



Finance Committee Agenda

February 2, 2016
5:30 p.m.

FINANCE COMMITTEE AGENDA

1. Call to order
2. Approval of the Minutes of the Finance Committee Meeting held January 19, 2016 - [Finance Minutes 01-19-2016](#)
3. Discussion and Action Items:
 - Budget Amendment – Court Clerk - [Mayor Memo to Finance Dec. 30, 2015](#) [Finance Committee proposal for Court Clerk](#)
 - Agreement for Maintenance Assessment Services – Associated Appraisal - [St Francis C- Maintenance 2016](#)
 - Review of audit communications - [Audit Information - Internal Controls](#)
4. Correspondence:
5. Unfinished Business:
6. Adjourn

PUBLIC NOTICE

Upon reasonable notice, a good faith effort will be made to accommodate the needs of individuals to participate in public hearings, which have qualifying disability under the Americans with Disabilities Act. Requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the St. Francis City Clerk at 481-2300. The meeting room is wheelchair accessible from the east and west entrances.

NOTE: There is a potential that a quorum of the Common Council may be present.

**MINUTES OF THE FINANCE COMMITTEE MEETING HELD
JANUARY 19, 2016**

Present: Alderpersons McSweeney, Bostedt and Klug

Also Present: City Administrator Rhode, City Clerk/Treasurer Uecker, City Engineer Dejewski, Alderman Brickner, Chief Dietrich, Chief Lockwood, Alderwoman Fliss, Library Director Krahn, Lisa Liban, Judge Hemmer, Alderman Wattawa, interested citizens

Chairman McSweeney called the meeting to order at 5:30 p.m.

Moved by Alderwoman Bostedt, seconded by Alderman Klug to place on file the minutes of the Finance Committee meeting held January 5, 2016. Motion carried.

Moved by Alderman Klug, seconded by Alderwoman Bostedt to recommend to the Common Council to write off old Accounts Receivable as presented in the amount of \$15,610.38. Motion carried.

City Administrator Rhode reviewed the 3rd and 4th Quarter billing from the City of Oak Creek for Dispatch Services. Oak Creek is also working on the capital items that were agreed upon in the contract but they have not been billed as of yet. Alderman Klug asked the Chiefs if they were satisfied with the services and communication that is being provided. Chief Dietrich stated that they have no issues and he meets with Oak Creek about every 6 weeks. He stated it is a successful process and the Police Department hasn't received any complaints regarding response time. Chief Lockwood agreed that he was also satisfied.

Moved by Alderwoman Bostedt, seconded by Alderman Klug to place on file with reference in the minutes the memo from the City Administrator regarding City of Oak Creek – Dispatch Invoice for 3rd and 4th Quarter of 2015 and to recommend to the Common Council that the invoice be paid in full. Motion carried.

Discussion and action regarding the Budget Amendment – Court Clerk, at the request of Alderwoman Bostedt was tabled until the next Finance Committee meeting.

Moved by Alderwoman Bostedt, seconded by Alderman Klug to place on file with reference in the minutes the information verification of funding proposal from the Mayor for Court Clerk full time position, additional information and discussion on uncollected court fines and the memo dated January 13, 2016 from Judge Hemmer regarding 2016 Municipal Court Clerk Budget Amendment Proposal. Motion carried.

Alderwoman Bostedt stated that she understands how the court clerk position works and it is time consuming. She asked of the Police Department clerks have the ability to help and would it help the Judge. Alderman McSweeney asked if those same clerks could monitor and handle the parking tickets as is done in other communities. Judge Hemmer stated that the problem is separation of powers and the fact that he wouldn't have control over those employees. Parking tickets prior to being in the court system could be handled by the Police Department and he didn't have a problem with that. City Administrator Rhode echoed that several communities do the parking ticket process in the Police Department until it is not paid

and they get turned over to the Municipal Court. Chief Dietrich stated that they Department can do the parking tickets until they are filed with the Court. City Administrator Rhode suggested a 90 day review period to see how it would work having the Police Department handle the parking tickets. Alderman McSweeney asked if another part time Court Clerk could be a possible solution, and stated that he knows Judge Hemmer isn't in favor of that but it would be additional coverage for vacation, etc. Alderwoman Bostedt questioned why the Court wouldn't jump at having an additional part time position.

Moved by Alderwoman Bostedt, seconded by Alderman Klug to recommend that the parking tickets be processed and collected through the Police Department for a 90 day period at which time the process would be reviewed. Motion carried.

City Administrator Rhode presented the Committee with the Agreement for Maintenance Assessment Services from Associated Appraisal. The City had a 5 year contract and it has ended. He brought this to the Finance Committee with the suggestion of extending the contract for one year or going out for an RFP for a longer period. The challenge with going out for an RFP right now is that there are still issues with the 2015 assessments and extending the contract for a year would allow Associated Appraisal to continue working on those issues. Alderman McSweeney also said that a one year extension would allow for Associated Appraisal to go through another Board of Review process with the citizens. No action was taken and this will be placed on the next Finance Committee agenda.

Moved by Alderman Klug, seconded by Alderwoman Bostedt to recommend to the Common Council to refund the sewer user penalty for Tax Key Number 586-9986 in the amount of \$41.59 to Art Bayley. Motion carried.

Moved by Alderwoman Bostedt, seconded by Alderman Klug to deny the request from Greg Johnson – 4551 South Ahmedi Avenue – to refund \$65.00 for a recycling cart. Motion carried.

Moved by Alderwoman Bostedt, seconded by Alderman Klug to adjourn. Motion carried.

Time: 6:20 p.m.

CoryAnn St. Marie-Carls, Mayor, City of St. Francis
3400 E. Howard Ave. St. Francis, WI 53235 • (414) 399-0797 • Mayor@stfranwi.org



12/30/2015

Memo:

To: Finance Committee, Citizens and Council

From: Mayor St. Marie-Carls

Re: Court Clerk – further discussion on verification of Budget Amendment from December 15th

The budget amendment I proposed to find the funds for the full time Court Clerk was presented on December 15th. Alderwoman Bostedt questioned verification of the proposed fund shifts needed for the budget amendment.

THIS UPDATE BELOW HAS THE EMAIL I SENT TO ALDERWOMAN BOSTEDT:

Also for the meeting on January 5th – Judge Hemmer will bring forward for the Committee information on UNCOLLECTED FINES, that need to be worked on. Further supporting the need for a full time clerk to deal with the work load.

EMAIL:

From: Mayor St. Marie- Carls

To: Alderwoman Bostedt, December 17th, 2015

Subject: Referral to Finance, Court Clerk

Sue,

I appreciate your suggestion of a referral to Finance on the Court Clerk position. Will you make this referral or should I? No doubt we are at risk of lost revenues and mistakes as well as other citizen service issues if we don't keep working on this. I will investigate further with other Mayor's, but we have unpaid fines that could be worked on with more time that would offset expenses. The 16% cuts proposed are real and doable.

You had major questions as far as account deduction verification. What are you thinking you need here? I am willing to help. How about including my explanation below.

16% savings can be made from our Legal account with City Attorney Office hours added and a better management of our HR attorney costs(which are excessive- the hourly wage always over 200 or more).

As far as Telephone cost they have been on the rise and with the new voice over IP phones and WiFi in the building why do we have to spend 40dollars a month on data for many lines? We need an audit of the bills, which anyone can do. Anne had to manually estimate the lines we pay for when I asked. So how many lines we pay for or who has data? Estimated 36/lines and WiFi hot spots etc. I am certain a detailed review would reveal a savings of at least 16%. We also need to evaluate the use of these cell charges and if they are absolutely necessary. If they are essential to operations then we should have guidelines and policies for use that the Council and Committees should be aware of. Public Works/ City Engineer manages these lines your Committee could review this.

CoryAnn St. Marie-Carls, Mayor, City of St. Francis
3400 E. Howard Ave. St. Francis, WI 53235 • (414) 399-0797 • Mayor@stfranwi.org

To: Finance Committee, Citizens and Council from Mayor- December 30th – Page 2

As far as Associated Appraisal, with the reevaluation records that are much improved, work will be more efficient. We should be able to cut down on hours provided by 16%.

Not to mention, with continued tracking on these accounts budget transfers can be made when needed for emergencies with substantiation. Other municipalities do line item transfers to balance during the year...accounts are not allowed to simply...go over budget.

In addition we need to ask for account transfers for the Council's information all year long. Example: Money for Todd Willis CDBG code compliance funded work has run out and he is being paid from the Public Works part time budget. Can you put this item on the Public Works agenda? Where is the money coming from, who is not getting hours to compensate for Todd's hours. He should be paid from TIF since most of his work is Economic Development?

Also we should find out what our 2016 funding for CDBG is to plan. Have you talked about this at Public Works?

Let me know if you have questions or need more information.

