

LOCAL OPTION SALES TAX OVERSIGHT COMMITTEE
MEETING MINUTES
December 2, 2010

The Local Option Sales Tax Oversight Committee met on December 2, 2010 in the north conference room of City Hall.

Members present: Gary Ficken, Beverly Dittmar, Linda Seger, Lisa Kuzela, Elizabeth Hladky, Steve Hammes, Jeff Palmer

Members absent: Doug Wagner, Sandra Skelton

City Staff Present: Chuck Wieneke, Brittany Berger, Casey Drew, Rita Rasmussen

The meeting was called to order at 6:03 p.m.

Minutes from 10/28/10 Meeting: The minutes had been previously e-mailed to the members, but copies were handed out for review. Elizabeth motioned to approve the minutes. The motion was seconded and carried.

Council Update: Chuck stated that the budget committee dealt with the proposal to use LOST funds for the property acquisition of the Public Library, Central Fire Station, Convention Center (new events center), and Time Check Recreation Center. The budget committee believes 3 of the 4 properties fit the definition of matching funds in the ballot language. They voted against the convention center.

Flood Insurance Reimbursement Program: Rita Rasmussen presented the administration of this program. She stated the program is for both HMGP and CDBG acquisition programs. It is only for properties that are bought-out. So far the amount per claim has been under \$5,000. Flood insurance for commercial properties was also considered in the original estimate for this program. Rita stated that 94 HMGP properties have received checks for buy-out since 2008 and 4 properties have not yet received the money due to title issues. 455 CDBG properties have received money from this program and approximately 1,060 are confirmed in the program but their registration is still open. Rita mentioned that registration for this program will be closed at some point. 850 offers have been mailed to property owners and 660 have signed purchase agreements. The gap is due to issues such as title defects and commercial properties needing a phase 2.

Financial Update: Casey Drew presented the LOST financials. Committee members were given a spreadsheet breaking down the amount of LOST money received as well as the 10% LOST allocation transfers. Details on disbursements from the programs were provided. A question was asked regarding what the land category represents in the financials. Casey explained it includes the flood insurance reimbursement expenses which are capitalized.

LOST Matrix: An updated LOST Matrix was handed out to members. Jeff Palmer thinks we need to be careful not to obligate more funds than are available, and we need to follow the intent of what people voted for when spending this money. Gary Ficken wondered if end dates for programs on the matrix have been considered. Chuck Wieneke mentioned that both the Personal Possession Programs have end dates and setting end dates is up to the City Council. Chuck also reiterated that the LOST programs were created based on identified gaps. Council will review and potentially remove certain programs as more programs are added.

The committee feels it should only be concerned that proceeds are spent on qualified, solid expenses. If the expenses exceed the \$78 million LOST proceeds, it doesn't matter because they no longer fall under the LOST program. The committee does not want proceeds spent on marginal items and wants to make sure that program expenditures they voted yes on do not exceed the \$78 million.

Next committee members voted on the Personal Possessions Program for Renters. It was stated that this program was set up to match the Homeowners Personal Possessions Program but it is more stringent. It has a \$4,000 limit and requires more proof such as leases and verification that you did not live on the 2nd floor. The committee voted 4 to 3 in favor of the Personal Possessions Program for Renters. The committee believes that since their vote of no on the Homeowners Personal Possessions Program more information has become available that may have led members to change their vote. A new vote on the Homeowners Personal Possessions Program will be taken at next month's meeting.

Next the committee voted on the use of LOST dollars to fund the property acquisition for the Public Library, Central Fire Station, and Time Check Recreation Center. The committee decided to vote on each property separately. It was stated that the budget committee has not yet established a dollar amount for the acquisition of Central Fire or Time Check Rec Center. The committee voted against using LOST funds for the Library property acquisition 5 to 2. They voted against Central Fire 4 to 2 with 1 abstention. Time Check Recreation Center's vote was also negative with 3 against, 2 in favor, and 2 abstaining.

Items for Next Meeting's Agenda:

1. Re-vote on Homeowners Personal Possession Program

Next Meeting: The next meeting will be Thursday, January 27th in the usual meeting room at 6:00.

The meeting was adjourned at 7:35 p.m.

Minutes submitted by:

Brittany Berger, City liaison to LOST Committee