

City of Stevens Point Meeting Minutes

Finance Committee

Monday, September 14, 2009, 6:15 p.m.

Lincoln Center, 1519 Water St.

Present: Alderpersons Moore, Molski, Walther, Stroik and Mallison

Also Present: C/T Schlice; Mayor Halverson; City Attorney Molepske; Clerk Moe;

Directors Gardner, Morris, Halverson; Assessor Siebers; Acting Fire Chief Zinda; Chief Ruder; Supt. of Maintenance Laidlaw; Ald. Wiza, Slowinski,

Trzebiatowski, O'Meara; Secretary Church; Joel Lemke; Gene Kemmeter; Bob Woehr; D.W. Huron; Susie Eberhead; Sue Hall; Cathy Dugan;

Leah Czen; Erik Carlson;

Reid Rocheleau; Tawnya Schilt; Jeremy Moss; Jay Johnson; Andy Letson; Michelle Zielinski; Richard Tolbert; Tim McKeown; Nichole Lysne

Index of these Minutes: Discussion and possible action on the following:

1. 2008 Audit Report - Don Rahn, Baker-Tilly.
  2. Assessor's Report.
  3. 1st and 2nd Quarter 2009 Room Tax Reports.
  4. Recommendation from Board of Public Works - Funding Garbage Carts.
  5. Funding for VGB Compliance Work - Municipal Pool.
  6. Update on Ehlers TIF District Value Review.
  7. Resolution Authorizing City to Object to Manufacturing Assessment.
  8. Funding for Airport Broom Equipment.
  9. Approval of Payment of Claims.
  10. Amendment to TDP to Include Intercity Bus Study.
  11. Adjournment
1. 2008 AUDIT REPORT. C/T Notes

Don Rahn, partner of Baker-Tilley and in charge of the City of Stevens Point audit, made a brief presentation on the financial status of the City. He said that the MD&A is the best way to study the budget at a high level as it is a summary of fiscal analysis. Pages 1 and 2 of the audit are highly summarized financial data similar to that of a corporation. These figures are primarily used for bond rating. He stated that the fund balance did not change by more than 3%, which is very good. There is no right or wrong way to calculate the fund balance needed, typically the fund balance is used for cash flow while waiting for revenues to come from the State and other sources. The long-term debt is displayed on page 40. The City has \$18,000,000 with a State imposed cap of \$82,000,000, which puts us at 22% of debt capacity. Our overall debt is 8% of the overall levy, which is very good considering many other communities are at 15%. He stated that this is indicative of good financial management. The other part of the audit is internal controls. Most clients have deficiencies in this report because they do not have sufficient staff to segregate the various duties or have the staffing to prepare a perfect audit where there are no corrections or changes needed to be made by the auditors. He also stated that if there were any problems or concerns with completing the audit, it would have been indicated within this report (of which there were not any). The Finance Committee and Council are part of the overall process and if they become aware of anything that is being done improperly, they should contact the auditors so that it can be reviewed. The report also shows there are new GASB requirements coming up which will require additional audit work.

C/T Schlice stated if anyone has any questions on the audit, they can contact him or the audit staff.

2. ASSESSOR'S REPORT.

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

Ayes: All Nays: None Motion carried.

3. 1st AND 2ND QUARTER 2009 ROOM TAX REPORTS. C/T Notes | 1st Quarter | 2nd Quarter

C/T Schlice reports everything is going according to adopted plan.

Ald. Stroik questioned if the Sculpture Park funds were included in this report.

C/T Schlice replied they will show in the 3rd Quarter report in the approved but not expended column.

Motion made by Ald. Stroik, seconded by Ald. Walther to approve the 1st and 2nd Quarter 2009 Room Tax Reports.

Ayes: All Nays: None Motion carried.

4. RECOMMENDATION FROM BOARD OF PUBLIC WORKS - FUNDING GARBAGE CARTS. C/T Notes | Equipment Proposal

C/T Schlice stated the Street Department has been receiving a lot of calls from people who want larger carts, the smaller ones are not doing the job. We will not be ordering lids for these because they are interchangeable. He is asking that the items that are recommendations from the Board of Public Works be contingent on approval from that Board.