Thanks
Mayor CoryAnn



City of St. Francis

Municipal Judge – Peter Hemmer

January 13, 2016

Finance Committee
City of St. Francis
4235 S. Nicholson Ave.
St. Francis, WI 53235

**RE: 2016 Municipal Court Budget Amendment Proposal
Court Clerk Reclassification to Full-Time Position and Related Funding**

Dear Finance Committee Members:

This is a continued proposal to have the Court Clerk position reclassified, and funded, as a full-time position. It has been my position that the Court cannot work efficiently with hours restricted to 30 per week, as they are with a part-time classification. I have continued to discuss this with fellow Judges and Clerks in the Milwaukee County area and have been met with disbelief that the St. Francis Municipal Court Clerk is only part-time. The ONLY reason we have been able to tread water is that Claire Stelloh is possibly the most experienced and knowledgeable Clerk in the entire Municipal Court Clerk Association.

We have a large amount of unpaid forfeitures from the Court. It requires time to process the collection procedures, time the Clerk just does not have with hours restricted to 30 per week. I have enclosed a summary of the past due amounts from January 1, 2000 through December 31, 2010 and then for the subsequent five years thereafter. Included with the summary are the printouts from the Court File Management System reflecting these amounts. Please take note of the increased amounts over the last two years. This is due to the move to the new building in 2014 and the 2015 numbers are a direct reflection of the Clerk's hours being restricted since May of 2015 to 30 hours per week. The Clerk simply does not have the time. Suggestions have been made for part-time assistance. The Clerk does not have the time to train someone, much less review their work on a daily basis for accuracy. Making the position full-time will put back 40 hours per month. This will allow the Clerk to begin the process of catching up on the collection of past due forfeitures.

I have also enclosed a document titled Late Payments. This is the procedure provided by my Clerk for the process of following up on unpaid citations. I hope you can all appreciate the amount of time involved in this process. This is on top of the daily routine to make sure the

court nights run smoothly and all citations are available on court nights. The final document enclosed is the Disbursement Amounts reflecting a total of \$184,115.17 in revenue generated by the Court in 2015 – without the follow-up collection process.

Recently, on January 5, 2016, I signed 176 Commitments for Failure to Pay, which were generated by my Clerk. The only reason she was able to produce these for my signature is that, due to the holidays, we had two 3-week gaps between court dates. This allotted her some additional time. This is the exception however, rather than the rule.

I once again implore the Committee Members to meet with my Clerk to have her physically show you what is done in the Court Office. I am aware that we all have day jobs and your roles with the City are part-time, however she would be willing to meet with you in the evening to show you her duties. I believe this is essential in order for you to make a value decision in this matter.

Some issues with hours have been brought to my attention regarding my Clerk. If she is reclassified full-time I give you my assurance these, and any other matters of concern, will be dealt with and corrected. If the position is not reclassified to full-time the likelihood is that the City will lose a long-term employee and a valuable and experienced Court Clerk, one who cannot be replaced with someone off the street at 30 hours per week.

Your consideration is, as always, greatly appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Hemmer', with a long horizontal flourish extending to the right.

PETER C. HEMMER
Municipal Judge
City of St. Francis

St. Francis Municipal Court – Past Due Payments Summary

1/1/2000 – 12/31/2010	\$142,480.78
1/1/2011 – 12/31/2011	\$36,933.99
1/1/2012 – 12/31/2012	\$82,460.78
1/1/2013 – 12/31/2013	\$73,275.31
1/1/2014 – 12/31/2014	\$136,847.05
1/1/2015 – 12/31/2015	\$161,416.77

Violation Due Date: 01/01/2000 through 12/31/2010

Name	Citation #	Dept.	Viol Status	Finding Date	Due Date	Days Past Due	Total Due	Total Paid	Balance Due
[REDACTED]	N425737	SFPD	WAR	03/08/2010	03/08/2010	2,136	\$ 303.00	\$ 0.00	\$ 303.00
[REDACTED]	A188760-5	SFPD	TAX	02/28/2000	02/28/2000	5,797	\$ 105.65	\$ 0.00	\$ 105.65
[REDACTED]	A188759-4	SFPD	TAX	02/28/2000	02/28/2000	5,797	\$ 81.05	\$ 0.00	\$ 81.05
[REDACTED]	J676681-5	SFPD	DLS	09/29/2009	09/28/2009	2,297	\$ 88.80	\$ 0.00	\$ 88.80
[REDACTED]	E759528-0	SFPD	TAX	06/27/2005	04/11/2005	3,928	\$ 474.00	\$ 0.00	\$ 474.00
[REDACTED]	J676838-1	SFPD	WAR	02/22/2010	01/25/2010	2,178	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	E762577-4	SFPD	TAX	04/28/2008	04/28/2008	2,815	\$ 109.00	\$ 0.00	\$ 109.00
[REDACTED]	J677078-3	SFPD	CM	04/26/2010	04/26/2010	2,087	\$ 177.00	\$ 0.00	\$ 177.00
[REDACTED]	J677524-1	SFPD	DLS	04/26/2010	04/26/2010	2,087	\$ 134.20	\$ 0.00	\$ 134.20
[REDACTED]	D089801-5	SFPD	TAX	07/28/2003	07/28/2003	4,551	\$ 81.40	\$ 0.00	\$ 81.40
[REDACTED]	E762648-5	SFPD	TAX	01/14/2008	01/14/2008	2,920	\$ 109.00	\$ 0.00	\$ 109.00
[REDACTED]	N1085781	SFPD	CJF	10/26/2009	10/26/2009	2,269	\$ 429.00	\$ 0.00	\$ 429.00
[REDACTED]	N1085782	SFPD	CJF	10/26/2009	10/26/2009	2,269	\$ 429.00	\$ 0.00	\$ 429.00
[REDACTED]	E186930-2	SFPD	TAX	10/27/2003	10/27/2003	4,460	\$ 143.40	\$ 0.00	\$ 143.40
[REDACTED]	E186929-1	SFPD	TAX	10/27/2003	10/27/2003	4,460	\$ 81.40	\$ 0.00	\$ 81.40
[REDACTED]	J677988-3	SFPD	DLS	10/11/2010	10/11/2010	1,919	\$ 88.80	\$ 0.00	\$ 88.80
[REDACTED]	J677987-2	SFPD	DLS	10/11/2010	10/11/2010	1,919	\$ 88.80	\$ 0.00	\$ 88.80
[REDACTED]	J677990-5	SFPD	DLS	10/11/2010	10/11/2010	1,919	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	J677648-6	SFPD	WAR	07/26/2010	07/26/2010	1,996	\$ 126.60	\$ 0.00	\$ 126.60
[REDACTED]	B919677-3	SFPD	TAX	05/13/2002	05/13/2002	4,992	\$ 81.40	\$ 0.00	\$ 81.40
[REDACTED]	D089983-5	SFPD	TAX	01/12/2004	01/12/2004	4,383	\$ 77.20	\$ 0.00	\$ 77.20
[REDACTED]	B919660-0	SFPD	TAX	05/13/2002	05/13/2002	4,992	\$ 56.60	\$ 0.00	\$ 56.60
[REDACTED]	B919661-1	SFPD	TAX	05/13/2002	05/13/2002	4,992	\$ 106.20	\$ 0.00	\$ 106.20
[REDACTED]	D089592-6	SFPD	TAX	07/28/2003	07/28/2003	4,551	\$ 50.40	\$ 0.00	\$ 50.40
[REDACTED]	D089593-0	SFPD	TAX	09/22/2003	07/28/2003	4,551	\$ 106.20	\$ 0.00	\$ 106.20
[REDACTED]	E761810-0	SFPD	TAX	11/13/2006	11/12/2006	3,348	\$ 121.60	\$ 0.00	\$ 121.60

