

Meeting Minutes
FINANCE COMMITTEE
FEBRUARY 18, 2002 AT 7:30 P.M.
CITY WATER DEPARTMENT

PRESENT: Chairman Barr, Ald. Rackow, Phillips, Nealis and Molski

ALSO PRESENT: Mayor Wescott, C/T Schlice, City Clerk Zdroik, Admin. Assistant Molepske, Directors Van Alstine, Gardner, Schrader, Disher, Assessor Kuehn, Personnel Specialist Jakusz, Operations Supt. Krieski, Fire Chief Barnes, Capt. Daubert, Ald. Walther, Sevenich, Seiser, Moore, Sowiejka, Filipiak, Joan Wojtalewicz, Steve Lewis, Kevin Ruehl, Therese Freiberg, Gene Kemmeter (Portage County Gazette), Barb Martin (Stevens Point Journal)

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1. ASSESSOR'S REPORT

Motion made by Ald. Rackow, seconded by Ald. Phillips to accept the report and place it on file.

Ayes: All Nays None Motion Carried

2. ACTIVATE MOCADLO SPECIAL ASSESSMENTS

Motion made by Ald. Phillips, seconded by Ald. Molski to approve the activation of the special assessments as proposed.

Ayes: All Nays: None Motion Carried

3. CITY OWNED PROPERTY - HERITAGE DRIVE

C/T Schlice stated that the staff recommendation was to establish a commission rate for the sale of the property at 7% and that the commission amount would be added to the selling price of \$20,000 per parcel. The City has received inquiries as to selling of these parcels but that the prospective buyers typically don't want to wait for Committee and Council meetings to approve the sale. If we set the sales price and commission rate we will be able to sell the parcels in a timely manner.

Motion made by Ald. Molski, seconded by Ald. Phillips to approve setting the commission rate at 7% and that the commission be added to the \$20,000 base selling price.

Ald. Nealis suggested that the City send a letter and a map to all the Realty Companies stating that commissions are available on these parcels. He also suggested that the selling Realtor notify the City Treasurer of a potential buyer so that the presenting Realtor would be protected. C/T Schlice asked if one realtor showed the parcel first and the person bought the parcel from another realtor, who would get the commission? Ald. Nealis stated that the first realtor should receive the commission. The Committee had no major objections to including Ald. Nealis's suggestions with the approval.

Ayes: Ald. Barr, Rackow, Nealis, Molski Nays: Ald. Phillips Motion: Carried

4. CLAIM FOR REFUND OF PERSONAL PROPERTY TAX - GARSKI, COOPER MOTORS

C/T Schlice stated that the claims were reviewed and were valid. Because of the size of the claims we will be able to charge back the other taxing jurisdictions their proportionate share and recover the funds next February. Assessor Kuehn stated that she worked with the two claimants in preparing the claims and that the numbers were in order. The City share is about 35% of the total. She would recommend approval.

Motion made by Ald. Molski, seconded by Ald. Rackow to approve both claims for refund of personal property tax.

Ayes: All Nays: None Motion: Carried

5. 2001 TRANSFER REQUESTS

C/T Schlice stated that the City typically transfers funds in February for projects from the prior year that have been started but not completed in that fiscal year. The only change in this year is that the City will be putting a hold on the transferred funds until such time as we know the full impact of the State Budget repair bill. Only those projects that are currently under contract will be allowed to proceed. Approving the transfer will allow us to close out the 2001 books.

Motion made by Ald. Rackow seconded by Ald. Barr to approve the transfers as proposed.

Ayes: All Nays: None Motion: Carried

6. UPDATE ON THE STATE BUDGET

Mayor Wescott stated it is important that the Aldermen are updated on the status of the budget. This proposal has huge implications for the City of Stevens Point, he is not going to minimize it. If the Governor's proposal is passed into law it has major ramifications on what municipal services we will be able to provide in the future. As the C/T outlined in his memo, the proposal on the table (the only one on the table) identifies \$974,000 to be cut in this year's budget and another \$974,000 from the 03 budget and the big hit will occur in 2004 when we will have to identify 2.7 million dollars and reduce it from the City budget. It's about a 23% reduction in the City budget. I do believe that change is coming, all the rules and funding formulas on the books are going to change. Municipal management in the next two years is going to become quite a challenging skill. The key here tonight is that this is only a proposal and is a long way from becoming law and we are working hard to make sure that whatever is passed into law is fair and equitable for everyone in the State.

C/T Schlice said the two things have to be done at the State level, they must take care of the current problem and also fix it for the future. The plans floated by the Assembly and Senate Republicans do not take care of the current problem or even the future problem. The concern we have is that the only plan out there that takes care of both problems is the Governor's plan. A lot of it is politics rather than trying to run this State like a business. This is not a drill something is going to happen and we hope to limit our collateral damage. We are working to avoid having the impact hit this year and to also exclude debt service and TIF from the formulas. We will probably see a freeze for a couple of years and then there could be levy controls. The benchmark for municipal expenditure will be lowered and will not grow significantly in the future. We will probably be limited to an inflation and growth increase. This is something we have learned to live with under the Expenditure Restraint Program.

Mayor Wescott said that we are taking significant steps behind the scenes preparing the Municipality for whatever eventually that may be coming from the legislature. We are not just sitting around to see what happens, we have been very proactive. I don't expect we will win the battle totally but we will not give up. It is a mistake that the State has a billion dollar deficit and it has been redirected to too much local government and too much local spending and that is not the issue here. These are all good issues and we need to have a public policy debate on them but the worst time to fashion policy is not during a time of crisis. This issue has been caused by the State Legislature and the Governor and they are the ones that the people need to hold responsible for this. I have already told the Department heads that if it is not in the 2002 budget do not bother to bring it to the Comptroller's office because there is no money for it. We need to know that some reductions are coming.

C/T Schlice stated one of the things that may happen if we get real bad cuts are that some of the contracts we just approved for the Highway 10 project and the South side may have to be put on the back burner depending on the fiscal implications.

Ald. Rackow wants to underline one of the things that was said tonight, the \$900,000 that would have to be cut in the 02 budget is particularly important because one-sixth of the year has already gone by. Ald. Sowieja asked if the shared revenue is cut will we be looking at one project or are we asking the departments to not spend unnecessarily? C/T Schlice said we will be looking at all different avenues of expenditures and it really isn't going to necessarily go to come out of one place. Depending on the magnitude of the cuts we will be bringing recommendations to you on how to handle it. Mayor Wescott said that everything is under consideration, everything.

7. APPROVAL OF THE PAYMENT OF CLAIMS

Motion made by Ald. Rackow, seconded by Ald. Barr to approve the payment of claims

Ayes: All Nays: None Motion: Carried

meeting adjourned at 7:55 P.M.

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