



**AGENDA
BELOIT CITY COUNCIL
100 State Street, Beloit WI 53511
City Hall Forum – 7:00 p.m.
Monday, July 6, 2015**

1. CALL TO ORDER AND ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. SPECIAL ORDERS OF THE DAY/ANNOUNCEMENTS
4. PUBLIC HEARINGS
 - a. Resolution authorizing an amended **Conditional Use Permit** to allow expanded Contractor Office & Storage Yard uses in a DH, Development Holding District, for property located at 2100 Newark Road (Christensen)
Plan Commission recommendation for approval 7-0
 - b. Resolution authorizing a **Conditional Use Permit** to allow a Rooming House in a C-1, Office District, for the property located at 1105 East Grand Avenue (Christensen)
Plan Commission recommendation for approval 6-0-1
 - c. Public Hearing to Solicit Input on the Community Development, Housing, and Homeless needs in the City for Inclusion in the **2016 Annual Action Plan** and Resolution approving 2016 Community Development Block Grant (CDBG) Local Funding Priorities (Christensen)
5. CITIZEN PARTICIPATION
6. CONSENT AGENDA

All items listed under the Consent Agenda are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which event the item will be removed from the General Order of Business and considered at this point on the agenda.

- a. Approval of the **Minutes** of the regular meeting of June 15th and special meeting of June 22, 2015
- b. Application for a **Class "A" Beer License** for, Dave's Bait & Tackle, 901 Bayliss Avenue, David C. Huyck, Owner (Stottler) Refer to ABLCC
- c. Resolution placing **Advisory Referendum** question on April 5, 2016 Ballot (Stottler)
- d. Resolution setting a date for a public hearing for the **Vacation** of Tuck-A-Way Lane Right-of-way in the City of Beloit, Rock County, Wisconsin (Christensen) Accept and Refer to Plan Commission
- e. Proposed Ordinance to amend Sections 30.17(1)(b)2, (b)3, (b)6 and (b)7a of the Code of General Ordinances of the City of Beloit pertaining to **Electronically Variable-Message Signs** (Christensen) Refer to Plan Commission

- 7. ORDINANCES – none
- 8. APPOINTMENTS – none
- 9. COUNCILOR ACTIVITIES AND UPCOMING EVENTS
- 10. CITY MANAGER’S PRESENTATION
 - a. Presentation “**Hearing Loops Program**” (Dimassis)
 - b. 2014 **Audit Report** (Miller)

11. REPORTS FROM BOARDS AND CITY OFFICERS

12. ADJOURNMENT

** Please note that, upon reasonable notice, at least 24 hours in advance, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information to request this service, please contact the City Clerk’s Office at 364-6680, 100 State Street, Beloit, WI 53511.

Dated: July 1, 2015
Lorena Rae Stottler
City Clerk
City of Beloit
www.beloitwi.gov

You can watch this meeting live on Charter PEG digital channel 992. Meetings are rebroadcast during the week of the Council meeting on Tuesday at 1:00 p.m.; Thursday at 8:30 a.m.; and Friday at 1:00 p.m.

**RESOLUTION AUTHORIZING AN AMENDED CONDITIONAL USE PERMIT
TO ALLOW EXPANDED CONTRACTOR OFFICE & STORAGE YARD USES
IN THE DH, DEVELOPMENT HOLDING DISTRICT,
FOR THE PROPERTY LOCATED AT 2100 NEWARK ROAD**

WHEREAS, the application of Steven Franks of 3 Franks Services LLC for an amended Conditional Use Permit (CUP) to allow expanded Contractor Office & Storage Yard uses in the DH, Development Holding District, for the property located at 2100 Newark Road, having been considered by the City Council of the City of Beloit, Wisconsin at a public hearing held for that purpose and due notice of said hearing having been given by publication as appears by the Proof of Publication on file in the office of the City Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT, the City Council of the City of Beloit, Rock County, Wisconsin does hereby grant an amended Conditional Use Permit to allow expanded Contractor Office & Storage Yard uses in the DH, Development Holding District, for the property located at 2100 Newark Road in the City of Beloit, for the following described premises:

Lot 1 of a Certified Survey Map as recorded in Volume 9 on Pages 230 & 231 and Lot 1 of a Certified Survey Map as recorded in Volume 12 on Pages 32 & 33 of the Certified Survey Maps of Rock County, located in the City of Beloit, County of Rock, State of Wisconsin. Said parcel contains 11.25 acres, more or less.

As a condition of granting the amended Conditional Use Permit, the City Council does hereby stipulate the following conditions and restrictions upon the Conditional Use, which are hereby deemed necessary for the public interest:

1. The conditions imposed on the applicant's 2014 CUP remain in full force and effect.
2. This amended CUP allows a 3,000 square-foot addition to an existing storage/shop building, along with temporary use of a converted manufactured home that will be used as office space during the construction process.
3. The temporary office use shall be discontinued when the building addition has been completed or in three years following approval, whichever occurs first. Gravel areas shall be paved at the conclusion of this project.
4. The applicant may continue to rent the existing single-family dwelling, but must maintain a Rental Dwelling Permit.
5. The applicant shall obtain an Architectural Review Certificate, a Certificate of Zoning Compliance, and a Building Permit prior to beginning construction of the building addition.
6. Any major changes in the adopted conditions or use of the property shall be approved by the Plan Commission and City Council by amending this Conditional Use Permit. The Director of Planning & Building Services may approve minor changes administratively.

Adopted this 6th day of July, 2015.

BELOIT CITY COUNCIL

Charles M. Haynes, Council President

ATTEST:

Lorena Rae Stottler, City Clerk

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL

Topic: Application for an Amended Conditional Use Permit for the property located at 2100 Newark Road

Date: July 6, 2015

Presenter(s): Julie Christensen

Department: Community Development

Overview/Background Information:

Steven Franks of 3 Franks Services LLC has filed an application to amend an existing Conditional Use Permit (CUP) to allow expanded Contractor Office & Storage Yard uses in the DH, Development Holding District, for the property located at 2100 Newark Road.

Key Issues (maximum of 5):

- On April 7, 2014, the City Council authorized a CUP to allow the applicant to operate his asphalt paving business on the subject property. This CUP followed a staff-initiated Zoning Text Amendment to add “contractor offices & storage yards” to the list of conditional uses in the DH District.
 - The applicant purchased the subject property in May 2014, and began a substantial clean-up operation. The prior owners operated a trash hauling business, and old aerial photos indicate the presence of large quantities of trash & debris, old tires, junk recreational vehicles, and miscellaneous items. The applicant has removed and properly disposed of these items.
 - The applicant has proposed the construction of a 3,000 square-foot office & storage addition to an existing storage/shop building, along with temporary use of a converted manufactured home that will be used as office space during the construction process. The applicant will continue to rent the house as a single-family dwelling.
 - The proposed project is considered a major change in the use of the property under condition #5 of the 2014 CUP, and requires Plan Commission and City Council approval of an amended CUP. The applicant’s existing 2014 CUP is attached. Planning staff has inspected the subject property and has verified compliance with conditions 2 & 3.
 - The Plan Commission reviewed this item on June 17, 2015 and voted unanimously (7-0) to recommend approval of the amended Conditional Use Permit, subject to the conditions recommended by Planning staff.
-

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City’s mission.):

- Consideration of this request supports Strategic Goal #5.
-

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- Reduce dependence upon fossil fuels – N/A
 - Reduce dependence on chemicals and other manufacturing substances that accumulate in nature – N/A
 - Reduce dependence on activities that harm life sustaining eco-systems – N/A
 - Meet the hierarchy of present and future human needs fairly and efficiently – N/A
-

Action required/Recommendation:

- City Council consideration and action on the proposed Resolution
-

Fiscal Note/Budget Impact: N/A

Attachments: Resolution and Staff Report to the Plan Commission

CITY OF BELOIT

REPORT TO THE BELOIT CITY PLAN COMMISSION

Meeting Date: June 17, 2015

Agenda Item: 4

File Number: CU-2015-05

Applicant: Steven Franks

Owner: 3 Franks Services LLC

Location: 2100 Newark Road

Existing Zoning: DH, Development Holding District

Existing Land Use: Contractor Office & Storage Yard

Parcel Size: 11.25 Acres

Request Overview/Background Information:

Steven Franks of 3 Franks Services LLC has filed an application to amend an existing Conditional Use Permit (CUP) to allow expanded Contractor Office & Storage Yard uses in the DH, Development Holding District, for the property located at 2100 Newark Road.