Number of Records: 870

Grand Total: \$ 146,173.44 \$ 3,692.66 \$ 142,480.78

St Francis Municipal Court
Payments Past Due Report

Violation Due Date: 01/01/2011 through 12/31/2011

All Departments

Name	Citation #	Dept.	Vol. Status	Finding Date	Due Date	Days Past Due	Total Due	Total Paid	Balance Due
[REDACTED]	N157134-5	SFPD	TAX	02/14/2011	02/14/2011	1,793	\$ 113.80	\$ 0.00	\$ 113.80
[REDACTED]	N156047-3	SFPD	JUDG	10/10/2011	12/12/2011	1,492	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	P373094-1	SFPD	DLS	10/24/2011	12/19/2011	1,485	\$ 88.80	\$ 0.00	\$ 88.80
[REDACTED]	N154632-2	SFPD	DLS	11/22/2010	10/25/2011	1,540	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	1678899-4	SFPD	CM	07/25/2011	09/26/2011	1,569	\$ 177.00	\$ 0.00	\$ 177.00
[REDACTED]	1678900-5	SFPD	DLS	07/25/2011	09/26/2011	1,569	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	1678526-2	SFPD	DLS	07/25/2011	09/26/2011	1,569	\$ 88.80	\$ 0.00	\$ 88.80
[REDACTED]	N155950-4	SFPD	DLS	06/27/2011	06/27/2011	1,660	\$ 88.80	\$ 0.00	\$ 88.80
[REDACTED]	N155951-5	SFPD	CM	06/27/2011	06/27/2011	1,660	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	N155952-6	SFPD	DLS	06/27/2011	06/27/2011	1,660	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	N155815-2	SFPD	DLS	09/26/2011	04/11/2011	1,737	\$ 88.80	\$ 0.00	\$ 88.80
[REDACTED]	N153816-3	SFPD	DLS	09/26/2011	04/11/2011	1,737	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	N156049-5	SFPD	DLS	10/10/2011	10/10/2011	1,555	\$ 88.80	\$ 0.00	\$ 88.80
[REDACTED]	N156048-4	SFPD	WAR	10/10/2011	10/10/2011	1,555	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	N424473	SFPD	JUDG	08/11/2008	01/15/2011	1,823	\$ 235.00	\$ 0.00	\$ 235.00
[REDACTED]	N156966-5	SFPD	TAX	06/27/2011	06/13/2011	1,674	\$ 114.00	\$ 79.00	\$ 35.00
[REDACTED]	N156967-6	SFPD	TAX	06/27/2011	06/13/2011	1,674	\$ 126.60	\$ 0.00	\$ 126.60
[REDACTED]	N154784-0	SFPD	DLS	04/25/2011	04/25/2011	1,723	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	N154785-1	SFPD	DLS	04/25/2011	04/25/2011	1,723	\$ 88.80	\$ 0.00	\$ 88.80
[REDACTED]	N157164-0	SFPD	DLS	03/14/2011	03/14/2011	1,765	\$ 88.80	\$ 0.00	\$ 88.80
[REDACTED]	N155912-1	SFPD	DLS	05/23/2011	12/12/2011	1,492	\$ 63.60	\$ 0.00	\$ 63.60
[REDACTED]	31000563	SFPD	CJF	05/09/2011	05/09/2011	1,709	\$ 303.00	\$ 0.00	\$ 303.00
[REDACTED]	31000570	SFPD	CJF	06/27/2011	06/27/2011	1,660	\$ 429.00	\$ 0.00	\$ 429.00
[REDACTED]	31000571	SFPD	CJF	06/27/2011	06/27/2011	1,660	\$ 681.00	\$ 0.00	\$ 681.00
[REDACTED]	N424698	SFPD	JUDG	09/27/2010	07/30/2011	1,627	\$ 177.00	\$ 166.00	\$ 11.00
[REDACTED]	N154724-3	SFPD	WAR	02/28/2011	02/28/2011	1,779	\$ 114.00	\$ 0.00	\$ 114.00
[REDACTED]	310005106	SFPD	CJF	09/26/2011	11/28/2011	1,506	\$ 429.00	\$ 0.00	\$ 429.00
[REDACTED]	N158031-6	SFPD	DLS	04/09/2012	06/11/2011	1,676	\$ 76.20	\$ 0.00	\$ 76.20
[REDACTED]	N157198-6	SFPD	TAX	05/23/2011	05/23/2011	1,695	\$ 126.60	\$ 0.00	\$ 126.60
[REDACTED]	N424546	SFPD	DLS	12/19/2011	12/19/2011	1,485	\$ 77.50	\$ 0.00	\$ 77.50
[REDACTED]	N425523	SFPD	JUDG	07/26/2010	04/25/2011	1,723	\$ 429.00	\$ 50.00	\$ 379.00

Number of Records: 232

Grand Total: \$ 38,733.79 \$ 1,799.80 \$ 36,933.99

159,891.18 Collected fees
33,839.00 collected by Partners
3193,730.18

All Departments

Violation Due Date: 01/01/2012 through 12/31/2012

Name	Citation #	Depart.	Viol. Status	Finding Date	Due Date	Days Past Due	Total Due	Total Paid	Balance Due	
[REDACTED]	N156137-2	SFPD	DLS	01/23/2012	08/27/2012	1,233	\$ 88.80	\$ 0.00	\$ 88.80	
[REDACTED]	N156138-3	SFPD	WAR	01/23/2012	08/27/2012	1,233	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	N156139-4	SFPD	DLS	01/23/2012	08/27/2012	1,233	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	N155058-1	SFPD	DLS	12/19/2011	02/27/2012	1,415	\$ 164.40	\$ 0.00	\$ 164.40	
[REDACTED]	N154001-1	SFPD	DLS	12/19/2011	12/27/2012	1,111	\$ 88.80	\$ 0.00	\$ 88.80	
[REDACTED]	N158021-3	SFPD	DLS	12/19/2011	02/27/2012	1,415	\$ 76.20	\$ 0.00	\$ 76.20	
[REDACTED]	N158022-4	SFPD	DLS	12/11/2011	02/27/2012	1,415	\$ 10.00	\$ 0.00	\$ 10.00	
[REDACTED]	P372753-3	SFPD	DLS	08/13/2012	10/08/2012	1,191	\$ 10.00	\$ 0.00	\$ 10.00	
[REDACTED]	P372754-4	SFPD	DLS	08/13/2012	10/08/2012	1,191	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P372755-5	SFPD	DLS	08/13/2012	10/08/2012	1,191	\$ 88.80	\$ 0.00	\$ 88.80	
Number of Records:	545						Grand Total:	\$ 85,840.43	\$ 3,379.65	\$ 82,460.78

\$260,668.24 collected fines
\$62,402.30 collected penalty
\$283,570.54

Violation Due Date: 01/01/2013 through 12/31/2013

All Departments

Name	Citation #	Dept.	Viol. Status	Finding Date	Due Date	Days Past Due	Total Due	Total Paid	Balance Due	
[REDACTED]	P376304-5	SFPD	DLS	06/10/2013	11/25/2013	778	\$ 177.00	\$ 0.00	\$ 177.00	
[REDACTED]	P376303-4	SFPD	DLS	06/10/2013	11/25/2013	778	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P374648-1	SFPD	DLS	03/11/2013	07/08/2013	918	\$ 88.80	\$ 0.00	\$ 88.80	
[REDACTED]	310005263	SFPD	DLS	02/11/2013	08/26/2013	869	\$ 88.80	\$ 0.00	\$ 88.80	
[REDACTED]	N154871-3	SFPD	DLS	05/09/2011	04/01/2013	1,016	\$ 88.80	\$ 0.00	\$ 88.80	
[REDACTED]	N154872-4	SFPD	TAX	05/09/2011	04/01/2013	1,016	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P375919-5	SFPD	WAR	07/08/2015	09/09/2013	855	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P375918-4	SFPD	DLS	07/08/2013	09/09/2013	855	\$ 10.00	\$ 0.00	\$ 10.00	
[REDACTED]	P374679-4	SFPD	DLS	04/22/2013	06/24/2013	952	\$ 164.40	\$ 0.00	\$ 164.40	
[REDACTED]	N158185-6	SFPD	DLS	06/10/2013	08/12/2013	883	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P375716-5	SFPD	JUDG	02/25/2013	04/22/2013	995	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	310005284	SFPD	CM	05/13/2013	07/08/2013	918	\$ 303.00	\$ 0.00	\$ 303.00	
[REDACTED]	310006335	SFPD	CM	05/13/2013	07/08/2013	918	\$ 366.00	\$ 0.00	\$ 366.00	
[REDACTED]	P375536-3	SFPD	DLS	10/28/2013	12/16/2013	757	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	310009137	SFPD	CM	03/11/2013	05/13/2013	974	\$ 208.50	\$ 0.00	\$ 208.50	
[REDACTED]	310006248	SFPD	JUDG	06/10/2013	11/15/2013	788	\$ 303.00	\$ 0.00	\$ 303.00	
[REDACTED]	N154476-0	SFPD	DLS	11/26/2012	01/28/2013	1,079	\$ 10.00	\$ 0.00	\$ 10.00	
[REDACTED]	N154475-6	SFPD	DLS	11/26/2012	01/28/2013	1,079	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	N154474-5	SFPD	CM	11/26/2012	01/28/2013	1,079	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P376044-4	SFPD	DLS	10/14/2013	12/09/2013	764	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P376042-2	SFPD	DLS	10/14/2013	12/09/2013	764	\$ 88.80	\$ 0.00	\$ 88.80	
[REDACTED]	P376043-3	SFPD	WAR	10/14/2013	12/09/2013	764	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P376468-1	SFPD	DLS	10/14/2013	12/09/2013	764	\$ 88.80	\$ 0.00	\$ 88.80	
[REDACTED]	P376469-2	SFPD	WAR	10/14/2013	12/09/2013	764	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P376470-3	SFPD	DLS	10/14/2013	12/09/2013	764	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P373334-3	SFPD	DLS	11/26/2012	01/14/2013	1,093	\$ 114.00	\$ 0.00	\$ 114.00	
[REDACTED]	P373828-0	SFPD	DLS	08/26/2013	10/28/2013	806	\$ 139.20	\$ 0.00	\$ 139.20	
[REDACTED]	P374730-6	SFPD	DLS	06/24/2013	08/26/2013	869	\$ 114.00	\$ 0.00	\$ 114.00	
Number of Records:	467						Grand Total:	\$ 77,624.88	\$ 4,349.57	\$ 73,275.31

