

**FINANCE COMMITTEE
AUGUST 8, 2011 AT 6:00 P.M.
STEVENS POINT WATER DEPARTMENT – 300 BLISS AVENUE**

PRESENT: Alderperson Moore, Molski, Stroik, Brooks and Suomi

ALSO

PRESENT: C/T Schlice; Mayor Halverson; City Attorney Molepske; Clerk Moe;
Ald. Wiza, Slowinski, Trzebiatowski, O’Meara, M. Stroik, Beveridge;
Directors Halverson, Schrader, Lemke, Ostrowski; Assessor Siebers;
Asst. Chief Kudronowicz, Mayor Asst. Pazdernik, HR Mgr. Jakusz, Matthew
Brown; Brian Kowalski; Barb Jacob, Don Rahn- Baker Tilly, Kari Yenter, Reid
Rocheleau

1. 2010 Audit Report – Don Rahn, Baker Tilly.

Don Rahn, partner Baker-Tilly in charge of the City of Stevens Point audit made a presentation on the financial status of the City. Included in the report is the Audit Opinion, Management Discussion and Analysis and the report on Internal Controls. He noted that the Management Discussion and Analysis is a good place to find a condensed version of the financial information that is located in the Audit report. Fund Balance is at 48% of the general fund budget which is a strong position and long term debt is at 28% at the end of 2010 and with the 2011 borrowings will be at 37% which also is a strong position. In relation to how much of the annual budget is used to pay long term debt, the City is at 11%, Moody’s feels 20% is a strong position so the City is in a strong position in this regard as well. The three legged stool of financial strength is fund balance, debt and capital assets, the City has increased borrowing in recent years to repair capital assets which is a needed component of financial strength. While the City has used fund balance in recent years to offset the expenses he cautioned that we cannot continue to reduce the fund balance without impacting one part of the three legged stool. He is working with CT Schlice on implementing GASB 54 which will redefine fund balance and there will be policy approvals needed by the Finance Committee in the future to comply with the new requirements.

2. Update and Discussion on HH-Whiting Dam:

Mayor Halverson stated that Portage County has agreed to pay \$10,000 toward the study, the City will pay \$5,000 and the Lake District will pay \$10,000. The Whiting Village Board will be meeting Tuesday to approve doing the study. There will be discussion on applying for a grant from the State which would provide up to 50% of the cost of repair of the dam and roadway. A decision still has to be made as to who is responsible for what portion of the repair.

Ald. Brooks asked if we had an estimate of the repair costs. Mayor Halverson stated it is estimated at around \$150,000 for the repair. Ald. O’Meara stated it needs to be determined who will be responsible for future maintenance. Ald. Trzebiatowski asked if anyone has determined who owns what portion and where those boundaries are? Mayor Halverson stated the County feels that Whiting owns the dam. There are documents that exist that imply that Portage County has some additional responsibilities as the road supports a County Truck Highway. We need to determine what went wrong, show who is responsible for the local share

of a grant and the future maintenance of the facility needs to be well outlined. If the City and the Lake District are going to be investing significant portions of money into the study and for the repair, those conversations are going to be needed between now and Sept 15th if this grant is going to be submitted. Ald. R Stroik appreciates that the Mayor is being proactive in this matter. Mayor Halverson stated we will need to meet in special session to discuss how we are to proceed with this process. Ald. Moore stated that this item is on the agenda so that the information gets out to the public because there are a lot of questions about this issue and we need to be open and we need to find out answers. Up to this point we have only agreed to fund the study and we do need to be updated on where we are going and what possibilities will be before us.

3. Approval of the Payment of Claims

Motion by Ald. Molski , seconded by Ald. Suomi to approve the payment of claims

Ayes: All Nays: None Motion Carried

Meeting adjourned at 6:33 p.m.