

**Plan Commission
of the City of Onalaska**
Thursday, June 16, 2016
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1 The Meeting of the Plan Commission of the City of Onalaska was called to order at 6:30 p.m. on
2 Thursday, June 16, 2016. It was noted that the meeting had been announced and a notice posted
3 at City Hall.

4
5 Roll call was taken, with the following members present: Mayor Joe Chilsen, Ald. Bob Muth,
6 Jan Brock, Skip Temte, Craig Breitsprecher, Andrea Benco

7
8 Also Present: City Clerk Cari Burmaster, Interim Land Use and Development Director Katie
9 Aspenson, Financial Services Director/Treasurer Fred Buehler, City Assessor Heather Wolf, City
10 Attorney Sean O’Flaherty

11
12 Excused Absences: City Engineer Jarrod Holter, Paul Gleason

13
14 **Consideration and possible action on the following items:**

15
16 **Item 2 – Presentation by the City of Onalaska on the draft Payment in Lieu of Taxes**
17 **(PILOT) Program Ordinance. (Proposed draft PILOT Program Ordinance available on**
18 **the City of Onalaska website under “News & Announcements”**

19
20 Katie said she would be addressing three different presentation topics: the purpose of the
21 proposed draft PILOT Ordinance; when PILOTs would be initiated; and how PILOT rates would
22 be calculated moving forward.

23
24 **Purpose of a PILOT Ordinance**

- 25
26
 - It is a creation of a program where the City of Onalaska receives payments from tax-
27 exempt properties in recognition of provided city services. These city services include
28 police and fire protection; street cleaning, maintenance and repair; snow
29 removal/snowplow services; and other associated services. The revenues the city
30 receives for the noted services are not shared by the tax-exempt properties unless they
31 have a PILOT agreement with the city. A PILOT would be a way for tax-exempt
32 properties to contribute to having an additional revenue source as a method to keep the
33 city services provided to the community at a high standard.

34
35 **Initiation of PILOTs (when proposed by a tax-exempt agency)**

- 36
37
 - New building or building expansion/addition/change in use that would require a
38 Development Agreement with the city.
 - New building or building expansion/addition/change in use that would require a variance.
39 A variance is reviewed by the city’s Board of Zoning Appeals. It is asked on behalf of
40 the property owner who wishes to do something outside the regular norm of what is
41 allowed by ordinance.

42
Reviewed 6/20/16 by Katie Aspenson

- 43 • Purchase of taxable land to convert to a tax-exempt property.
- 44 • A change in use of property that would require a Conditional Use Permit that would be
- 45 reviewed by the Plan Commission and also potentially the Common Council.
- 46 • A change in building use/business that would require rezoning to a different zoning
- 47 district. For example Religious institutions in the city are zoned Single Family, Public
- 48 and Semi-Public, and Community Business. A change in zoning districts would require a
- 49 rezoning application and includes review by the Plan Commission and the Common
- 50 Council.
- 51 • New building or building expansion/addition, which typically requires a site plan
- 52 approval because it is a commercial structure.

53

54 **PILOT Rate Calculation**

55

- 56 • PILOTs reflect only the City of Onalaska's mill rate, which is adjusted on an annual
- 57 basis.
- 58 • The mill rate (.00649909) multiplied by the assessed value of the property equals the
- 59 annual PILOT payment.
- 60 • The mill rate does not include any other taxing jurisdiction.

61

62 Katie noted that some tax-exempt properties already had a PILOT agreement with the city before
63 the ordinance came into effect. Katie said if one of the six aforementioned items occurs, it may
64 include a reevaluation of the existing PILOT agreement. Katie said the PILOT typically is
65 triggered when someone is applying for one of the requests that requires city approval.

66

67 **Item 3 – Public Input Session**

68

69 Katie asked that anyone who wishes to ask a question or provide a statement to approach the
70 microphone at the podium. Katie said city staff will, to the best of their ability, answer questions
71 this evening. Katie also said there will be another opportunity for the public to provide input at
72 the June 28 Plan Commission meeting, at which time there will be a special agenda item devoted
73 to the input city staff receives tonight, as well as discussion of the proposed draft ordinance.
74 Katie noted there will be no discussion by the Plan Commission this evening as the purpose of
75 tonight's meeting is for the public to provide feedback. Katie said, "This is not decided today,
76 and it won't be decided at [the June 28 Plan Commission] meeting. But we want to get direction
77 from the public and have the Plan Commission give direction to the Common Council as to what
78 is the direction that we want to be [regarding the draft PILOT Program Ordinance]."

79

80 Mayor Chilsen reminded the Plan Commission that it simply is here to listen to the public.
81 Mayor Chilsen then welcomed public input.