224,124.10 Collected fines
70,814.80 Collected Parking
294,938.90

Violation Due Date: 01/01/2014 through 12/31/2014

All Departments

Name	Citation #	Depart.	Viol. Status	Finding Date	Due Date	Days Past Due	Total Due	Total Paid	Balance Due	
[REDACTED]	P373827-6	SFPD	DLS	11/11/2013	01/13/2014	729	\$ 151.80	\$ 0.00	\$ 151.80	
[REDACTED]	N158256-0	SFPD	DLS	08/11/2014	10/13/2014	456	\$ 98.80	\$ 0.00	\$ 98.80	
[REDACTED]	N158257-1	SFPD	DLS	08/11/2014	10/13/2014	456	\$ 124.00	\$ 27.00	\$ 97.00	
[REDACTED]	N158258-2	SFPD	DLS	08/11/2014	10/13/2014	456	\$ 10.00	\$ 0.00	\$ 10.00	
[REDACTED]	310005408	SFPD	WAR	08/11/2014	10/13/2014	456	\$ 376.00	\$ 21.00	\$ 355.00	
[REDACTED]	310010279	SFPD	JUDG	09/23/2013	01/13/2014	729	\$ 240.00	\$ 0.00	\$ 240.00	
[REDACTED]	31011421	SFPD	JUDG	05/13/2013	01/01/2014	741	\$ 843.00	\$ 250.00	\$ 593.00	
[REDACTED]	P374342-3	SFPD	JUDG	06/23/2014	08/25/2014	505	\$ 124.00	\$ 0.00	\$ 124.00	
[REDACTED]	P374343-4	SFPD	JUDG	06/23/2014	08/25/2014	505	\$ 124.00	\$ 0.00	\$ 124.00	
[REDACTED]	P376665-2	SFPD	DLS	07/14/2014	09/08/2014	491	\$ 98.80	\$ 0.00	\$ 98.80	
[REDACTED]	P376664-1	SFPD	DLS	09/22/2014	11/24/2014	414	\$ 98.80	\$ 0.00	\$ 98.80	
Number of Records:	676						Grand Total:	\$ 143,506.63	\$ 6,659.58	\$ 136,847.05

201,800.38 collected on fines
 460,102.73 collected on payments
 261,962.11

St Francis Municipal Court
Aging Payments Past Due Report

Violation Due Date: 01/01/2015 through 12/31/2015

All Departments

Name	Citation #	Dept. Viol. Status	Finding Date	Due Date	Days Past Due	Total Due	Total Paid	Balance Due
91 + Days								
	N154331-2	SFPD DLS	09/10/2012	02/15/2015	330	\$ 114.00	\$ 0.00	\$ 114.00
	N158272-2	SFPD DLS	11/24/2014	01/26/2015	350	\$ 313.00	\$ 0.00	\$ 313.00
	U404628-0	SFPD DLS	11/24/2014	01/26/2015	350	\$ 98.80	\$ 0.00	\$ 98.80
	U404629-1	SFPD DLS	11/24/2014	01/26/2015	350	\$ 138.80	\$ 0.00	\$ 138.80
	N158262-6	SFPD DLS	11/24/2014	01/26/2015	350	\$ 439.00	\$ 0.00	\$ 439.00
	U405923-0	SFPD DLS	03/09/2015	05/11/2015	245	\$ 124.00	\$ 0.00	\$ 124.00
	U405922-6	SFPD DLS	03/09/2015	05/11/2015	245	\$ 98.80	\$ 0.00	\$ 98.80
	U405932-2	SFPD DLS	04/13/2015	08/10/2015	154	\$ 124.00	\$ 104.00	\$ 20.00
	U405576-3	SFPD WAR		04/27/2015	259	\$ 124.00	\$ 0.00	\$ 124.00
	310005432	SFPD JUDG	02/23/2015	04/27/2015	259	\$ 502.00	\$ 0.00	\$ 502.00
	31011345	SFPD WAR	01/26/2015	07/23/2015	172	\$ 313.00	\$ 236.70	\$ 76.30
	P374946-5	SFPD DLS	07/13/2015	09/14/2015	119	\$ 79.20	\$ 0.00	\$ 79.20
	N158287-3	SFPD JUDG	03/09/2015	05/11/2015	245	\$ 86.20	\$ 40.40	\$ 45.80
	BB804NQ6N2	SFPD JUDG	06/22/2015	08/24/2015	140	\$ 111.40	\$ 0.00	\$ 111.40
	310114119	SFPD DLS	11/10/2014	01/12/2015	364	\$ 98.80	\$ 0.00	\$ 98.80
	BB800DBC4D	SFPD JUDG	06/22/2015	10/12/2015	91	\$ 320.50	\$ 0.00	\$ 320.50
	U405261-3	SFPD JUDG	07/27/2015	09/28/2015	105	\$ 149.20	\$ 0.00	\$ 149.20
	P376683-6	SFPD DLS	04/13/2015	06/08/2015	217	\$ 98.80	\$ 0.00	\$ 98.80
	310010106	SFPD JUDG	01/26/2015	03/23/2015	294	\$ 164.00	\$ 0.00	\$ 164.00
	BB800655JR	SFPD CM	03/23/2015	05/18/2015	238	\$ 523.98	\$ 0.00	\$ 523.98
		Number of Citations Past Due:			804	\$ 168,175.30	\$ 6,758.53	\$ 161,416.77
		Grand Total:				\$ 252,299.58	\$ 10,924.73	\$ 241,374.85

Number of Records: 1,191

\$192,230.01 Collected on fines
 *67,724.05 Collected on parking
 \$259,954.06

Late Payments

Letter is sent to advise that payment is late and if they do not appear on the court date given, there will be warrant, commitment or driver license suspension.

Entered into TRIP after 30 days late.

Warrant entered if late and we already have a finding but no PR Bond.

Commitment entered if late and we have a PR Bond.

Driver License suspensions entered.

If TRIP is rejected due to no valid DL or no Social Security number, every effort is made to find a valid one. If time allows. This includes

- 1) running a criminal history report for SS #
- 2) periodically running driver license to see when valid
- 3) finding alternate ways to find SS#

TRIP is done automatically as it is the easiest to start collection.

Driver License, Warrant, Commitments are also done, even if they are in TRIP.

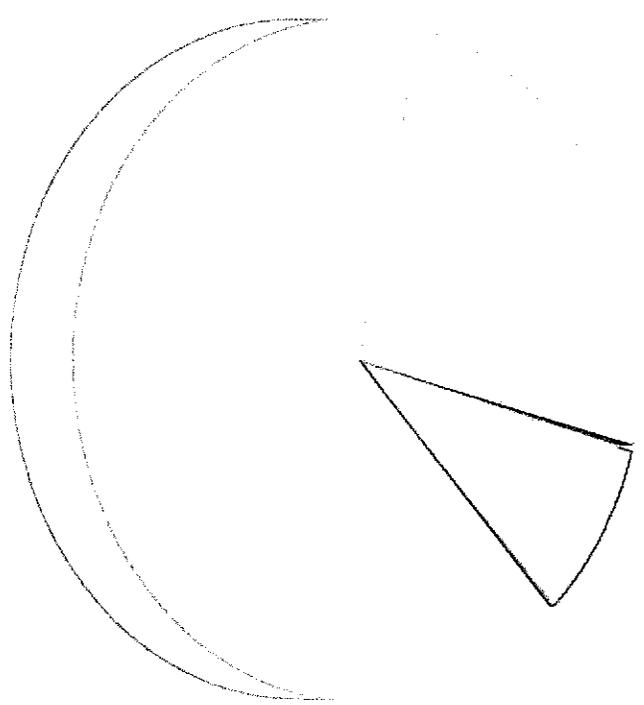
This all takes time and these are not all up to date, yet.

There are also skip tracers where you pay them 75 cents for every social security number they give you. We do not use this and I haven't had time to really check it out. You can send them a list and they only charge you for the SS#'s that they fine for you. You only send them the ones you can't find after you exhaust all efforts to find one.

If I think of anything else, I will let you know. I have a pile on my desk I am trying to catch up on while I have this extra week between court dates.

