

Meeting Minutes

FINANCE COMMITTEE MEETING

NOVEMBER 13, 2000 AT 6:45 P.M.

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

ALSO PRESENT: Comptroller-Treasurer Schlice; Mayor Wescott; City Attorney Molepske; Clerk Zdroik; Interim Admin. Asst. Marciniak; Directors Van Alstine, Gardner; Administrator Disher; Capt. Daubert; Ald. Kedrowski, Walther; Sevenich, Molski, Seiser, Moore; Finance Clerk Freeberg; Jack Negaard and Ronald Wessels (McDill Lake District); Gene Kemmeter (Gazette); Scott Krueger (WIZD); Mike Jacquard (Stevens Point Journal); Reid Rocheleau

ITEM #1 - ASSESSOR'S REPORT

Motion made by Ald. Rackow, seconded by Ald. Pazdernik to accept the report of the Assessor and place it on file. Ayes: All Nays: None Motion carried.

ITEM #2 - THIRD QUARTER ROOM TAX

Comptroller-Treasurer Schlice explained that everything is on track according to projections.

Motion made by Ald. Phillips, seconded by Ald. Rackow to accept the third quarter room tax report and place it on file. Ayes: All Nays: None Motion carried.

ITEM #3 - BOILER REPLACEMENT - COUNTY/CITY BUILDING

Comptroller-Treasurer explained that originally Portage County was looking at repairing the boilers in the County/City building, but after reviewing it further they decided that would be a band-aid approach and that it really needed to be replaced. The reason this is here is that the expenditure no longer an operational cost but a capital outlay cost. Our contract with the County states that we are on a 40/60 split on operational costs. Since this is a capital purchase we have brought it here for consideration. The money is available within the County/City building maintenance budget. Depending on which way the lease is looked at, we could question whether we would be paying 40% or 27%. However, we would be sharing in the cost savings over the next five years and there is not a huge cost difference between the two percentages. We are currently committed to 40.45% of the cost from operations.

Ald. Pazdernik questioned how the 27% was arrived at.

Comptroller-Treasurer Schlice explained that is the part of the building that we own. When the Police Department was moved over to the County side and the office was added to the Treasurer's Office, that brought us up 13.45% for a total of 40.45%.

Chairman Barr stated that he feels that we should not repair the old boiler and we should vote for the new boiler.

Ald. Phillips stated that if we own 27%, that is what we should pay. The leased parts should be paid by the owner.

Comptroller-Treasurer Schlice replied that we will be saving on the utility bills.

Ald. Phillips questioned what we pay for rent on the 13%.

Comptroller-Treasurer replied that we pay for the maintenance, utilities, and cleaning, plus one dollar per year.

Ald. Phillips questioned the payback in the five year period and asked if that would average out the same.

Comptroller-Treasurer stated the amounts would come out about the same.

Motion made by Ald. Rackow, seconded by Ald. Phillips to approve the City portion of 40% to cover the cost to replace the boiler. Ayes: All Nays: None Motion carried.

ITEM #4 - SEWER BACKUP PROPOSAL

Comptroller-Treasurer Schlice stated there have been meetings with several different people trying to work out a proposal to present to the committee in regard to sewer backup. Sentry would have had to deny the claim before this proposal would come into play. The proposal is that the owner/resident of the property affected would pay first dollar coverage up to either a \$250, a \$500, or a \$1,000 deductible or any other variation, along with that, the resident must provide a copy of the homeowners insurance showing that they do not have coverage included in their policy (has to be out of pocket expenses), and the resident must also sign a statement that they have no other insurance or assistance that would cover this cost. The City would then co-pay on a dollar for dollar match on actual out of pocket expenses in the amount not to exceed \$1,000 for the City share. The resident would then be responsible for damages or costs above that amount. The coverage would only be for blockages in the main line, not for any blockages in the lateral, and if the blockage is deemed the fault of the resident or the owner, they would not get any assistance from the City. Prior to any award for assistance, the claim would have to be reviewed by the Director of Public Works and the Comptroller-Treasurer to see if the claim is consistent with the adopted City policy. If approved, the Comptroller would then provide a report of any payments as part of his monthly report.