Key Issues:

- On April 7, 2014, the City Council authorized a CUP to allow the applicant to operate his asphalt paving business on the subject property. This CUP followed a staff-initiated Zoning Text Amendment to add “contractor offices & storage yards” to the list of conditional uses in the DH District.
- The applicant purchased the subject property in May 2014, and began a substantial clean-up operation. The prior owners operated a trash hauling business, and old aerial photos indicate the presence of large quantities of trash & debris, old tires, junk recreational vehicles, and miscellaneous items. The applicant has removed and properly disposed of these items.
- The applicant has proposed the construction of a 3,000 square-foot office & storage addition to an existing storage/shop building, along with temporary use of a converted manufactured home that will be used as office space during the construction process. The applicant will continue to rent the house as a single-family dwelling.
- The proposed project is considered a major change in the use of the property under condition #5 of the 2014 CUP, and requires Plan Commission and City Council approval of an amended CUP.
- The subject property is located in a rural area surrounded by farmland, and is approximately ½ mile east of Townview School. The subject property is served by private well and septic, as no public utilities are available.
- The applicant’s existing 2014 CUP is attached. Planning staff has inspected the subject property and has verified compliance with conditions 2 & 3.
- A site sketch and application are attached to this report. The site sketch shows the location of the existing buildings, as well as the location of the proposed addition and temporary office. The site sketch also shows a recently approved driveway and proposed barn, although staff has advised the applicant that the barn must have a larger setback.
- The attached Public Notice was sent to the owner of the surrounding agricultural land, who did not comment.
- **Findings of Fact**

Based on Section 2-504 of the Zoning Ordinance, the Plan Commission shall make a recommendation based on the following considerations:

- a. *Whether the establishment, maintenance, or operation of the conditional use will be detrimental to or endanger the public health, safety, morals, comfort, or general welfare;*
 - The applicant’s operation does not and will not negatively impact the public.
- b. *Whether the conditional use will be injurious to the use and enjoyment of other property in the immediate vicinity for purposes already permitted;*
 - The applicant’s operation is compatible with surrounding agricultural uses, and staff has not received any complaints in the first year of operations.
 - The proposed expansion is in the middle of the 11-acre subject property and will not affect nearby properties.
- c. *Whether the conditional use will substantially diminish or impair property values within the neighborhood of the subject property;*
 - On the contrary, the continued improvement of this previously blighted parcel is likely to enhance property values within the area.
- d. *Whether the establishment of the conditional use will impede the normal and orderly development and improvement of the surrounding property;*
 - The subject property is located in a rural area that is not facing any noticeable development pressure at this time.
- e. *Whether the exterior architectural design or site layout of the proposed conditional use is so dissimilar*

or otherwise incompatible with existing or proposed development in the immediate neighborhood that it will cause a depreciation in property values;

- Detailed building elevations & materials will be reviewed by staff during Architectural Review.
- f. *Whether adequate utilities, access roads, drainage or other necessary facilities will be available to serve the proposed use at the time of its occupancy or use;*
 - The proposed building addition will utilize the existing on-site septic and private well systems.
- g. *Whether adequate measures will be taken to minimize traffic congestion; and*
 - The proposed expansion will not cause an appreciable increase in traffic.
- h. *Whether the conditional use will comply with all applicable regulations of the Zoning Ordinance.*
 - The conditional use will comply with all other applicable regulations of the Zoning Ordinance.

Consistency with Comprehensive Plan and Strategic Plan:

The Comprehensive Plan's Future Land Use Map recommends Planned Neighborhood uses of the subject property. This recommendation is intended to guide the long-term development of this entire area of the City, and is not relevant to this particular land use application. Consideration of this request supports City of Beloit Strategic Goal #5.

Sustainability:

- **Reduce dependence upon fossil fuels** – N/A
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature** – N/A
- **Reduce dependence on activities that harm life sustaining eco-systems** – N/A
- **Meet the hierarchy of present and future human needs fairly and efficiently** – N/A

Staff Recommendation:

The Planning & Building Services Division recommends **approval** of an amended Conditional Use Permit (CUP) to allow expanded Contractor Office & Storage Yard uses in the DH, Development Holding District, for the property located at 2100 Newark Road, based on the above Findings of Fact and subject to the following conditions:

1. The conditions imposed on the applicant's 2014 CUP remain in full force and effect.
2. This amended CUP allows a 3,000 square-foot addition to an existing storage/shop building, along with temporary use of a converted manufactured home that will be used as office space during the construction process.
3. The temporary office use shall be discontinued when the building addition has been completed or in three years following approval, whichever occurs first. Gravel areas shall be paved at the conclusion of this project.
4. The applicant may continue to rent the existing single-family dwelling, but must maintain a Rental Dwelling Permit.
5. The applicant shall obtain an Architectural Review Certificate, a Certificate of Zoning Compliance, and a Building Permit prior to beginning construction of the building addition.
6. Any major changes in the adopted conditions or use of the property shall be approved by the Plan Commission and City Council by amending this Conditional Use Permit. The Director of Planning & Building Services may approve minor changes administratively.

Fiscal Note/Budget Impact: N/A

Attachments: Location & Zoning Map, Photos, 2014 CUP, Site Sketch, Application, and Public Notice.

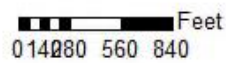
Location & Zoning Map

2100 Newark Road

CU-2015-05



1 inch = 933 feet



Legend

- City Limits
- Zoning District

Map prepared by: Drew Pennington, AICP
 Date: June 2015
 For: City of Beloit Planning & Building Services
 Date of Aerial Photography: March 2011

PLANNING & BUILDING SERVICES DIVISION

Owner Information

Parcel Number: 12280100
Owner Type: Organization
Owner Name: 3FRANKS SERVICES LLC
2100 NEWARK RD
BELOIT, WI 53511

Site Information

2100 NEWARK RD
BELOIT, WI 53511
Tax Status: Taxable
Property Use: A-Residential
Land Use: Single Family Residential
Neighborhood: Northwest
Legal Description: L 1 CSM VOL 9 PGS 230 & 231 AND L 1 CSM VOL 12 PGS 32 & 33
Acreage: 11.25
School District: Beloit School District
Zoning Classification: DH-Development Holding
Prior Year Equalized Value: \$171,500
Voting Ward: 1

11560010
156.98

22

NEWARK RD

12280100
11.25

City of Beloit

12210010
78

12280010
67.6

12280010
67.6

22

City of Beloit

12210010
78



City of Beloit, WI
Date Printed: June 11, 2015

This map is for illustrative purposes only and does not represent a survey. It is provided 'as is' without warranty or any representation of accuracy, timeliness or completeness. The user acknowledges and accepts all inherent limitations of the maps and data, including the fact that the maps and data are dynamic and in a constant state of maintenance, correction and revision. No liability is assumed by City of Beloit as to the accuracy of the data delineated herein.



FILE# 8634
APR 7 2014
CITY OF БЕЛОIT
CITY CLERK

**RESOLUTION
AUTHORIZING A CONDITIONAL USE PERMIT TO ALLOW CONTRACTOR OFFICE &
STORAGE YARD IN A DH, DEVELOPMENT HOLDING DISTRICT,
FOR THE PROPERTY LOCATED AT 2100 NEWARK ROAD**

WHEREAS, the application of 3 Franks Services, LLC for a Conditional Use Permit to allow contractor office & storage yard in a DH, Development Holding District, for the property located at 2100 Newark Road, having been considered by the City Council of the City of Beloit, Wisconsin at a public hearing held for that purpose and due notice of said hearing having been given by publication as appears by the Proof of Publication on file in the office of the City Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT, the City Council of the City of Beloit, Rock County, Wisconsin does hereby grant a Conditional Use Permit to contractor office & storage yard repair in a DH, Development Holding District, for the property located at 2100 Newark Road in the City of Beloit, for the following described premises:


Lot 1 of Certified Survey Map Volume 9, Pages 230 & 231 and Lot 1 of Certified Survey Map Volume 12, Pages 32 & 33, all situated in the City of Beloit, County of Rock, State of Wisconsin (a/k/a 2100 Newark Road). Said parcel contains 11.25 acres, more or less.

As a condition of granting the Conditional Use Permit, the City Council does hereby stipulate the following conditions and restrictions upon the Conditional Use, which are hereby deemed necessary for the public interest:

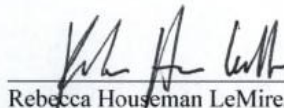
1. This Conditional Use Permit authorizes the use of a contractor's office and storage yard.
2. The applicant shall create a parking area that is set back further than the rental/office building that has a minimum of six (6) parking stalls. The applicant shall stripe the lot in accordance with Section 8-113 of the Zoning Ordinance by June 1, 2014.
3. The applicant shall pave the existing driveway by June 1, 2014.
4. The applicant shall maintain the existing trees on site. Any proposed changes must be approved by Planning Staff with the submittal of a Landscaping Plan.
5. Any major changes in the adopted conditions or use of the property shall be approved by the Plan Commission and City Council by amending this Conditional Use Permit. The Director of Planning & Building Services may approve minor changes administratively.

