out of the action. Kromholz commented that the rules materials provided in the Agenda Packet provides a helpful resource.

- b) Affordable Housing Policy: Overview and Public Input Plan. Kristen Fish-Peterson of Redevelopment Resources provided a summary of the draft Affordable Housing Policy. Ms. Fish-Peterson worked with Chris Bennet of Neighborhood Services to prepare the Policy for review by the Board. Ms. Fish-Peterson summarized the Policy as consisting of three major components: (1) down-payment assistance to low-income borrowers; (2) incentives to developers at \$25,000 per unit developed, with a maximum of \$500,000 total (20 homes); and (3) adding funds to the CDA's Homeowner Rehabilitation Program. Based on her research, 60% of Whitewater's residential stock is rental housing, therefore, she did not include incentives in the Policy for rental housing. Ms. Fish-Peterson recommended that efforts be focused on single-family housing. As an example, Ms. Fish-Peterson used Washington County's program that just started which has a similar emphasis on single-family housing. Fish-Peterson and Bennett contacted an actual contractor/developer to see what would make a difference to them, what would be an incentive to them to build affordable single-family homes. Their feedback was that they would need some sort of subsidy or land grant. Land up-front and the \$25,000 per-house incentive would help.

Ms. Fish-Peterson went on to address the process for receiving public input in addition to input from the Board and City Council and stated that an open house for the public would be published on social media and confirmed that she would be there to chair the event. The CDA Board and City Council would be welcome to attend as well to hear the public input. Kachel voiced his concern for more review of the policy before being released to the community and suggested forming a subcommittee to include Larry Kachel, Jeff Knight and Jim Caldwell to review and make recommendations to the CDA. Kromholz stated his support of the process included in the proposal as presented rather than delegate the authority of the CDA Board to a subcommittee. Allen expressed support for forming the subcommittee. Dawsey-Smith stated that posting of the Policy to the website would provide an opportunity for feedback from anyone in the community, would not preclude anyone in the community from offering inciteful feedback based on experience within the community, and would give the assurance to the entire community that their voices would be heard as well. Kachel asked if we were under a timeline. Weidl stated that it is his responsibility as City Manager make sure this Policy makes it to the City Council. Allen stated that we have been talking about getting housing together for two years, and that we have a small group of people who have offered to kick-start the process. Weidl directly stated that, without a motion from the Board to do that, he would not be doing that. Weidl further stated that he would be following the consultants plan, vetting this using an open house and then taking it to the City Council. Fish-Peterson stated that she was asked to do this when she was hired, and that she has studied the SEWRPAC Report and other information provided to her. She studied other examples that are out there in other communities and decided that what makes sense for Whitewater is the three components that she offered up.

She stated that she hesitated to put money in the revolving loan fund because we are really not making a dent in the property tax base by helping people fix up their homes, however, that fund is kind of paralyzed because it is out of money. She recommended adding \$200,000 to that fund. She recommended down-payment assistance because that's where a lot of first-time homebuyers possibly have a problem coming up with a down-payment and would help homebuyers directly. She further summarized what she considered would make a difference to contractors or developers. She stated that multi-family is usually what gets built, but to create some opportunities for Whitewater residents to own single-family homes in the community, this is where she recommended focusing the efforts of the \$1.9 million in TIF increment. She further stated that there would be other increment available as other Districts close. She has presented to the CDA for input first, and now that the policy has been made public, anyone interested can provide feedback via an open house. Weidl stated that Fish-Peterson was hired by the City Manager since the contract was under \$25,000.

Kachel renewed his request to form a subcommittee of people with expert opinions from our own city, such as real estate brokers and others that would know more about Whitewater than she [Ms. Fish-Peterson] has or John [City Manager Weidl] has about our own City, and stated that his request has been ignored. Ms. Fish-Peterson stated that she would be interested in hearing the opinions of the components of the Policy from the four members here at the meeting. Allen stated that we could solve this by talking about Item (d) first because he doesn't want to publish this until we have a chance to form that subcommittee and hear from the community members. Kromholz stated that the policy has already been published. **Allen then made a motion to hold off on publication of this housing study until after a subcommittee has been created and heard.** Kachel stated that he didn't think there was anything wrong with that, for more eyes to look at it. Weidl asked if that was a second and received no response. Kachel asked Ms. Fish-Peterson "if she was afraid of their opinion". Ms. Fish-Peterson again stated that we will be holding an open house; everybody can come and look at it. Kachel again stated that he wants the experts to look at it that are in the community now and know the problems. Allen stated that "we are unique community". Directing his statement to the body, Weidl stated "With all respect, stop talking to my consultant like that" and further stated that "If you want to vote on the motion to table this and move to the subcommittee, you can do that. Ms. Fish-Peterson is an expert, she is an expert". He went on to state that "she was asked by the City Manager in a contract that was vetted by this committee, and it was in there that she was going to write that policy; you either saw it or you didn't because you didn't look at your packet". Weidl further stated that "It was sent to the Council and they saw it or they didn't, and all of that was approved". Directing his comment to the body, Weidl stated that he "respected their right to create that subcommittee but to leave Kristen out of it . . . talk amongst yourself, make a motion". **Allen moved to create the subcommittee before publication. Seconded by Kachel. Miller requested that the motion be repeated. Allen restated the motion to create a subcommittee to review the process for receiving in-put on the affordable housing before it's published and to confer with Council and this Board. Affirmed by Kachel. Roll call vote: AYES: Allen, Kachel; NOES: Dawsey-Smith, Kromholz; ABSENT: Gleason, Singer. Dawsey-Smith asked if there was anyone else on-line. Hatton responded "no". Motion fails.**

