

Meeting Minutes

Finance Committee Minutes

December 13, 2004 at 7:05 P.M.

City Water Department - 300 Bliss Avenue

PRESENT: Chairman Barr, Ald. Rackow, Molski, Walther

EXCUSED: Ald. Moore

ALSO PRESENT: C/T Schlice; Mayor Wescott; City Attorney Molepske, City Clerk Kranig; Admin. Asst. Ostrowski; Directors Euclide, Gardner, Schrader, Halvorsen; Assessor Kuehn; Personnel Specialist Jakusz; Fire Chief Barnes; Police Chief Morris; Deputy C/T Wroblewski; Ald. Sevenich, Sowieja, Markham, Stroik, Wiza, Barber; Kelly McBride (Stevens Point Journal); Gene Kemmeter (Portage County Gazette); Jami Gebert (Main Street); Phil Branham; Melba Sullivan; Dave Ladick (Construcks); John Wandrey (2827 Indiana Ave.); Dave Olson; Mike Phillips; Mike Pinney; Tony Patton; George Rogers (Plover River Alliance)

Index of these Minutes:

1. Assessor's report.
 2. Plover River Alliance - Purchase easement on Plover River.
 3. Restrictive Covenants - Repurchase Agreement - Krebs/Heffron Court.
 4. Request for additional deer culling.
 5. Recommendation from the Board of Public Works:
 - A. Taking over operations of airport.
 - B. Purchase and funding of Sentry Hangar.
 6. Hire consultant for TIF District #4.
 7. Write off of Personal Property Taxes.
 8. Increasing deductible for Property Insurance with State of Wisconsin.
 9. Third Quarter Room Tax Report.
 10. Election worker compensation.
 11. Approval of the payment of claims.
 12. Adjournment.
- 1 - ASSESSOR'S REPORT

Motion made by Ald. Molski, seconded by Ald. Rackow to approve the report of the Assessor and place it on file.

Ayes: All Nays: None Motion carried.

2 - PLOVER RIVER ALLIANCE - PURCHASE EASEMENT ON PLOVER RIVER

C/T Schlice stated this will be financed through the room tax if approved and George Rogers is here if anyone has questions.

Motion made by Ald. Rackow, seconded by Ald. Molski to approve the purchase of the easement on the Plover River.

Ald. Rackow stated this is a chance to get an easement to protect this property and water supply of the City of Stevens Point.

Ald. Sowieja questioned the guidelines for the room tax money and how it can be spent.

C/T Schlice stated that this was approved the Room Tax Committee and the Common Council five years ago.

Chairman Barr stated that it was part of the five year plan.

Ald. Sowieja questioned if the Plover River Alliance is concerned about the Plover River only in Portage County.

George Rogers, Plover River Alliance, stated yes, they are working toward protecting the resources.

Ald. Sowieja stated the reason he is asking is because this easement is not within in the City limits. He questions how far the City will go with using room tax money to fund the Plover River when the river extends up to Langlade County. If it extends approximately 100 miles, what extent will this little piece of land impact the river when looked at as a whole and what significance will that have for Stevens Point.

Mayor Wescott stated this was the same type of conversation that took place five years ago when the City Council approved the request from the Plover River Alliance to seek the easements. They have spent the better part these years, with authorization from the City Council, seeking to accomplish exactly what the Alliance has outlined in their letter. He stated that you have to start somewhere to take important steps to protect the city water supply for generations to come. The Council at the time felt pretty strong about authorizing the expenditure of up to \$100,000. In the good faith effort that they put forth to invest in the future of our children and grandchildren, you have to start somewhere. He stated that he is sensitive to Ald. Sowieja's comment, but you have to start somewhere.

Ald. Markham stated that this land is close to the land that has already been protected through Izaak Walton and Boy Scout property. In addition to our drinking water supply, it is also an important step in protecting McDill pond and dealing with the siltation that is happening there. If this land would get developed, one thing that could go into the water is nitrates that would come from the septic systems. The Village of Whiting has spent over \$1,000,000 in nitrate removal equipment and the Village of Plover has spent over \$4,000,000 in nitrate removal. Based on that, this is an outstanding investment tool to avoid spending those amounts later on.

