

Meeting Minutes
FINANCE COMMITTEE
AUGUST 9, 1999 AT 6:08 P.M.
PORTAGE COUNTY ANNEX BUILDING
PRESENT: Chairman Barr, Ald. Rackow, Niedbalski, Phillips, and Pazdernik

ALSO PRESENT: Comptroller-Treasurer Schlice; City Attorney; Clerk Zdroik; Admin. Asst. Bumgarner; Directors Gardner, Schrader, Assessor Kuehn; Operations Supt. Krieski; Capt. Dowling, Ald. Kedrowski, Walther, Nealis, Perlak, Aldinger, Sevenich; Finance Clerk Freeberg; Susan Kampmeier; Gene Kemmeter; Scott Krueger

ITEMS

1. 1998 Audit Report - Schumaker Romenesko & Associates.
2. Assessor's Report.
3. Compensation - Board of Review.
4. Sale of Lots to Habitat for Humanity.
5. 1st Quarter Room Tax Report.
6. Funding for Bituminous Surfacing Project - Northpoint Drive from Division Street to Michigan Avenue/Reserve Street.
7. Approval of Payment of Claims
8. Adjournment.

ITEM #1 - 1998 AUDIT REPORT - SCHUMAKER ROMENESKO & ASSOCIATES

Cliff Wiernik of Schumaker Romenesko & Associates gave a brief overview of the 1998 Audit Report. He stated that the City is financially strong as indicated by the audit numbers and the recent rating by the rating company. He stated that the undesignated figure represents 4 months of General Fund expenditures or 3.5 months of General and Debt Service expenditures. As a general rule, the undesignated fund balance should be between 2 and 6 months of expenditures. This allows the City to have sufficient cash flow available to cover month to month expenditures without having to resort to short-term borrowing.

Mr. Wiernik stated that the revenues were up with an actual figure of \$16,000,000 computer figure to a \$15,000,000 budget. The expenditures are down with an actual amount of \$14.6 million compared to a budget of \$15.8 million.

The TIF districts #1 and #3 are collecting annual increments that should allow both Districts to fully recover their development and financing costs.

Mr. Wiernik also stated they recommend that the Community Development Authority change the presentation in its external financial statements to a GAAP basis, the same as the City uses to avoid the special paragraph and the "except for" clause in their opinion.

He stated two funds have deficit fund balances, which means that they have spent more than they have collected. This is caused by budgeting for an average amount of expenditures and experiencing higher than average costs currently. This is expected to happen from time to time and will balance out over time. He recommended that during the annual budget process, the average budget amounts used be reviewed to make certain that any periodic deficit amount will be recovered.

Mr. Wiernik thanked the City for giving them the opportunity to serve them.

Motion made by Ald. Rackow, seconded by Ald. Pazdernik to accept the report and place it on file.

Ayes: All Nays: None Motion carried.
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ITEM #2 - ASSESSOR'S REPORT

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

Ald. Rackow commented on the notation on the report that stated that the real estate transfer return computer software program from the Department of Revenue was having developed has been scrapped and the posting of data is back to being done manually.

Assessor Kuehn stated they have even stopped payment to the company who had developed the software. It has been a project that has been underway for a long time and has failed numerous times.

Ayes: All Nays: None Motion carried.
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ITEM #3 - COMPENSATION - BOARD OF REVIEW

Ald. Rackow comments that the Board of Review is in session from 9:00 A.M. to 4:00 P.M. and in Wisconsin Rapids, it is \$25.00 for each four-hour period, or a portion thereof and he questioned if they have to be there that long.

Chairman Barr replied they have to be available for that whole day. In certain cases, sessions could be beyond a day.

Ald. Rackow questioned whether people had to be there or could they come and go.

Chairman Barr replied that they have to be available. They are on call all day.

Ald. Niedbalski questioned the on-call status. He questioned if they are there all seven hours.

Chairman Barr explained that they can be if they want to be, but if they are not, they have to be near a phone so that they could hear an objection if someone walked in.

Ald. Niedbalski also questioned if they are to be there for seven hours.

Chairman Barr explained that they can be if they want to be. He stated that he was on the Board for 14 years and they were there for seven plus hours many times and weren't there that long several times.

Clerk Zdroik stated that it depends on the number of people who show up for property objections.

Ald. Pazdernik questioned how many days this goes on.

Clerk Zdroik stated that in 1997 they had three people, in 1998 they had one person, and in 1999 they had two.

Chairman Barr stated that it will get to be more when there is a revaluation.

Ald. Pazdernik questioned how many people are on this Board.