Adopted this 7th day of April 2014.

BELOIT CITY COUNCIL

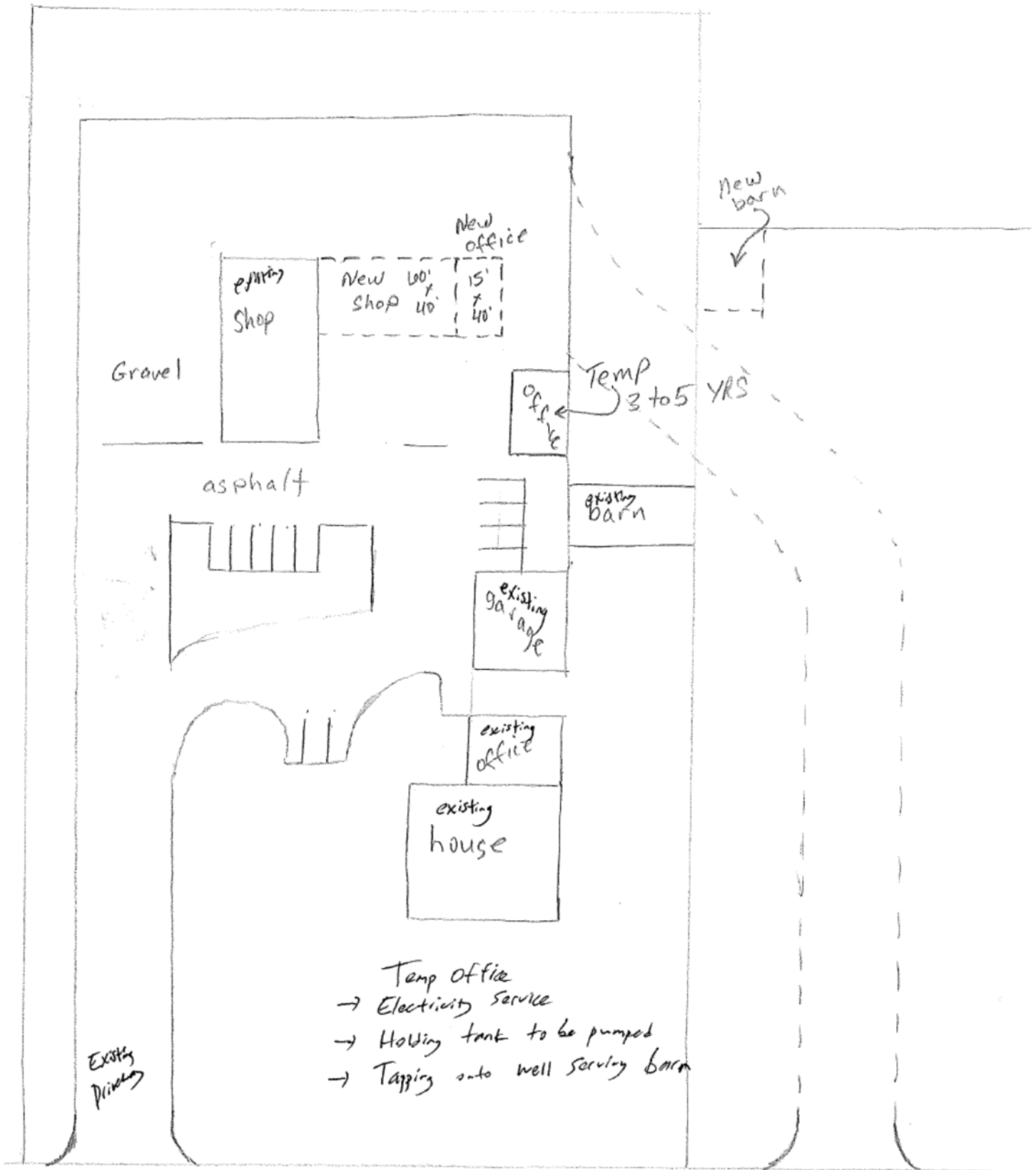

Charles M. Haynes, Council President

ATTEST:


Rebecca Houseman LeMire, City Clerk

Steve Franks

3 Franks Services LLC.



2100 Beloit Newark Rd

CITY of BELOIT

Planning and Building Services Division

100 State Street, Beloit, WI 53511 Phone: (608) 364-6700 Fax: (608) 364-6609

Conditional Use Permit Application

(Please Type or Print)

File Number: CU-2015-05

1. Address of subject property: 2100 Beloit Newark Rd

2. Legal description: _____

If property has not been subdivided, attach a copy of the complete legal description from deed.

Property dimensions are: _____ feet by _____ feet = _____ square feet.

If more than two acres, give area in acres: _____ acres.

3. Tax Parcel Number(s): 12280100

4. Owner of record: 3 Franks Services LLC phone: 608-365-4608

2100 Beloit Newark Rd Beloit WI 53511
(Address) (City) (State) (Zip)

5. Applicant's Name: Steven Franks

1000 S Paddock Rd Beloit WI 53511
(Address) (City) (State) (Zip)

608-365-4608 | 1 608-295-3490 | asphalt501@yahoo.com
(Office Phone #) (Cell Phone #) (E-mail Address)

6. All existing use(s) on this property are: 1 single family home -
business offices, shop & storage facility

7. **THE FOLLOWING ACTION IS REQUESTED:**

A Conditional Use Permit for: Amended CUP for contractor office & storage
_____ in a(n) DH _____ Zoning District.

8. All the proposed use(s) for this property will be:

Principal use: Business Shop, office space, & Storage
facility

Secondary use: Horses

Accessory use: _____

9. Project timetable: Start date: 6-30-15 asap Completion date: ?

10. I/We) represent that I/we have a vested interest in this property in the following manner:

- Owner
 Leasehold, length of lease: _____
 Contractual, nature of contract: _____
 Other, explain: _____

The applicant's signature below indicates the information contained in this application and on all accompanying documents is true and correct.

I/We, the undersigned, do hereby respectfully make application for and petition the City Plan Commission and City Council to grant the requested action for the purpose stated herein. I/We represent that the granting of the proposed request will not violate any of the required standards of the Zoning Ordinance of the City of Beloit. I/We also agree to abide by all applicable federal, state and local laws, ordinances, rules, and regulations.

Steven D Franks / Steven D Franks / 5/22/2015
 (Signature of Owner) (Print name) (Date)

 (Signature of Applicant, if different)

 (Print name)

 (Date)

In order for your request to be heard and considered in a timely manner, you must submit the completed application, and all accompanying documents, to the Planning and Building Services Division for acceptance by the filing deadline date prior to a scheduled Plan Commission meeting.

This application must be submitted with one copy of a scaled drawing showing the layout of the proposed development in accordance with all code requirements, and the \$275.00 application fee. Applicants will also be charged a fee for mailing public notices at the rate of \$0.50 per notice. An invoice for this fee will be sent to the applicant and these costs are typically between \$5.00 and \$15.00.

To be completed by Planning Staff

Filing fee: **\$275.00** Amount paid: \$275.00 ^{61c} Meeting date: June 17, 2015

No. of notices: _____ x mailing cost (\$0.50) = cost of mailing notices: \$ _____

Application accepted by: D. Perry Date: 5/22/15



NOTICE TO THE PUBLIC

June 3, 2015

To Whom It May Concern:

Steven Franks of 3 Franks Services LLC has filed an application to amend an existing Conditional Use Permit (CUP) to allow expanded Contractor Office & Storage Yard uses in the DH, Development Holding District, for the property located at:

2100 Newark Road.

The applicant is currently operating his asphalt paving business at this location in accordance with a 2014 CUP. The applicant has proposed the construction of a 3,000 square-foot addition to an existing storage/shop building, along with temporary use of a converted recreational vehicle that will be used as office space during the construction process. The proposed project is considered a major change in the use of the property, and requires Plan Commission and City Council approval of an amended CUP.

The following public hearings will be held regarding this proposed Conditional Use Permit:

City Plan Commission: Wednesday, June 17, 2015, at 7:00 PM, or as soon thereafter as the matter can be heard in The Forum, Beloit City Hall, 100 State Street.

City Council: Monday, July 6, 2015, at 7:00 PM, or as soon thereafter as the matter can be heard in The Forum, Beloit City Hall, 100 State Street.

THE PUBLIC IS INVITED TO ATTEND THESE HEARINGS.

We are interested in your opinion.

Anyone bringing handouts to the Plan Commission meeting must bring ten (10) copies and submit them to the Recording Secretary before the meeting begins. Staff is unable to leave the meeting area to make copies.

