

Meeting Minutes

Finance Committee

September 10, 2007, 7:41 P.M.

Lincoln Center, 1519 Water St.

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

Also Present: Mayor Halverson; C/T Schlice; City Attorney Molepske; Clerk Moe; Directors Gardner, Schrader, Halverson; Assessor Siebers; Surveyor Hild; Fire Chief Barnes; Capt. Ruder; Deputy C/T Wroblewski; Joel Lemke; Ald. Wiza; Slowinski, Trzebiatowski, Heart, Myers, Brooks; Gene Kemmeter; Jason Zencka; Reid Rocheleau

Index of these minutes:

1. 2006 Audit Report - Don Rahn, Virchow Krause.
2. Actuarial Report - GASB Statement 45 Requirement.
3. Technology: A. Implementation Plan GIS System. B. Planned Replacement of Servers, Desk Tops and Laptops.
4. Assessor's Report.
5. 2nd Quarter Room Tax Report.
6. Approval of payment of claims.
7. Motion to enter into closed session pursuant to 19.85(1)(e) Wisconsin statutes for the purpose of developing a strategic negotiation plan with AIG on its development plan, and thereafter vote in closed session on the adoption of such a strategy plan.
8. Closed Session.
9. Adjournment.

1. 2006 AUDIT REPORT - DON RAHN, VIRCHOW KRAUSE.

Don Rahn, Virchow Krause, gave a brief overview of the audit report. He issued a clean opinion of the City, which is the highest issued. He also stated that the City is at 13% of their debt capacity, which typically he sees 40-60%, so that is a strong position to be in for the State of Wisconsin. The City uses 8% of its budget to pay back debt, which is also very good as they like to see it under 20%. He stated that City is doing well.

Reid Rocheleau questioned if these numbers could mean that the City is not aggressive enough and wanted to know what Wausau or Madison are at.

Don Rahn stated that these numbers could be taken in a variety of ways, but still believes the City is doing very well. He did not know numbers for Wausau, but stated he believed that the debt capacity for Madison was about 30-40%.

He went over the internal control report and stated that the regulatory level has changed so the report has changed. Initially when the report is read it could be interpreted that the City is not doing well, but he assured that about 690 out of 700 reports say the same as ours does and the only ones that rate higher are those firms that have an accounting department of 40+ employees.

Motion made by Ald. Moore, seconded by Ald. Hanson to accept the 2006 audit report and place it on file.

Ayes: All Nays: None Motion carried.

2. ACTUARIAL REPORT - GASB STATEMENT 45 REQUIREMENT.

C/T Schlice stated this is something we are required to do every two years as part of the accounting rules and regulations. We have been funding this as a pay-as-you-go rather than to fund the post employment benefit in advance which would disrupt the whole financial plan. The actuary came up with \$168,000 that we need to budget and we have put in \$173,000. He was surprised we were that close and that it was a good job.

Ald. Hanson stated the pay as you go is fine if you can forecast the number of employees going to retire, but maybe we need to go to an accrual system for awhile so we do have a reserve.

C/T Schlice replied that it is accrued, it is on the books, but it is not totally funded. Because it stretches out for such a long time we do review it on an annual or bi-annual basis and we anticipate how many retirees there are. When we first started this system, the Council accepted the reasoning that we may or may not be 100% every year, but it will balance out over the years. The numbers do tie out as shown by the closeness in the calculated numbers.

Motion made by Ald. Molski, seconded by Ald. Walther to accept the actuarial report and place it on file.

Ayes: All Nays: None Motion carried.

3. TECHNOLOGY: A. IMPLEMENTATION PLAN GIS SYSTEM. B. PLANNED REPLACEMENT OF SERVERS, DESK TOPS AND LAPTOPS.

Joel Lemke, Stevens Point Water Department, gave a short presentation on what the GIS (Geographic Information System) system is, how it works and explained how it would benefit the City. He stated the Water Department has used it since 2000 and has been a very good tool and very useful for sharing situations.