Ald. Stroik questioned what is going to be done with all the small carts, could we possibly do a trade-in.

Mayor Halverson stated they are already embossed and printed with the City logo on the side.

Supt. of Maintenance Laidlaw stated they will be using them.

Ald. Mallison questioned what the shelf life is on the carts.

Mayor Halverson stated they are covered under a 10 year warranty and with no use, probably 20-40 years.

Ald. Molski reminded people to make sure the lid closes on their carts, do not overfill.

Motion made by Ald. Molski, seconded by Ald. Stroik to approve the funding for the garbage cart. This is contingent upon the Board of Public Works approving it. (\*Note - C/T Schlice stated funding would be from contingency, per his notes.)

Ayes: All Nays: None Motion carried.

#### 5. FUNDING FOR VGB COMPLIANCE WORK - MUNICIPAL POOL. C/T Notes | Pool Memos

C/T Schlice stated this has been completed and we are compliant with the federal law, we just need approval to pay the bill.

Motion made by Ald. Stroik, seconded by Ald. Mallison to approve the funding for the VGB Compliance work for the Municipal Pool. (\*Note - C/T Schlice stated funding would be from contingency, per his notes.)

Ayes: All Nays: None Motion carried.

#### 6. UPDATE ON EHLERS TIF DISTRICT VALUE REVIEW. C/T Notes | Mike Harrigan E-Mail | TID 6 Study | TID 6 Impact Study | TID 6 Cashflow Comparison Chart

C/T Schlice mentioned that we hired Ehlers a couple of months ago to review and study the TIF Districts to see if there were any problems occurring due to the change in the economy and property values. In referencing a draft copy of their study, he stated they recommend taking the Mall building out of TIF District 6. He stated that Ehlers will be at the Council meeting next Monday to make a presentation and to answer any questions; otherwise he stated we can answer any questions you may have at this time. As indicated in his notes, action is needed this month.

Ald. Moore stated that since this is just an update, no action is needed.

#### 7. RESOLUTION AUTHORIZING CITY TO OBJECT TO MANUFACTURING ASSESSMENT. Resolution | C/T Notes

C/T Schlice stated that the City Assessor recommends that we file an objection to the New Page petition for reassessment they are requesting. Approval of this will allow the City to participate in a review process.

Assessor Siebers stated that the City received notification that New Page is objecting to their assessment at 707 Arlington. The last time they objected was in 2006. In 2005 New Page was assessed \$33,326,000, in 2006 the assessment was reduced by the State Department of Revenue to \$17,608,800. New Pages opinion of value right now is 9,000,000, so they are looking to get it cut in half again. He believes it is in the City's best interest to participate in this objection. He filed the objection with the State but in order for the objection to be confirmed a Council resolution has to be adopted.

Ald. Stroik questioned what our basis is for saying our belief is that the Mill should actually be at \$25,000,000. When the appeal was done before and they won at \$17,000,000, what amount did we appeal for at that time.

Assessor Siebers stated that was before his time but he stated he did not think the City participated in an objection.

Ald. Stroik stated he remembered when it went down but we did not have a chance to appeal.

Mayor Halverson stated we did have a chance, we chose not to object.

Assessor Siebers stated he does believe it is worth \$25,000,000 and that we have till the end of October, beginning of November to substantiate our valuation.

Ald. Stroik questioned if that was based on comparables.

Assessor Siebers stated it is based upon a lot of things and he believes it should not go down.

Motion made by Ald. Molski, seconded by Ald. Moore to approve the resolution and authorize the City to object to the manufacturing assessment.

Ald. Wiza questioned if they are successful in reducing their value even further, but what would that equate into with a reduction from \$17,000,000 to \$9,000,000 in lost tax revenue that the rest of the City taxpayers would have to make up.

Mayor Halverson stated the current tax rate is \$9.29 per thousand of assessed value, so hundreds of thousands of dollars.

