

Meeting Minutes

Finance Committee

May 12, 2008, 7:21 p.m.

Lincoln Center, 1519 Water St. Present: : Alderpersons Molski, Walther, Moore, Stroik and Hanson

Also Present: Mayor Halverson; C/T Schlice; City Attorney Molepske; Clerk Moe; Directors Euclide, Gardner, Schrader, Halverson; Assessor Siebers; Police Chief Morris; Deputy C/T Freeberg; Ald. Trzebiatowski, Heart, Brooks; Gene Kemmeter; Kelley Pazdernik; Mike Phillips; Bill Nuck; Kathe Julin; Charles Julin; Karen Blaha; Anne Brunner; Charles Stanley; Kora Stanley; Cheryl Langreck; Francesco Sciarrone; Steve Chizzo; Tim Schierl

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6. Determination of Participation in the Portage County Justice Center Project.
7. Extension of current Concession Contract at Willett - Coke.
8. Approval of Payment of Claims.
9. Adjournment.

1. FUNDING OF ENGINEERING WORK - WATER STREET PROJECT.

C/T Schlice stated this was awarded last month in the amount of \$79,900 and funding was delayed until this month. There are some unexpended funds from last years street improvement projects and he recommends the project be expended from those funds.

Motion made by Ald. Stroik, seconded by Ald. Walther to approve the funding of the engineering work for the Water Street project in the amount of \$79,900 with funding coming from last years unexpended funds from the street improvement projects.

Ayes: All Nays: None Motion carried.

2. PASS THROUGH AGREEMENT WITH UWSP.

C/T Schlice stated this is something we do often with different programs with UWSP. We would be the pass through agent for the storm water management study. There is no cost to the City other than staff time.

Motion made by Ald. Molski, seconded by Ald. Moore to approve the pass through agreement with UWSP.

Ayes: All Nays: None Motion carried.

3. CONSIDERATION OF BIDS FOR "OFFICIAL NEWSPAPER."

C/T Schlice stated one bid was received, which was from the Portage County Gazette. Once a year we are required to bid out the official newspaper designation. He recommended we accept the bid from Portage County Gazette.

Motion made by Ald. Moore, seconded by Ald. Hanson to accept the bid from the Portage County Gazette for the "official newspaper."

Ayes: All Nays: None Motion carried.

4. PURCHASE OF 941 PORTAGE STREET.

C/T Schlice stated this is a continuation of the acquisition of real estate north of CenterPoint Drive. We have been buying from willing sellers based on appraisals. This purchase was held up until the tenants moved out so there is no relocation costs. The appraisal for this property was for \$89,000.

Ald. Stroik questioned the fact that the property was purchased in 2000 for \$34,000 from a Sheriff=s deed auction and why we are now we are offering them \$89,000. He asked C/T Schlice to explain why we have to pay on appraised value for a house that is vacant and run down, but still valued at \$90,000.

C/T Schlice replied the house was just vacated, a couple of weeks ago. The appraisal that the Gorals have put together was as of May 16, 2007 and with talking to Mr. Goral, he stated that he was willing to sell it for appraised value.

Ald. Stroik stated the he knows we are not in the rental business but it seems like a fairly nice house, could we possibly rent the house out until we needed to clean out the area.

C/T Schlice stated the plan for that area is to have it all cleaned out and ready to turn over to a developer. If we entered into a lease agreement, we could possibly tie up the property and potentially jeopardize a developer from coming in. This is something that is going to go over a period of time until we have an actual development that will go in there, but this is what the Common Council instructed us to do was to acquire the property from willing sellers.

Ald. Brooks questioned if we could get another appraisal since that one is almost a year old.

Ald. Molski stated that we have it assessed at \$66,300.

C/T Schlice stated that the assessment ratio is at 89 percent, which is still less than what the value is. We can talk to the City Assessor and get his comments on it before the Council meeting. (Note: His memo on this situation is attached)

City Assessor Siebers replied that if he can get into it in the next few days he can give his opinion on it.

Ald. Molski questioned if we should table this until Council meeting.

C/T Schlice replied that would be fine. He questioned if they wanted a Special Finance before Council or just take it right to Council.

Ald. Molski stated maybe a five minute meeting before Council.

Ald. Stroik stated he would make a motion to table it and take it right to the floor of Council since everyone is here anyway.

Steve Chizzo, 2525 Prais Street, questioned if there is some policy or procedure on taking appraised value.

C/T Schlice stated the property that we purchased over by Morton Park was at the appraised value and there was three properties we purchased there. There is no set policy, it depends on what we can negotiate with the seller.

Director Gardner stated that City acquisitions are governed by State law that we provide the owner with an appraisal.

