

**FINANCE COMMITTEE  
MARCH 13, 2017 AT 6:05 P.M.  
LINCOLN CENTER – 1519 WATER STREET**

**PRESENT:** Ald. Phillips, Doxtator, Kneebone, Shorr, and Dugan

**EXCUSED:**

**ALSO**

**PRESENT:** C/T Ladick; Mayor Wiza; Clerk Moe; Directors Schrader, Ostrowski, Lemke; Police Chief Skibba; Fire Chief Finn; Ald. Slowinski, Morrow, Johnson; Brandi Makuski, Pam Skaleski, Jenny Peterson, Nate Enwald, Trevor Roark, Tori Jennings, Bill Fehrenbach, Cindy Nebel, and Corey Brooking.

**ITEM #1 – 2017 GENERAL OBLIGATION NOTE PROPOSALS.**

C/T Ladick stated that the lowest interest rate was proposed by River Valley Bank at 2.03%. He said this was slightly higher than last year's rate of 1.95%, but interest rates have gone up since then, so the proposal is still competitive.

Motion made by Ald. Doxtator, seconded by Ald. Kneebone, to accept the proposal from River Valley Bank.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #2 – CLAIM – NOTICE OF CIRCUMSTANCES OF CLAIM & CLAIM FOR DAMAGES: BRENDA BALTUS – SLIP AND FALL INJURY.**

C/T Ladick stated this was a slip and fall at a City parking lot in between Emy J's and Global Travel. He said that the claim was forwarded to our insurance company, and their analysis indicated that because it is a public parking lot owned by a municipality we legally have 21 days to clear it. Therefore, since it was only 4 days from the last snowfall, we are not liable for the claim.

Ald. Kneebone asked if we ever have someone from the insurance company investigate a claim onsite.

C/T Ladick stated that it depends on the circumstances of the claim. In this case, a lot of time elapsed between the incident and when the claim was received by the City, so there would not be very much to investigate onsite. In the case of an auto claim, we typically have an appraiser inspect the damage.

Motion made by Ald. Shorr, seconded by Ald. Kneebone, to deny the claim.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #3 – CLAIM – NOTICE OF CIRCUMSTANCES OF CLAIM & CLAIM FOR DAMAGES: MARK BALTUS – LOSS OF SPOUSAL COMPANIONSHIP**

C/T Ladick stated this is related to the same claim as agenda item #2, this one is from the husband for loss of spousal companionship.

Motion made by Ald. Kneebone, seconded by Ald. Dugan, to deny the claim.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #4 – DISCUSSION ON PROCEDURES FOR APPROVING OR DENYING LIABILITY CLAIMS GOING FORWARD.**

C/T Ladick stated that he wanted to bring this before the group because in his conversation with our insurance company, CVMIC, they mentioned that other municipalities have a more internal process for handling individual claims. In Wausau, it is handled by the City Attorney, Finance Director, and Public Works Director.

Ald. Dugan stated that she has been working with a constituent who had a claim, and that she turned it over to C/T Ladick, and she believes staff is better able to handle and investigate these claims. She stated that she likes the option presented, but wants it to still come to the Council in some way.

C/T Ladick explained that with the Wausau model, the internal committee does make the final decision and is able to get a decision back to the claimant, and then a report goes to the Finance committee so that they know what is going on.

Ald. Dugan requested that more examples of what other municipalities are doing be brought forward so that the committee can look at them.

Ald. Kneebone stated that she thinks that it is a good idea since there are experts who know exactly what to look for and how to handle these claims. She asked if we need to add some sort of appeal process for people to challenge the outcome.

Mayor Wiza responded that typically with these claims they are insurance claims so they are handled by professionals in the field, just like a person would with their private insurance company, and the appeal process is the same as with a personal case where the appeal process is with the court system. He stated that one thing we should remember is that we are the policy making body, and the role of the administration is carry out those policies. He stated that we typically would not go against the recommendation of our insurance company.

Ald. Shorr clarified that, from the discussion at the previous council meeting, while only the claim denials come before the council, there are insurance claims that do have merit and are paid by the City, based on the circumstances.

Ald. Doxtator stated that he doesn't want to start a big investigation for every claim, and that he does trust City staff to do a proper investigation, but when he hears a concern from a constituent about damage caused by the City, along with photos of what happened, he feels compelled to voice that concern to the rest of the Council. He stated that it is great to look at the Wausau model, but that we should make it the Stevens Point model.

Ald. Phillips concluded by saying that the consensus seems to be to continue to look at this and do further research, and that no action is required at this time.

(No Motion was made)

#### **ITEM #5 – SHORT SALE (SETTLE MORTGAGE FOR LESS THAN FULL BALANCE) OF THE PROPERTY AT 717 FREDERICK ST.**

C/T Ladick provided a brief summary of the memo that was provided, including the proposed sale price as well as the additional liens against the property and closing costs, which leaves a total of \$5,422.63 remaining to pay the City loans. This will cover 31.73% of the amount due to the City and Redevelopment Authority. While we would prefer to be paid in full, the alternative to accepting this settlement for less than the full balance is to let the property go to foreclosure, in which case we are unlikely to receive anything in that process.

Ald. Kneebone stated that 31% of something is better than 100% of nothing.

Motion made by Ald. Kneebone, seconded by Ald. Dugan, to approve the short sale.

Cindy Nebel stated that she has noticed that a lot of properties in her neighborhood that have to go to either foreclosure or short sale tend to be purchased by landlords who don't invest a lot of money in the property and then make a significant profit because they don't put much money into them but are renting them. She asked if the City would consider buying these properties, fixing them up into something nice, and then reselling them.

Director Ostrowski answered that with a short sale there is another willing buyer for the property. He stated that it really depends on the mortgage balances on a property, because if we want to buy it we would have to pay off the first position mortgage, which can get expensive. He stated that right now the Redevelopment Authority is waiting for the results of the housing study to develop a strategy supporting housing.

Ald. Doxtator stated that he can see buying property next to existing City property, but doesn't think that we should be buying and reselling properties throughout the City.

Ald. Shorr stated that we don't want to get into flipping. He stated that we are only seeing one side in dealing with this non-performing loan, but assumes that there are also cases where we are getting paid back in full as well.

Director Ostrowski replied yes, there are numerous times when the funds come back in full.

Pam Skaleski stated that she is the realtor selling the house, and that someone stole the furnace and cut out the plumbing. She stated that the tentative buyer does plan to live there, so it will be owner occupied.

Ayes: All                      Nays: None                      Motion carried.

**ITEM #6 – APPROVAL OF PAYMENT OF CLAIMS.**

The claims were discussed.

Motion made by Ald. Doxtator, seconded by Ald. Shorr, to approve the payment of claims in the amount of \$9,575,758.75.

Ayes: All                      Nays: None                      Motion carried.

Adjournment at 6:35 P.M.