Disbursement Amount

by Payee



<input checked="" type="checkbox"/>	DERANGOS PIZZA	\$116.00	0.1%
<input type="checkbox"/>	DERANGOS PIZZA MINI 7189	\$21.00	0.0%
<input type="checkbox"/>	FRANKLIN WEIRICH	\$10.00	0.0%
<input type="checkbox"/>	JESSICA SANTANA	\$127.00	0.1%
<input type="checkbox"/>	JOSEPH A LEPKOWSKI	\$7.50	0.0%
<input type="checkbox"/>	MILWAUKEE COUNTY	\$13,194.95	7.4%
<input type="checkbox"/>	OTHER	\$2,541.96	1.4%
<input type="checkbox"/>	PICK AND SAVE	\$160.00	0.1%
<input type="checkbox"/>	PICK N SAVE	\$32.55	0.0%
<input type="checkbox"/>	ST FRANCIS LIBRARY	\$427.80	0.2%
<input checked="" type="checkbox"/>	ST FRANCIS MUNICIPAL COURT	\$116,391.12	65.2%
<input checked="" type="checkbox"/>	STATE OF WISCONSIN	\$45,296.13	25.4%
<input checked="" type="checkbox"/>	WE ENERGIES	\$100.00	0.1%
Total:		\$178,426.01	100.0%

116,391.12 Stamp here
 67,724.05 Parking Stamp here
 184,115.17 Stamp here 2015

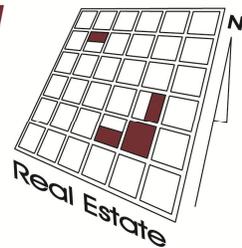
AGREEMENT FOR MAINTENANCE ASSESSMENT SERVICES

Prepared for the
CITY OF ST. FRANCIS
Milwaukee County

By

***Associated Appraisal
Consultants, Inc.***

Appleton ■ Hurley ■ Lake Geneva



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Appleton, WI 54912-2111
Phone (920) 749-1995/Fax (920) 731-4158

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Walworth County
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Lake Geneva, WI 53147-1114

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Ironwood, MI 49938

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Hurley, WI 54534-0342

AGREEMENT FOR MAINTENANCE ASSESSMENT SERVICES

This Agreement is by and between the **City of St. Francis, Milwaukee County, State of Wisconsin**, a municipal corporation (hereafter "Municipality") and ASSOCIATED APPRAISAL CONSULTANTS, INC., with its principal office at 1314 W. College Avenue, Appleton, WI 54914 (hereafter "Assessor") as follows:

I. SCOPE OF SERVICES. All services rendered shall be completed in full accordance and compliance with Wisconsin Statutes, the *Wisconsin Property Assessment Manual* and all rules and regulations officially adopted and promulgated by the Wisconsin Department of Revenue as of the date of this agreement. That being said, this agreement is being provided under the assumption all property records are in a digital format. Digital property records include digital photographs, sketches and property record data compliant with Wisconsin Department of Revenue mandates. In the event the records are not digital, there shall be an additional cost for conversion.

INSPECTIONS. The following inspection cycle is to be completed by the Assessor annually:

- 1) New construction, annexed properties, and properties with a change in exemption status shall be physically inspected, and the property record card prepared or updated as needed.
- 2) Properties affected by building removal, fire, significant remodeling (those requiring a building permit), or other major condition changes shall be physically inspected.
- 3) Improved properties under construction over a period of a year shall be re-inspected.
- 4) All sales properties, legal description changes, and zoning changes shall be reviewed and inspected if deemed necessary to ensure a fair assessment.
- 5) Requests for review by property owners, made after the close of the municipal Board of Review, and prior to signing the affidavit for the next assessment roll, shall be physically inspected during the current assessment cycle.
- 6) A classification review shall be conducted annually to determine eligibility for agricultural use value assessment and the assessment of agricultural forestland and undeveloped land.

A. PARCEL IDENTIFICATION. The legal description and size of each land parcel shall be contained in the existing property records. The drawings and measurements of each primary improvement shall be contained in the existing property records. For all new records, the Assessor shall provide digital drawings and digital photographs of each primary improvement. In the event of a discrepancy found in existing records, the Assessor shall investigate and correct the record.

B. PREPARATION OF RECORDS. Appropriate records shall be used in the evaluation and collection of data for residential improvements, commercial improvements, and agricultural improvements. All information relating to the improvements shall be obtained and shown as provided on the respective forms. The Assessor shall supply to the Municipality a complete set of property records in a computer readable format compatible with the Municipality's computer system and update records within fourteen (14) days of final adjournment of the Board of Review. Records shall be updated prior to open book and again to reflect any changes made at Board of Review.

C. **APPROACH TO VALUE.** Assessor shall assess all taxable real estate according to market value, as established by professionally acceptable appraisal practices, except where otherwise provided by law. Assessor shall consider the sales comparison approach, the cost approach and the income approach in the valuation of all property.

- 1) **Sales Comparison Approach.** Assessor will collect, compile and analyze all available sales data for the municipality in order to become familiar with the prevailing market conditions and activity. A detailed analysis of sales data will be prepared, including a picture book of recent residential and agricultural sales. Vacant land sales will also be compiled and analyzed. In valuing property by the sales comparison approach, subject properties will be appraised through a detailed comparison to similar properties that have recently sold, making careful consideration of similarities and differences between the subject and comparable sale properties.
- 2) **Cost Approach.** The cost approach to value will be considered for all taxable improved property. Replacement costs for residential and agricultural improvements will be calculated per Volume II of the *Wisconsin Property Assessment Manual*. Replacement costs for commercial improvements will be calculated using Marshall & Swift valuation service. All accrued depreciation, including physical deterioration, functional obsolescence, and economic obsolescence will be accurately documented and deducted from current replacement costs.
- 3) **Income Approach.** Consideration of the income approach to value will be made when the income or potential income generated by the real estate is deemed likely to affect the property's resale value. Data to be analyzed will include economic rents, typical vacancy rates and typical operation expense ratios. In the valuation of property by the income approach, adequate records will be prepared, showing a reconstruction of income and expenses, as well as all calculations used to arrive at market value, including formulas and capitalization rates as appropriate to the type of property being appraised.

D. **OPEN BOOK CONFERENCE.** Upon completion of the Assessor's review of assessments and prior to completion of the assessment roll, the Assessor shall hold open book conferences for the purpose of enabling property owners or their agents to review and compare the assessed values. The Assessor shall mail a notice of assessment for each taxable parcel of property whose assessed value has changed from the previous year. The notice form used shall be that prescribed by the Department of Revenue, and include the time and place the open book conference(s) will be held. Mailing shall not be less than fifteen days prior to the first day of the conference for the convenience of property owners. The Assessor shall take the phone calls to schedule appointments for the open book conference. The assessor shall be present at the open book conference for a time sufficient to meet with the property owners or their agents and shall be present at least two hours or as needed. Assessor shall provide the necessary staff to handle the projected attendance.

E. **COMPLETION OF ASSESSMENT ROLL AND REPORTS.** The Assessor shall be responsible for the proper completion of the assessment roll in accordance with current statutes and the *Wisconsin Property Assessment Manual*. The Assessor shall provide final assessment figures for each property to the Municipality, and the roll shall be totaled to exact balance. Assessor shall prepare and submit all reports required of the Assessor by the Wisconsin Department of Revenue including: Municipal Assessment Report (MAR), the Tax Incremental District Assessment Report (TAR), The Annual Assessment Report (AAR) and the Exempt

Computer Report (ECR). Assessor shall follow the Uniform Standards of Professional Appraisal Practice (USPAP) as required by the Wisconsin Property Assessment Manual; postage is at the Assessor's expense.

F. **BOARD OF REVIEW ATTENDANCE.** The Assessor or his/her authorized representative shall attend all hearings of the Municipal Board of Review to explain and defend the assessed value and be prepared to testify under oath in regard to the values determined. All Board of Review appeals must be made in a formal manner, which complies with the State Statutes governing the assessment process. This includes filing with the Clerk, prior to the Board of Review, a properly completed objection form.

G. **PERSONAL PROPERTY ASSESSMENTS.** The Assessor shall prepare and distribute annual personal property statements to all businesses; postage is at the Assessor's expense. By May 1st each year the Assessor will review statements and follow up with un-filed or incorrect statements. The Assessor shall determine the appropriate assessment. The Assessor shall exercise particular care so that personal property as a class on the assessment roll bears the same relation to statutory value as real property as a class.

H. **PUBLIC REQUESTS.** The Assessor shall timely respond to all open records requests received by the Assessor. In so doing, the Assessor shall comply with the confidentiality provisions of the law, including sec. 70.35(3), regarding the personal property return; sec. 70.47(7)(af), regarding income and expense information provided to the assessor and board of review; and sec. 77.265, the real estate transfer return.

I. **AVAILABILITY.** The Assessor shall maintain a local or toll free telephone service to receive calls from the Municipality or property owners five days a week from 8:00 a.m. to 4:30 p.m. excluding holidays. Internet communication is available twenty-four hours per day. The Assessor shall timely respond to all telephone inquiries within four working days or sooner. The Assessor shall copy the municipal clerk on those issues that have been raised to the clerk or board and subsequently passed on to the Assessor.

J. **MUNICIPAL RECORDS.** The Municipality shall allow access and make available to the Assessor municipal records such as, but not limited to, previous assessment rolls and records, sewer and water layouts, permits, tax records, records of special assessments, plats, and any other maps currently in the possession of the municipality at no cost.

II. GENERAL REQUIREMENTS

A. **OATH OF OFFICE.** As the Assessor is a corporation, the person designated as responsible for the assessment shall take and subscribe to an oath or affirmation supporting the Constitution of the United States and to the State of Wisconsin and to faithfully perform the duties of Assessor. The oath shall conform to Section 19.01, Wis. Stats. and be filed with the Municipal Clerk prior to commencing duties. Assessor shall assume the appointed office of city assessor as per Wisconsin Statutes 70.05 (1) for the duration of this contract and shall perform all statutory duties appertaining to such office. As such the Municipality shall hold harmless the Assessor from all claims and liabilities relating to the assessment or taxation of property, including but not limited to claims made under Statutes 74.35, 74.37 and circuit court claims, unless otherwise specified in this agreement.

