

**City of Portage**  
**Finance and Administration Committee Meeting**  
**(This meeting will constitute a meeting of the**  
**Community Development Block Grant**  
**Committee)**  
**Monday, February 18, 2013, 5:30 p.m.**  
**Municipal Building, Conference Room One**  
**Agenda**

Members: Rick Dodd, Chairperson, Kenneth Ebnetter, Doug Klapper, Martin Havlovic, & Carolyn Hamre

1. Roll call
2. Approval of minutes from previous meeting
3. Review City Hall Basement Remodeling Project Costs
4. Review Short Term Loan Proposal
5. Consider Proposed Revision to CDBG Housing Rehabilitation Revolving Loan Policy
6. Adjournment

**City of Portage  
Finance/Administration Committee Meeting  
(This meeting will constitute a meeting of the Community Development Block Grant  
Committee)  
Monday, February 11, 2013 6:00 p.m.  
Municipal Building, Conference Room One  
Minutes**

Members: Rick Dodd, Chairperson, Carolyn Hamre, Marty Havlovic (arrived 6:15), Doug Klapper

Member Excused: Kenneth A. Ebnetter

Others Present: Interim Administrator Murphy; Finance Director Mohr; Clerk Moe; Craig Sauer from Portage Daily Register; Alderperson Rita Maass.

**1. Roll Call**

Meeting called to order by Chairperson Dodd at 6:07 p.m.

Present: Dodd, Hamre, Klapper, Havlovic arrived 6:15

Quorum was established and meeting was posted according to Wisconsin State Statutes regarding open meeting law.

**2. Approval of minutes from January 14, 2013 meeting**

Moved by Klapper to approve the minutes of the January 14, 2013 meeting; second by Hamre. Motion passed 3-0 on a roll call.

**3. Discussion and possible action on claims**

Claims were reviewed. Motion by Klapper, second by Hamre to recommend to council approval of the claims in the amount of \$1,156,500.95. Motion carried unanimously on call of roll.

**4. Discussion and possible action on designation of surplus property**

Interim Administrator Murphy pointed out that the Police firearms will be sold to a licensed dealer for resale. Finance Director Mohr indicated the Police vehicle would be sent out for auction. Motion by Klapper to approve the list presented of assets as surplus items and forward on to council, second by Hamre. Motion passed 3-0 on a roll call.

**5. Discussion and possible action on approval of training in excess of \$300 and discussion on allowance limits**

Interim Administrator Murphy presented three training requests that are in the 2013 budget but exceed the \$300 limit and are required to be presented to the Finance Committee. The Committee also discussed the conditions in which they would like to approve training requests. Alderperson Havlovic stated that if they are in the budget it is up to the Administrator to approve them and he didn't feel they needed to be presented at Finance meetings. Chairperson Dodd concurred with the exception if the training is to take place out of state he would like the Finance Committee to approve.

Members are in agreement to these terms going forward. Motion by Hamre to approve the three presented training requests, second by Klapper. Motion carried unanimously on call of roll.

- 6. Discussion and possible action for Loan Subordination – 1114 Wauona Trail**  
Finance Director Mohr presented the Loan Subordination request. Motion by Klapper second by Dodd to approve the Loan Subordination in the amount of \$11,845.00 – 1114 Wauona Trail and move it on to council. Motion passed 4-0 on a roll call.

- 7. Review of 2013 project prioritization list**  
Chairperson Dodd reviewed the list of 2013 projects. There was some discussion painting on the water tower by Cardinal Glass as to the possibility of promoting the City; administration was requested to check into agreements and prices. Alderperson Hamre questioned if there were plans and money in the budget in regards to the skate park. Interim Administrator Murphy indicated the City was waiting for the group to bring in more information. Motion by Havlovic to move the 2013 project prioritization list on to council for approval, second by Klapper. Motion approved 4-0 on a roll call.

**8. Adjournment**

Moved by Klapper to adjourn; second by Havlovic. Motion passed 4-0 on a roll call vote. Chairperson Dodd adjourned meeting at 6:57 p.m.