82

83 **Dean Ciokiewicz**

84 **951 6th Avenue North**
85 **Onalaska**
86

87 “My purpose for being here is I represent Rivers Harvest Church at 1001 Quincy Street in
88 Onalaska, and also these 23 people behind me. I have a letter from Pastor Andy LeFebre that I
89 would like to read by proxy because he is out of town with the children’s ministry doing his job
90 with our future. I received it from Andy today, and I would like to read it as a statement:”
91

92 *“To the City of Onalaska and its planners: I recently received the letter from the City of*
93 *Onalaska and found it rather concerning. We as a church recently went through this PILOT*
94 *process for the soon-to-open daycare that is starting in our facility. We were told about the*
95 *PILOT program part way through the process of getting our Conditional Use Permit. It became*
96 *a strong-arm that the city used against us saying basically, ‘You sign and pay or we are not*
97 *giving you the Conditional Use Permit.’ We reluctantly compromised and began the process of*
98 *starting the daycare. The Mayor, Financial Planner, City Planner and City Attorney seem to*
99 *feel this is a good idea for the community. At Rivers Harvest Church, our current square footage*
100 *that was deemed a daycare was roughly 4,000 square feet. With this square footage, the city was*
101 *going to implement a \$2,100 a year PILOT. In the present proposal, the city would do the same*
102 *to the churches. They are leaving it ambiguous concerning the value and mill rate (which*
103 *obviously has been clarified tonight). If this proposal was extended to our present facility, our*
104 *church would begin paying a PILOT fee of \$8,000 to \$10,000 a year on the whole facility. This*
105 *does not include the land or other structures, or the value that they would assess on the property.*
106 *Certain questions that come into play with this proposal are:*
107

- 108 1. *Wouldn’t it become easier to not maintain our properties because they may be taxed*
109 *more?*
- 110 2. *Wouldn’t this take away all incentive of churches to add on to their facilities?*
- 111 3. *Does the city want to take away the prospect of new churches coming into town?*
- 112 4. *For smaller churches with tight budgets, do you want them to go under?*
- 113 5. *Specifically concerning us, which of our ministries do the city fathers want us to cut out*
114 *of the church? Do you want to cut out our ‘River of Recovery’ program that ministers to*
115 *those with addictions? Do you want to cut out our youth group or children’s ministry?*
116 *Do you want to cut out our outreach to the poor and needy, which recently fed over 400*
117 *people?*
118

119 *Be assured there will be something cut out, so which ones do we eliminate? The list from the*
120 *other churches would be similar to ours, but varied. The truth is that we as churches and*
121 *pastors do some of the things for the city and the community that you as a government would*
122 *never do. Nor would you pay for it. Our people are being asked on a regular basis to support*
123 *what we do as a church. This is beyond all their other bills. The support is all voluntary. These*
124 *people already pay taxes to the city. Looking around the state, there were a few cities that are*
125 *the population and size of Onalaska. Here are the total expenditures in their budgets:*

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126

- 127 • **Wisconsin Rapids:** \$18 million a year
- 128 • **Howard:** \$5.5 million a year
- 129 • **Menasha:** \$16.7 million a year
- 130 • **Menomonie:** \$14.3 million a year
- 131 • **Ashwaubenon:** \$14.6 million a year

132

133 *The two highest with the population of Onalaska are:*

134

- 135 • **Onalaska:** \$22 million a year
- 136 • **Middleton:** \$24.8 million a year

137

138 *That means Onalaska is at the top of the cities in Wisconsin in spending for its size. When*
139 *compared to La Crosse per capita, Onalaska spends just as much as La Crosse, the point being*
140 *that this city spends per capita on the higher end of all cities in the state. The only difference is*
141 *that, if it's true on your balance sheet, the City of Onalaska has a balance of \$52.3 million at the*
142 *end of 2015, whereas all the other examples balance their budgets out. If this figure of \$52*
143 *million that was on [cityofonalaska.com] is not a true picture of the city's budget balance, the*
144 *other figures still show that this city is taking in finances at a higher level per capita than other*
145 *cities of its size in the state. This is great for the city, but maybe a reason we shouldn't go after*
146 *churches for more. When it comes to the churches, how much does the city want to generate*
147 *from the churches? If this proposal were to pass, why is it done in a slow phase? Is this so we*
148 *as churches will swallow the pill slowly? Hey, if it doesn't affect me right now, why worry,*
149 *right? This is not the best idea for the city. It is not a good precedent for the state; not to*
150 *mention, against the federal, state and local tax codes. If the city generates \$250,000 from the*
151 *churches, is this enough? It's only 1/88th of the city's budget. If it's not enough, do we change*
152 *the rules that govern churches later on? This is why it's a bad idea. It's a form of callousness*
153 *that I don't believe this city needs and I don't believe the taxpayers need, and it should be halted*
154 *for the churches and their ministries. Thank you for your consideration."*

155

156 Mayor Chilsen read into the record the following letter from Stephen Kinyon (no address listed):
157 "What has changed recently that makes Onalaska want to charge nonprofits and churches for
158 services? Anything? Onalaska has gotten along just fine for the last 150 years without charging
159 nonprofits and churches. Perhaps Onalaska would like to pay nonprofits and churches for all
160 the services they render to Onalaska residents. If these entities were not around, Onalaska
161 would have to pay for those services. By the way, what about separation of church and state?
162 Come on – PILOT is a tax no matter what name you call it. If Onalaska needs more money,
163 increase taxes. Don't fool around with principles."