B. **QUALIFICATIONS AND CONDUCT OF PERSONNEL.** The Assessor shall provide at its own expense any personnel necessary and shall comply with the following:

- 1) All personnel providing services shall be currently certified in compliance with Sec. 70.05 and 73.09, Wis. Stats. and the administrative rules prescribed by the Wisconsin Department of Revenue.
- 2) Assessor's field representatives shall carry photo identification cards.
- 3) All employees, agents, or representatives of the Assessor shall conduct themselves in a safe, sober, and courteous manner while performing services within the Municipality.
- 4) The Assessor shall review any complaint relative to the conduct of the Assessor's employees and take appropriate corrective action. If the Municipality deems the performance of any of Assessor's employees unsatisfactory, the Assessor shall, for good cause, remove such employees from work upon written request by Municipality.

C. ASSESSOR PROVIDED INSURANCE AND INDEMNITY. The Assessor agrees as follows:

- 1) The Assessor shall obtain and maintain during the term of this contract full coverage insurance to protect and hold harmless the Municipality which insurance is to include:

(a) <u>Workers Compensation</u>	State of Wisconsin requirements
(b) <u>General Liability</u>	
General Aggregate	\$ 2,000,000
Products/Completed Operations	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Personal & Advertising	\$ 1,000,000
Fire Damage	\$ 200,000
Medical Expense	\$ 10,000
(c) <u>Comprehensive Auto Liability</u>	
Combined Single Limit	\$ 1,000,000
- 2) The Assessor shall provide the Municipality with certificates for all required insurance, with the Municipality as a named insured. All insurance coverage shall contain a 10-day advance notice of cancellation to the Municipality. The Assessor shall timely pay all insurance premiums.
- 3) Liability for bodily injury, disability, and/or death of employees or any person or for damage to property caused in any way, directly or indirectly, by the operations of the Assessor within the Municipality shall be assumed by that Assessor.

D. OWNERSHIP OF RECORD. All records prepared or maintained in connection with assessments in the Municipality shall at all times be and remain the sole property of the Municipality, including (a) all records prepared in connection with assessments in the Municipality including, but not limited to property records, personal property forms, maps, and any other schedules or forms, (b) all records and materials obtained from the municipality and not previously returned to include maps, and Assessor's records, and (c) materials specifically obtained and/or used for performance of assessment work for the Municipality, to include aerial photos, maps, depth factor tables, copies of leases, correspondence with property owners, sales data, copies of real estate transfer returns, and operating statements of income property, and (d) if the record system is computerized, at a

minimum, provide that the software be able to create an exportable text file of data (e) if the municipality requires a conversion of the electronic assessment records to a neutral file format, such as a text file format or a tab delimited format, the municipality agrees to pay the actual cost of such conversion.

III. TERM AND TERMINATION

A. **TERM.** The term of this Contract is for the 2016 assessment year. The assessor shall have completed all work under this agreement on or before the second Monday of May or 30 days thereafter, excluding appearances beyond the Board of Review. The date of completion may be extended, if necessary, under the terms of this contract and by mutual consent.

B. **TERMINATION.** Either party may terminate this Contract only with cause, cause being defined as default of the other party of terms of this Contract upon sixty (60) days written notice to the other party. Upon termination by either party, Assessor shall deliver to the Municipality all records and materials in Assessor's possession used or created during this Contract. During the 60-day wind down period, both Assessor and the Municipality shall act in good faith with each other and cooperate in the orderly transfer of records.

C. **AUTOMATIC RENEWAL.** This Agreement will automatically renew for successive annual assessment year unless either party, on or before July 1 of the preceding year, notifies the other party by certified mail of their desire to non-renew.

IV. COMPENSATION

A. The Municipality shall pay the Assessor **Eighteen Thousand Dollars (\$18,000.00) for 2016** assessment year for maintenance services.

B. The compensation due the Assessor shall be paid in monthly installments throughout the 2016 assessment year.

C. This is an all inclusive contract, meaning the Municipality shall not be billed for additional expenses such as postage, mileage, or supplies.

D. **Optional Website Posting:** The Municipality shall have the option to post their assessment data on our website for an additional cost of a penny and a half per parcel per month ($\$.015 * 3396 = \50.94) payable to a third party vendor. Should the parcel count change, this cost would decrease or increase at the rate of \$.015 per parcel.

***** Please initial yes or no to post data to the website. *****

Yes _____ No _____

V. SIGNATURES



Mark Brown
President
Associated Appraisal Consultants, Inc.

12/28/2015

Date

Authorized Signature
City of St. Francis, Milwaukee County

Date

TAX INCREMENTAL FINANCING (TIO) DISTRICT NO. 3 FINANCIAL PLANNING

At December 31, 2014, TIO No. 3 has a deficit fund balance of \$2,465,814 and will not be receiving an increment in 2015. Debt payments in 2015 and future years will increase the TIF No. 3 fund deficit and the advance from the general fund. The debt payments for 2015 are approximately \$394,000. Currently, TIO No. 3 is being charged 3% interest on its advance from the general fund with no means to repay this in the foreseeable future. We recommend that the city develop an alternative plan for this TIO should development and increased value fail to happen. This could include ceasing to charge interest on the advance, transfers from the general fund, or consideration of the future viability of increment sharing.

UPDATE TO OTHER POST EMPLOYMENT BENEFIT (OPEB) INFORMATION

The city currently reports certain other post-employment benefit (OPEB) information in its financial statements. This information was derived from a valuation dated December 31, 2012. The city is due for another valuation for the year ended December 31, 2015. This should be completed prior to audit fieldwork to ensure audit work can be done timely. Please contact us if you have any questions regarding this requirement.

DEBT SERVICE FUND BUDGET

Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds. The city currently does not adopt a detailed annual budget for its debt service fund. We recommend that the city include a detailed debt service fund budget in its annual budget document.

DECENTRALIZED CASH COLLECTIONS

Many governments collect cash at numerous decentralized locations that are separate from the primary system of accounting procedures and controls. The opportunity for theft is often higher at those locations because one person is frequently involved in most, if not all, aspects of a transaction (i.e. lack of segregation of duties).

Examples in your government that fit this situation include the library and police department.

Management is responsible for designing and implementing controls and procedures to detect and prevent fraud. As a result, we recommend that management review its decentralized cash collection procedures and controls on a periodic basis and make changes as necessary to strengthen the internal control environment. Reviewing the adequacy of the controls is a responsibility of the governing body.

Below are example procedures and controls to help mitigate the risk of loss at decentralized cash collection points:

- > Implement a centralized receipting process with adequate segregation of duties
- > For cash collections, ensure pre-numbered receipts are being used and all receipts in the sequence are being reviewed by someone other than the person receipting the cash and receipts tie to deposits
- > Perform surprise procedures at decentralized locations (cash counts, walkthrough of processes, etc.)
- > Require regular cash deposits to minimize collection on-hand
- > Limit the number of separate bank accounts

DECENTRALIZED CASH COLLECTIONS (cont.)

- > Segregate duties as much as possible – the person receipting cash should be separate from the person preparing deposits and the person reconciling bank accounts should be separate from the cash collection activity
- > Perform a month-to-month or year-to-year comparisons to look for unusual changes in collections
- > If collecting from a drop box site, consider sending two people to collect the funds, especially during peak times

As always, the cost of controls and staffing must be weighed against the benefits of safeguarding your assets.

INFORMATIONAL POINTS

SEC DEBT COMPLIANCE CONSIDERATIONS

In 2014, the Securities and Exchange Commission (SEC) undertook an initiative known as the Municipalities Continuing Disclosure Cooperation Initiative (MCDC Initiative). This initiative is a result of SEC concerns about "potentially widespread violations of the federal securities laws by municipal issuers and underwriters of municipal securities in connection with certain representations about continuing disclosures in bond offering documents."¹ Under the MCDC Initiative, the SEC requested municipal securities issuers and underwriters to self-report material false certifications of compliance in bond offering documents.

While the deadline to self-report has passed, we expect the increased scrutiny on municipal securities to continue. The SEC has indicated that no issuer is too small to be involved in an enforcement action. Fines and penalties for violations uncovered after the deadline for self-reporting may be significant. Because your organization issues public debt, we recommend that you take a close look at your policies and procedures to ensure that you are in compliance with what is required.

In addition to the increased focus on official reporting requirements, issuers should also be aware that the SEC has been reviewing public statements made by government officials during its investigations. Following are selections from investigation report release no. 69516, which explain the SEC's views on this topic:

"Public officials should be mindful that their public statements, whether written or oral, may affect the total mix of information available to investors, and should understand that these public statements, if they are materially misleading or omit material information, can lead to potential liability under the antifraud provisions of the federal securities laws."

"Investors may be more likely to rely upon statements from public officials where written undertakings made pursuant to Rule 15c2-12 have not been fulfilled and required continuing disclosures are not available through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system."