For additional information, please contact Drew Pennington, AICP in the Planning & Building Services Division at (608) 364-6711 or penningtond@beloitwi.gov. Comments will be accepted via telephone, email, and U.S. Mail.

RESOLUTION AUTHORIZING A CONDITIONAL USE PERMIT TO ALLOW A ROOMING HOUSE IN A C-1, OFFICE DISTRICT, FOR THE PROPERTY LOCATED AT 1105 EAST GRAND AVENUE

WHEREAS, the application of Matt Finnegan of FPS Rental Inc., for a Conditional Use Permit (CUP) to allow a rooming house in a C-1, Office District, for the property located at 1105 East Grand Avenue, having been considered by the City Council of the City of Beloit, Wisconsin at a public hearing held for that purpose and due notice of said hearing having been given by publication as appears by the Proof of Publication on file in the office of the City Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT, the City Council of the City of Beloit, Rock County, Wisconsin does hereby grant a Conditional Use Permit to allow a rooming house in a C-1, Office District, for the property located at 1105 East Grand Avenue, in the City of Beloit, for the following described premises:

Lot 15 of Hubbards Addition except Northerly 57 feet in equal width and Easterly 50 feet.

As a condition of granting the CUP, the City Council does hereby stipulate the following restrictions upon the Conditional Use, which are deemed necessary for the public interest:

1. The property owner must obtain an annual rental permit from the Community and Housing Services Division.
2. The rental term lengths for sleeping room tenants will be monthly in order to help maintain stability in the neighborhood and to prevent common problems associated with renting by the week or day.
3. The applicant will provide at least three parking spaces designated by signs for residents and guests of the rooming house, regardless of future tenant car ownership rates.
4. The owner may rent a maximum of four sleeping rooms and one efficiency.
5. The rooming house will house a maximum of five persons, including the supervisor.
6. The applicant shall adhere to all regulations, including but not limited to those found in Section 7.32 of the Property Maintenance Code and Section 8.16 of the Plumbing Maintenance Code.
7. No signs of any type may be displayed on the property.
8. A transfer in property ownership will result in the immediate expiration of the CUP.
9. If the required parking spaces for tenants are provided on a property adjacent to 1105 East Grand Avenue, the applicant needs to provide Staff with a shared parking agreement
10. If City staff receives complaints stemming from the lack of on-site management from tenants, neighboring property owners, or elected or appointed City officials, staff reserves the right to re-review the conditions of this Conditional Use Permit with the Plan Commission and City Council.
11. Any major changed in the adopted conditions or use of the property shall be approved by the Plan Commission and City Council by amending this Conditional Use Permit. The Planning and Building Services Director may approve minor changes administratively.

Adopted this 6th day of July, 2015.

BELOIT CITY COUNCIL

Charles M. Haynes, Council President

ATTEST:

Lorena Rae Stottler City Clerk

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Conditional Use Permit Application for property located at 1105 E Grand Avenue

Date: July 6, 2015

Presenter(s): Julie Christensen

Department: Community Development

Overview/Background Information:

Matt Finnegan, on behalf of FPS Rental Inc., has filed an application for a Conditional Use Permit (CUP) to allow a rooming house in a C-1, Office District, for the property located at 1105 East Grand Avenue. The applicant is seeking a permit to establish and operate a rooming house consisting of four sleeping rooms as well as one efficiency apartment to house a property supervisor.

Key Issues:

- The applicant, Matt Finnegan, is seeking a permit to establish and operate a rooming house on the subject property. The house will consist of four, single-occupancy sleeping rooms and one efficiency apartment that will house a property supervisor.
- The applicant purchased the house approximately two years ago. The house has been vacant since the time of purchase.
- The proposed rooming house will have four sleeping rooms and one efficiency unit.
 1. The applicant anticipates providing a first-floor efficiency with private bath and laundry for an on-site supervisor. According to the applicant, the supervisor will be responsible for all aspects of the property.
 2. The four sleeping rooms, to be located on the second floor, will be furnished with beds and dressers at a minimum.
- The rental term for tenants of the sleeping rooms will be monthly. The tenant in the efficiency will not sign a lease and will be compensated for their supervisory duties through the provision of their apartment.
- Mr. Richard Douglas, a neighbor of the proposed rooming house, expressed concerns over the consequences of a change in property ownership. The Plan Commission mitigated this concern by adding a new condition. No other comments or concerns were received from the public regarding the proposed CUP.
- The Plan Commission reviewed this item on June 17, 2015 and voted (6-0-1) to recommend approval of the CUP, subject to the conditions recommended by Planning Staff and three new conditions listed below:
 1. No signs of any type may be displayed on the property.
 2. A transfer in property ownership will result in the immediate expiration of the CUP.
 3. If the required parking spaces for tenants are provided on a property adjacent to 1105 East Grand Avenue, the applicant needs to provide Staff with a shared parking agreement.

Conformance to Strategic Plan:

- Consideration of this request supports Strategic Goal #5.

Sustainability:

- **Reduce dependence upon fossil fuels** – N/A
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature** – N/A
- **Reduce dependence on activities that harm life sustaining eco-systems** – N/A
- **Meet the hierarchy of present and future human needs fairly and efficiently** – N/A

Action required/Recommendation:

- City Council consideration and action on the proposed Resolution.

Fiscal Note/Budget Impact: N/A

Attachments: Resolution, Staff Report to Plan Commission, and Existing Land Use Map

CITY OF BELOIT

REPORT TO THE BELOIT CITY PLAN COMMISSION

Meeting Date: June 17, 2015

Agenda Item: 5

File Number: CU-2015-04

Applicant: Matt Finnegan

Owner: FPS Rental, Inc.

Location: 1105 East Grand Avenue

Existing Zoning: C-1, Office District

Existing Land Use: Duplex-Two
Family (Vacant)

Parcel Size: .1837 Acre

Request Overview/Background Information:

Matt Finnegan, on behalf of FPS Rental Inc., has filed an application for a Conditional Use Permit to allow a rooming house in a C-1, Office District, for the property located at 1105 East Grand Avenue.

Key Issues:

- The applicant, Matt Finnegan, is seeking a permit to establish and operate a rooming house on the subject property. The house will consist of four, single-occupancy sleeping rooms and one efficiency apartment that will house a property supervisor.
- The attached **Location and Zoning Map** shows the location of the subject property and type of zoning in the surrounding area. The adjacent zoning and land uses are as follows:
 - North: R-1B, Single Residential; Duplex – Two Family
 - South: C-3, Community Commercial District – Mini-Warehouse
 - East: C-1, Office; Duplex – Two Family
 - West: R-1B, Single Residential; Duplex – Two Family
- The applicant purchased the house approximately two years ago. The house has been vacant since the time of purchase.
- The proposed rooming house will have four sleeping rooms and one efficiency unit.
 - The applicant anticipates providing a first-floor efficiency with private bath and laundry for an on-site supervisor. According to the applicant, the supervisor will be responsible for all aspects of the property.
 - The four sleeping rooms, to be located on the second floor, will be furnished with beds and dressers at a minimum.
- The applicant has stated that rental terms for tenants of the sleeping rooms will be either weekly or monthly. The tenant in the efficiency will not sign a lease and will be compensated for their supervisory duties through the provision of their apartment.
- **Site Requirements**
 - The applicant has stated through communication with Planning Staff the intention to extensively rehabilitate the building, including but not limited to the following; Remodeling of bathrooms, installing central air-conditioning, all new flooring throughout the building, remodeling the efficiency kitchen, adding the cooking area for sleeping room tenants, as well as various improvements on the exterior of the building.
 - Section 8.16 of the Plumbing Code states that the owner or operator of a rooming house must supply at least one water closet, lavatory basin, and bathtub or shower for each four (4) rooms within a rooming house where such facilities are shared. The applicant's proposal meets this requirement.
 - According to Section 8-100 of the Zoning Code, all group housing uses are required to have ½ a space per resident room. To meet this requirement, the house must have at least three parking spaces available to residents.
 - The applicant has proposed meeting this requirement through the use of parking spaces available at 407/409 Central Avenue, the adjacent property also owned by the applicant.
 - Section 8-107 of the Zoning Code requires that parking be within 500 feet walking distance from the main entrance of the use being served. The applicant's parking proposal meets this requirement.
- **City Review Agents**
 - The City Engineer submitted comments regarding a concern that the applicant did not have an adequate plan for parking. As stated above, the applicant proposed addressing the parking issue through the use of the parking spaces next door.
 - No other Review Agents have submitted any comments or concerns.
- The attached Public Notice was sent to eleven nearby property owners. As of this writing, staff has not received any comments or concerns.