Mayor Halverson recommended that the Committee authorize the sale at the Finance Committee level based on the information that will be presented by the Assessor or any other information that will arise between now and the Council meeting. If the item needs pulling for further consideration, pulling on the Council floor would be the appropriate way to proceed.

Motion made by Ald. Moore, seconded by Ald. Molski to approve the purchase of 941 Portage Street pending information that will be presented by the Assessor or any other information that will arise between now and the Council meeting.

Ayes: All Nays: None Motion carried.

5. FUNDING PROPOSAL TO UPGRADE GOERKE PARK.

Tim Schierl, 709 Ridge Road, gave an overview of the project and the funding report. He stated that a reserve account will be set up for replacement of the turf in 15 years.

Mayor Halverson thanked Mr. Schierl for all his hard work in this project and stated he recommends approval of project.

C/T Schlice stated the two things the City will be looking at is approval of City participation of the \$100,000 up front and the \$50,00 a year for 10 years from the room tax. The second portion would be to agree to fund the project through a borrowing with repayment being from pledges. With approval we would start the process to get that money borrowed.

Ald. Molski commented that we did a project before based on pledges and the pledges did not get paid off.

C/T Schlice stated there is always a chance for that. Some of the money from that project was paid up front and some more of it was recovered through the paid pledges. The remaining was paid through room tax.

Tim Schierl stated that there will be contracts that will be signed by people committing money to the project to avoid this type of situation.

Mayor Halverson stated he would like to add that although there is no specifics on who has contributed, Mr. Schierl has already been successful in getting many of those already signed and committed to hundreds and thousands of dollars for the project.

C/T Schlice added that the amount is \$670,000.

Bill Nuck, 1948 Plover Street, stated that he has been around since the last renovation of Goerke Park and the committee was known as Goerke Park Sports Complex Committee. He stated that thanks to private, public and corporate funds, the park has grown into what it is today. Twenty eight years later, Schierl Companies have stepped up to enhance the park into the best facility in the State, in his opinion. He wholeheartedly supports the project.

Ald. Brooks stated that he did contact the NCAA regarding the logos on the field and stated that there is an appeal process. He referred to Director Schrader for further comments.

Director Schrader replied NCAA is giving us a waiver for Division 3. The problems usually are Division 1, but since we are Division 3, they will give us a waiver. For WIAA you can have logos in the end zone and outside the playing surface without a problem. They are working on the center of the field.

Steve Chizzo, 2525 Prais Street, questioned how much the City is funding.

C/T Schlice replied basically the City would borrow the funds to complete the project up to the amount of the pledges we have received. We will not go out and borrow until we have the pledges covering the cost as well as the City participation in it and it will move forward as the money keeps coming in. Right now we need to have some additional commitments from other people towards the project but we are getting close to cover the first part, which is the field.

Steve Chizzo asked what the order will be as to what gets done first, second, etc.

Tim Schierl answered the field would be first because it would not be wise to do the rest of the project before the field because of the heavy equipment coming in.

C/T Schlice stated we are looking at this as a complete project we would approve and the money would be disbursed as different portions as we get the commitments from the private sector to fund it. It would be done over a couple year period because of the timing to get everything together. The field would be done right away, then the bleachers and locker room, etc. in 2009.

Steve Chizzo questioned if the parking issue could be moved up on the Developer=s list due to the problems with the parking in the area.

C/T Schlice stated that the City is the developer because we actually own the park. Mr. Schierl is going out and bringing support from the community to pay for the project. In regards to parking, there is a split recommendation between Park and Recreation Commission and the Plan

Commission that will be coming to the Council this next Monday.

Ald. Trzebiatowski questioned who would be paying for the power and heat once the dome is up.

Tim Schierl replied all entities would. Anyone using the facility would be responsible for part of the cost to heat and light it. He also stated that the dome has its own lights and heating mechanism.

Ald. Heart questioned if we were borrowing against the commitments.

C/T Schlice stated that we would be advancing our \$500,000 plus the \$100,000 from the room tax, so there would be \$600,000. We would borrow everything except the dome for 2008 and the dome would be a second borrowing as part of the project.

Ald. Heart stated so we would be borrowing the 2.5 million.

C/T Schlice replied yes.

Ald. Heart asked if the University has committed to their share of \$800,000 yet.

Tim Schierl responded they have not yet. He talked to them last week but with the end of the year and finals, they have not yet had the meeting yet. We will have enough to cover the field without their commitment.

C/T Schlice stated one of the things he will be looking at is whether to borrow for the whole project or a portion of the payment. Depending on if the interest rates are low enough, we can borrow and make a couple of dollars on the interest while it is sitting in the bank and disburse it as the commitments come in. He will bring back recommendations so we can decide if we want to split it in two years or a single issue.