164

165 Mayor Chilsen read into the record the following letter from Jeffrey Moorhouse, 1979
166 Sandalwood Drive, Onalaska: "To the leaders of the City of Onalaska, I am not able to attend

167 *the public forum tonight, but I would still like to stand up opposed to this tax. The PILOT*
168 *program is a tax and is nothing but a misguided money-seeking adventure. Over many years of*
169 *existence, our society took the high road and has established rules and conditions for an*
170 *organization to be tax exempt. These rules were purposefully guided considering both the*
171 *human condition and sound reasoning. This action of creating tax exempt status was not*
172 *considered lightly or without wisdom. So important was this topic that it was ultimately adopted*
173 *by our federal government for our nation. I find it hard to believe that the leaders of the City of*
174 *Onalaska would insult the men and women who created the tax exempt laws in the first place by*
175 *finding themselves so superior in wisdom and reason as to question the validity and purpose of*
176 *the laws created to protect the public interest. Is the ignorance at City Hall so profound as to*
177 *think that the leaders of the past somehow did not fully understand the consequence of tax*
178 *exemption? On the contrary – our past leaders perfectly comprehended the costs as well as the*
179 *benefits. If the city does not like the law, then move to change it. If the only interest here is to*
180 *improve the balance sheet of the city, the wisdom is folly and the reasoning unsound. We do not*
181 *need to take the low road in this city to satisfy the budget.”*

182

183 **Park Hunter, Pastor of Onalaska United Methodist Church**
184 **212 4th Avenue North**
185 **Onalaska**

186

187 “I did some research in preparation for the meeting tonight, and as has already been presented
188 the general background on the tax exemption for churches and nonprofits is that they typically
189 provide value to the community that, as recognized, the community would otherwise have to
190 provide on its own. It would otherwise probably be a cost to the local government or to other
191 organizations. This of course concerns our church particularly because we’re contemplating a \$3
192 million building project, and we’re not too eager to suddenly have an annual fee that we’re going
193 to have to be paying. As part of the process for preparing tonight, I thought I would go and try to
194 place an estimate on the value of the services that our church provides to the community. I’m
195 not talking about services only to our congregation members, but services that we provide to
196 people within the community in general, some of whom are congregation members. I spent the
197 day [compiling data], and when I added it up this afternoon I was kind of surprised that the total
198 was \$205,000 in terms of time donated, meals provided, food collected for the food pantry, and
199 on and on. This is for not just the Onalaska area, but we’re also a regional church. We extend
200 into Holmen and La Crosse, and we provide services in those areas as well. I did prepare a copy
201 of my notes, and I have extra copies that I will give you so that you can share them. Needless to
202 say, we’re not particularly in favor of this and [we] hope that you will reconsider. Thank you.”

203

204 **Monsignor Steven Kachel, St. Patrick’s Church**
205 **1031 Main Street**
206 **Onalaska**

207

208 “I will skip some of the things I was going to say, but I support already what several of my

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209 brother pastors have said about the outreach that our churches do for the City of Onalaska. I
210 would just like to add the dimension of those of us who have schools, and has the Common
211 Council considered [this]. It costs approximately over \$500,000 a year for me to run St.
212 Patrick's School. With this tax added on a nonprofit organization, I could close my school and
213 save the parish \$500,000, which would probably add \$300,000 to \$350,000 to your city budget
214 for education. This tax, because our school is constantly in need of addition and adding on to,
215 would really hinder our budgets, as I said, as a nonprofit organization. So I would consider how
216 many private schools are in this area that this tax would hinder. Again, I reiterate and support
217 what my brother pastors have already stated and add the dimension of those of us who have
218 schools for you to consider. Thank you.”
219

220 **Jason Stanton**
221 **142 Fairway Court**
222 **Onalaska**
223

224 “I serve as Senior Pastor at First Lutheran on Main Street. Like the Monsignor said, I would
225 second much of what has been said by other speakers tonight. I would want you to know that the
226 tax for us ... I'm just ballparking, but if our land and buildings were assessed at around \$5
227 million, that would be about \$32,000 by the mill rate. That would be very significant to our
228 ministry more than I would like to think about. Much like I heard the letter when it was read,
229 I'm trying to think which staff person I would get rid of. That's not a question I would like to
230 think about. The other question that I have as I'm sitting here is Onalaska is a relatively wealthy
231 community. Having lived in a number of other communities in Wisconsin and also in the South,
232 my question is, why would we even consider this [because this] is such a wealthy community?
233 I've lived in Cashton, for example. [I've lived in] Medford, Wisconsin. I can't imagine it ever
234 occurring to anyone's mind as to why we would need to ask nonprofit organizations for money,
235 especially in a community where there is so much wealth. I didn't know the numbers as far as
236 how Onalaska is able to spend versus other cities of similar size. I have a hard time
237 understanding where the need is and we would want to draw from those who are trying to serve
238 the community and really enrich it in ways that monetary wealth can't. I stand in strong
239 opposition to such an idea.”
240

241 **Larry Hagar**
242 **740 Stonebridge Avenue**
243 **Onalaska**
244

245 “I've lived here about 10 years, but I've lived in the La Crosse area most of my adult life. I can
246 say my strong opinion that a residential community like Onalaska often is exhibiting its best foot
247 forward by how it values its nonprofits, its schools, its churches. I don't necessarily see with
248 what little I understand of this legislation how this supports churches or nonprofits. As a matter
249 of fact, I think it could be detrimental to them because like you, they're continually trying to find
250 ways to make their means meet their needs. As a citizen – and that's what I'm speaking as [and]

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251 not as a member of any organization in this community – I pay taxes. And I pay taxes for things
252 that directly benefit me. And I pay taxes for things that don't necessarily directly benefit me, but
253 benefit our community. I don't mind that part of my taxes that supports a church or another
254 nonprofit getting its snow removed or police protection or fire protection. I might be unusual,
255 but I'm willing to continue to pay that. I would much rather pay it way than break the
256 longstanding tradition of not taxing nonprofits. Thank you."