"In this Report, the term "public official" means elected officials, appointed officials, and employees, or their functional equivalents, of any State, municipality, political subdivision or any agency of instrumentality thereof."

We recommend that your debt policies and procedures incorporate adequate training to ensure that all public officials understand their specific responsibilities in this area.

¹ SEC website, Division of Enforcement

INFORMATIONAL POINTS (cont.)

GASB 67 AND 68

The Wisconsin Department of Employee Trust Funds sent an Employer Bulletin ("Bulletin") to all Wisconsin Retirement System Employers related to the new GASB pension reporting requirements. The Bulletin was dated December 1, 2014 (Vol.31, No. 16).

As noted in the Bulletin, GASS 67 affects the Wisconsin Retirement System ("WRS" or "the Plan") for its year ended December 31, 2014. GASB 68 affects the employers participating in the Plan. GASB 68 will affect your organization as of December 31, 2015.

WRS has represented that it will provide general information necessary for employers to implement GASB 68. There will be a significant impact on your financial statements including:

- > Your organization's proportionate share of the WRS's net pension asset or liability will be reported in your full-accrual funds and the government-wide financial statements for the first time.
- > The net pension asset or liability should be allocated to the full-accrual funds that are expected to make payments toward this liability.
- > The footnote disclosures will have significant changes.

We are available to assist you with the implementation of this new standard. **We are currently in the process of complying with this standard. Reports have been prepared prior to fieldwork which will be in March.**

WISCONSIN ACT 274/IMPLEMENTATION

During 2013 the Wisconsin legislature passed Act 274 which revised the law applicable to residential tenants' delinquent utility charges. This legislation preserved the ability of municipal utilities to use the tax roll for collecting delinquent utility charges; however, there are some new requirements that the utility will need to comply with in order to utilize this collection method for residential tenant accounts. The requirements include additional disclosures and notifications to property owners (landlords). At this time, management should consider if the billing system can be used to enhance the efficiency of these notifications as well as the data required for amounts ultimately transferred to the tax roll. Additional information on this legislation can be found at [http://www.lwm-info.org/vertical/sites/%7S92F70640-E25A-4317-90AD-4976378A8F80%7D/uploads/2013 Wisconsin Act 274 FAQ Packet.pdf](http://www.lwm-info.org/vertical/sites/%7S92F70640-E25A-4317-90AD-4976378A8F80%7D/uploads/2013%20Wisconsin%20Act%20274%20FAQ%20Packet.pdf).

PRIOR YEAR POINTS

PURCHASING POLICY (PER 12/31/13 LETTER)

Currently, the city does not have a formal purchasing policy but uses the requirements of state statutes as a guideline. A written policy is important so that all city personnel are aware of the requirements and can apply them consistently. We recommend that the city develop a formal, written purchasing policy.

Status (12/31/14)

The city is in process of creating a formal purchasing policy.
The Finance Committee and Common Council has approved the City's Purchasing Policy in January, 2016

PRIOR YEAR POINTS (cont.)

INVESTIGATE ACCOUNTABILITY FOR BANK ACCOUNTS (PER 12 B1/ 13 LETTER)

During our testing of cash, we noted an account on the city's books for which no activity has been recorded for several years. This account was not material to the financial statements as a whole; however, we recommend management investigate the nature of this account to understand if it should be recorded on the city's books. In addition, if this account should be on the city's books, controls should be put in place to monitor and reconcile the activity related to this cash account. If this account is not a city bank account, it should not be using the city's federal identification number and should not be appearing on the city's bank confirmation.

Status {12 B1/ 14}

This recommendation still applies. **The account in question is held at PNC Bank. It "belongs" to the Police Department Auxiliary and Officer Kamolov is working with the Branch Manager to get the account name changed.**

SPECIAL ASSESSMENTS (PER 12 B1/ 13 LETTER)

The city maintains detailed records by parcel number of special assessments owed to the city by two separate methods, a spreadsheet for older assessments and a subsidiary ledger within the general ledger system for newer assessments. During our review of the excel listing, it was noted that several parcels had prepaid their special assessment before it was officially assessed and recorded as a receivable and thus, these parcels have credit balances on the excel listing. As these have now been officially assessed and recorded in the subsidiary ledger, these parcels should be reviewed to determine if their outstanding balances are correct.

Status (12 B1114)

This recommendation still applies. **In 2015, the City upgraded the Special Assessment program and at that time, all of the older assessments that had been documented on Excel Spreadsheets were imported into the new system.**

TAX INCREMENTAL FINANCING DISTRICT (TID) BUDGETS (PER 12 B1/ 13 LETTER)

Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds. The city currently does not budget for its TIO on an annual basis. We recommend that the city include the TIO in its annual budget process.

Status (12 B1114)

This recommendation still applies.

CAPITALIZATION THRESHOLD (PER 12 B1/ 13 LETTER)

The city will be undertaking a large project to construct a new municipal building, including police and fire facilities over the course of the next two years. This is the ideal time to revisit your capitalization thresholds so that the efforts involved in tracking the new assets do not outweigh the benefits derived. The city does not have a written capitalization policy as noted below in the "Prior Year Points" section. The city's unwritten policy has been to capitalize any general capital assets over \$1,000 for financial reporting purposes. Raising the capitalization threshold does not mean that you need to stop tracking assets below the threshold for insurance or other purposes. It simply means that items below the threshold will not be tracked for financial reporting purposes for the audit. We recommend that the city consider raising its capitalization threshold, either on a going-forward basis or retroactively.

Status (12 B1114)

PRIOR YEAR POINTS (cont.)

The city approved raising the capitalization threshold to \$5,000 effective January 1, 2014. This comment is resolved.

PRIOR YEAR POINTS (cont.)

SEWER EQUIPMENT REPLACEMENT RESERVE ACCOUNTS (PER 12/31/13 LETTER)

The city received a grant from the Department of Natural Resources (DNA) several years ago which was used to construct a sewer collection system. Under terms of the DNA grant agreement, the city must maintain a replacement fund to be used toward the purchase of replacement mechanical equipment or major mechanical repair, as necessary. Funds are to be deposited at least annually into a separate and distinct account to be used exclusively for replacement. The amount to be deposited is determined based on a replacement schedule which is developed and updated periodically by the city based on an estimate of future expenditures for equipment replacement that will be necessary to maintain the facility's capacity throughout its design life of 20 years.

A few years ago, separate cash accounts were established for these replacement funds. Each year, the city administrator, city clerk/treasurer and city engineer review the sewer replacement schedule to determine how much should be set aside for replacement. However, deposits for these amounts into the separate cash accounts have not been made for several years.

Status (12/31/14)

During 2014, Ehlers and Associates conducted an analysis for the city that showed the city had overfunded the replacement account. For financial reporting purposes, the newly calculated amount of restricted cash and restricted net position is shown on the financial statements. We recommend that the city transfer funds annually to a separate cash account to better segregate these funds so that they are not spent for other purposes.

GENERAL LEDGER UPDATING OF SUBSIDIARY LEDGERS (PER 12/31/13 LETTER)

During our audit, we noted that certain subsidiary ledgers were not being updated properly and/or timely to the general ledger throughout the year. This includes the subsidiary ledgers for Utility Billing and District Improvements (used for special assessments tracking). This can lead to a number of problems including improper assessment of penalties on accounts and incomplete reports, such as those that are prepared during budget time. Assistance from general ledger support was necessary to get the transactions properly posted and in a condition where we could audit the records. We recommend that city personnel work with general ledger support to understand the proper way to perform these updates.

Status (12/31/14)

This recommendation still applies. **Monthly the subsidiary ledgers are reconciled and balanced to Zero. The only ledger that doesn't "zero" out monthly is Accounts Payable – it is in accrual mode and during that time it carries a balance. Once we switch the accounting system back to cash basis, the ledger does zero out and is again balanced/reconciled monthly.**

FUTURE FINANCIAL PLANNING (PER 12/31/13 LETTER)

Long-term financial planning is an important part of managing the city's finances and contributing to the long-term success of the city. Due to recent new borrowings, on-going capital projects, and the activity of the existing TIDs, we recommend a financial projection be done at this time to determine the effects on fund balances (general, debt service, and capital projects) and advances to the TIDs.

Status (12/31/14)

This recommendation still applies.

PRIOR YEAR POINTS (cont.)

TAX INCREMENTAL FINANCING DISTRICT (TIO) COMPLIANCE AUDIT (PER 12/13/13 LETTER)

The city presently has one TIO which is reported as a capital projects fund in the financial statements.

In addition to the annual financial statement audit coverage, the district is also required by state statutes to have separate audits throughout its lifetime of up to 27 years. These are known as TIO compliance audits and are required at the following times:

1. After 30% of the project expenditures (in the project plan) are made.
2. After the end of the expenditure period.
3. After the termination of the district.

Each of the audits described contains three separate areas of coverage:

1. Financial audit of the district from date of creation through the applicable date.
2. Compliance of the district with the approved project plan (and amendments) .
3. Compliance of the district with state statutes.