George Rogers stated that they will be looking for more easements, they are not stopping with this one.

Ald. Markham stated she is not an expert, but in central Wisconsin with our sandy soils, it has been shown that groundwater can move at one foot per day, so whether it is immediately on the shoreline or 100 feet back, which after 100 days, whatever is coming out of septic systems can be in the river.

Mayor Wescott stated that it is illogical to assume that the only pollutants that get into the water comes from land that is adjacent to water.

Ald. Molski stated that the letter from the Plover River Alliance stated that the property is located on the east bank of Jordan Pond. She states that they would not say it is on the east bank of the pond if it wasn't. They are a reputable organization and very trustworthy so she takes them at their word.

Ald. Stroik stated he thinks it is a good proposal, that the \$120,000 is money well spent, but would like to see it opened up for recreation, where you would not have to call the landowner and have it be his right to say if you could hunt or fish. The way it is worded right now, it remains his property to do as he wishes and he could put no trespassing signs on it and the City has paid \$120,000 and has no reward for the citizens of Stevens Point.

Mayor Wescott stated that room tax money is only \$60,000.

Ald. Barr stated that one of the awards of the Committee was to purchase a weed harvester and weeds are harvested in front of the Village of Whiting and the Town of Plover as well as the City of Stevens Point, so he does not feel that we are overstepping our limits in that regards.

Director Schrader stated that the Room Tax Report had been approved by the Common Council. He read part of the report that stated that they realized that much of the Plover River corridor is outside the City limits, but they also recognized the importance of protecting these unique lands and quality of water. The Council knew it was outside the City.

Ayes: All Nays: None Motion carried.

3 - RESTRICTIVE COVENANTS - REPURCHASE AGREEMENT - KREBS/HEFFRON COURT

C/T Schlice stated that he passed out some additional information in regards to this parcel that has the original offer to purchase and the amended offer to purchase of which the amended offer to purchase that was approved indicated that development on the parcel shall be started within one year and be at least \$300,000 in value. The Plan Commission recommended that the City purchase the land and resell it. He stated that his concern in regards to waiving the repurchase requirement is that we have 67 parcels that were just approved two months ago in the Whitetail Trail Subdivision that requires building in one year or the City has the option to repurchase. If the Council were to waive this, it may have repercussions for the land sales there as far as people speculating instead of developing.

Mayor Wescott added that the Plan Commission also recommended the Finance Committee insure the land is sold to Mr. Ladick for his proposed development.

C/T Schlice also added that Mr. Filtz paid about \$8,500 in taxes on this property, but the City has lost a considerable amount of property taxes because the property was not developed on as agreed to.

Mayor Wescott does not want to set precedent where people scoop up these lots and then hold them and say that it was done before and should be done now.

City Attorney agreed.

Dave Ladick, Construcks owner, stated that it was never Mr. Filtz's intention to resell this land. He had it out there on a build to suit type basis, he just has not had interested parties. He had a number of parcels in that area, built on them and rented them out and then it rented full. He then acquired this lot and then the renters started falling out so with having empty buildings, you really do not need to build anymore. If this would have come up in 1999 and it was a year later and had not built on it, the City would be justified in taking it back, but it is almost 2005 and a long time has passed between when the property was purchased and today so for the City to take this back would be very much an injustice to the current landowner. He handed out some handouts in regards to three other lots that have not been built on, which are as of today. They have been owned for some time, so there may be some implications there.

Director Gardner stated that early on large lots were sold without restrictions, examples of Herrschners and Joerns were given, but as the lots sold off, the restrictive covenants were put on the sites. The intent was that the minimum construction met the minimum acre. Mr. Filtz had the intentions to build on that land and he is sure the economics changing had something to do with that. He offered three alternatives to clear this up. Option #1 was to buy the land back at the original sale price. Option #2 is to waive the restrictive covenant and let him sell to Ladick. The problem with this option arises when others approach the City and want to buy land and will sell it at a later time. Option #3 is to sell to Ladick but the Finance Committee select someone to oversee the sale and work with them and take a portion of the difference between original sale price and current sale price while allowing reasonable holding costs. All three options would give property to Ladick.