Ald. Wiza stated that Portage County uses it and is available publically and questioned if the City was going to make it available publically.

Joel Lemke stated that for right now it would just be used for City staff.

C/T Schlice stated the Water Department has invested over \$100,000 into this and did a lot of the leg work.

Motion made by Ald. Stroik, seconded by Ald. Moore to proceed with implementation of the GIS system.

Ayes: All Nays: None Motion carried.

C/T Schlice stated the replacements of the servers, desk tops and laptops was planned for five or six years back when we went through the last replacement plan. We will still be fine tuning it a bit yet. It would be put into the 2007 borrowing with the Fire Station #2 repair. He also gave a short overview on the software that is included. The GIS would be up to 75,000, the Clerk has requested Records Search and Retention Software, where it would help with record type searches in which we would hire a "sweatshop" type of service that would go through and scan

everything and get it labeled and after that point we would be able to bring up records relatively quick. The second part of that would be an elections upgrade. He is also looking at upgrading the financial software, which happens every five or six years, where it would make our financial system more easily understood and accessible by the departments and give up a couple of more tools. There is an electronic building inspection permit system estimated cost about \$4,000. With the software and upgrades, along with the GIS, we are looking at approximately \$500,000, which would be amortized over a five year period. He stated that \$100,000 a year is relatively inexpensive to keep a City government up to speed. Since we are unsure of the final amount at this time, we will be coming back with an amount prior to the borrowing.

Motion made by Ald. Molski, seconded by Ald. Hanson to approve proceeding with the request for proposals of the servers, desk tops, laptops and software as presented.

Ayes: All Nays: None Motion carried.

4. ASSESSOR'S REPORT.

Motion made by Ald. Moore, seconded by Ald. Hanson to approve the report of the Assessor and place it on file.

Ayes: All Nays: None Motion carried.

5. 2ND QUARTER ROOM TAX REPORT.

C/T Schlice stated that it looks like we will be short at the end of the year, but when all the budgets were approved, it was anticipated not everything would be expended in 2007. Part of what is in 2007 is for the 2008 150th Anniversary and everything will be fine at the end of the year, we will not be in the red, according to projections, even though that is how the budget was originally passed by Council. No surprises in the collections and everything seems to be relatively consistent at this point.

Motion made by Ald. Stroik, seconded by Ald. Molski to approve the 2nd quarter room tax report and place it on file.

Ayes: All Nays: None Motion carried.

6. APPROVAL OF PAYMENT OF CLAIMS.

Motion made by Ald. Molski, seconded by Ald. Hanson to approve the payment of claims in the amount of \$780,842.73.

The claims were discussed.

Ayes: All Nays: None Motion carried.

7. MOTION TO ENTER INTO CLOSED SESSION PURSUANT TO 19.85(1)(E) OF THE WISCONSIN STATUTES FOR THE PURPOSE OF DEVELOPING A STRATEGIC NEGOTIATION PLAN WITH AIG ON ITS DEVELOPMENT PLAN AND THEREAFTER VOTE IN CLOSED SESSION ON THE ADOPTION OF SUCH STRATEGY PLAN.

Motion made by Ald. Stroik, seconded by Ald. Hanson to adjourn into closed session at 8:20 p.m.

Roll Call: Ayes: Ald. Molski, Walther, Moore, Stroik and Hanson Nays: None
Motion carried.

Adjournment at 9:20 p.m.

The meeting minutes reproduced on this website are derived from the computer files used to produce the official minutes for the City of Stevens Point, but are unofficial. The minutes on this web site cannot be certified under s. 889.08, Wis. Stats., and cannot be considered prima facie evidence under s. 889.04, Wis. Stats. Certain tables, maps, and other documents that are a part of the official minutes are not included in the files reproduced on this website. Please consult the printed minutes, available in the City Clerk's Office, for the official text. The decisions made by City of Stevens Point boards, committees, and commissions (other than the Police & Fire Commission) are advisory only and are not binding on the City until affirmed at a meeting of the Common Council. Some of the minutes on this web site might not be approved by the Common Council as of today.