TIO No.3 has expended more than 30% of its project expenditures noted in the project plan and is due for its first compliance audit as discussed *above*. The city planned to have this audit completed in 2012.

Status (12/13/14)

The required audit has not been completed.

IDENTITY THEFT PREVENTION PROGRAM (PER 12/13/13 LETTER)

New federal rules require that entities that bill regularly for services develop and implement an Identity Theft Prevention Program. The Program, popularly referred to as the "Red Flag Rules" must include reasonable policies and procedures for detecting, preventing, and mitigating customer identity theft. Under the Red Flag Rules, creditors such as municipalities and utilities must develop a written program that identifies and detects the relevant warning signs, or "red flags", of identity theft. These may include, for example, unusual account *activity*, fraud alerts on a consumer report, or attempted use of suspicious account application documents. The program must also describe appropriate responses that would prevent and mitigate the crime and detail a plan to update the program. The program must be managed by the Governing Body or senior employees of the entity and include appropriate staff training.

The compliance date was originally November 1, 2008, but was extended to December 31, 2010. It is our understanding that you have not yet adopted a policy to comply. We recommend you do so as soon as possible. Sample policies are available from many statewide associations and other sources.

Status (12/13/14)

The city adopted an ordinance in 2014 regarding identity theft protection. This comment is resolved.

PRIOR YEAR POINTS (cont.)

TAX INCREMENTAL FINANCING DISTRICT (T/D) NO. 3 EXPENDITURE RECORDING (PER 12/31/13 LETTER)

Included in the city's financial statements is a TIO District capital project fund (TIO No. 3). Currently, all TIO project expenditures are being recorded into a single general ledger account on the city's books. State statutes require that the city prepare and make available to the public updated annual reports describing the status of each TIO, including expenditures and revenues. This report also includes a schedule reporting the actual costs to the plan estimate by project.

We recommend that the city set up a subsidiary record (preferably using separate general ledger accounts) to model the TIO project plan. This would allow the city to monitor its actual costs against the project plan. We also recommend that the city classify all previous capital outlay costs to the appropriate line item on the TIO No. 3 project plan.

Status (12/31/14)

The city is in the process of breaking these costs out in accordance with the TIO project plan cost categories.

LIBRARY REMODELING PROJECT (PER 12/31/13 LETTER)

In 2007, the city completed an extensive library remodeling project. However, no detailed listing of library additions was ever established. Currently, the total outlay has been recorded on the government-wide statement of net position and is being depreciated using a composite rate.

We recommend the city establish a detailed list of the library additions and enter them into the city's capital asset software.

Status (12/31/14)

The city has determined that the costs of doing this outweigh the benefits and will continue to depreciate the library remodeling on a composite basis. This comment is resolved.

CAPITALIZATION POLICY (PER 12/31/13 LETTER)

During our audit, we noted that the city has not developed a written capitalization policy for general capital assets or infrastructure assets. We feel that a written policy is important so that all city personnel are aware of the required elements and can apply them consistently. This is especially important in the event of an extended employee absence or employee turnover.

A comprehensive capital assets policy should include:

1. Capitalization thresholds.
2. Depreciable lives, considering: a) the length of time these assets have historically lasted, b) specific asset use, and c) industry guidelines. This information should be based on the city's experience with its assets. Current depreciable lives in use should be re-evaluated as part of this process.

PRIOR YEAR POINTS (cont.)

CAPITALIZATION POLICY (PER 12/13/13 LETTER) (cont.)

3. Defining what qualifies as a capital item versus an expense.

GASS No. 34 requires the following reporting requirements for users of the depreciation method:

- > Maintenance costs - Expense
- > Preservation costs - Capitalize
- > Additions - Capitalize
- > Improvements - Capitalize
- > Ancillary costs - Capitalize
- > Interest during construction - Expense

4. Depreciation method for the various types of assets (i.e., straight-line.)

5. Salvage value (if any) for various types of assets. We recommend that the city develop a capital asset policy. .

Status {12/13/14}

The city is in process of creating a formal capitalization policy. **Staff is working on a Capital Asset Policy to present to the Finance Committee for approval**

GENERAL JOURNAL ENTRIES (PER 12/13/13 LETTER)

In most accounting systems, there are only four ways financial information is input into the financial records. They are posting of receipts, posting of disbursement, interfacing of payroll and billing systems and by general journal entries. Typically, general journal entries are used to adjust the financial records for errors that may occur in the processing of financial information. They can also be used to allocate costs or revenues to other funds.

It is important that any of these forms of entry be supported by source documentation such as receipts, vouchers for payment, timesheets, payroll printouts and billing invoices. It is equally important for source documentation to exist for general journal entries and that such documentation be maintained in a manner that is easily accessible and can also become a permanent record of the city's financial records.

During our audit, we reviewed numerous general journal entries. Most of the entries were adequately explained and contained adequate documentation to support the journal entry; however, for some entries, supporting documentation could not be readily located.

We recommend that the city enhance their general journal entry form to include a description of the source documentation that supports the entry, if it is not attached to the entry itself. The city should also consider a procedure where an individual other than the individual making the entry approve the adjustment. This would provide for more control over this type of entry.

Status {12/13/14}

This recommendation still applies.

Documentation for Journal Entries is included in the binder in the month the entry was made. Bank Statements are kept in a separate binder that would show interest earned, bank charges, etc. that are the basis for journal entries. City Administrator Rhode reviews all entries monthly and signs off on them.

~~PRIOR YEAR POINTS (cont.)~~

ACCOUNTING, AUDITING, AND OUR ROLE AS AUDITORS (PER 12B1113 LETTER)

We are often asked by our clients to discuss what condition the "books" are in, and what our role is as your audit firm. We believe that it is important for the governing body to be informed about such matters.

The following section describes your accounting process in general terms and the ways in which we work with your staff.

During the audit, we provided assistance to your city by recording various adjustments and reclassifications to your records.

All of these changes are reflected properly in your audited financial statements. A copy of the changes (AJE's) has been provided to your staff.

Because we are providing assistance to your staff by making changes to your financial information, you should be aware of our efforts. Many of our clients rely on us to make year end adjustments as we have described. In many cases, we have the experience or expertise to compute and make corrections to your records. Such expertise may not exist within your employee group. We work with many clients every year on similar issues, so it may be more *efficient* for you to have us do some of the one-time adjustments rather than your staff spending hours researching the proper adjustment. Examples of these adjustments include tax roll settlements and advance refunding transactions related to long-term debt.

We are communicating this information to you to give you a better understanding of what we do and how the year end process works. Our job as auditors is to bring in an outside perspective and provide a level of comfort that your books are materially correct and accurately reflect the financial activity for the year. However, in many cases, our services go beyond auditing. Our experience and training can provide a very cost-effective means of providing the year end accounting assistance that you need.

Please be aware that as you receive monthly budget reports, you need to consider whether any of the changes we make at year end have an impact on your interim reports. If there is an impact, it will affect the process you use internally to make estimates for your following year's budget.

Many of our clients receive monthly reports that do not include receivables and payables. As long as you budget for 12 months of income and expense, you should be able to establish a proper budget.

In summary, each of our clients depends on us for services and support in a unique way. We hope that by providing this information on what we do, you will have a better understanding of our role, and the various ways that we work with your staff.

Status (12B1114)

This communication still applies.

PRIOR YEAR POINTS (cont.)

ACCOUNTS RECEIVABLE (PER 12/31/13 LETTER)

The city currently has many old, and potentially uncollectible accounts receivable being carried on the city's books. Carrying receivables as assets which have a low likelihood of collection overstates the city's financial position.

We recommend that city personnel review the list of outstanding accounts receivable to determine collectibility. Amounts that are collectible should be pursued for collection and amounts that are uncollectible should be written off the books by a council resolution.

Writing off an account from the books does not mean collection attempts should cease if the city feels such efforts are cost justified. Collection attempts should continue for those amounts still deemed to be collectible. However, writing off uncollectible accounts will improve the accuracy of the city's financial position and make monthly accounting procedures more efficient.

Status (12/31/14)

This recommendation still applies. **The Finance Committee and the Common Council approved the write-off of the old Accounts Receivable at the January 19, 2016 meetings.**

DELINQUENT PERSONAL PROPERTY TAXES (PER 12/31/13 LETTER)

The city currently has outstanding a number of delinquent personal property taxes for which the likelihood of collection appears low. These delinquent personal property taxes should be reviewed and collection attempts pursued as is determined to be appropriate. Any amounts determined to be uncollectible should be written off by a city council resolution.

Per Wisconsin state statute 74.55, all uncollectible delinquent personal property taxes receivable to the city that are older than six years, dating from January 1 of the year due, are uncollectible and should be written off.

We recommend that the city write off all delinquent personal property that are from tax rolls prior to 2007 and review any outstanding bills from the 2007 tax roll to the present to determine if any of the receivables are also uncollectible. Writing off an account from the books does not mean collection attempts should cease if the city feels such efforts are cost justified. Collection attempts should continue for those amounts still deemed to be collectible.

Status (12/31/14)

Write offs through 2006 were done in early 2015.