

**FINANCE COMMITTEE
OCTOBER 14, 2013 AT 7:22 P.M.
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Alderpersons Moore, R. Stroik, Slowinski, O’Meara and M. Stroik

ALSO

PRESENT: Mayor Halverson; City Attorney Beveridge; C/T Ladick; Ald. Wiza, Trzebiatowski, Suomi, Patton, Phillips, Doxtator; Directors Lemke, Ostrowski, Schrader, McGinty, Schatschneider; Police Chief Ruder; Asst. Police Chief Zenner; Asst. Police Chief Skibba; Fire Chief Kujawa; Human Resource Manager Jakusz; Supt of Maint Laidlaw; Finance Manager Freeberg; Kelly Pazdernik; Brandi Makuski; Nate Enwald; Walter Leppen; Barb Jacob; Mary Ann Laszewski; Bob Fisch; Rick Zinda; Tony Sterling; Tim Krutza; Dale Schulfer; Cliff Bembeneck; Steve Plaski; Kaylah Callaway; Kevin Callaway; Shane Tokarski; Dave Worzalla; Kenny Rozak; Ernie Quesada; Roger Skrzeczkoski; Bob Woehr; Steve Louis; Josh Stolzenburg; Heath Stoltz

ITEM #1 – PRESENTATION BY THE COMPTROLLER-TREASURER ON LEVY LIMITS AND LONG-TERM BUDGETARY CHALLENGES.

Chairman Moore stated that this agenda item will be moved to the Special Finance Committee on October 28, 2014.

ITEM #2 – EXTENDING THE TIME FOR COMPLIANCE WITH THE FARMSHED (GREENHOUSE) AGREEMENT.

C/T Ladick stated the Farmshed signed a developers agreement with us and we provided them with a \$100,000 developers incentive out of TIF 6. Part of that agreement stated they were suppose to reach an assessed value of at least \$250,000 within 24 months, which unfortunately has not happened. They are here to ask for an extension on that agreement.

Chairman Moore questioned how close they are to meeting that.

Layne Cozzolino, 1220 Briggs Court, replied they do not know where they are at because there is not an assessor right now that can come in and look at it. The original contract stated that the property would be reassessed this November. The value has gone up, they just do not know how much. She believes with the amount of money and the work they are putting into it, they are doing well and they are still making strides forward.

Ald. R. Stroik questioned what they are looking for as far as an extension goes. Layne Cozzolino replied a 12 month extension, which would be next November. She said the capital expenses have been harder to fund than program expenses. They are going to be applying for some grants and they have been talking with Community Development about an award through another program. To date, they have put in over \$500,000 in the space within operations and capital, which the Community Development grant would match.

Chairman Moore questioned when the property will be assessed again. Mayor Halverson stated January 1, unless the agreement states otherwise, in which we can send the new Assessor over right away.

Chairman Moore stated that since we do not know where we stand until an assessment is done on the property, he would recommend postponing action until after the property has been assessed.

Ald. R. Stroik questioned what our options are in a case of default. Mayor Halverson stated we have a lien, so we would take the mortgage. We are protected. He would like to see them get this extension, but no more after this. If the requirements are not met after this extension, he would fully recommend pulling the mortgage at the point and taking the collateral.

Ald. R. Stroik likes the idea of having two or three options to choose from. We liked the initial ideas of what they wanted to do with the property and believe in the mission. He does not feel that it needs to be postponed. He supports granting the extension.

Motion made by Ald. O'Meara, seconded by Ald. M. Stroik to approve extending the time for compliance with the Farmshed (Greenhouse) Agreement until January 1, 2015.

Ald. Wiza questioned what they paid for the property. Layne Cozzolino replied that Patrick paid \$125,000.

Director Ostrowski stated that the development agreement was structured that the \$250,000 would be on improvements only, not including land. The last assessment on the improvements was about \$58,000 - \$60,000. They have done work since then, we just do not know where they are at until an Assessor is on-board.

Ald. R. Stroik questioned if we could get a detailed list of how the \$100,000 was spent. Mayor Halverson stated we already have that and we can work with Layne to get the report to you. The organization has made significant momentum in the right direction, they just have not got as far as they needed to yet.

Ald. R. Stroik asked Layne if she already has that listing and she stated they did not get paid until after the improvements were done, so she did turn all that in already. She stated she has an annual report that shows all the detailed financial information.

Chairman Moore stated the report would be made available at City Hall.

Ayes: All

Nays: None

Motion carried.

ITEM #3 – MODIFYING THE FAÇADE IMPROVEMENT GRANT PROGRAM GUIDELINES TO ALLOW TAX-EXEMPT PROPERTIES TO ACCESS THE FUNDS.

C/T Ladick stated that the current Façade Improvement Grant Program is only available to entities that pay property taxes. There have been several requests from Non-Profit Organizations for the grant program, so it is being brought before this Committee to decide if they would extend this to tax-exempt properties. Staff is hesitant to expand the program to tax-exempt entities because part of the program is to grow property tax base.