Reid Rocheleau questioned where this is going and who will represent the City.

Assessor Siebers answered that it is the City's goal to be at the meeting with New Page and the Department of Revenue. We will be able to tour the facilities right along with the Department of Revenue and be able to participate with them to determine a value.

Ayes: All Nays: None Motion carried.

#### 8. FUNDING FOR AIRPORT BROOM EQUIPMENT. C/T Notes

C/T Schlice stated that there are some concerns at the Airport with regards to light snow among other things. We do have a equipment replacement fund that is funded from money that we make on sale of equipment rather than trades, that we could take this money from. He stated it will be a great tool to have at the airport to get the planes on and off the field.

Supt. of Maintenance Laidlaw stated it has been checked out and it is in good shape.

Ald. Moore questioned Airport Manager Wheeler if this is something that has been needed at the Airport and will help him do his job more effectively.

Airport Manager Wheeler replied yes, the equipment will help with the light dustings of snow and ice. He has talked to people at the Central Wisconsin Airport and he trusts them and feels this would be a very beneficial piece of equipment.

Motion made by Ald. Moore, seconded by Ald. Walther to approve the funding for the airport broom.

Ald. Moore stated that he has talked to several pilots at the Airport and they stated this is a much needed piece of equipment and will be cheaper than running the snowplows out there.

Ald. Mallison stated he has seen this equipment being used and it is fabulous.

Ald. Wiza stated he is concerned because it is so cheap and it sounds too good to be true. It is not that he does not trust anyone, he just thinks we need to be sure that it is good. We do have some wiggle room in the budget in case it needs some repairs, but he really wants to make sure it gets a thorough evaluation. Otherwise he thinks we are getting a good deal.

Ayes: All Nays: None Motion carried.

#### 9. APPROVAL OF PAYMENT OF CLAIMS. C/T Notes | Claims

Motion made by Ald. Molski, seconded by Ald. Mallison to approve the payment of claims in the amount of \$1,758,780.60.

Ayes: All Nays: None Motion carried.

#### 10. AMENDMENT TO TDP TO INCLUDE INTERCITY BUS STUDY. C/T Notes | Bus Service Study

Mayor Halverson stated over a year in a half ago, the Mayors of Merrill, Mosinee, Wausau and Stevens Point sat down together to think philosophically as to how this might be able to work in theory. Ultimately, creating an hour glass that uses Mosinee and the Central Wisconsin Airport as the center for an exchange between a northern region and a southern region. A southern region generally described as the Stevens Point, Wisconsin Rapids and Marshfield areas, the northern regions are defined as Mosinee north, including Wausau and Merrill. Three months ago, Mayor Carson contacted DOT on funding mechanisms that we use for our transit systems and as we worked through that we realized very quickly that Stevens Point was already leaps and bounds ahead in this process because we had already commissioned a TDP. This became a very small amendment that we would have to make to our TDP to be able to ultimately study the regional concept. The breakdown was listed in the packet, it is a very detailed study and costs \$50,000 but we have already been notified that the grant is going to be awarded to us to be able to do the study by DOT and has a 20% local match, which is \$10,000. The breakdown of the Central Wisconsin Communities that would be partaking in the payment process is also in the packet. Arguably the City would be bound for the initial \$10,000, which would be part of the amendment that we would authorize for the TDP (of the local share) grant that we are going to be awarded from DOT. The breakdown is by population and percentage for the total \$10,000. It is a very simple document that the City Attorney would draft. Transit Commission has already reviewed the concept of the TDP change and has also reviewed the concept behind the regional study.

Ald. Walther stated it is important to point out that this is strictly for the study, it does not mean we are going ahead with it and it does not mean we are signing any agreements to start it next week. It has some potential but it may have some drawbacks at times. We are not going to know until we do the study and he feels this is very important.

Motion made by Ald. Walther, seconded by Ald. Stroik to amend the TDP to include the intercity bus study.

Ayes: All Nays: None Motion carried.

Adjournment at 6:56 P.M.

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