257

258 **Travis Becknell, Head Pastor of New Hope Fellowship Church**
259 **420 2nd Avenue South**
260 **Onalaska**

261

262 "I'm a little disappointed. I'm disappointed that you put in there that it said 'fair share.' I'm
263 disappointed that you seem to think that for some reason nonprofits need to share in what people
264 for profit are doing. The experience that I had with you going through the PILOT program was
265 one of the worst experiences I've had in ministry. We ended the year as a church with \$1,400.
266 We began the next year with a \$2,500 loss. There's a good amount of money that's in your
267 pockets that could have gone to help a lot of people. My family exists off of a salary of \$24,000.
268 That's what you asked initially for us in taxes. We would be closed right now. I'm disappointed
269 because I understand the idea of looking and seeing if there might be some money that you might
270 be able to get from people. I'm disappointed because if this goes through there will be so many
271 less new churches in this area. This town does not need less churches; it needs more. I am also
272 wondering, since the greatest tax-exempt entity in this building right now today is the city's, will
273 your PILOT payments go back into the city? Or will you give them back to us? Those are my
274 questions, but I understand now we can't even ask them."

275

276 **Dean Ciokiewicz**
277 **951 6th Avenue North**
278 **Onalaska**

279

280 "Speaking on a personal level, I spent 39 years in severe addiction. I took and took and took
281 from the community just by consuming. When God interrupted that and I was introduced to
282 Rivers Harvest Church, I became a strong ... I wanted to give back. Part of the 400 people that
283 we served at our Sonfest two weeks ago was something that I've done the last three years, and
284 I've run the food line down there. To see the homeless people come through and get a meal –
285 probably the first meal they've had this week, all week – and to see people come in and receive
286 the Lord, that keeps me sober. That keeps me off of drugs. Drugs are an epidemic. I do
287 speeches in local schools, and on a personal level God has me studying to be an addiction pastor
288 to help correct this problem locally. I've heard from the other pastors over here and from Pastor
289 Andy, and for a lot of the people in our church who are in recovery and not in recovery and
290 beyond that, we wouldn't want to see that suffer. I know our budget is very slim for our annual
291 Sonfest. It's so slim that we had to cut one this year; we usually have two. That's on our current
292 budget. I know that we just had our annual meeting at church with the memberships, and \$9,000

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293 was slated and spent last year to community outreach. That goes beyond our walls. That goes
294 beyond our parking lot and into the community to reach out and help people in need in our
295 community. I am on the front lines, and I am one the people who is first and foremost out there
296 in the ditches doing what I need to do. It's kind of selfish, but I'm staying sober. What ends up
297 turning around internally is that other people see that, and that growth comes. It doesn't bring a
298 lot of members to the church because in my area of expertise, [which is] addiction, they're not
299 ready for that much love. But what it does show is that it can work and it gives them hope.
300 Being out there on the front lines and serving meals, whether it's at Copeland Park or doing
301 "Treasure Hunt" where we go out and pray for people who need it because that's what the Holy
302 Spirit does for us. He gives them to us. He points them out, [gives us] the location and we go
303 and pray for them with their permission. We have not missed our target once. We have not not
304 found a treasure. When we go to the church and pray, we go out to the community and find the
305 person. We already have what they need prayer for, and they get it. They find that this works. I
306 would not want to see any of those programs suffer. I think that the city has the right idea, but
307 it's aiming at the wrong source for its dollars. I would just like that to be registered, and praise
308 God. Thank you."

309
310 **Bill Soper, YMCA Director**
311 **400 Mason Street**
312 **Onalaska**

313
314 "I want to second the comments that have already been made tonight opposing this ordinance. I
315 believe that our nonprofits in our community earn their tax-exempt status every day, and they
316 improve the quality of life in unmeasurable ways in our community. I believe that over time
317 taxing nonprofits will ultimately increase the burden on government because those nonprofits
318 that are impacted will be unable to provide the level of services that they're delivering today.
319 Based on what we believe that value of our facility is, [which is] around \$15 million, our annual
320 PILOT would be in the neighborhood of \$100,000. That's just not an amount we'd be able to
321 pay without cutting back on services that don't provide revenue like programs for cancer
322 survivors and our Miracle [League] baseball field where kids who have special needs get a
323 chance to play sports. We'd have to cut programs like that. The other thing for us is we just
324 finished an expansion of our facility. We're now considering the addition of a warm water
325 therapy pool to meet the needs of seniors in the community. But should this PILOT Ordinance
326 go into place we will not do that over here because the annual cost for us to do that would just be
327 too great. I have one question for Fred, and that is what is the projected amount of revenue this
328 will generate for the city? Thank you."

329
330 **Christina LeFebre**
331 **W5616 County Road W**
332 **Holmen**

333
334 "I guess you can't answer these questions, but my first question would be, how is this helping

335 you? You see all these organizations and all these nonprofits that help so many people in the
336 community, and I don't understand. It kind of makes me sick why you would tax them. Also,
337 we pay as taxpayers into the church. We pay tithes into the church, so basically you're having us
338 tax the money that we get, and then also tax housing taxes. But then also you're going to be
339 taxing on the churches too, so you're kind of going to be double-taxing that too. I don't really
340 understand that, either. I guess I don't really understand that. I don't know how to put this into
341 words."