▪ **Findings of Fact**

- *Whether the establishment, maintenance, or operation of the conditional use will be detrimental to or endanger the public health, safety, morals, comfort, or general welfare;*
 - The proposed CUP will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare, so long as the property is kept in good maintenance and resident rules are strictly enforced.
- *Whether the conditional use will be injurious to the use and enjoyment of other property in the immediate vicinity for purposes already permitted;*
 - The conditional use will not injure the use and enjoyment of nearby properties as the exterior of the property will not be substantially altered.
- *Whether the conditional use will substantially diminish or impair property values within the neighborhood of the subject property;*
 - The conditional use will not substantially diminish or impair property values in the neighborhood.
- *Whether the establishment of the conditional use will impede the normal and orderly development and improvement of the surrounding property;*
 - The proposed rooming house is located along a busy thoroughfare with a variety of uses nearby including office, multi-family, and institutional.
- *Whether the exterior architectural design or site layout of the proposed conditional use is so dissimilar or otherwise incompatible with existing or proposed development in the immediate neighborhood that it will cause a depreciation in property values;*
 - The applicant has proposed significant renovations to the interior of the building and exterior façade that will not have a negative effect on the surrounding properties.
- *Whether adequate utilities, access roads, drainage or other necessary facilities will be available to serve the proposed use at the time of its occupancy or use;*
 - According to the applicant's plans, adequate infrastructure will exist at the time of occupancy.
- *Whether adequate measures will be taken to minimize traffic congestion; and*
 - Not Applicable.
- *Whether the conditional use will comply with all applicable regulations of the Zoning Ordinance.*
 - The conditional use will comply with all other applicable regulations of the Zoning Ordinance.

Consistency with Comprehensive Plan and Strategic Plan:

Consideration of this request supports City of Beloit Strategic Goal #5. The City of Beloit Comprehensive Plan recommends Office as the land use type most appropriate for the subject property and surrounding parcels. The proposed rooming house is not consistent with this recommendation.

Sustainability:

- **Reduce dependence upon fossil fuels – N/A**
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature – N/A**
- **Reduce dependence on activities that harm life sustaining eco-systems – N/A**
- **Meet the hierarchy of present and future human needs fairly and efficiently – N/A**

Staff Recommendation:

The Planning and Building Services Division recommends **approval** of a Conditional Use Permit to establish and operate a rooming house consisting of four sleeping rooms as well as one efficiency apartment to house a property supervisor who will oversee the house, at the property located at 1105 East Grand Avenue, based on the above Findings of Fact and subject to the following conditions:

1. The property owner must obtain an annual rental permit from the Community and Housing Services Division.
2. The rental term lengths for sleeping room tenants will be monthly in order to help maintain stability in the neighborhood and to prevent common problems associated with renting by the week or day.
3. The applicant will provide at least three parking spaces designated by signs for residents and guests of the rooming house, regardless of future tenant car ownership rates.
4. The owner may rent a maximum of four sleeping rooms and one efficiency.
5. The rooming house will house a maximum of five persons, including the supervisor.
6. The applicant shall adhere to all regulations, including but not limited to those found in Section 7.32 of the Property Maintenance Code and Section 8.16 of the Plumbing Maintenance Code.
7. If City staff receives complaints stemming from the lack of on-site management from tenants, neighboring property owners, or elected or appointed City officials, staff reserves the right to re-review the conditions of this Conditional Use Permit with the Plan Commission and City Council.

8. Any major changes in the adopted conditions or use of the property shall be approved by the Plan Commission and City Council by amending this Conditional Use Permit. The Planning and Building Services Director may approve minor changes administratively.

Fiscal Note/Budget Impact:

N/A

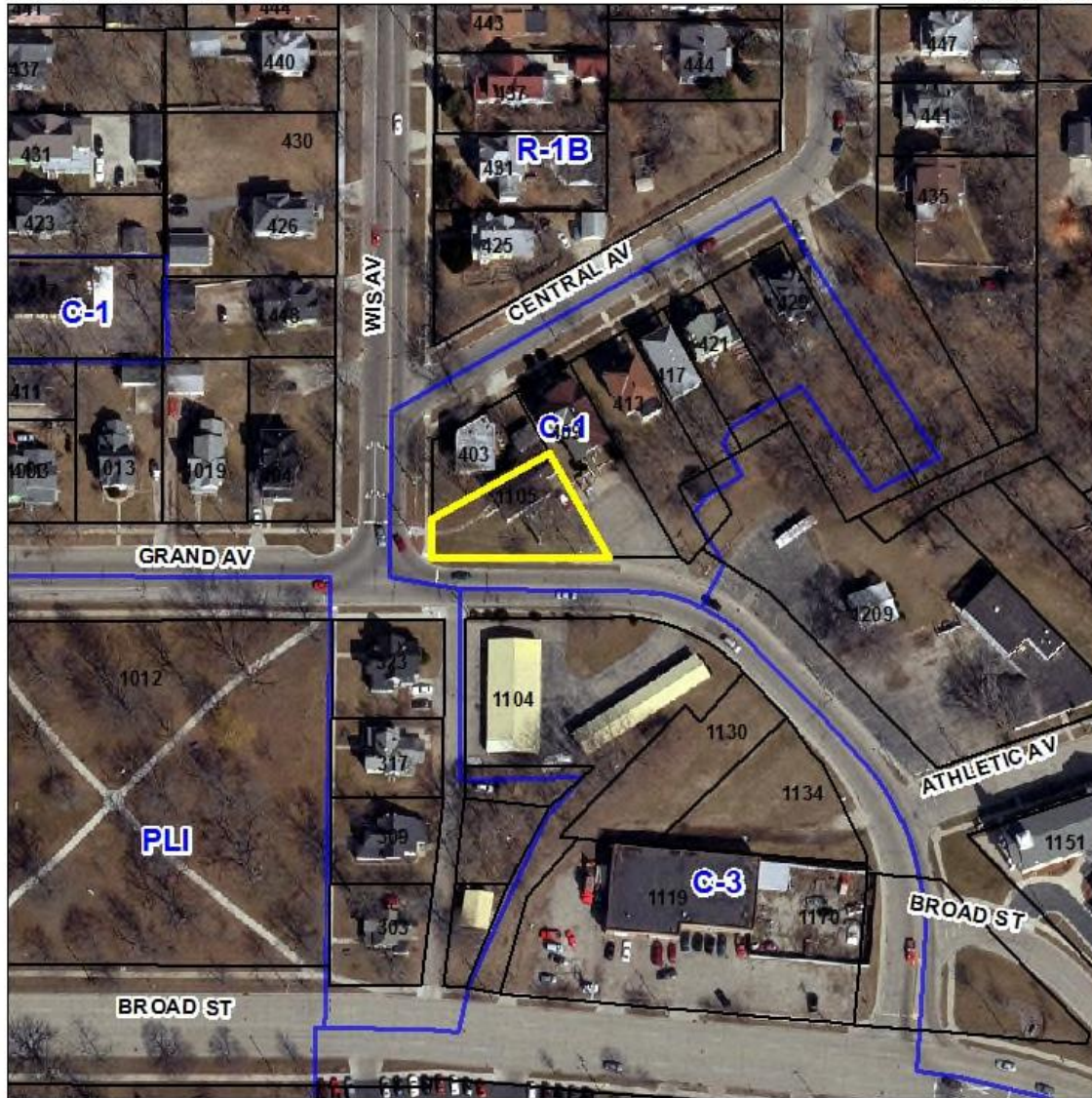
Attachments:

Zoning and Location Map, Application, Public Notice, and Mailing List.

Location & Zoning Map

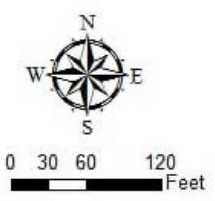
1105 East Grand Avenue

CU-2015-04



Legend

- COB Parcels
- Zoning District
- 1105 E Grand Ave



PLANNING AND BUILDING SERVICES DIVISION

Map prepared by: Alex Morganroth
Date: May 28, 2015
For: City of Beloit,
Planning & Building Services
Date of Aerial Photography: April 2011

CITY of BELOIT

Planning and Building Services Division

100 State Street, Beloit, WI 53511 Phone: (608) 364-6700 Fax: (608) 364-6609

Conditional Use Permit Application

(Please Type or Print)

File Number: CU-2015-04

1. Address of subject property: 1105 East Grand

2. Legal description: SEE ATTACHED

If property has not been subdivided, attach a copy of the complete legal description from deed.

Property dimensions are: 100 feet by 80 feet = 8000 square feet.

If more than two acres, give area in acres: _____ acres.