Cheryl Langreck, 900 Minnesota Avenue, voiced concerns over losing the green grass and asked us not to take the grass away.

Karen Blaha, 2708 Prais Street, stated she had not heard much about this project and wanted to know where she could obtain information on it. She was upset that she never received anything on it and is concerned over parking issues.

Mayor Halverson stated that she can either contact Directors Schrader or Gardner or also Ald. Walther.

Director Schrader stated that it has been on the Park Board and Plan Commission and also every house that touches around Goerke has been notified via letter. He also stated that there are minutes published in the paper and on the City website.

Tim Schierl also stated that the meetings are taped and she can always go to the website to watch them.

Ald. Molski encouraged them to come to the Council meeting next Monday night where the Park Board and Plan Commission recommendations will be considered for approval and more questions can be asked at that time.

Ann Brunner, 2701 Prais Street, stated she was never informed and she has lived there 13 years. She is also concerned over the parking issue due to the extended seating up to 6,000.

Tim Schierl commented that those people are already there. They have done counts to determine the number of people in attendance and right now most people are standing because there is not enough seating. This is a fire hazard.

Director Schrader stated right now there is either 3,200 or 3,600 seats.

Motion made by Ald. Molski, seconded by Ald. Stroik to approve the funding proposal to upgrade Goerke Park.

Ayes: All Nays: None Motion carried.

6. DETERMINATION OF PARTICIPATION IN THE PORTAGE COUNTY JUSTICE CENTER PROJECT.

C/T Schlice stated the County wants to know if the City wants to participate in the project and one of the things we need to do is get the comments from the Alderpersons. The latest number they are looking at for City participation is just about \$6.3 million and he stated that amount is pushing the limit considerably for what we are looking at for long term needs. He stated it should be brought down. The total project is looking at about \$70,000,000.

Mayor Halverson stated that the Police Chief will talk about co-location and the importance of the City having an opportunity to either partner with the County and whether or not we want to co-locate. We are looking for some philosophical direction to come from this body. He stated he cannot sit in a room representing the City as the chief elected official and bargain what our position is going to be, it is something that we have collectively legislatively determine. This is being brought here by a question raised by the County wanting to know what it was that the City was going to do to participate in the project. The County would like some level of assurance that would define or give some level of parameter as far as what the City's participation level, financially, would be in that facility. As the C/T stated, \$6.3 million is a very large sum of money and \$70-\$75 million dollars is an extremely high price tag for a facility like that. That being said, his position as Mayor, would be that the City should participate in some level and we should figure out a way that we can move forward in some level of cooperative venture, whether it is all out co-location or it is some level of participation. We have already tentatively committed to keep it downtown and to help the County anyway we can, vacate streets if necessary, turning over the publicly held parking lots and perhaps looking at a parking ramp for downtown to help the major employers. That should be no more than \$2 million, a far cry from the \$6.3 they are asking. This would be on top of the 22% that we would have already contributed to that particular facility as County taxpayers living within the City. He stated that he now wants the Police Chief to touch on some of the factors we are looking at.

Police Chief Morris stated he has been here four years and within one month of starting, they started the talks on this matter. There has been studies, many joint meetings and discussions on this topic. The two main questions asked have been where and how much to spend. Lost in the shuffle of all this is what are we going to do. We need more space for the courts and jail. This new building is not going to be done overnight due to studies needed. The communities need to enter into discussions for metro policing so everyone is on the same page. He stated that he strongly

supports the downtown area for co-location and thinks that the police and the jail needs to be close to downtown. He stated that most of the calls for Portage County roughly south of Casmir Road, west of J, north of 54 and B and probably east of P. Within that realm, we see a very significant percentage, about 60% of the calls on a line west of Minnesota Avenue in the same region going north and south through the City limits. Our busiest area is the square on Thursday, Friday and Saturday night and the surrounding neighborhoods. He went on to state that the narcotics are done metro, but the other areas, such as the SWAT units, K-9 units and traffic accident reconstruction units are not. He stated there is no reason why each department needs their own specialized groups, it should be shared by all departments.

Ald. Trzebiatowski asked the Police Chief what he favors for a location.

Police Chief Morris stated that he would like to see it central, but if they go to a metro system, the central area will change a little bit from where it is now, but not by much.

Ald. Trzebiatowski feels that the Police Department needs to be located by the administration offices.

