

Meeting Minutes

FINANCE COMMITTEE

AUGUST 13, 2001 AT 6:33 P.M.

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

ALSO PRESENT: Mayor Wescott; Comptroller-Treasurer Schlice; City Attorney Molepske; Secretary Yenter; Admin. Assistant Molepske; Directors Van Alstine, Schrader, Disher; Personnel Specialist Jakusz; Assessor Kuehn; Capt. Dowling; Ald. Walther, Sevenich, Seiser, Moore, Sowieja, Filipiak; Andrea Glyzewski (Stevens Point Journal); Gene Kemmeter (Portage County Gazette); Matt Mattano (WIZD)

ITEM #1 - ASSESSOR S REPORT

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

Ayes: All Nays: None Motion carried.

ITEM #2 - AMENDMENT TO THE AGREEMENT BETWEEN STORA ENSO NORTH AMERICAN AND THE CITY OF STEVENS POINT

Comptroller-Treasurer Schlice stated that we have an agreement with Stora Enso indemnifying them against injury for recreational purposes right now for the disc golf course and they want to extend it for construction so if someone gets hurt during construction they would also be held harmless for that. The contractor has liability insurance as does McDill Lake District.

Motion made by Ald. Rackow, seconded by Ald. Phillips to approve the amendment to the agreement between Stora Enso North American and the City of Stevens Point.

Ayes: All Nays: None Motion carried.

ITEM #3 - PAYMENT OF DESIGN COSTS - STEVENS POINT MUNICIPAL AIRPORT

Comptroller-Treasurer Schlice explained this is part of a project that we will be doing next year. The Department of Transportation with the Aviation Division is different than the department that works with the streets, they like to have their money up-front for the planning. Chairman Barr questioned if we are going to bond for this.

Comptroller-Treasurer Schlice replied that we would make it a part of the entire project when we go out for bonding, he is expecting to do this in September or October. The rates are good right now so once we get the final numbers from the Lincoln Center we will be coming in with some bonding recommendations for Council approval.

Ald. Phillips questioned what dollar part of the project this represents and whether or not they are paying anything towards it and whether or not this was just the design work

Comptroller-Treasurer Schlice replied yes they are paying some and it is part of the whole final project. He stated that he will check on the actual percentage. He also stated it was just for the design work.

Motion made by Ald. Molski, seconded by Ald. Phillips to approve the payment of the design costs for the Stevens Point Municipal Airport.

Ayes: All Nays: None Motion carried.

(NOTE: Total project is \$1,150,000 with City share of \$245,000)

ITEM #4 - REQUEST FOR LISTING CONTRACT - PARKER REALTY

Comptroller-Treasurer stated in June of 1998, the Finance Committee and Common Council authorized sale of the lots and Parker Realty has come up with some interested people and they would like to, as a normal real estate sale, get a commission off from it. The commission rate is 8%, which is standard.

Motion made by Ald. Molski, seconded by Ald. Rackow to approve the request for the listing contract for Parker Realty.

Ald. Phillips questioned if this was normal procedure for us to have a realtor do all our lots and whether or not all the realtors know that they can sell a City-owned lot and get 8% commission.

Comptroller-Treasurer Schlice stated we have been doing different things with realtors doing some, we have sold some, like Whitetail, and it has been different over the years and anybody else, who would know we have lots for sale, should be able to do the same thing. We have not had any offers up until now.

Chairman Barr commented that we have granted this request before to realtors.

Comptroller-Treasurer Schlice agreed and stated this is only for the two parcels listed.

Ald. Molski questioned whether or not we told them, for multiple listings, that if they could sell the lots, we would honor the commission.

Ald. Phillips questioned why we would give it to a realtor if we have in-house staff that does this.

City Attorney Molepske stated we could sell it, just like Whitetail, and Ald. Molski was correct in stating that a number of years ago we had some other lots and it was offered to realtors across the board that whoever sold it would get the commission. Parker Realty contacted us because they have a buyer and are asking us if we will sign a listing contract so that the realtor can obtain the commission. In other cases, if the City sold it, then we would not pay the commission. We have had every different type of arrangement.

Ald. Phillips stated that he just wanted to be fair to all the realtors in town instead of picking out one realtor.

Comptroller-Treasurer Schlice stated they contacted us, we did not contact them.

Ald. Seiser stated that she does not understand this situation. She questioned if there was a buyer and whether or not it was Parker Realty. She stated that 8% is high and if that is the standard commission she would like to hear more.

Ald. Phillips replied that he called a realtor and asked about that. The rate varies, but residential usually goes for 6% and vacant land goes for 7-8%. He stated he was not sure about commercial property and referred it to Ald. Nealis.

Ald. Nealis stated that it varies and a realtor is not allowed to say what a commission rate should be on another office because it violates anti-trust laws.

Ald. Sowieja questioned what it would cost the City to do it themselves for paperwork, etc.

Comptroller-Treasurer Schlice stated it would be staff time.

City Attorney Molepske stated it would be approximately \$250 for the title policy and then he would prepare the deed, tax transfer forms, closing statements, so \$250 out of pocket.

Ald. Sowieja questioned why we would be having someone else do this when that is all it would cost the City to do it themselves.

Comptroller-Treasurer Schlice explained if somebody approached the City and asked if they could buy one of our lots, we would, but in this case, these people approached the realtor and the realtor found the lots that these people were interested in, that is why the realtor is coming to us and asking for the commission.

Ald. Sowieja questioned if we could incorporate a finders fee.

Mayor Wescott replied the County Board recently decided that they would pay a commission for selling lots in the business park. They felt it would be better to put the lots into the commercial real estate market versus trying to sell them from the County. He stated that he believes these lots have been directed into the MLS pool by Council action. He went on to say that this action took place either just before or just after Whitetail.

City Attorney Molepske stated it was after Whitetail.

Mayor Wescott stated his recollection was that Council action was that the City would try to sell them but if a realtor came forward with a buyer, that some commission would be paid. He also questioned how many lots there are.

Comptroller-Treasurer agreed and stated he does not believe it was a formal listing but it was left open for anyone to sell. He also stated there are eight lots.

Ayes: Chairman Barr, Ald. Rackow, Phillips, Molski Nays: None
Abstained: Ald. Nealis Motion carried.

ITEM #5 - 2ND QUARTER ROOM TAX REPORT

Comptroller-Treasurer Schlice stated that the new section in the back was added so that you can see which projects have not been expended. He also stated that we are tracking on original projections and for Major Projects, we are still estimating looking at \$133,000 in the black for the end of the year. There are more commitments made for the future years but the committee also did not commit the entire amount that we estimated coming in.

Motion made by Ald. Rackow, seconded by Ald. Phillips to approve the 2nd quarter room tax report and place it on file.

Ayes: All Nays: None Motion carried.

ITEM #6 - APPROVAL OF PAYMENT OF CLAIMS

Motion made by Ald. Rackow, seconded by Chairman Barr to approve the payment of claims in the amount of \$395,491.90.

Discussion on the claims.

Ayes: All Nays: None Motion carried.

(NOTE: The Bushman Electric invoice listed incorrect information, the correct information was for work on waterslide in Goerke Park and included other work as well.)

Adjournment at 6:55 P.M.

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