Jean Mohr  
Finance Director

City Hall Kitchen Remodeling Project

2/13/2013

Total Budget \$ 15,000.00

Quotes Received: Kitchen & Area Flooring Rplcmnt

Company	Item	Est Cost	Comments	
<b>Brack Thermal Systems</b>	Abestos Removal	<b>\$ 4,000.00</b>		
Enviromental Const Srvcs	Abestos Removal	\$ 4,575.00		
<b>Portage Lumber</b>	Install LVT	<b>\$ 5,908.18</b>	1340 SF	\$ 4.41
Freedom Carpet	Install LVT	\$ 6,601.17	1340 SF	\$ 4.93
Country Plumber	Pipe clean/TV	\$ 350.00		
Total Initial Est Cost		\$ 10,258.18		
Est. Cost Replacement of Main Floor Area		\$ 11,845.60	LVT	2680 SF
		\$ 7,370.00	VCT	
Approx Value of Cabinetry/Appliances		\$ 7,500.00		

Short Term Loan Amortization Schedules

Principal \$ 131,000.00  
 Interest 2.50%  
 Term 3 Years  
 # Pymnts/Year 1

Year	Principal	Interest	Total	Cumulative Principal
2013	\$ 43,666.67	\$ 3,275.00	\$ 46,941.67	\$ 87,333.33
2014	\$ 43,666.67	\$ 2,204.17	\$ 45,870.84	\$ 43,666.67
2015	\$ 43,666.67	\$ 1,110.06	\$ 44,776.73	\$ -
	\$ 131,000.00	\$ 6,589.23	\$ 137,589.23	

Short Term Loan Amortization Schedule

Principal \$ 131,000.00  
 Interest 2.00%  
 Term 2 Years  
 # Pymnts/Year 1

Year	Principal	Interest	Total	Cumulative Principal
2014	\$ 65,500.00	\$ 1,656.00	\$ 67,156.00	\$ 65,500.00
2015	\$ 65,500.00	\$ 1,072.00	\$ 66,572.00	\$ -
	\$ 131,000.00	\$ 2,728.00	\$ 133,728.00	

## VII. SUBORDINATION AGREEMENTS

The City of Portage will, on a case-by-case basis, review and approve or deny requests from loan recipients for mortgage subordination agreements.

**A. The Finance Director/Treasurer shall have the ability to approve subordination requests for homeowners wishing to refinance an existing mortgage to obtain a reduced interest rate if the following conditions are met:**

- 1. The outstanding mortgage or payment amounts do not increase.**
- 2. The homeowner's equity remains unchanged or does not decrease.**
- 3. The City's current subordination status remains unchanged or does not become further subrogated.**
- 4. A report of the subordination request is made at the next regularly scheduled CDBG Committee meeting.**

**B. The CDBG Committee will consider subordination requests for homeowners wishing to:**

1. Refinance an existing mortgage to obtain a reduced interest rate **in which conditions listed in VII A are not met.**
2. Refinance an existing mortgage to obtain a comparable interest rate and extended payment terms.
3. Obtain a home equity loan for the sole purpose of rehabilitating their primary residence.
4. Refinance an existing mortgage as necessary to halt foreclosure proceedings by a bank or to halt tax deed proceedings by the county.
5. Obtain a home equity loan to pay for medical emergencies.

The CDBG Committee will not consider requests to subordinate for consolidation of consumer debt, such as credit cards, automobiles or other "cash to homeowner" transactions, or for any home equity loans other than for the sole purpose of rehabilitating one's primary residence. The CDBG Committee will not consider any request that places the City of Portage's security interest in jeopardy, as determined by standard underwriting practice, unless required to halt foreclosure or tax deed proceedings or to assist with medical emergencies.

- C. Homeowners who anticipate refinancing an existing loan and request that the City of Portage subordinate its mortgage position, must submit in writing the following information to the CDBG Committee.
1. The reason for the subordination request.
  2. The name, address, and contact person(s) at the cooperating financial institution.
  3. The new mortgage amount that would take precedence over the City of Portage's mortgage.
- D. Written requests for subordination agreements must be approved by the CDBG Committee. The subordination agreement must be drafted at the homeowner's expense by the cooperating financial institution or legal counsel.