342

343 **Jerry Hatlevig, Pastor of Connect Church**
344 **3340 South Kinney Coulee Road**
345 **Onalaska**

346

347 "Going back throughout history, all the way back into the Old Testament and the New Testament
348 to our founding fathers, any time God was put onto a shelf our country and our nation, the
349 nations that they were following, always lost. They always became weaker because services that
350 come without the empowering of the spirit of God never have the ability to reach the heart of
351 most issues. Nonprofit organizations have the ability, with the help of God, to reach into that.
352 No program that government or a community does without God really has the power that
353 nonprofits do. Your ability to tax us is demanding. You don't give us a whole lot of authority to
354 speak into the city, but you put pressure on us to continue to run your programs. I strongly
355 oppose a strong government because big government has always cost our nation more money.
356 And it's going to cost our city and our citizens more than you can ever supply us. I'm very
357 opposed to this whole PILOT program."

358

359 **Heather Hankins, Coulee Region Humane Society Executive Director**
360 **911 Critter Court**
361 **Onalaska**

362

363 "We also run animal control out of the shelter, so we do a public service for the community and
364 take that burden off of taxpayers or off of the county currently because that is a requirement that
365 the county would need to take care of. I believe that us having to fundraise and talk to our
366 donors about how we now have this large tax that we have to pay to the city will make it harder
367 for us to gather donations. The majority of people who donate want their money to directly
368 affect the animals that we serve because we do serve all homeless animals. We also would be
369 opposed to this."

370

371 **Bonice Siple**
372 **N8536 Hanson Drive**
373 **Holmen**

374

375 "I'm a member of First Free Church, and I also am a president of a nonprofit organization that
376 currently has a Christian bookstore, [which is] Redemption Bookstore, in Center 90 in Onalaska.

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377 I'm strongly opposed to this tax. Even though you're calling it a PILOT program it is a tax. For
378 a number of reasons many nonprofits, one being churches, do not have a billable service whereas
379 Gundersen and [Mayo], which are also nonprofits, you walk in the door and there is a billable
380 service that they're giving even though they do provide many free services. People not paying
381 their bills, henceforth, they're obviously an added bonus to a community. They have a billable
382 service. A church does not have a billable service. They might charge for maintenance on a
383 building for a wedding or for a funeral because there's maintenance and the expense of cleaning
384 it. But by and large they do not charge for the services that they have. Their whole budget is
385 based on donation. And as far as I know, the majority of the people that go to church are already
386 taxed by their property, their house, and they're paying income tax. It's an added burden, and
387 what the community benefits from having nonprofits in their community far outweighs what the
388 community would have to replace if those services the community. And it would cost the
389 taxpayers far more than what the taxpayers I believe would bear. I'm opposed to the PILOT
390 program."

391

392 **Brad Heller**
393 **720 14th Avenue North**
394 **Onalaska**

395

396 "I'm also the trustee at New Hope Fellowship. We're a fairly young church. This July we're
397 going to celebrate two years as a body of worshippers, and I can honestly say that it's been a
398 great journey to start a church in the City of Onalaska. We have gained support from people
399 outside this community as well as within. Pastor Travis had spoken earlier about the sacrifices
400 that he's made as a family, and people at New Hope Fellowship can testify to that as well. This
401 PILOT program will create a sacrifice that our church cannot survive. This church has done so
402 much for outreach within this community. It's a service that I don't believe anybody can put a
403 price on. As a resident of this city, I feel that a PILOT program is not the best method to absorb
404 monetary funds for services that are provided. As a few other people have spoken, this is a very
405 wealthy area, per se. There are very many businesses that provide taxes for the services that are
406 provided such as police and fire, snow removal and things of that nature. I feel that it's a little
407 overbearing to expect nonprofits, as someone just said, that gain most of their finances through
408 donation. Again, it's something I don't believe the city needs to take a route of looking towards.
409 I think there are other means and maybe other discussions that need to happen before a PILOT
410 program needs to be instituted, and I'm highly opposed to it. Thank you."

411

412 **Trudi LeFebre**
413 **W5616 County Road W**
414 **Holmen**

415

416 "I attend Rivers Harvest Church. I just want to say that I hope everybody on the Plan
417 Commission really listens to what people are saying. You look at the 'Y' and everything that
418 they do, and I love the YMCA and I love what the Humane Society does and I love what all

419 these churches do that not everybody sees [such as] all the outreaches they do and just helping
420 people whether it's addictions or whatever they do. I just want to say that I'm strongly opposed
421 to it, and I wanted to make sure you heard that. Thank you."

422

423 **Joe Betsinger**
424 **N8091 County Road W**
425 **Holmen**

426

427 "I go to Rivers Harvest Church. This tax – and that's what it is. I don't care how you look at it.
428 This is, of course, all personal opinion. This tax will make the churches non-tax exempt after
429 that. This is going to be the first step in the national crash that will happen nationwide as far as
430 tax exempt goes. Everybody will fire up after it and go after the money. A lot of governments
431 are broke. A lot of cities are literally bankrupt, and they're looking for places to get money.
432 They'll jump all over it. I believe this will probably crush churches as we know it. I think it's a
433 really bad idea. Even worse I thought was the 5e [in the draft ordinance], where the money goes.
434 [It reads:] "*The City may use the PILOT revenues for purposes it deems appropriate. The*
435 *Finance Director shall treat all PILOT payments as general fund revenues and accounted for*
436 *specifically in the General Property Taxes category.*" In other words, you can use it for
437 whatever you feel like. I don't think it's a good tax because if all you need money for is to do
438 whatever you feel like doing with it, I don't think you need it to begin with. Thank you."