Directing his comment to Weidl, Allen stated that he did not think anybody was speaking against Kristen personally. Weidl stated that they said she wasn't an expert. Weidl commented that it was said literally into the microphone that "we want to bring in the experts because they are more of an expert than you, City Manager, and you, consultant. Allen responded that he was sure when it was spoken it was not intended that way though and that we in this community are not that jaded. Kromholz commented that we all got a little heated and now it is time to move on. Kachel again clarified his point that we have people that live in this community that have

lived here a long time and have to live with whatever we do tonight and at City Council, and it would be a nice thing for it for it to be vetted by others, not just the City Manager and consultant.

c) CDA Director Recruitment. Ms. Fish-Peterson stated that she completed a review of the Job Description for the CDA Director, and only made two small changes because she felt it was an excellent job description. She changed a word to make it more tactical for the Director, removed a program that was left over from the Doyle administration, and believes that the Job Description was ready to go. Weidl stated that we are very interested in a subcommittee here, that he did not know what the rules were for postings but would defer to Wally [City Attorney], but it was his clear understanding that this committee was looking to place some of their own members on an interview panel. Weidl went on to state that he would leave it up to the Board to see how that might look with Wally [City Attorney] as a sounding board to make sure everything was on the up-and-up. Allen called attention to the language “reports to City Manager” on the first page and further stated that “We’ve kind of been different a little bit in this; the day-to-day operations report to the City Manager, however, policy decisions would report to the CDA Board”. Allen then requested confirmation from the City Attorney Wally McDonell. McDonell stated that is subject to a policy made by the CDA and hopefully in conjunction with the City Council, but ultimately, it is important for the CDA, the City Manager and the CDA Director to have a clear understanding of those types of issues. McDonell further stated that that’s at times been a problem in this community and it would be good to address that. Weidl requested clarification from McDonell regarding which entity is responsible for hiring, overseeing and evaluating. Allen commented that McDonell is not the CDA attorney and has been put on the spot. Kromholz and Weidl affirmed that McDonell is the City Attorney. McDonell asked for clarification of the question. Weidl clarified that he was referring to hiring, oversight and evaluation and everything, where does that disposition fit best, because it was his understanding that it was with the City Manager per Charter Ordinance and the council/manager form of government. McDonell stated that the CDA Director in the recent past has been a City employee, and in that narrow view, it is the City Manager who has the authority to hire CDA Directors and fire them. McDonell further stated that there have been some policies in the past where the CDA has been involved and did not know if they were still in effect. Weidl commented that he did not think they could be, considering they went back to the 2011 Employee Manual. McDonell commented that he would need to do some research to see if there are some policies in affect that involves the CDA in the hiring; also the policies that were worked on did include some of Allen’s suggestions that the CDA Director would have a level of reporting to the CDA which has been a struggle too. McDonell stated that the job description was very detailed, and it would behoove the City and the CDA to establish some policies that are consistent with the Job Description and visa versa so there isn’t a problem in the future. McDonell further stated that if this is going to be a City employee, then the hiring would be the City Manager and the salary would be established by the Council. He further stated that the CDA Director is hugely intertwined with the CDA and whether or not this is a legal opinion or not, it is clearly a point for the CDA to have a level involvement with the Director, but it is a good idea to establish certain lines of authority and reporting policies. Kromholz requested confirmation that this is going to be City employee. McDonell confirmed that is what it has been in the past, stating that he is not suggesting that this not be a City employee. McDonell commented that in the past, the City Manager was frozen out and that was a problem. After further discussion, McDonell stated that his base opinion is that that person should report to the City Manager, and the City Manager has the ultimate decision on hiring and firing that employee pursuant to city manager form of government. Other legislative matters are dealt with by the CDA as an entity of its own that has substantial powers. McDonell further clarified that the basic tenant is that the City Manager hires, fires and supervises that