Ald. Pazdernik questioned if any other cities have this sort of program.

Comptroller-Treasurer Schlice replied that most of the cities he surveyed, that are involved with the Wisconsin Alliance of Cities, handle it like we have in the past. If the City is negligent, the insurance carrier pays the claim. If the City is not negligent, nothing is paid.

Motion made by Ald. Rackow, seconded by Ald. Nealis to approve the proposal with a \$500 deductible.

Ald. Phillips stated that he would like to see a time table of about one year so that it could be reviewed.

Chairman Barr questioned how many claims we are looking at per year.

Comptroller-Treasurer Schlice stated that Sentry came up with a premium of \$19,167 for \$50,000 maximum coverage per year if we were to get insurance through them. He stated this does not seem to be a good ratio so that would say they would probably expect claims of no more than \$15,000. In 1997 there was 50 fifty sewer calls and 18 of them were our problem. From January 1996 through April 2000 there was about 5 different dollar amount claims that Sentry had paid out on. This would be a self-funded program.

Ald. Rackow stated that he would like to add to his motion that the policy would expire on 12-31-01.

Motion amended by Ald. Rackow, seconded by Ald. Nealis to approve the proposal with a \$500 deductible and with an expiration date of no longer than 12-31-01.

Ald. Nealis questioned if this would be inviting more denial of claims by Sentry.

Comptroller-Treasurer Schlice stated it is still a negligence type situation and the resident would still have the opportunity to pursue this in court so if they are just denying it to try and make more money, the courts would probably uphold the claim if there was negligence involved.

Mayor Wescott stated that it was a good point and that it should be watched closely.

City Attorney Molepske stated that a provision should be put in stating that there is no appealability.

Administrator Disher questioned whether it was going to be City money or Wastewater Treatments money that was going to be used to pay these claims. If it is going to come from Wastewater Treatment, then he would like to be on the committee that makes the decision as to who gets what.

Ald. Phillips commented that he would like to see this in effect for a shorter period of time than one year due to the possibility of Sentry denying more claims. He also questioned if there would be another insurance company that we could get a rate from because Sentry is so high.

Chairman Barr responded that he does not think that anyone would have the experience in which to rate it. You need premiums and losses in order to come up with a rate.

Ald. Moore asked what we are trying to achieve.

Chairman Barr replied that we are trying to alleviate part of the burden of the homeowner when their sewer backs up.

Ald. Phillips stated that under state law we do not have to do anything.

City Attorney Molepske stated that if the City regularly maintains the sewer lines by cleaning, televising, etc., and if we respond to and correct the problems regularly, and unless we have had notice or should have known that there is a problem, then there is no liability on the City. We are attempting to partially reimburse the homeowner/resident, even though legally we don't have to.

Ald. Rackow stated that a year would take us through all four seasons and give us a chance to see if it is season related.

Mayor Wescott questioned what it would cost to have the homeowner add the coverage to their policy.

Chairman Barr stated that he is with Sentry and coverage was added at no additional charge although there is a deductible.

Comptroller-Treasurer Schlice stated that he talked to his agent and they stated that the average cost would be about \$50-\$60 per year, there would be a deductible and there would be a cap.

Administrator Disher stated that he has \$1,000 coverage on his policy, without even asking for it and without a deductible. If he wanted \$5,000 coverage, the premium would be \$25 per year, with no deductible.

Ayes: Chairman Barr, Ald. Rackow, Phillips, Nealis  
Nays: Ald. Pazdernik Motion carried.

#### ITEM #5 - MCDILL LAKE DISTRICT GRANT

Comptroller-Treasurer Schlice stated he and the Mayor had met with the McDill Lake District Association. They are requesting one-time funding in the amount of \$250,000, which would be matched with a state grant. The total of \$500,000 would remove about 500,000 yards of material.

Ald. Nealis questioned why Whiting, Town of Plover, and the County are not part of this funding.

Ron Wessels, 3732 Heffron Street, (McDill Lake District) stated that they need to get started in order to have the state match the grant, but the other jurisdictions will be pursued. There are a lot of aspects that need to be looked at and they want to get started. The pond is an asset to the City and it is filling up at a rapid pace.

