

Meeting Minutes
FINANCE COMMITTEE
July 8, 2002
CITY WATER DEPARTMENT

Present: Chairman Barr, Ald. Rackow, Phillips, Nealis and Molski

Also Present: Comptroller-Treasurer Schlice; Mayor Wescott; City Clerk Zdroik; Admin. Assistant Molepske; Directors Van Alstine, Gardner, Schrader, Disher; Fire Chief Barnes; Capt. Dowling; Deputy Comptroller-Treasurer Freeberg; Ald. Sevenich, Seiser, Moore, Sowieja; Barb Martin (Stevens Point Journal); Matt Mattano (WIZD); Wayne Baierl (Senior Auditor for Virchow-Krause); Reid Rocheleau

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4. State Budget Update.
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1 - ASSESSOR'S REPORT

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

Ayes: All Nays: None Motion carried.

2- 2001 AUDIT REPORT

Wayne Baierl, Senior Auditor for Virchow-Krause, gave the audit report for the City. He stated that there were no problems and their opinion is unqualified, which is a clean opinion. With regards to the financial part of the audit, the undesigned fund balance in the general fund is 8.3 million, which has increased from last year and is a healthy amount. There are a variety of reasons for the increase, some of which were that some accounts were closed and also, the revenues were up 8% of what was budgeted. He stated the budget is impressive and the actual expenditures in the general fund were within 3 1/2% of what was budgeted. The City's general obligation debt is about 17% of the limitation, which stayed about the same from last year. The City is currently working on GASB34 and John Schlice and Jon Van Alstine have put a lot of time into accumulating the infrastructure, which is the biggest part of GASB34. Tentatively, they are looking at converting our financial statements this fall, which would be a year early. GASB34 is required by 2003 financial statements and if it was not completed, a qualified opinion on financial statements would result, which would result in a negative rating. The City currently has a AA3.

Comptroller-Treasurer Schlice stated that he wanted to give credit to the department heads for being very conscientious on their budgets and always looking for new revenues.

3 - PORTAGE COUNTY LIBRARY WINDOW REPAIR

Comptroller-Treasurer Schlice stated that the City is responsible for 100% of glass breakage, where as other repairs in the building itself, the City is responsible for anything over \$2,000. We do not typically budget for this because we do not know how much if any glass breakage we are going to have to pay for and it is also charged against the ERP allowance. The bill is for \$1,816 and once it is approved, we will take it out of contingency fund because it is our obligation by contract.

Motion made by Ald. Nealis, seconded by Ald. Phillips to approve the library window repair in the amount of \$1,816.

Ald. Sevenich stated that she is on the library board and the staff was curious as to why the window that was broke was replaced with regular glass instead of the solar protection glass that was there.

Comptroller-Treasurer Schlice stated we would look into it and questioned Director Van Alstine if he knew anything about this.

Director Van Alstine stated that County maintenance replaced the window and he assumed that the window as replaced with what was originally there.

Ayes: All Nays: None Motion carried.

4 - STATE BUDGET UPDATE

Comptroller-Treasurer Schlice commented, notes are attached.

Mayor Wescott reminded the Finance Committee that we will face a number of challenges as we assemble the 2003 budget and he agreed with C/T that no one will believe the numbers that come out in August or September for the shared revenue. There is no way anyone can look at a two billion dollar deficit on top of the one billion dollar deficit that currently exists. The tobacco settlement money gets them out of this hole and through the election, but by June 30 of next year, they face another 1.4 - 1.8 billion dollar brand new deficit, which according to some members of the legislative fiscal bureau, could grow to excessive three billion dollars by July of 2005. He stated to not forget that it was the governor who went on state-wide radio and television in February of this year and tried to remove all the shared revenue that existed. So we will proceed with assembling the budget for 2003 but it will be with a number of contingency plans because there is no way the State can face those kind of deficits without corrective action. He stated that we will do our best to position the community.

5 - APPROVAL OF PAYMENT OF CLAIMS

Motion made by Ald. Molski, seconded by Ald. Phillips to approve the payment of claims in the amount of \$431,137.44.

The claims were discussed.

Ayes: All Nays: None Motion carried.

6 - ADJOURNMENT

Adjournment at 7:26 p.m.

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