Ald. Barr stated option #3 is the equitable way to not ignore the restrictive covenant.

Motion made by Ald. Molski, seconded by Ald. Barr to approve the Comptroller-Treasurer to negotiate with Mr. Filtz on the sale of the property to Mr. Ladick for mutual agreement so that it will not jeopardize future restrictive covenants.

Ald. Rackow questioned if it would be able to be done by Monday.

C/T Schlice stated that he did send letters to both Mr. Ladick and Mr. Filtz last week stating that we were having a meeting today and have not heard a response from Mr. Filtz.

Ald. Rackow questioned if it would be deferred to next month if not done.

Director Gardner stated that Mr. Ladick needs to get started, time is of the essence, so if no deal is made, you may opt for option #1 and buy the property back at original sale price.

Ald. Stroik commented that the City needs to take a strong hand in this and buy the property back at original price and not let Mr. Filtz get a penny back.

Ald. Molski stated that her motion was to imply that Mr. Filtz get back what he has invested.

Ayes: All Nays: None Motion carried.

4 - REQUEST FOR ADDITIONAL DEER CULLING

Ald. Barr stated that Public Protection is recommending that we finance another \$1,000 to cull 20 additional deer. The program has been extremely

successful in its second year, we have 65 already and 85 would be delightful.

Motion made by Ald. Barr, seconded by Ald. Molski to approve the request to cull 20 more deer in the City for \$1,000.

Ald. Stroik questioned if we ever got the state grant that would provide 50% of the funding.

Ald. Rackow replied that the plan was already in force and it needs to be done before we start the culling process. We may be able to get a plan in force for next year.

Ald. Sowieja questioned why we are asking for 20 more deer.

Ald. Rackow stated that the Mayor said that we didn't get 60 deer until February last year and here in early December, we have 65 already and we do not seem to be short of deer, so they asked the DNR if we could have 20 more permits, at which point the request was granted. Also, Mr. Jakusz is willing to get them.

John Wandrey, 2827 Indiana Avenue, stated that he supports this fully and thanks the Committee for doing such a good job.

Ald. Barber questioned what the time frame would be for the 20 additional deer.

Ald. Rackow stated that the permits would expire by the end of the month but they could talk to the DNR to see if they could get them reissued for 2005.

Ald. Barber said he would be against reissuing them because he feels that you should not bow hunt in January.

Mike Phillips questioned what area these culled deer were taken from and if it is proportioned.

Ald. Rackow said that is hard to do because the land that is available is not proportioned. They get them where they are the thickest.

Ald. Walther stated that he has received several calls regarding problems on Simonis Street, Peck Street, Prais Street, etc. and he hopes to see more deer taken from that area.

Ald. Barr stated that if there is designated City property in that area, they could try.

Ald. Molski stated that they are coming from the Green Avenue area.

Ald. Barber asked if we had any complaints.

Chief Morris said that they had one and it was taken care of.

Mayor Wescott said he has not received any.

Ayes: All Nays: None Motion carried.

5 - RECOMMENDATION FROM THE BOARD OF PUBLIC WORKS:

A. TAKING OVER OPERATIONS OF AIRPORT.

B. PURCHASE AND FUNDING OF SENTRY HANGAR.

C/T Schlice recommended that we purchase the hangars prior to the end of the year so we can avoid paying additional taxes, if the desire is to purchase.

Motion made by Ald. Rackow, seconded by Ald. Walther for the City to take over the operations of the Municipal Airport on an interim basis and that the City seek to purchase the Sentry hangar prior to December 31, 2004 for \$25,000.

Tony Patton, 3917 Jordan Lane, asked if we are going to retain the hangars or sell them to individual pilots.

C/T Schlice replied it is the intent to keep the hangars and lease them. We would have a return on the money in less than two years.