439

440 **Richard Gilmore**
441 **633 11th Avenue North**
442 **Onalaska**

443

444 "I'd like to say that I go to the 'Y' six days a week since I retired, which was 10 years ago. I
445 have just enjoyed the fellowship there. I think it's a tremendous blessing for all of us who are
446 seniors to be able to go to the 'Y.' We sit there and have coffee, and I exercise for an hour over
447 there. I'd really hate to see more of a burden on that YMCA. I am also a former pastor at Christ
448 is Lord Lutheran here in Onalaska. I'm certainly against some form of a PILOT tax that would
449 put a bigger burden on us. We're struggling, but that tax would not help at all. And I do think
450 that it would be the crack in the boat that would finally sink things because we'd start taxing
451 more and more. So I am certainly against it."

452

453 **Cheryl Jostad**
454 **117 Hillview Boulevard**
455 **La Crescent**

456

457 "I'm a member of Rivers Harvest Church on Quincy Street. Up until just a couple months ago I
458 was a very part-time employee there also. I have a strong opposition to this PILOT tax.
459 Regardless of what you call it, if it's payments in lieu of taxes, it's definitely a tax. I noticed that
460 in the presentation it was stated that the nonprofit initiates the PILOT. I really think that is a

461 very strong misnomer. Now, the nonprofit, in order to be a good, law-abiding citizen, comes to
462 the city and says, ‘We need this variance. We need this Conditional Use Permit.’ They are
463 initiating the appropriate thing to do the right thing and be law-abiding citizens within the
464 community. However, they are not coming and initiating a PILOT. The city is initiating the
465 PILOT, and I really think that needs to be clarified. I feel that was a misleading statement. I
466 understand the parts about how they come about from the six points. I thought it was well-
467 presented other than that statement. What was not presented was, where did the initial idea for
468 this PILOT program come from? How long has it been in existence? Who has been affected by
469 it? I think if you’re going after groups that do a new something with their property, whether it’s
470 a rebuild or adding something or whatever, needing to come to the Council and being good, law-
471 abiding citizens and part of the community, how long has this been in place? But I also noticed
472 in the draft – and I also take exception with 5e, the same one about it just becomes part of the
473 General Fund revenues – it’s stated that the City of Onalaska wants to cover fire and snow
474 removal and things like that. That’s all really admirable, but General Fund revenues doesn’t
475 explain where the money is going to go. It also states that the city reserves the right to grant or
476 deny the application for this Conditional Use Permit, the variance – whatever. So ultimately the
477 City of Onalaska holds whatever nonprofit that wants to make an improvement – generally it
478 would be an improvement to their property – over a barrel and says, ‘Either you agree or we
479 won’t grant this.’ I noticed that in this draft ordinance there really is no protection for the tax-
480 exempt agency. It is all very slanted towards the City of Onalaska. Granted, it is your
481 ordinance. But there is no appeal process stated in here. There is no, ‘We will consider this and
482 that.’ It says that both the property and the structures will be taxed. As someone stated earlier,
483 what’s to say that the good citizens of the community who are trying to help people aren’t going
484 to let their properties go into disrepair? Or what if they move and suddenly Onalaska – a vibrant
485 city that has great residential, great businesses and great nonprofits ... What if all the nonprofits
486 leave and then you have a lot of blighted properties? Or perhaps that’s what your choice is
487 because you’d like to make it all residential so that you can tax people. I don’t know, but it
488 seems to me ... As the one citizen stated, he doesn’t mind paying to have the mix of nonprofits
489 and residential and businesses in the community. I can’t imagine a city stating, ‘We don’t want
490 any tax-exempt organizations in our town.’ It just doesn’t make sense. Thank you.”

491
492 Mayor Chilsen called three times for anyone else wishing to provide public input and closed that
493 portion of the meeting. Mayor Chilsen then welcomed questions for city staff.

494
495 An audience member asked if everyone was informed about the PILOT Ordinance and this
496 evening’s meeting.

497
498 Katie said the city had identified all the tax-exempt properties, and letters and notifications were
499 sent to those who currently have PILOT agreements with the city, and also to those who do not.
500 Katie noted that there were news releases as well as interviews with local television and radio
501 stations. Katie also noted that information was placed on the city’s website under “News and
502 Events.”

