

Meeting Minutes

Finance Committee

September 8, 2008, 6:42 p.m.

Lincoln Center, 1519 Water St. PRESENT: Alderpersons Molski, Moore and Hanson

EXCUSED: Alderpersons Walther and Stroik

ALSO PRESENT: Mayor Halverson; C/T Schlice; City Attorney Molepske; Clerk Moe; Directors Euclide, Gardner, Schrader and Halverson; Assessor Siebers; Acting Fire Chief Zinda; Captain Dowling; Deputy C/T Freeberg; Ald. Wiza, Slowinski, Trzebiatowski, Heart, Myers, Brooks; Fleet Maint. Supervisor Peplinski; Mayoral Assistant Pazdernik; Secretary Church; Gene Kemmeter; Officer Quisler; Reid Rocheleau; Jeff Vaughter; Dave Ladick; Bob Bowen; Kathy Vaughter; Bill Yudchitz; Daniel Burrows

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1. 2007 Audit Report - Don Rahn, Virchow Krause.
2. Commercial Revaluation Service Contract - Assessor.
3. Recommendation from Board of Public Works - Airport Hanger.
4. Room Tax Reports - 1st and 2nd Quarter for 2008.
5. Reclassification of Capital Improvement Line Item.
6. Approval of Payment of Claims.
7. Adjournment.

1. 2007 AUDIT REPORT - DON RAHN, VIRCHOW KRAUSE.

Don Rahn, Virchow Krause, gave a brief overview of the audit report, but did say the City is in good financial standings. He commented on the Management Discussion Analysis, which basically gives you a high level perspective on how you did in 2007 from the point of view of the City Administration. The General Fund in the City of Stevens Point has had a good history of operating within its means and has a general fund balance of around six months worth of operating costs which has always been the goal, to make sure you have enough to cover your bills and to meet any unidentified costs. The General Fund also showed a small net income for the year of 2007, which the long term goal is to break even, so to do this is a good thing because it gets added to your fund balance and carries forward years. The long term debt is at about 11% of the borrowing margin and most municipalities are between 40 - 60%, so the City is very, very healthy in that regard. Only 8% of the operating budget goes back to pay your debt, typically it is usually 15-20%. Another report that was given out was the Report on Internal Control, which he also gave a brief overview. This report is quite a bit different than it was last year, there have been new requirements passed that require us to inform the governing body/finance committee about more things than we have had to in the past. Typically, if a City does not have enough internal controls in place to meet a "textbook" example of perfect controls, we report those to you and those are called material weaknesses in internal controls. We will see more in this report this year from last, even though things may not have changed, they will now be noted because of the change in reporting. You do the best you can with the number of people that you have. He stated there is nothing in the report that is alarming to him, if he were in our shoes, but it needed to be put into proper context when you see an internal weakness in controls. He also stated that out of the 800 reports they do in the public sector, only about 10 do not have any internal weakness. So, he stated we in good company with basically most cities, villages and counties. There is also a three page discussion in there about a new auditing standard which basically requires him to discuss things with you on an annual basis. He encourages questions and participation in the audit and to address any concerns to him either via email or by phone. Every year we request from City Management to give to us, in writing, that they have given us all their records, they are not hiding anything from us and we have been doing that for years. The new standards require us to give that communication to you so that you can read that and if anything jumps out at you and seems strange, you can contact us at that point.

Ald. Hanson commented on a paragraph in the audit report relating to the Moody's rating stating that the Comptroller & Finance office is doing a good job.

2. COMMERCIAL REVALUATION SERVICE CONTRACT - ASSESSOR.

C/T Schlice stated this is typical whenever we go through a revaluation. The Assessor wants to outsource the commercial valuation while he concentrates on residential. The money is in the budget so we just need approval of the agreement.

Assessor Siebers stated he has three quotes and the lowest is Associated Appraisal Consultants, Inc., who came in at \$31,200. He recommends we go with that proposal.

Ald. Slowinski asked why the other bids are so much higher, do they include exterior.

Assessor Siebers stated they really want the City's business and yes, they all include the exteriors.

Ald. Wiza requested that we get some statistics with regards to how many appraisals Associated Appraisal Consultants, Inc. have been disputed and upheld by Monday.

Motion made by Ald. Molski, seconded by Ald. Moore to approve the commercial revaluation service contract to Associated Appraisal Consultants, Inc. in the amount of \$31,200.

Ayes: All Nays: None Motion carried.

3. RECOMMENDATION FROM BOARD OF PUBLIC WORKS - AIRPORT HANGER.

C/T Schlice stated since we are meeting before Public Works, he asked this motion be contingent on a positive motion from the Board of Public Works. If there is any conflict, we would change it at Council level. Basically what we are looking at is that we have a chance to do some extra work over at the Airport, so we would be advancing the funds towards that and the overall costs is about \$114,046.76. We need authorization for the work and the up-fronting of the funds for the project. When Congress releases the funds, we would get reimbursed.

Ald. Molski asked if the funds have been approved.

Mayor Halverson stated they have been awarded but not released.

Director Euclide concurred.

Motion made by Ald. Hanson, seconded by Ald. Moore to approve the temporary funding of the Airport project in the amount of \$114,046.76,

contingent on Board of Public Works approval.

Ayes: All Nays: None Motion carried.

4. ROOM TAX REPORTS - 1ST & 2ND QUARTER FOR 2008.

C/T stated the reports show that we are moving along according to the adopted plan.

Motion made by Ald. Moore, seconded by Ald. Molski to approve the room tax reports for the 1st and 2nd quarter for 2008.

Ayes: All Nays: None Motion carried.

5. RECLASSIFICATION OF CAPITAL IMPROVEMENT LINE ITEM.

C/T Schlice stated that in the 2008 budget, we had money approved for median work on Highway 66 and since we have Marshfield Clinic coming in a couple of years, we have to restructure how we are going to do the median. With that said, we felt it best to hold off on that median work right now. In the past year Director Schrader has been having a hard time keeping up with the grass cutting and what he is proposing is that he needs a new mower. What they are looking for is a larger mower that can cut twice as much at one time. We are asking for a reclass for this, it is not an amendment to the budget, we just need authorization so that we can use the funds to purchase the new mower. The cost is \$53,800 for the mower and the trailer.

Motion made by Ald. Molski, seconded by Ald. Moore to authorize the reclassification of the capital improvement line item to use \$53,800 for the purchase of an additional mower and trailer for the Parks Department.

Ayes: All Nays: None Motion carried.

6. APPROVAL OF PAYMENT OF CLAIMS.

The claims were discussed.

Motion made by Ald. Molski, seconded by Ald. Hanson, to approve the claims in the amount of \$690,480.23.

Ayes: All Nays: None Motion carried.

Adjournment at 7:00 P.M.

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