David Olson, 4408 Sequoia Drive, questioned if we were going to honor the existing leases.

Mayor Wescott replied absolutely.

Ayes: All Nays: None Motion carried.

6 - HIRE CONSULTANT FOR TIF DISTRICT #4

C/T Schlice stated that we have had a number of discussions in the past that we are going to be closing out Tiffs #1 and #3 in 2005 and we would like to start the process of creating a TIF #4. We are looking at a number of different areas in town, but we would like to start on the north side area of town, there are some buildings that could be renovated. We want to have this tool to offer to various developers if they wish to do something in that area. Other places we are looking is the old Lullabye and Belke Lumber site and other areas in the City. Because of the rewrite of the law, we are going to be able to work with a TIF district in various methods so we can upgrade redevelopment in the City.

Ald. Molski commented that in the past when we set up TIF districts there had to be something going to happen in that area before a TIF could be set it up.

C/T Schlice replied that the structure has changed now and developers come in now and say they want to do something and want to do it quickly. What we want to do is create a district in the areas that would allow any different development that is allowable under the law.

Ald. Molski stated that it costs money to set it up.

C/T Schlice stated a couple of thousand, but there is some potential in that area.

Director Gardner stated there is one other change in the law in which before the City had a short window for public works projects. We now have longer to complete public works projects.

C/T Schlice stated that we would be looking at doing three phases, initially we would be looking at starting phase 1, which would be detail with how much area would be in the district and how much valuation and then we would move forward in phases. Every phase would come back before this Committee, Plan Commission and the Council before anything would happen. First phase is \$2500.

Ald. Molski commented that she knows how much work this is for the Assessors Office to come up with valuations on all of the properties in the supposed TIF district and there is a lot of work involved to set it up and unless we have something in mind, it seems like we are spinning our wheels and taking up a lot of staff time. Maybe you have something and just are not ready to announce it yet.

C/T Schlice stated that it is another tool to try to get development growing into the City.

Mayor Wescott assured the Finance Committee and the alderpersons that we will need the TIF district within the next couple of months.

Ald. Molski stated that makes her much more comfortable voting for it.

Motion made by Ald. Barr, seconded by Ald. Molski to approve hiring Ehlers as our consultant for setting up TIF District #4, not to exceed \$10,000 for all phases.

Ayes: All Nays: None Motion carried.

7 - WRITE OFF OF PERSONAL PROPERTY TAXES

C/T Schlice stated this is brought to Finance every so often to clean up books at end of the year. These are basically uncollectible as stated in his notes. There are a couple of them tied up in bankruptcy in which we may get something, but it is not going to be a dollar to a dollar, it may be more like ten cents on a dollar depending on what the bankruptcy courts rule. The auditors like this rather than carrying receivables that are basically uncollectible.

Ald. Rackow questioned if there was something we could do about the one on the list that is on the list repeatedly. (Muzzy Broadcasting)

C/T Schlice replied there is not much we can do when it is in bankruptcy, they can continue to operate.

Ald. Molski commented that upsets her when one day she is getting her packet in the mail and she reads all the write-offs and then she reads in the paper that they are spearheading this children's gift donation for Christmas. They are big hearted and giving their money away but we are getting stuck with a big bill that they have not paid.

Mayor Wescott questioned City Attorney Molepske as to the status of this properties submittal of a plan to the bankruptcy court. If we write all this off before the court approves a bankruptcy plan, are we not surrendering our attempt to collect any of this?

City Attorney Molepske stated no, this is just an accounting procedure, it does not wipe off the debt. In Chapter 11 Bankruptcy, we are a priority claim.

Mayor Wescott stated that we will aggressively work towards collecting this debt.

C/T Schlice stated that we have done this on other write offs in the past. K-Mart has been paying their taxes now and the two prior years are still in the bankruptcy court so we will have to see how it comes out.

Motion made by Ald. Rackow, seconded by Ald. Barr to write off, for accounting purposes only, the personal property and accounts receivable as presented.