3. Tax Parcel Number(s): 206-13660240

4. Owner of record: FPS Rental Inc. Phone: 608-751-2915

(Rd. Box 41) 318 W. Grand Beloit WI 53511
(Address) (City) (State) (Zip)

5. Applicant's Name: Matthew L. Finnegan

318 W. Grand Ave Beloit WI 53511
(Address) (City) (State) (Zip)

608-312-2345 1-608-751-2915 HomeStay Financial Freedom mag. mil.
(Office Phone #) (Cell Phone #) (E-mail Address) com

6. All existing use(s) on this property are: LAST TIME IT WAS USED AS RESIDENTIAL. NOW VACANT FOR AT LEAST 3 YEARS.

7. **THE FOLLOWING ACTION IS REQUESTED:**

A Conditional Use Permit for: Sleeping Room occupancy
in a(n) C-1 Zoning District.

8. All the proposed use(s) for this property will be:

Principal use: Efficiency Residential Apartment to consist of four sleeping rooms with common bathroom, common dining room and living room. Kitchenette with sink.
~~Secondary use:~~ microwaves and toaster oven. Laundry in SAME AREA

Accessory use: _____

9. Project timetable: Start date: 6/1/15 Completion date: 10/1/15

10. I/We) represent that I/we have a vested interest in this property in the following manner:

- Owner
- Leasehold, length of lease: _____
- Contractual, nature of contract: _____
- Other, explain: _____

The applicant's signature below indicates the information contained in this application and on all accompanying documents is true and correct.

I/We, the undersigned, do hereby respectfully make application for and petition the City Plan Commission and City Council to grant the requested action for the purpose stated herein. I/We represent that the granting of the proposed request will not violate any of the required standards of the Zoning Ordinance of the City of Beloit. I/We also agree to abide by all applicable federal, state and local laws, ordinances, rules, and regulations.

[Signature] / Matthew L. Finnegan / 5/18/15
(Signature of Owner) (Print name) (Date)

_____/_____/_____
(Signature of Applicant, if different) (Print name) (Date)

In order for your request to be heard and considered in a timely manner, you must submit the completed application, and all accompanying documents, to the Planning and Building Services Division for acceptance by the filing deadline date prior to a scheduled Plan Commission meeting.

This application must be submitted with one copy of a scaled drawing showing the layout of the proposed development in accordance with all code requirements, and the \$275.00 application fee. Applicants will also be charged a fee for mailing public notices at the rate of \$0.50 per notice. An invoice for this fee will be sent to the applicant and these costs are typically between \$5.00 and \$15.00.

To be completed by Planning Staff

Filing fee: \$275.00 Amount paid: \$275.⁰⁰ Meeting date: June 17, 2015
No. of notices: _____ x mailing cost (\$0.50) = cost of mailing notices: \$ _____
Application accepted by: [Signature] Date: 5/19/15



NOTICE TO THE PUBLIC

To Whom It May Concern:

Matt Finnegan, on behalf of FPS Rental Inc., has filed an application for a Conditional Use Permit to allow a rooming house in a C-1, Office District. The applicant is seeking a permit to establish and operate a rooming house consisting of four sleeping rooms as well as one efficiency apartment to oversee the property.

1105 Grand Avenue.

Rooming houses are a conditional use in the C-1 District. The following public hearings will be held regarding this proposed Conditional Use Permit:

City Plan Commission: Wednesday, June 17, 2015, at 7:00 PM, or as soon thereafter as the matter can be heard in The Forum, Beloit City Hall, 100 State Street.

City Council: Monday, July 6, 2015, at 7:00 PM, or as soon thereafter as the matter can be heard in The Forum, Beloit City Hall, 100 State Street.

THE PUBLIC IS INVITED TO ATTEND THESE HEARINGS.

We are interested in your opinion.

Anyone bringing handouts to the Plan Commission meeting must bring ten (10) copies and submit them to the Recording Secretary before the meeting begins. Staff is unable to leave the meeting area to make copies.

For additional information, please contact Alex Morganroth in the Planning Division at (608) 364-6708 or morganroth@beloitwi.gov. Comments will be accepted via telephone, email, and U.S. Mail.

JOSE L & CHRISTINA B CRUZ
317 WISCONSIN AVE
BELOIT, WI 53511

JOSE L &
CHRISTINA B CRUZ
GARY WEINKAUF
1822 EMERSON ST
BELOIT, WI 53511

CARL G & MELISSA A G
STOLTZ
421 CENTRAL AVE
BELOIT, WI 53511

LARRY CORNELLIER
CORNELLIER ENTERPRISES
INC
105 DEARBORN ST

JEFFREY VOSS
2566 RIVERSIDE DR
BELOIT, WI 53511

EMMANUEL BAPTIST CHURCH
1151 E GRAND AVE
BELOIT, WI 535116476

DOUGLAS CASH
P O BOX 1317
BELOIT, WI 535121317

RICHARD W & SUANNA L
DOUGLAS
425 WISCONSIN AVE
BELOIT, WI 53511
FOR HIM INC
P O BOX 41
BELOIT, WI 53512

BRUCE GREENFIELD
1720 STRATFORD LN
ROCKFORD, IL 61107

FULGENCIO RIVERA
2116 CENTRAL
CICERO, IL 60804

Existing Land Use Map

1105 East Grand Avenue

CU-2015-04



Existing Land Use	
	Parks and Open Space
	Commercial
	Industrial
	Institution/Civic
	Multi-family
	Single Family Residential
	Two-family
	Vacant Lot



0 25 50 100 Feet

PLANNING AND BUILDING SERVICES DIVISION

Map prepared by: Alex Morganroth

Date: June 2015

For: City of Beloit,

Planning & Building Services

Date of Aerial Photography: April 2011

**RESOLUTION
APPROVING 2016 COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG) LOCAL FUNDING PRIORITIES**

WHEREAS, the City of Beloit will be allocating Community Development Block Grant (CDBG) funds to eligible projects for 2016, and

WHEREAS, CDBG funds awarded to the City of Beloit are limited, and

WHEREAS, the Community Development Authority recommends that setting priorities for funding will ensure allocation to projects which will meet the greatest needs for the dollars spent; and

WHEREAS, the Community Development Authority recommends the funding priorities of Public Service Programs which focus on comprehensive case management strategies, with priority given to neighborhood stabilization activities, education in budgeting and life skills, and employment training that corresponds with local employment opportunities; Code enforcement; Housing Rehabilitation; and Economic Development activities with priority given to technical job training; Program Administration and Fair Housing.

NOW THEREFORE BE IT RESOLVED, that the 2016 CDBG local funding priorities are approved by the City Council as shown on Attachment A.

Adopted this 6th day of July, 2015.

BELOIT CITY COUNCIL

Charles M. Haynes, Council President

ATTEST:

Lorena Rae Stottler City Clerk

Attachment A
2016 COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG) LOCAL FUNDING PRIORITIES

1. Public Service Programs which focus on comprehensive case management strategies, with priority given to neighborhood stabilization activities, education in budgeting and life skills, and employment training that corresponds with local employment opportunities.
2. Code Enforcement
3. Housing Rehabilitation
4. Economic Development Activities, with priority given to Technical Job Training
5. Program Administration
6. Fair Housing

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL

Topic: Public Hearing to Solicit Input on Community Development, Housing and Homeless Needs and Establishing Local Funding priorities for the 2016 CDBG Program

Date: July 6, 2015

Presenter(s): Julie Christensen

Department: Community Development

Overview/Background Information:

The Department of Housing and Urban Development requires that we provide an opportunity each year for citizens to give input on public housing, community development, homeless and housing needs and to prepare an Annual Action Plan in order to qualify to receive CDBG funding.

The Community Development Authority (CDA) board is recommending that City Council approve funding priorities for inclusion in the 2016 CDBG Application. These priorities were developed based on the needs identified in the 2015-2019 Consolidated Plan, which is a 5-year strategic plan for the use of CDBG funds. In preparation of the Consolidated Plan, staff held three Steering Committee meetings with local agencies and community leaders to obtain input about the needs of the community and gaps in services.

Key Issues (maximum of 5):

1. Each year, the City is required to hold a public hearing to seek input on community development, housing, homeless, and public housing needs for incorporation into the CDBG Annual Action Plan.
 2. The CDA recommended the funding priorities listed on Attachment A.
 3. If funding priorities are approved, they will be included in the CDBG application, which will be prepared and sent out later in July. These funding priorities will be used to determine who receives funds for the 2016 CDBG program year only. We would revisit these funding priorities next year prior to the CDBG application cycle.
 4. Public notices of the public hearing were published in the Beloit Daily News, Stateline News, and emailed and mailed to the CDBG mailing list of interested parties.
-

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

- Consideration of this request supports Strategic Goal #4.
-

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-

municipality guidelines.):

- **Reduce dependence upon fossil fuels** – Not applicable
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature** – Not Applicable
- **Reduce dependence on activities that harm life sustaining eco-systems** – Not Applicable
- **Meet the hierarchy of present and future human needs fairly and efficiently** – The public hearing will give the public an opportunity to communicate present and future needs of our low and moderate income population.