Ald. Nealis stated that he still feels that the other jurisdictions should be participating, but if not for this time, next time.

Chairman Barr stated that 77% of the property owners are City.

Jack Negaard, 3325 Yvonne Drive, (McDill Lake District) replied that there are 167 properties in the lake district.

Ald. Rackow stated that he agreed with Ald. Nealis but since the City has the majority of the frontage including the three parks, that is an influence. He feels that we should go ahead with this and then invite them to participate and then hope for a contribution.

Ald. Pazdernik commented that if we give them the \$250,000 and they have the \$250,000 from the State, there will be no incentive to go any farther, they will have all the money that they need.

Ron Wessels stated they want to go further since they may not be able to get the job done on that amount . They really need to get the permit

process started because they need to start dredging next spring. He stated that they have to get this locked into the state budget, so they are under time restraints. They needed the land site to make the project feasible and they did not get that until the last two or three months, which is why it wasn't brought up earlier.

Chairman Barr stated that as a resident of the pond, they have contributed, out-of-pocket, more than \$250,000 over the years. \$160,000 of that is that verifiable tax information that has appeared on their tax bills since they have become a lake district. In the past eight years, eighteen of them kicked in \$1,000 a piece for a total of \$18,000 to have one channel dredged. Prior to that, for about four years, we paid Art Reinhart, who had a business of harvesting weeds, eighty dollars an hour to cut weeds for about four years and that came to about \$30,000 or \$40,000. Prior to that we had voluntary assessments ranging anywhere from \$5 to \$50 a year, which all together totals over \$250,000.

Mayor Wescott replied that the \$250,000 is a matching grant and they have to come up with the \$250,000 to secure the money by June. He stated that he is supportive of this for a couple of reasons. One of them is that it secures the state matching grant. The City occupies over 70% of the properties and the \$250,000 locks in the state matching grant. They cannot go any further, with all the regulatory licensing and review process, without locking the state money in. He stated that he is in support of locking in the money and then beginning the project. The area has an equalized value of over \$20,000 million and pays over \$185,000 a year in property taxes. It is an investment and a natural resource that we all benefit from. It is within the City's financial capability to do it.

Motion made by Ald. Rackow, seconded by Ald. Nealis to approve a one-time \$250,000 grant to the McDill Lake District to be matched by a State grant, contingent on the district getting all the necessary approvals.

Jack Negaard stated that the dredging material would sell for approximately \$1.00 per cubic yard. They would be purchasing a small dredger with the proceeds to continue to empty the silt trap. The pond is filling in at a rate of 15,000-20,000 cubic yards per year. They need to take at least 500,000 cubic yards out to make an impact on the problem.

Ald. Pazdernik stated that it was dredged before and questioned whether it would need to be dredged again in a couple of years.

Jack Negaard stated that pond has a natural flow going through it, the Plover River. This dredging acts as a natural silt trap when it is done. Another issue that is being dealt with right now is the life of the pond becoming increasing shorter every year and they only have so many options to chose from to take soil out of the pond.

Ayes: Chairman Barr, Ald. Rackow, Phillips, Nealis  
Nays: Ald. Pazdernik Motion carried.

#### ITEM #6 - SALE OF EXCESS CITY PROPERTY - 19' X 427' - BETWEEN STANLEY STREET, PRAIS STREET, MICHIGAN AVENUE, AND ILLINOIS AVENUE

Comptroller-Treasurer Schlice explained this is a referral from the Plan Commission. They voted to approve the sale of the sliver of land and the Finance Committee has to set the price on it.

Ald. Moore questioned how the allocation was determined.

Director Gardner replied it was due to the fence line and the interest from the property owners.

Motion made by Ald. Rackow, seconded by Ald. Phillips to approve the sale of the excess city property for \$1.00 and good and other valuable consideration plus the cost of filing transfer documents. Ayes: All Nays: None Motion carried.

#### ITEM #7 - APPROVAL OF PAYMENT OF CLAIMS

Motion made by Ald. Rackow, seconded by Ald. Nealis to approve the payment of claims in the amount of \$1,070,776.27. Ayes: All Nays: None Motion carried.

The claims were discussed.

Adjournment at 7:40 P.M.

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