C/T Schlice stated this is not 100% City money, it is shared by the five taxing jurisdictions on these totals. The City's share is about 30%.

Mayor Wescott questioned if we need language or is it just understood under the law that we are going to continue to work to collect his money, or how do we want to address that.

City Attorney Molepske stated we can insist they file a reorganization plan, which we have filed already.

Ayes: All Nays: None Motion carried.

8 - INCREASING DEDUCTIBLE FOR PROPERTY INSURANCE WITH STATE OF WISCONSIN

C/T Schlice stated currently on a lot of our policies we have had a \$1,000 deductible, which means we pay the first \$1,000 worth of damage. In reviewing the claims that have been submitted, we have had one claim submitted in a number of years and we have been paying a higher rate of premium than he feels necessary. In looking at the different increments of the deductibles and the savings we would have, the break even point is basically about \$10,000 in order for it to be an advantage. Going from \$1,000 to \$15,000 there is not too much of a difference, so his recommendation is that we switch from our \$1,000 current deductible to a \$10,000 deductible for buildings and contents.

Motion made by Ald. Rackow, seconded by Ald. Molski to approve increasing the deductible for property insurance with the State of Wisconsin, with the deductible being reviewable every year.

C/T Schlice stated that if we find that we are getting a lot of claims, we can adjust the deductible at that time.

Ayes: All Nays: None Motion carried.

9 - THIRD QUARTER ROOM TAX REPORT

C/T Schlice stated the third quarter room tax report with projections for the fourth quarter collections would indicate that we will be within \$20,000 of funding everything that had been approved by the prior room tax committee and the Common Council. There are expenditures that have not been made yet and a number of them have to do with some acquisitions such as green circle land easements, Moses Creek water shed and the Plover River water shed, of which some expenditures have been approved tonight. Overall we will not have a shortage on the funding.

Ald. Barr questioned if this fourth quarter will conclude the five year plan.

C/T Schlice replied yes, there are things that are held open and it will be up to the Council as to whether or not they want to hold open those projects.

Ald. Barr questioned if we plan to reconvene the room tax committee.

Mayor Wescott replied that we will reconvene the room tax committee in the first quarter of next year.

Motion made by Ald. Molski, seconded by Ald. Walther to accept the third quarter room tax report and place it on file.

Ayes: All Nays: None Motion carried.

10 - ELECTION WORKER COMPENSATION

C/T Schlice stated that the City Clerk is recommending a increase of \$25 per day.

City Clerk Kranig reminded the alderpersons that the election workers work very long hours and it is getting much more difficult to find people to work the length of time that we have and also the rules of elections are getting much more complex. The longest shift this year for the presidential election was nineteen hours.

Motion made by Ald. Molski, seconded by Ald. Rackow to approve the election worker compensation by \$25 per day.

Ald. Molski commented that after volunteering to register new voters in the 9th Ward this year and saw what the election officials had to do, the long lines they had to deal with, and the hours they were putting in, she thinks they are well worth it.

Ayes: All Nays: None Motion carried.

11 - APPROVAL OF PAYMENT OF CLAIMS

Motion made by Ald. Rackow, seconded by Ald. Barr to approve the payment of claims in the amount of \$1,040,807.84.

The claims were briefly discussed.

Ayes: All Nays: None Motion carried.

Adjournment at 8:07 p.m.

The meeting minutes reproduced on this website are derived from the computer files used to produce the official minutes for the City of Stevens Point, but are unofficial. The minutes on this web site cannot be certified under s. 889.08, Wis. Stats., and cannot be considered prima facie evidence under s. 889.04, Wis. Stats. Certain tables, maps, and other documents that are a part of the official minutes are not included in the files reproduced on this website. Please consult the printed minutes, available in the City Clerk's Office, for the official text. The decisions made by City of Stevens Point boards, committees, and commissions (other than the Police & Fire Commission) are advisory only and are not binding on the city until affirmed at a meeting of the Common Council. Some of the minutes on this web site might not be approved by the Common Council as of today.

Bottom of Form