

These are the minutes of the Regular Session of the City of Adams, WI held on August 15, 2011 in the City Municipal Building.

Meeting was called to order by Mayor Baumgartner. On roll call were Alderpersons Jensen, Kierstyn, Manthey, Scott, Suhr, Mayor Baumgartner, Administrator Ellisor, Attorney Pollex. Alderperson Marti and Chief Hanson were excused.

The Pledge of Allegiance was recited.

Clerk Winters stated that the minutes were not completed for approval tonight.

Petitions and Communications: Manthey informed the Council that Dennis Klitzke's mother had passed away and offered our condolences.

Report of Standing Committees:

Public Works Committee: In Petitions and Communications discussion was held regarding accepting collected leaves from Friendship at the City compost site. The Administrator is looking into cost sharing fee for use of the site.

The Burt Morris Park Foot Bridge and adjoining pathways near completion. Many favorable comments were received on the new park addition.

The Administrator provided the Committee with a project budget for the EDA South Business Park project because the City's funding award is still awaiting final approval, it is likely work will be delayed until next construction season.

The West Liberty Street/Ann Street Project work is in progress and anticipated for completion by the end of the week.

The Street Superintendent presented a draft plan for changing and coordinating the City's leaf and brush collection procedure. More information is being gathered to improve the leaf collection process.

Personnel Committee: August 2, 2011 - Motions were made to approve the July 12, 2011 minutes as presented.

Petitions and Communication-none presented.

Motions were made to Adjourn from Open Session and Reconvene in Closed Session for considering dismissal, demotion, licensing or discipline of public employee or the investigation of charges against such person - SS 19.85(1)(b) and disciplinary data of specific persons, preliminary consideration of personnel problems or the investigation of charges against specific persons - SS 19.85(1)(f).

The Closed Session was called to order. On roll call were the members and others listed above.

Discussion was held and decision was made.

August 5, 2011 - Motions were made to approve the August 2, 2011 minutes as presented. Petitions and Communication-none presented.

Motions were made to Adjourn from Open Session and Reconvene in Closed Session for considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons - SS 19.85(1)(f).

The Closed Session was called to order. On roll call were the members and others listed above.

Discussion was held.

Fire District: No action on phone system. Discussion on professional locators, no action taken.

Chief's Report: There were 7 calls. Discussions were held regarding centennial participation. Budget \$212,224.01, City portion was \$40,839.72 an increase of \$1,109.40.

Motions to approve proposed budget and to seek approval from the other District Boards. Discussion on the letter from Attorney Miller and it was agreed to have Attorney Wood discuss it with him.

Report of City Officers:

Mayor Baumgartner: Reported on funding questions pertaining to the Burt Morris Foot Bridge. She stated the bridge is funded entirely through donations through Burt Morris and through the Henning Estate. She believes that includes cost of labor and our time, and the donations are very welcomed. She read the resignation received from Harry Davis as a member of Planning Commission. We do have somebody that is possibly interested in that and it will be addressed at the Planning Commission. She read the letter received from the Adams County Humane Society thanking the City for waiving the fee for use of the park on July 23rd for their 1st Pie and Ice Cream Social. The Historical Society meeting has been changed to August 25th at 6:00 p.m. If anyone is interested in attending it will be held here at 6:00 p.m. There has been discussion over the last couple of weeks amongst Council of what their role is as a Council person, we've been trying to setup training. She directed them go to the League of Municipalities website as they have available training materials for the new Council members that would have been in the training that you could have gone to earlier. She believes it would be helpful.