employee. Allen acknowledged that in the past the CDA Director was an employee of the CDA, but that was changed to a hybrid so that the City Manager did have oversight of the CDA Director in day-to-day operations and the City Manager is above the organizational chart above the CDA Director. Kachel again stated that it would be nice to have a subcommittee. Weidl deferred to McDonell for direction. Dawsey-Smith stated that we have had this discussion and gave pretty clear direction as to the oversight of the employee who is partially supported and funded by the General Fund for day to day oversight of this employee by the City Manager. Dawsey-Smith further stated that at that time, that there would be a desire from the body to have a member or two as part of the hiring committee. **Dawsey-Smith moved to post the job description for recruitment of a CDA Director at April's meeting to consider which members of this body would be a part of that hiring committee. Seconded by Kromholz.** Kachel asked for clarification of guidelines and requirements and was directed to refer to the Job Description. Allen questioned the posting of the Job Description, and Weidl stated that the City Manager can post the Job Description immediately. Fish-Peterson provided a summary of her process for developing the Job Description. Allen commented for the record that the CDA Director position is paid for by CDA funds in addition to the funds from the General Fund. **Roll call vote: AYES: Kachel, Kromholz, Dawsey-Smith; NOES: Allen; ABSENT: Gleason, Singer. Motion passed.**

d) CDA Subcommittee - Affordable Housing Policy. Weidl deferred to McDonell for CDA's ability to create committees. McDonell stated that this body certainly has the authority to create a committee; what is important is to create a committee that has a legal authority and is given duties that are appropriate and would not overstep the bounds of a subcommittee under the circumstances. Dawsey-Smith requested clarification as to if the ultimate vote or authority resides on this policy resides in the hands of the Common Council, would it then be appropriate for this body to be appointing a subcommittee. Weidl stated that after consulting McDonell, it was his understanding that you can make a motion to create a committee to review the Affordable Housing Policy and appoint people. Weidl further stated that as far as picking people from the community, he would like to see a process for that. McDonell clarified that it would be appropriate for the subcommittee to make advisory recommendations, and that it would be appropriate to appoint persons from the community outside of the board. **Moved by Allen to create a subcommittee for the CDA Affordable Housing Policy Advisory, limited to 3-5 members total and they would advise the CDA on the Housing Policy before we publish it as in Item (b).** Following a brief discussion regarding whether or not the Policy has been published and confirmation that the Policy was published in draft form in the Agenda Packet, Weidl stated that from a staff perspective with the open house, staff believes that this is not necessary to accurately obtain feedback which should include a cross-section of our increasingly diverse community per our Mission Statement. After further discussion regarding the merits of the subcommittee, Kromholz felt that his would add another layer. Allen responded that a couple more sets of eyes look at it to make sure we are doing what is best for our community. Allen acknowledged that Ms. Fish-Peterson is an expert, but we have people who have lived here a long time who understand the unique challenges of a University town. Kromholz stated he supported having the entire community look at this policy and all can comment at a Common Council meeting and sees this subcommittee as one more delay in the process. Kachel commented that Whitewater is a unique community from young to old with nothing in between, including less year-round residents in our population when you back out the students as opposed to surrounding communities. Allen asked for input as to how that subcommittee would be made up. Kromholz stated that he was not in favor of doing this at all. Dawsey-Smith commented that she could personally invite someone to look at it and a subcommittee makes one more step that would further delay the process and feels that quality feedback could be amassed without a subcommittee. **Allen requested a roll call; Miller requested a repeat of the motion. Weidl clarified the original motion as being for the CDA to create a subcommittee for**

the Affordable Housing Policy. Allen confirmed the motion; Kachel seconded. Roll Call: AYES: Kachel, Allen; NOES: Dawsey-Smith, Kromholz; ABSENT: Singer, Gleason. Motion failed.

Moved by Kromholz to postpone the remainder of the Agenda including the Executive Session to the next meeting. Seconded by Allen. Roll Call: AYES: Kromholz, Dawsey-Smith, Allen, Kachel; NOES: None; ABSENT: Gleason, Singer. Motion passed.

- 5) Adjournment. Moved by Dawsey-Smith to adjourn; seconded by Kromholz. AYES: All by voice vote (4); NOES: None; ABSENT: Gleason, Singer. Meeting adjourned at approximately 6:37 p.m.

Respectfully submitted,

Bonnie Miller, Recorder

Minutes Approved on April 20, 2023.