Action required/Recommendation:

Hold the public hearing and approve the resolution establishing 2016 CDBG funding priorities.

Fiscal Note/Budget Impact:

None

Attachments:

Resolution; Attachment A; and Public Notice



CITY HALL • 100 STATE STREET • BELOIT, WI 53511

PUBLIC NOTICE

The City of Beloit is in the process of preparing its 2016 Annual Action Plan for submittal to the Department of Housing and Urban Development. This plan allows the City to maintain its eligibility for Community Development Block Grant funding.

The following public hearing will be held to give citizens and other interested parties an opportunity to give input on community development, housing, public housing and homeless needs in the City.

City Council: Monday, July 6, 2015, at 7:00 PM or as soon thereafter as the matter can be heard, in The Forum, Beloit City Hall, 100 State Street, Beloit.

The public is invited to attend these hearings.

We are interested in your opinion.

For further information, call Teri Downing in the Community Development Department at (608) 364-6705 or via e-mail at downingt@beloitwi.gov.



PROCEEDINGS OF THE BELOIT CITY COUNCIL
100 State Street, Beloit WI 53511
City Hall Forum – 7:00 p.m.
Monday, June 15, 2015

Presiding: Charles Haynes
Present: Sheila De Forest, Regina Hendrix, Ana Kelly, Chuck Kincaid, David Luebke and Marilyn Sloniker
Absent:

1. The meeting was called to order at 7:00 p.m. in the Forum at Beloit City Hall by President Haynes.
2. PLEDGE OF ALLEGIANCE
3. SPECIAL ORDERS OF THE DAY/ANNOUNCEMENTS
 - a. Vice-President Sheila De Forest read the Proclamation recognizing July as **Park and Recreation Month**. File 7148
4. PUBLIC HEARING
 - a. Community Development Director Julie Christensen presented a resolution authorizing a **Conditional Use Permit** to allow a temporary outdoor seating area and temporary outdoor sales, possession, and consumption of alcohol in a C-2, Neighborhood Commercial District, for property located at 1180 Madison Road doing business as "Alibi Bar & Grill". It was noted that Plan Commission recommended approval 5-0. Ms. Christensen explained the following key points:
 - Approval of the Conditional Use Permit request would allow the applicant to host an annual customer appreciation celebration on one day in the month of July and would be indefinite and future events would not require renewals.
 - The applicant has submitted a site plan showing the location of the proposed stage area for a live band and the location of the snow fence enclosure. The snow fence will enclose the entire parking lot in order to denote the event area and to ensure alcohol is not consumed outside of the property limits.
 - The event will feature a live band and will likely generate higher-than-average noise levels. The applicant must obey the noise ordinance in Section 15.10 of the Municipal Code and not generate unreasonable sound levels that will disturb residents in the vicinity.
 - The owners of The Alibi currently have permission to use the adjacent surface parking lot owned by Schultz Power equipment event patrons to park.
 - The applicant currently has a Conditional Use Permit and license that allows alcohol service, possession, and consumption on the small patio area. In order to serve alcohol outside during the event, the license needs to be amended to allow for the temporary sale of alcohol outside of the patio area.

President Haynes opened the public hearing.

- James Faragher, 2796 East Ridge Road, spoke in support of the Conditional Use and said that he believed the applicants understand the conditions and said that it will be a very nice event. President Haynes closed the public hearing.

Councilors Luebke and Kelly moved approval of the resolution. Councilor Luebke spoke in full support. Councilor De Forest explained that although she has no issues with the Alibi Bar & Grill itself, she is voting in opposition due to State Statute §125.68(3) prohibiting the issuance of a "Class B" license for premises which is located less than 300 feet from the main entrance of any church, although she is aware of the council's right to waive the prohibition. Councilor De Forest requested a roll call vote. Motion carried by a vote of 4-2-1 with Councilors Hendrix, Kelly, Haynes and Luebke voting in favor, Councilors De Forest and Sloniker voting against and Councilor Kincaid abstained. File 8222

5. CITIZEN PARTICIPATION

- a. Jerry Sveum, 2234 Pow Wow Trail, Beloit Fine Art Incubator, President made an announcement on behalf of the Beloit Fine Art Incubator (BFAI). He said that the O.V. Shaffer retrospective show opens July 3, 2015 and the event will increase recognition of the people of the culture in this area. Mr. Shaffer's work can be found in Beloit at Riverside Park, Ironworks Park and the Hendricks Bridge. The Beloit Fine Arts Incubator (BFAI) and the Beloit College Wright Art Museum will be presenting simultaneous exhibits of the work of artist, O.V. (Verne) Shaffer during the month of July, 2015. He said that both galleries are calling for loaned pieces from private Shaffer art owners for the month-long exhibits, many of the privately-owned Shaffer pieces were commissioned as gifts to celebrate birthdays, anniversaries and other special life events. He said these retrospective exhibits of Shaffer's art will span many decades and will be part of a series of projects designed to celebrate Verne's long and prolific career in the Beloit area and the most exciting part is that the community will be involved in the exhibits. He said that Mr. Shaffer, 86, will have a large role in planning and installing these once-in-a-lifetime exhibits. He said other components of this celebration of Shaffer's art will include a "Local Road Trip" and a "State Road Trip" to view the more than 80 public sculptures created by Shaffer for hospitals, schools, libraries and other public buildings in Beloit, Janesville and twelve other cities in Wisconsin. The "Road Trip" maps will combine technology with art, incorporating the use of QR codes to connect the viewer to YouTube via a smart phone to see and hear Verne talking about the piece they're viewing. The same technology is being used to develop a "talking book" of Shaffer's art.

6. CONSENT AGENDA

Councilor De Forest asked to have item 6.b. removed from the consent agenda. Councilors Luebke and Sloniker made a motion to adopt the Consent Agenda items 6.a. and 6.c. through 6.e. Motion carried. The Consent Agenda is accepted, approved, adopted or referred and acted upon as required by state and local code by a vote of 7-0.

- a. The **Minutes** of the regular meeting of June 1st and special meeting of June 4, 2015 were approved.
 - c. A Resolution approving an amendment to the **Class "B" Beer and Reserve "Class B" Liquor License** for Lucy's #7 Burger Bar, LLC, located at 430 East Grand Avenue, Suite 102, Emily Hopper, Agent, for an Outdoor Premises Extension was approved. File 8688
 - d. A Resolution approving **Change of Agent** for Wal-Mart Stores East, LP, d/b/a Wal-Mart Supercenter #2532, located at 2785 Milwaukee Road, from Michael A. Lane, Jr. to Leah R. Wampole was approved. File 8645
 - e. A Resolution approving **Change of Agent** for Rockford Pizza, LLC, d/b/a Pizza Hut, located at 2787 Prairie Avenue, from Juan Mendoza Ochoa to Elliott Stubbendick was approved. File 8645
 - f. A Resolution approving **Class "B" Beer and "Class B" Liquor License** renewal for Rockford Pizza, LLC, d/b/a Pizza Hut, located at 2787 Prairie Avenue, Elliott Stubbendick, Agent, for License Period July 1, 2015 through June 30, 2016 was approved. File 8688
 - g. An Application for a **Conditional Use Permit** to allow a boarding house in a C-1, Office District, for property located at 1105 East Grand Avenue was referred to Plan Commission. File 8692
 - h. An Application for an amendment to an existing **Conditional Use Permit** to allow expanded Contractor Office & Storage Yard uses in a DH, Development Holding District, for property located at 2100 Newark Road was referred to Plan Commission. File 8634
-
- b. Resolution approving an amendment to the **Class "B" Beer and Reserve "Class B" Liquor License** for BRBK, LLC, d/b/a Alibi Bar and Grill, located at 1180 Madison Road, Wendy K. Drake, Agent, for a Temporary Outdoor Premises Extension. Councilors Luebke and Kelly moved approval of the resolution. Councilor De Forest requested a roll call vote. Motion carried by a vote of 4-2-1 with Councilors Hendrix, Kelly, Haynes and Luebke voting in favor, Councilors De Forest and Sloniker voting against and Councilor Kincaid abstained. File 8688

7. ORDINANCES— none

8. APPOINTMENTS

President Haynes announced the openings and submitted the following appointment to City Committees, Boards and Commissions for approval. Councilors Kincaid and Hendrix moved to approve the appointments as presented. Motion carried 7-0.