Administrator Ellisor: Reported the concrete and asphalt have been put in place for the salt storage shed and is awaiting the fabric cover and structure. He expecting tomorrow and should be completed next week or within the next week and a half. He prepared a budget for the foot bridge and it shows the revenue sources for it. Burt Morris contributed \$2,000 towards the construction the remaining share of it would be covered through the Harold and Vivian Henning Estate. The City Attorney has notified us that it is expected to be in the range between \$20,000 - \$40,000 when it is all settled out. Those were very generous contributions that benefited the City's park. The Street paving work on Ann Street and Liberty Street are completed as well as the asphalt paving for the salt storage shed. As mentioned in the Public Works report, they are looking at a different way to handle the leaf and brush collection, looking at organizing it and coordinating it on a regular scheduled basis, not just randomly going out and try to canvass the whole City. The EDA project is still in suspension right now. Until we hear something, he doesn't anticipate any construction until spring, which isn't bad and it gives us time to get early bids in.

Attorney Pollex: He had approximately eight pre-trials on behalf of the City. Unfortunately a couple didn't show up, he had to meet with one of the people who received a citation in the jail. There is one trial on the books for Wednesday. He invited any Council member to attend the Courthouse to see what he and the Chief do, let him know and he will direct them to get there. He has been busy meeting with Bob on a couple of issues and has met with the Mayor once on some personnel and some other issues over the last two weeks. One of the two raze properties are in publication phase, the property owner is in the southeast corner of the State and we were unable to get personal service so they will publish a class 1 notice. This should be done by the next Council meeting, and all the notices sent to carry on with the two buildings. He has been fielding a couple of questions over the last two weeks with respect to

the Open Meetings Law. If anybody has any questions, to call him. There was a little bit of miscommunication over the last two weeks and he has made some changes in his office. He has made sure that when the City gets a call from a Committee member or a Council member other than the Mayor, the Administrator and the Chief, that call finds its way to him, no matter if he is in Court. For instance he was in court last week out of State and it was hard for one Council Member to get a hold of him and he has taken the steps necessary to make sure that doesn't happen anymore. If you look around and there are more than three Council Members in the room with you, or more than two other one's with you and you're a Council Member, you can be technically be having an Open Meeting, or should be having an Open Meeting if there is more than two. If you have four total that is all we need in order to have a quorum, in order to do that we got to have publication. So if you just look around, by even in a coffee shop or having a get together and there are more than four there, give him a call, he'll take care of it.

Chief Hanson: *(Read by Mayor Baumgartner)* The Nation Take Back Initiative for prescription medication is scheduled for October 29, 2011 here at City Hall and along with Town of Rome Police and the Adams County Sheriff's Department at their sites. The department received 395 calls from January 1 – August 6, 2011, calls are down, from 374 from 2010. The major drop relates to property maintenance issues, they had 41 in 2010 and 16 in 2011. As school approaches, citizens should be aware that they need more time to get to work and to be aware of the kids going to school.

New and Unfinished Business:

Tara Bast, Senior Accountant, Johnson Block and Company, Inc. reviewed the City's 2010 Financial Statement. She stated that field work started in May and issued their report on July 29, 2011. The handout received is the financial summary from the report, and some additional information over the past five years.

The City's main operating fund, the General Fund, showed Total Assets at year end of \$932,003, which was a small increase from 2009 which was \$921,469.

Total Liabilities were \$216,533, which was a decrease from \$259,761 in 2009. Total Fund Balance of \$715,470 in 2010, increase from \$661,708 in 2009.

Detail of General Fund Balance has three different categories of fund balances, the City had fund balances that fell into two, the Reserved \$2,865 in 2010, Undesignated Fund Balance \$712,605 in 2010 an \$53,762 or about 8% increase from the year before. The dollar amount of Undesignated Fund Balance in comparison to the next years General Fund Budget shows 62.16% in Undesignated Fund Balance in 2010, and 59.87% in 2009 in comparison to our budget expenditures, that is good.

The Summarized Income Statement shows 2010 Budget Revenues, Expenditures and other Financing Sources (uses) in comparison to Actual. The Revenues were about \$34,000 over budget, the Expenditures for the year were about \$58,000 over budget, the other financing sources \$57,068 which were the result of transfers into the General Fund, which resulted in an overall increase in the Ending Fund Balance.

Pages 2 & 3 are Ending Fund Balances for other Governmental Funds.