Clerk Zdroik responded there are five.

Ald. Niedbalski asked when the last time the amount was changed.

Clerk Zdroik responded that it has been this way since the beginning.

Chairman Barr replied that 1976 was the first year that it went to a group of civilians rather than alderman.

Ald. Kedrowski questioned whether any other people serving on Boards for the City get paid, for example the Parks Board.

Clerk Zdroik responded that the only the Police and Fire Commission gets paid.

Chairman Barr stated the Police and Fire Commission, the School Board, and the Board of Review all get paid.

Ald. Kedrowski questioned how much they are paid.

Clerk Zdroik responded she believes it is \$35.

Comptroller-Treasurer Schlice also stated he believes it is \$35.

Motion made by Ald. Rackow, seconded by Ald. Pazdernik to increase the compensation for the Board of Review members from \$25 per day to \$50 per day.

Ayes: All Nays: None Motion carried.

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ITEM #4 - SALE OF LOTS TO HABITAT FOR HUMANITY

Comptroller-Treasurer Schlice explained we would defer the receiving payment on the lots until the house would be sold by the new owners of the property. He stated what is being recommended is about \$12,000 per lot. It would be a deferred revenue that we would keep on the books.

Chairman Barr questioned what had been done in the recent past.

Director Gardner explained the last time would have been with the block grant where the house was built on Main Street. It was about three years ago and it was a vacant lot. After that there was a vacant lot purchased by CDA. Prior to that there has been Minnesota, Michigan, and Walker Streets, so there has been several of them.

Comptroller-Treasurer Schlice questioned if the recommendation is for the sale of up to four lots.

Director Gardner replied yes. There was a transfer of some monies that were going to be used for housing loans about two months ago and the state transferred money into this fund to acquire properties which would make lots available for new houses. We have to establish a price per lot for the sale of those properties.

Ald. Kedrowski questioned if CAP, Habitat for Humanity, or a private investor buys it, would they all pay property tax.

Director Gardner replied yes.

Motion made by Ald. Rackow, seconded by Ald. Niedbalski to approve the sale of up to four lots to Habitat for Humanity or other builders in the sum of \$12,000 each, and that a new home be built and the occupants meet program guidelines.

Ald. Pazdernik asked if there was going to be a time period for those houses to be built.

Director Gardner replied it would be based on the programs that they involve, but he would guess it would be about one every year.

Ald. Phillips questioned if we have other money invested in these types of properties.

Director Gardner replied no, that it is federal money funded through the state, it is not levy money.

Ayes: All Nays: None Motion carried.

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ITEM #5 - 1ST QUARTER ROOM TAX REPORT

Comptroller-Treasurer Schlice explained that everything is on track according to previous projections. The only considerable amount of difference will be in the Arts Council for the 2nd Quarter. The reason that will be lower is because all of the bills will be in for the development of the Arts Center.

Motion made by Ald. Niedbalski, seconded by Ald. Rackow to accept the report and place it on file.

Ayes: All Nays: None Motion carried.
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ITEM #6 - FUNDING FOR BITUMINOUS SURFACING PROJECT - NORTHPOINT DRIVE FROM DIVISION STREET TO MICHIGAN AVENUE/RESERVE STREET

Comptroller-Treasurer Schlice explained we are looking at the bid being around \$143,000. This project was on the preliminary list that came to committee last fall from Dept. of Public Works and they have run out of funding to be able to handle this size of project. He stated that the Mayor had asked a couple of weeks ago if there would be any funds available and we still have some funds left in the Capital Projects fund. This money is used specifically for this type of expense. If this is approved, there would still be approximately \$250,000 in the undesignated fund for some future projects.

Chairman Barr questioned if this is totally contracted out.

Operations Supt. Krieski responded that the plan is to do Northpoint including Division and Michigan with the six inches of blacktop there and we would have to get American Asphalt into mill off the top four inches and repave it.

Motion made by Ald. Rackow, seconded by Ald. Niedbalski to approve the funding for the bituminous surfacing project on NorthPoint Drive from Division Street to Michigan Avenue/Reserve Street in the amount of \$143,000.

Ald. Rackow commented this is the kind of improvement that the taxpayers can really see.

Ayes: All Nays: None Motion carried.
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ITEM #7 - APPROVAL OF CLAIMS

Motion made by Ald. Rackow, seconded by Chairman Barr to approve the claims in the amount of \$647,204.13.

There was discussion on the claims.

Ayes: All Nays: None Motion carried.

Adjournment at 6:50 P.M.
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