Ald. O'Meara asked if examples could be given as to who is requesting the funds. Director Ostrowski stated the tax-exempt entities requesting the funds are churches. They are looking to request funds for maintenance, mainly tuck pointing, which for churches, is expensive. It is a very important part to restoration. His fear is that they could get 3 requests at \$30,000 each and that would be a big chunk of money out of the program. He feels it would be better used for the backs of the buildings that will now face Municipal Lot #16, to spruce up the backs of those buildings.

Motion made by Ald. Moore, seconded by Ald. Slowinski to deny modifying the Façade Improvement Grant Program Guidelines to allow tax-exempt properties to access the funds.

Ayes: All

Nays: None

Motion carried.

ITEM #4 – CAPITAL PROJECT OVERAGE – FIRE STATION #1 RENOVATION.

C/T Ladick stated this was also discussed at the Public Works Committee meeting earlier tonight. They approved using \$338,983.60 for this capital project, which is about \$38,000 over budget. That money would come from other capital projects that have run under budget.

Chairman Moore questioned if that included the 10% contingency and Ald. R. Stroik stated yes, so we may not have to spend it all.

Mayor Halverson stated there are some questions about asbestos, they do feel the numbers supplied are accurate, however with a building that age where it has already been found, it leaves some questions.

Motion made by Ald. R. Stroik, seconded by Ald. O’Meara to approve the capital project overage for the Fire Station #1 renovation not to exceed \$350,000.

Barb Jacobs, 1616 Depot Street, stated she is against spending an additional \$50,000 and suggested we look closer at making more cuts.

Chairman Moore asked what the exact number that was passed by the Board of Public Works Committee. Director Schatschneider replied \$338,983.60.

Chairman Moore stated that if the motion was changed to that exact number, he would support the motion.

Motion made by Ald. R. Stroik, seconded by Ald. O’Meara to approve the capital project overage for the Fire Station #1 renovation, not to exceed \$338,983.60.

Ald. Suomi asked if some of the capital projects that came in under budget could be shared.

Ald. R. Stroik agreed to amend his motion to include the list of capital projects that came in under budget.

Motion made by Ald. R. Stroik, seconded by Ald. O’Meara to approve the capital project overage for the Fire Station #1 renovation, not to exceed \$338,983.60 and to have the Comptroller-Treasurer provide a report at the Council meeting on capital projects that have come in under budget during this year.

Ayes: All

Nays: None

Motion carried.

ITEM #5 – APPROVAL OF CONTRACT FOR ASSESSMENT SERVICES.

C/T Ladick stated the RFP Committee recommended we award the contract to Forward Appraisal.

Director Ostrowski stated the total for the contract from Forward Appraisal was \$100,000 for the 2 year assessment cycle. We received 6 valid proposals, 2 came in under that amount because they went on a monthly basis as opposed to assessment contract year, so they came in at 20 months as opposed to the 24. When the proposals were looked at, we had a number of ranking

criteria in terms of experience, their ability to provide computerized maintenance of the databases, accuracy and customer service level. We did 2 interviews and Forward Appraisal rose to the top during the interview process, mainly with the customer satisfaction and the ability to work with the clients within the City.

Ald. R. Stroik questioned how many were on the Committee. Director Ostrowski replied, Mayor Halverson, President Moore, Ald. Patton, Sharon Patoka and himself. Chairman Moore questioned what the City Assessor was receiving, per year, when he was on staff. Director Ostrowski replied the total compensation was \$120,000, \$70,000 being the salary.

Ald. Wiza stated he went back several budgets and looked at what the Assessor was getting paid for salary and benefits, which were harder to figure out due to being lumped together. It ranged from just over \$60,000 to about \$71,000 for the salary, so the figures given were right in line. He stated that what people need to understand is for that \$120,000/year, we had someone who was working in the office every day. We had an example tonight where a full-time City Assessor would have been able to at least give us a ballpark idea and very likely could have given us a very accurate idea of what that property was worth. We went from having someone in the office every day, on-call, at all the meetings, very familiar with the town, values of property and the history of the property to \$50,000 for someone who is going to work 1 day a week in the office, so roughly \$1,000 a week for one day of work, counting a two week vacation in those numbers. No access to them at meetings, no access during the day, etc. He questioned why we would pay someone \$1,000 a week when for \$120,000 we could have them 5 days a week. He suggested taxpayer money is being wasted by going to a contracted Assessor and doing a disservice to the people of Stevens Point and that we should scrap the contracted Assessor idea and hire someone full-time.

Barb Jacobs, 1616 Depot Street, agreed with Ald. Wiza. She stated when this topic was brought up in the past, the public stated they wanted a full-time Assessor, someone who is here. It is taxpayer dollars and the taxpayers have already spoke.