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503
504 Cari noted that the meeting also was sent to local media as well as posted on the bulletin board.
505
506 An audience member asked who had proposed implementing the PILOT program, and he also
507 asked why the city believes it needs the additional revenue at this point in time.
508
509 Katie said, “In the last few years the City of Onalaska has, when there’s been most notably a few
510 churches or a church that has started daycare, it was those entities that had an opportunity to be
511 competing against a for-profit business that weren’t paying the taxes that other for-profit
512 businesses were paying for. It was at that point when the city initiated a PILOT discussion – we
513 have done PILOTs for numerous years – we were notified that we needed to be more consistent
514 in how we were applying PILOTs, [both] determining the value of how much would be paid and
515 to be more consistent. That’s where this began as a new policy that the city would do as a means
516 to remove any confusion as to what process that we’re following. From that, it became into a
517 potential draft ordinance. The city has the ability to do a PILOT without this ordinance. The
518 purpose of this ordinance is to establish a very clear framework as to when it would come into
519 effect, and how the process would occur, like the calculation I had up on the screen, that
520 information is spelled out where it was never before. It was a matter of transparency that the city
521 was trying to inform people that if these things were to occur this is the process the city would
522 follow.”
523
524 An audience member asked when the PILOT program started.
525
526 Sean said the city has PILOT agreements that are more than 30 years old. Sean also said there
527 are certain types of tax-exempt entities that are required to make payments in lieu of taxes. For
528 example, low-cost housing run by nonprofits are required to pay PILOTs pursuant to federal law
529 as part of their tax exemption. Sean noted the city has had an informal program of talking to
530 nonprofits in the manner that Katie had indicated for several years.
531
532 The audience member inquired about the number of years.
533
534 Sean said more than 10 years.
535
536 An audience member inquired about the number of PILOTs in the city.
537
538 Sean said there are 15.
539
540 An audience member asked Fred if there are any tax-exempt properties that only are paying
541 toward police and fire protection.
542
543 Fred said he is not aware of any, but he also noted that some of the PILOTs utilize a different
544 form. Fred said there are a couple of different facets to what individuals call a PILOT, adding
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545 that the “vast majority” of PILOTS he has been associated with during his time with the City of
546 Onalaska have been related to the city’s portion of the mill rate. Fred said a certain percentage
547 of the rent collected by some nursing homes (an estimated six) is applied to the PILOT.

548

549 Sean said there is at least one that pays essential city services (police, fire, Street Department)
550 percent of the General Fund.

551

552 The audience member cited the example of a nonprofit that, several years ago, had stated it was
553 willing to pay for fire and police services and said this is why she had asked if there are
554 nonprofits who do this.

555

556 An audience member said it appears to her that there is no requirement by federal law for other
557 types of nonprofits that were represented here this evening to have to participate in a PILOT
558 program. The audience member stated she believes it is important not to group all nonprofits
559 together “and say we’ve had them for 30 years. When that’s by law that’s one thing. To come to
560 the nonprofits suddenly and say, ‘Because you want to do this and you want to do that, now we
561 want a PILOT. And by the way, we won’t give you the [Conditional] Use Permit. We can
562 revoke your tax-exempt status every January if we want.’ It’s important to know where this idea
563 comes from to start bringing it to all tax-exempt properties. And that I still have not heard the
564 answer this evening. Whose idea was it?”

565

566 Sean said, “I think Ms. Aspenson explained the procedure of how it happened, and the idea was
567 to make it more formal and a more transparent process when these issues would arise. That’s
568 what was the nexus of this.”

569

570 The audience member asked if this had generated from the Common Council or the Plan
571 Commission.

572

573 Sean said he does not know.

574

575 The audience member asked, “Does anybody know the answer? Or are you just not saying?”

576

577 Sean said, “It has been considered by multiple entities, and now it’s the Plan Commission that is
578 considering the PILOT policy.”

579

580 An audience member asked if there is a precedent for this policy elsewhere in the state or nation.

581

582 Sean said yes.

583

584 The audience member asked if these municipalities can be identified.

585

586 Sean said although he did not bring this information with him, he noted that similar policies have

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587 enacted both in Wisconsin and at the federal level.

588

589 An audience member said it is his understanding that the idea of PILOT fees originally was for
590 the federal or state government to pay local governments for property that was removed from the
591 tax base because it was owned either by the federal government or the state. The audience
592 member said he had asked the Chancellor (legal advisor) for the Wisconsin Conference of the
593 United Methodist Church he was aware of ordinances such as these. This individual had
594 contacted other chancellors around the nation and received two replies – one from New Jersey
595 that stated its statute on PILOTs specifically exempts churches, and one from Michigan, where a
596 proposal was voted down in a particular township before it could be legally challenged. The
597 audience member asked if there are municipalities in Wisconsin where PILOT fees are being
598 charged to churches.

599

600 Sean said, “The applicability to churches is subject to the First Amendment. I’m sure it will be
601 discussed at the Plan Commission. The points have been well made here. Whether it’s written
602 into the ordinance or not, the application certainly will comply with the First Amendment.”

603

604 An audience member asked Fred about the projected revenue the PILOT Ordinance will generate
605 for the city.

606

607 Fred said he would need to examine all the letters Katie had sent and all the property values
608 before being able to quantify that with a number. Fred said he can provide this information at
609 the June 28 Plan Commission meeting.

610

611 An audience member asked Fred how he knows the ordinance will be needed if he does not
612 know how much revenue it will generate.

613

614 Fred said the dollar amount being referred to on an exempt property is not on the assessment roll.
615 Fred said he would need to meet with the contracted assessor, adding that there are no values for
616 churches on the assessment roll from La Crosse County for the City of Onalaska.

617

618 An audience member inquired about the number of letters that were sent out.

619

620 Katie said 32 letters were sent to tax exempt agencies, but do not include taxing jurisdictions
621 such as La Crosse County, the City of Onalaska, and the Onalaska School District.