Special Revenue Fund Cable TV shows a decrease of \$23,863 due to a transfer made into the Equipment Purchase Fund, for project costs.

Debt Service Fund increased, 2010 \$168,193, 2009 was \$105,125.

Page 3 – Capital Projects Funds shows the TIF Districts and all Capital Project Funds.

TIF Districts #1 & #2 significantly decreased their deficits during the year and TIF #3 increased the deficit slightly and that was related to transfers for operations and project costs. The other Capital Projects Funds stayed steady.

Additional information on the transfers for the year can be found on page 28 of the full Audit Report. That gives full detail of the different transfers between funds.

Page 4 – Utility Operations, Water & Sewer Utility Operations Statement.

Water Operating Income was \$42,867, in 2009 was \$52,952.

Sewer Operating Income (Loss) – had losses the last two years, 2010 (\$145,365), 2009 (105,487).

As it is a joint utility the increase for Overall Net Assets is \$136,000.

Utility Cash Flow vs. Debt Service is information on Cash Flows during the year after Operations and Debt Service payments, Principal and Interest Payments, there is a decrease reported in cash flows after those and various things that goes into that. The detailed information is on pages 7-11 of the full Audit Report.

Page 5 – Graph view of the General Fund and Debt Service Expenditures over the last five years (Excluding TIF and Refinanced Debts). Shows the largest expenditures are and like most City's is Public Safety and Public Works. The increase in 2008 was from CDBG Program that was reported as General Government expenses.

Page 6 – same information in a pie graph view of Total General Fund Expenditures for the largest expenditures.

Public Works in 2010 was 27%, Public Safety 46%. 2009 Public Works was 28%, and Public Safety was 43%.

Page 7 – General Fund Revenues graph view.

Intergovernmental Revenues consist of City Shared Revenue, State Shared Revenues and State Transportation Aids. Taxes are the Taxes Levied.

Page 8 - same information in a pie graph view of Total Revenues for the largest revenues.

Taxes in 2010 21.2%, Intergovernmental 70.9%. 2009 Taxes 23.2%, and Intergovernmental 71.9%.

Page 9 – General Obligation Debt vs. Capacity graph shows what the City is allowed to borrow up to. Based on the City's Equalized Value the actual outstanding debt in 2010 is below the allowable mark. The below information is what is calculated in the graph for the last five years of what the General Obligation Debt Limit was, what the outstanding debt was for the five years, and information on the Growth or Decline over the five years based on the Equalized Values.

Page 10 – General Fund Balance different categories. Graph on top makes up the majority of the Ending Fund Balance for each year. The City has major portions Undesignated so there is no restrictions that that money has been set aside for. Which shows the numbers in the first section below on the page.

Fund Balance Component as a Percent of Total Fund Balance. The Undesignated is 99%-100% total of the Fund Balance at the end of the every year.

Fund Balance as a Percent of General Fund Expenditures. Is an example of General Fund Expenditures at the end of the year. Undesignated Fund Balance at the end of the year

equal about 63% of the total Expenditures in the General Fund. They like to see 15-25%. 63% is a healthy mark to be at, but it's easily eaten up if you budget for a deficit, it's important to watch that percentage as far as what our Fund Balance is, compared to Expenditures.

The other two other reports that are part of the Audit, one is in the back of the Audit Report, the Internal Control Communications Letter. The same letter has been in the Audit as past years. They had two finding which are very common for Municipalities that they Audit, related to Financial Statement preparation. Auditing Standards require them to report on our Internal Controls, it states that the Financial Statement, that they prepare, should be what the City should be have completed to provide to them. Municipalities do not have the time, resources, and money to produce these. We would have to hire an outside Accountant to come in and pay them to produce it and then they would Audit that. Because they produce it, they have to note that in the report.

The other finding is related to segregation of duties. With a small staff not every procedure can be segregated, which is another internal control matter that Auditing Standards require them to address.

The second report issued is the Management Letter Comments, it's their recommendations. Nothing they feel is a Finding, but they want to bring to our attention. As last year, related to Utility Operations monitoring rates to make sure they are adequate enough to support the expenses. The second is a new Government Accounting Standard, which will need to be implemented for the 2011 Audit.