Bob Woehr, 727 2nd Street, stated he has been against a contracted Assessor for the past 3 years and have said so during meetings. He stated we are going to regret moving from a full-time Assessor to a part-time Assessor.

Ald. O'Meara stated we are stuck because the assessments for the next tax season are coming due. He said there just is not time to hire a full-time Assessor, get them trained and ready for the next tax/assessment season. The amount is where we said it was going to be.

Motion made by Ald. O'Meara, seconded by Ald. Slowinski to approve the contracted assessment services contract from Forward Services in the amount of \$100,000 for a 2 year assessment cycle and revisit this again in June or July to see how we want to continue.

Chairman Moore stated he will not be supporting this as he tried to start this discussion a long time ago to get a full-time Assessor hired.

Ald. Wiza clarified that the contract is for 2 years, so when Ald. O'Meara stated it should be discussed again in June or July, there will still be a year and a half left of the contract.

Ald. R. Stroik stated he is torn on this. On one hand we are saying to save money but yet on the other hand the personal touch can be important. We got good references from all our neighboring communities. He would like more reasons why the \$50,000 goes above and beyond the personal touch of the full-time Assessor.

Mayor Halverson stated that he does not believe they are mutually exclusive. The reason was reiterated by the conversations they were able to have with Mr. Shepro when we interviewed him one on one. He was one of the only finalists that were here one on one to have the

interview as opposed to having it over the phone. When the question arose about citizen exposure the other finalist stated they had a 1-800#, they could call us any time they would like. When the same question was asked of Mr. Shepro, the answer was that he will be here most of the time anyway because that is just simply the way I do business. The personality and references that we have received from Mr. Shepro and the relationship he has with Green Bay on the commercial side and with Wisconsin Rapids as their statutory Assessor has been a relationship that only had glowing reviews. He stated when you meet Mr. Shepro, you will see why, he is very proud of his work but also very sensitive in how citizens are handled. This is a 2 year scenario because this is a 2 year scenario by term of the City Assessor by the way our ordinance is written. This decision was made months ago by majority, to pursue a contract Assessor. We are not positioned to be able to hire a full-time Assessor at this time of the calendar year, it will be impossible. Mr. Shepro has the skills and the ability and willingness to do it well.

Chairman Moore stated he has nothing against Mr. Shepro, he thinks he would be fine at doing the job. He stated his reasonings are a point of principle that he did not want assessments contracted out. He has always supported having a full-time Assessor on the City staff and that it is the Council's responsibility to hire that person.

Steven Shepro, Green Bay, stated he has been in the field for over 20 years doing assessment work. He worked for a company that does assessment work for communities throughout the state doing commercial, residential and exempt properties. About eight years ago he decided to go out on his own and started in Green Bay doing their commercials. They still maintain this account, but he hired someone to help him out and she runs the Green Bay office. He has been in and out of Wisconsin Rapids over the years doing their valuations when they needed help. He has maintained being their contracted Assessor now for 3 – 4 years. They just implemented a new software program and are finishing up a revaluation that has not been done for 13 years. He stated that what he brings is a personal touch, he does not like sitting in the office, he likes to be in the field. He knows and has spoke to Sharon and Sandy in our office and stated they are happy with taking the calls. His priority here will be the commercials and getting them updated and eventually implementing a new software program. He also stated he can save the City some money in the evaluation process that is coming due soon. He has worked with the City of Marshfield and did their commercials. One thing he would like to put together is to try to do Wisconsin Rapids, Stevens Point, Marshfield and Wausau to have a commercial base, which is being worked on. He would have a commercial base of sales and actually view every one of the sales so we know what sold and what it sold for and the breakdown of it. It is always a growing pain to change over to a contracted position but he stated he will give the City as much time as any other one.

Ald. Wiza questioned how many clients Mr. Shepro has. Mr. Shepro stated he has two, Wisconsin Rapids and Green Bay. He does Marshfield with Bowmar Appraisals, it is a joint process.

Ald. R. Stroik questioned what his goals are for his company as a contractor, what is the revenue to touches ratio or how do you look at that from your overall business philosophy.

Steven Shepro replied there is no ratio study to a person. They were talking a minimum of one day a week, which is not even workable, it takes more than that. He estimates his time as 50% in the office and 50% in the field. His policy is that he meets with the property owners, he goes to their properties, they do not come to him. He is not taking any more on, this is it. He has no ties in Green Bay as someone else runs that.

Ald. R. Stroik questioned if he resides in the Wisconsin Rapids/Stevens Point area. Steven Shepro replied he still resides in Green Bay right now.

Ayes: Ald. R. Stroik, Slowinski, O'Meara and M. Stroik
Motion carried.

Nays: Ald. Moore

ITEM #6 – APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. Moore, seconded by Ald. R. Stroik to approve the payment of claims in the amount of \$1,919,347.23.

Ayes: All

Nays: None

Motion carried.

Adjournment at 8:02 p.m.