622

623 An audience member said, “I would contend that if you are concerned about raising revenue,
624 which you are, a more realistic approach would be to value the police, the fire and the street.
625 Those are the three big items. I’m not suggesting that we would be in favor of that, but it would
626 be a more realistic approach. Those are the services that we need from the city. And I think the
627 mill rate just blows that. A \$15 million property has a \$100,000 tax. You can’t do that. What
628 are you asking for? What is the police worth? What is the fire worth? What is the street worth?

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629 Make it a reasonable amount, and I think people would be more receptive to that. I'm not saying
630 we'd be in agreement with it, but I think at least we'd be more receptive. All of us are in the
631 business of serving other people. ... Maybe take the approach [of], what can you contribute for
632 these services and do it in a little different spirit."

633
634 An audience member noted that the letter was sent to property-holding nonprofits and said
635 several nonprofits could choose not to pursue acquiring property or operating in Onalaska
636 because of the PILOT Ordinance. The audience member also pointed out there are more than 32
637 nonprofits in the city.

638
639 Katie noted that there are 32 tax-exempt property owners in the city.

640
641 An audience member associated with Redemption Ministries noted that the organization is
642 currently renting and said the PILOT Ordinance could affect its decision to buy property in the
643 future.

644
645 An audience member asked if the city's citizens will be able to vote on the PILOT Ordinance.

646
647 Katie said this is an ordinance that would have to be adopted by the Common Council. Katie
648 also said, "This doesn't create enforcing PILOTs. This just creates the process that it would
649 follow. We've had that ability to do PILOTs previously, and even if we don't adopt this we'll
650 still have the ability to do PILOTs in the future."

651
652 An audience member said a payment in lieu of taxes says to him, "We're going to tax you, but
653 we can't do it because of federal law. So we're going to sneak around this and create some kind
654 of a program that has a nice name called PILOT. That concerns me. We have to be forthright
655 with you, and we expect you to be forthright with us as well. It's only fair."

656
657 An audience member asked if there is a current ordinance that has precedence over this PILOT
658 Ordinance.

659
660 Sean said no, noting that the PILOT Ordinance is intended to make the process more transparent.

661
662 An audience member said, "Is there any way we can begin to vote on this not happening? I think
663 that's what most people want to say. ... It happened mostly behind doors. Now that it's starting
664 to be brought into the light, you can see just how displeased people are about this. It's time to
665 start voting."

666
667 Sean said, "I think this is the first step to that process."

668
669 An audience member asked for clarification as to whether citizens would be allowed to vote on
670 the PILOT Ordinance, or if the decision will be made by the Plan Commission and the Common

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17

671 Council.

672

673 Sean said the Common Council would pass the ordinance and would not at this time be subject
674 to a referendum.

675

676 An audience member asked if it is possible that the ordinance could be “thrown away because
677 nobody wants it.”

678

679 Sean said this will be discussed at the June 28 Plan Commission meeting and the July 12
680 Common Council meeting. Sean said, “It is up to the will of the Plan Commission and the
681 Common Council as to how to move forward.”

682

683 An audience member noted that a number of churches already are experiencing the PILOT
684 process and said, “It’s not been a pleasant experience.”

685

686 An audience member noted that the City of Racine has similar PILOT programs and said some
687 of the other taxing authorities in that area have approached city officials asking for a portion of
688 the PILOT funds. The audience member expressed concern that other taxing authorities would
689 ask to add on to, for example, the school district levy, if a PILOT Ordinance is enacted in the
690 City of Onalaska.

691

692 Sean said the process for the proposal that the city is currently reviewing has no other levies.
693 Sean noted there has been legislation discussed at the state level regarding PILOTs. Specifically,
694 if a PILOT is received by a municipality, however much is received must be shared with the
695 other taxing authorities.

696

697 An audience member referred to the PowerPoint presentation, which said nonprofits would pay
698 for police, fire and snow removal by placing the money into the General Fund. The audience
699 member said it is his understanding that those funds will go to those exact services.

700

701 Fred said the city’s entire portion of the mill rate is \$10,879,408, and also that the percentage of
702 police, fire and street is a certain amount of the mill rate. Fred said this is the amount generated
703 to offset those costs.

704

705 The audience member pointed out that only 10 percent of what the nonprofits pay in would go
706 toward police, fire and street services.

707

708 An audience member said his church does not object to paying for essential services such as
709 police, fire and snow removal. However, he added, “If it’s going to other services the city
710 provides, we don’t see any results of that. How can this PILOT payment be applied to us if our
711 money is not directly going for those services?”

712

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713 Fred noted that police, fire and street are the largest items within the General Fund. These three
714 components account for approximately 40 to 45 percent of the budget. Fred said the funds that
715 are generated from that are a revenue to decrease that portion of the levy.

716
717 The audience member said not all of a nonprofit's money is being directed toward essential
718 services such as police, fire and street, noting it is being directed "toward other things to better
719 the city."

720
721 Fred said the city uses police, fire and street and noted this is only the operational expense. Fred
722 noted the city spends nearly \$3.5 million a year through infrastructure and said he is not using
723 the debt service of the infrastructure when he enters the bond market.

724
725 Mayor Chilsen thanked those in attendance for participating in tonight's meeting and stated, "It
726 is going to make our decision a much more thoughtful decision."

727
728 **Adjournment**

729
730 Motion by Craig, second by Andrea, to adjourn at 7:52 p.m.

731
732 On voice vote, motion carried.

733
734
735 Recorded by:

736
737 Kirk Bey