Administrator Ellisor questioned the negative numbers in Water & Sewer if contributed to depreciation. Ms. Bast stated yes, a large portion of the Water & Sewer Expenditures is related to depreciation, which is a non-cash activity. When the Utility purchases Capital Equipment, or has a big Utility upgrade, like the Wastewater Treatment Upgrade, that's cash payment up front, the way the statements are reported is to systematically allocate the expenditures over the life of the Asset. For instance, our large Wastewater Treatment Upgrade, they divide that cost by an Estimated Life and that gets expensed every year. For an example on Page 9 of the Full Audit Report Total Operating Expenses in Utilities was \$930,885 but Depreciation Expense was \$356,884 which is a non-cash transaction, it is not cash out the door, its assets already paid for.

Motion by Kierstyn, second by Scott to approve the Frontier Girls Troop 133 usage of Police Bay area for a Carwash Fundraiser. Roll call vote, all voted aye.

Motion by Manthey, second by Scott to waive the park fee for use of Burt Morris Park to Faith Baptist Church for a church picnic on August 13, 2011 between the hours of 2:00p.m. and 7:00p.m. Discussion was held on the date. Clerk Winters stated that the picnic was held this past Saturday, they did pay the fees and they asked that it go before Council to possibly be waived. Attorney Pollex stated that it has been moved and seconded, now it's whether or not after the fact that we are going to return their filing fee to them.

Motion by Manthey to amended her motion to return the park fee, second by Jensen. Roll call vote, all voted aye.

Motion by Suhr, second by Kierstyn to Authorize the City's Representative to vote on behalf of the City on the 2012 Fire District Budget. (City portion \$40,839.72, an increase of \$1,109.40 from 2010) **Roll call vote, all voted aye.**

Motion by Jensen, second by Scott to Approve the Official Acceptance of Completed DNR Safe Drinking Water Loan Program Project (Well #5) Administrator Ellisor stated

that the reports are accepting the project for each of the three contractors with the Well #5 project. The work performed with Ellis Stone Construction Co., Municipal Well and Pump, and Water Well Solutions, Inc. It was three different General Contractors that worked, it is a formality with the Safe Drinking Water Loan Program, which was a 50% Grant funded project. This is a final close out as it's been completed for about a year, but requires Council action to accept the project work. **Roll call vote, all voted aye.**

Motion by Manthey, Second by Suhr to Reschedule the First Council Meeting in September to Wednesday, September 7, 2011. Roll call vote, all voted aye.

Mayor Baumgartner read the agenda item to Authorize Payment of Bills received from August 16- September 6, 2011. Clerk Winters stated that would only be if the first meeting in September were to be canceled so that bills could be paid without incurring any penalties. Attorney Pollex questioned Clerk Winters if she was looking for a conditioned motion from the Council move to pay the bills for the first part of September if the September meeting for some reason is canceled. Clerk Winters stated yes. **Motion by Kierstyn, Second by Jensen to Authorize Payment of Bills received from August 16 - September 6, 2011. Roll call vote, all voted aye.**

Mayor Baumgartner read the next agenda item to Approve Agreement for Legal Services she stated she would like to move that we table this indefinitely. Clerk Winters stated that we need motions from the Council. Mayor Baumgartner stated to table this until we can discuss this further. **Motion by Suhr, second by Jensen to table the Agreement for Legal Services. Roll call vote, all voted aye.**

Motion by Scott, second by Kierstyn to Approve Issuance of Operator License to Ruthanne E. Thomas. Roll call vote, all voted aye.

Motion by Suhr, second by Kierstyn to Approve Payment of Bills. Roll call vote, all voted aye.

Motion by Jensen, second by Kierstyn to Adjourn. Roll call vote, all voted aye.

Meeting adjourned at 6:40 p.m.

Respectfully Submitted,
Janet L. Winters, WCMC
Clerk/Treasurer