Mayor Halverson stated that one thing that we have been very clear in telling the County that if a site is chosen outside of downtown the City has absolutely no interest in wanting to co-locate, our needs are exactly right here. The needs of the Police Department are within one mile of exactly where we are sitting right now. That is the vast majority of the calls and that requires the vast majority of their focus. He also feels that it is still very important for the City to be involved in this project because of the synergy that could be created. The level of participation is something that would have to be determined ongoing. The level of participation in terms of literal participation in terms of projected costs that would be associated with it, he could not say that he supports \$6.3 million to co-locate. He does not support the price tag and in what we have to do as a City in terms of reinvestment, infrastructure needs, and so many other borrowing needs that we have to look at over the next several years. He stated that he is unsure of what the amount will be, but he knows it is not going to be a high figure such as \$6.3 million, but we have to analyze a philosophy that makes sense to co-locate. There are two ways that the City could engage philosophically from a financial perspective with this project, aside from the 22% that we already pay for it. One of which is other incentives as far as helping the County with parking, he said we have been very flexible as far as what we can bring to the table without bringing before any of you just yet, as far as the concepts of vacating streets and turning over those parking lots. How much further we go to have it make sense in light of cost estimates that already somewhat equal as far as land acquisition downtown, knowing that, so many of the site concepts that have been laid out show that the site will work for 20-50 years and it is not going to be dramatically that much more expensive because it allows for flatten level expansion and allows for a fifth to even sixth circuit court if necessary. The idea that was laid out in the packet was one that was actually presented by PDI. It put the courts further north to make a connection with Clark Street, come further south with the jail portion and then literal flatten level expansion of another 100 beds, which would be a 400 bed jail, in approximately 20 years. He stated he has some concerns over having a jail that size in a community of this size. He thinks it is important for the City to recognize that it is very vital that the facility stay in downtown for the synergy that it helps keep all the core government offices together. The question remains as to how we engage as a City or if we engage at all.

Ald. Moore commented that the numbers from the County have changed several times and they seem to be different depending on the document, so he questions if this figure is even accurate.

Ald. Hanson would like to see a metro Police Department. He is concerned over the fact that Plover is an entity that has about 11,000 people and he does not see that they are contributing anything except for property taxes. He does not feel that we should get the brunt of the cost, people do go to the Courthouse for other reasons, such as going to the Register of Deeds, and to have it all spread out would not be efficient. The area we currently have is very adequate. He also does not understand why we would need a 400 seat jail.

Mike Phillips, 3225 Mary Street, recommended that we remodel the current building that we have. He stated that as a City taxpayer, he has nothing to gain by the City contributing \$6.3 million.

Ald. Moore stated this has been on the table for four years and questions why there is no definite plan from the County yet. We cannot do anything until they give us something to work with.

Ald. Walther also stated it has been looked at for four years now and we have seen a lot of different numbers. One thing that has been openly admitted by the County is that these numbers do not include staffing or operational costs. As pointed out previously we already contribute through the County tax. This has been an on-going problem in the City because no matter what project that we work on with the County, we are suppose to go half and half. It is not half and half because the City taxpayers are already paying a portion of County tax and he thinks it is time we take a look at that and put our foot down.

Ald. Molski agreed that until they give us a definite location, why are we spinning our wheels. If it is not going to be in the downtown, why are we spending our time on it.

Ald. Trzebiatowski stated that the voters have not spoken yet and we do not know if it will make it on the referendum on the November ballot. We have a lot of work to do yet and we need to find out what the voters think.

Ald. Stroik stated that we do need to let the County know that we think co-location is appropriate, as long as it is in a downtown environment. We have to let our needs be known as well and he thinks the funding is a hard number to really think about right now, but if we do locate down there, he thinks there is a level of participation that we do need to take because it is our space and property. He does think we need to pay a portion, but not the six million being proposed.

Motion made by Ald. Stroik, seconded by Ald. Hanson to approve participating in the Portage County Justice Center Project for co-location of Police Department services as long as the location is in the downtown Stevens Point setting.

Ayes: All Nays: None Motion carried.

7. EXTENSION OF CURRENT CONCESSION CONTRACT AT WILLETT - COKE

Director Schrader stated that we currently have a vending contract with Coke and he would like to extend that contract for another ten years. They will give us \$6,000 a year for ten years and they will also give us a rebate on cases. We will also be switching over to 20 ounce bottles. After ten years if they do not make a quota that they need to make on sales, we would then give them a five year extension to make that quota. We have extended contracts with them before, the last being at Zenoff Park when we added the shelter. He recommends we extend the current contract for ten years.

Ald. Hanson questioned if we get to the ten years and have to extend it for another five, is that still at \$6,000 a year.

Tim Schierl stated no.

Director Schrader stated it is a \$60,000 contribution for ten years, which is more than we have ever gotten before.

Motion made by Ald. Moore, seconded by Ald. Hanson to approve extending the current concession contract at the Willett with Coke.

Ayes: All Nays: None Motion carried.

8. APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. Molski, seconded by Ald. Moore to approve the payment of claims in the amount of \$550,679.94.

The claims were discussed.

Ayes: All Nays: None Motion carried.

Adjournment at 8:50 p.m.

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