- a. **Alcohol Beverage License Control Committee:** Dr. Dennis Baskin, (replacing Tina Goecks) as the School District Representative for the 2015-2016 School Year and Incumbent Malissa M. Cronin for a term ending June 30, 2018. File 6145
- b. **Equal Opportunities Commission:** Grace Lee, (replacing Ricardo A. Valdez) to a term ending June 30, 2016. File 7465
- c. **Municipal Golf Committee:** Harry Wiersgalla, (replacing Ida Lenz) to a term ending December 31, 2017. File 7382
- d. **Municipal Library Board:** Diane Lichtenstein, (replacing Doreen Dalman) and Incumbent David Sowl to a terms ending June 30, 2018. File 5991

9. COUNCILOR ACTIVITIES AND UPCOMING EVENTS

- Councilor Hendrix said she attended the Beloit Works Community Conversation, she said the School District of Beloit Transition Department received a grant to help increase students with disabilities in the workforce. She attended the Beloit Historical Society Sports Hall of Fame with Councilor Luebke, and encouraged all to upload the Rock County video uptown funk video and view. She announced two events coming up this weekend, Summer Gospel Jam which will be held on Saturday and also "Back to Beloit", an African American homecoming, including a banquet and old school dance. There is a \$10 donation and it will be held at the Garden Inn. Scholarships are being made with proceeds.
- Councilor Sloniker said she attended the Porter Avenue Watch Group (PAWG) picnic last weekend in the Merrill Community and commented on the nice Artwork from Brianna Hanson. She said that she attended the City Manager welcome event last week, and talked to several residents.
- Councilor Kelly said that she attended graduations and lots of different parties.
- Councilor Luebke said that he attended the Beloit Historical Society Hall of Fame. He said the event honors five or six former athletes or people who contribute to athletics over 100 years and noted that David Kilgore was one of those honored. He encouraged all to visit the Hanchett-Hartlett Homestead and the Beloit Historical Society and praised Jerry Sveum and his wife for keeping the Beloit Fine Arts incubator going. He said that the Farmers market is getting bigger, and that all 27 units of the Phoenix building are occupied.
- Councilor De Forest thanked the residents who attended the City Manager welcome reception. She said she attended the farmers market, Community Action garden celebration and noted that the artwork is there permanently. She congratulated the Beloit Memorial graduates. She said she will attend Gospel Jam, Sun Valley Strawberry Fest; and will be meeting with a group of students at Beloit Public Library to discuss a citywide minimum wage. She encouraged residents to attend the Strategic Plan meeting on June 22nd and said the summer food program kickoff will be held at Beloit Memorial High School on June 25th.
- Councilor Kincaid said that he attended a Parks, Recreation and Conservation Commission meeting and said it was joy to see the activities planned in the parks and he encouraged other Councilors to attend a meeting. He noted the 8th Annual Plein Air event last week.

10. CITY MANAGER'S PRESENTATION – none

11. REPORTS FROM BOARDS AND CITY OFFICERS

- a. Community Development Director Julie Christensen presented a Resolution approving **Collateral Assignment** of Ground Lease and Development Agreement for Olympian Hills. Ms. Christensen reviewed the history of the development of the former Beloit Hospital site and explained the following key point.

- Tax Credits were awarded for the redevelopment of 431 Olympian Boulevard into a 47-unit apartment complex for persons 55 years and older. After 15 years, it is possible for the developer of the tax credit project to buy-out the investment partner, dissolve the for-profit LLC, and take full ownership of the property. The Beloit Mature Adult Housing, LLC, is opting to buy-out the investment partner. The only remaining member of the LLC will be Community Action.
 - As part of this buy-out, the LLC is obtaining a mortgage loan from Wisconsin Housing and Economic Development Authority (WHEDA). This loan will be used to re-finance the project and provide additional funding for rehabilitation of the building. WHEDA is requiring the Collateral Assignment of the Ground Lease and Development Agreement.
 - The City has had no issues with the current management of the apartment complex and is supportive of its continued ownership of this property and its efforts to upgrade the building.
 - The Collateral Assignment that is being requested of the City does not inhibit the City in any material respect. The Ground Lease and Development Agreement would remain in effect.
- Councilors Luebke and Sloniker moved approval of the Resolution, Motion carried 7-0. File 5460

12. Councilors Sloniker and De Forest made a motion to adjourn the meeting at 7:41 pm. Motion carried.

Lorena Rae Stottler, Deputy City Clerk

www.beloitwi.gov

Date approved by Council: _____, 2015



Proceedings of the Beloit City Council

Special Meeting

Monday, June 22, 2015

3:00 p.m.

Engineering and Utilities Building

2400 Springbrook Court

Beloit, WI 53511

Presiding: Charles M. Haynes

Present: Sheila De Forest, Ana Kelly, Chuck Kincaid, David Luebke and Marilyn Sloniker

Absent: Regina Hendrix

1. President Haynes called the meeting to order at 3:15 pm in the conference room at the Engineering and Utilities Building.
2. Economic Development Director Andrew Janke presented a resolution authorizing amending the **2015 Tax Increment District #10** Budget to include a project to incentivize Pratt Industries. Council Kincaid inquired about the timing of this request. Mr. Janke explained that council had approved the project at a previous council meeting and that this was a resolution amending the budget to accommodate the expenditure. City Manager Luther further explained that the timing of such amendments is quite common. Councilors Luebke and Kincaid made a motion to approve the resolution. Motion carried. File 7938
3. Economic Development Director Andrew Janke presented a resolution authorizing amending the **2015 Tax Increment District #14** Budget to include a project to purchase properties located at 940 Second Street, 42 Merrill Street, 957 Third Street, and 959 Third Street, Beloit Wisconsin. Councilors Kelly and Luebke made a motion to approve the resolution. Motion carried. File 8305
4. Councilors Luebke and Sloniker made a motion to adjourn into closed session pursuant to Wis. Stats. 19.85(1)(c) to consider the employment, promotion, compensation, or performance evaluation data of a public employee over which the governmental body has jurisdiction or exercises responsibility. Motion carried 6-0. The Council proceeded into closed session at 3:22 p.m.
5. Councilor's Sloniker and Kelly made a motion to adjourn the closed session. Motion carried 6-0. Meeting adjourned at 4:32 pm.

Lorena Rae Stottler, City Clerk

www.beloitwi.gov

Date Approved by Council: _____, 2015

ORIGINAL ALCOHOL BEVERAGE RETAIL LICENSE APPLICATION

Submit to municipal clerk.

For the license period beginning July 1 20 15 ;
ending June 30 20 16 ;

TO THE GOVERNING BODY of the: Town of } Beloit
 Village of }
 City of }

County of Rock Aldermanic Dist. No. _____ (if required by ordinance)

Applied For

Applicant's Wisconsin Seller's Permit Number:	
Federal Employer Identification Number (FEIN): <u>47-415-1606</u>	
LICENSE REQUESTED ▶	
TYPE	FEE
<input checked="" type="checkbox"/> Class A beer	\$
<input type="checkbox"/> Class B beer	\$
<input type="checkbox"/> Class C wine	\$
<input type="checkbox"/> Class A liquor	\$
<input type="checkbox"/> Class B liquor	\$
<input type="checkbox"/> Reserve Class B liquor	\$
Publication fee	\$ <u>50.00 Pd 6-2-15</u>
TOTAL FEE	\$

1. The named INDIVIDUAL PARTNERSHIP LIMITED LIABILITY COMPANY
 CORPORATION/NONPROFIT ORGANIZATION

hereby makes application for the alcohol beverage license(s) checked above.

2. Name (individual/partners give last name, first, middle; corporations/limited liability companies give registered name): David Charles Huyck
Dave's Bait & Tackle Huyck, David Charles

An "Auxiliary Questionnaire," Form AT-103, must be completed and attached to this application by each individual applicant, by each member of a partnership, and by each officer, director and agent of a corporation or nonprofit organization, and by each member/manager and agent of a limited liability company. List the name, title, and place of residence of each person.

Title	Name	Home Address	Post Office & Zip Code
President/Member			
Vice President/Member			
Secretary/Member			
Treasurer/Member			
Agent ▶			
Directors/Managers			

3. Trade Name ▶ Dave's Bait & Tackle Business Phone Number _____
4. Address of Premises ▶ 901 Bayless Beloit Wis 53511 Post Office & Zip Code ▶ 53511

5. Is individual, partners or agent of corporation/limited liability company subject to completion of the responsible beverage server training course for this license period? Yes No
6. Is the applicant an employe or agent of, or acting on behalf of anyone except the named applicant? Yes No
7. Does any other alcohol beverage retail licensee or wholesale permittee have any interest in or control of this business? Yes No
8. (a) Corporate/limited liability company applicants only: Insert state _____ and date _____ of registration.
(b) Is applicant corporation/limited liability company a subsidiary of any other corporation or limited liability company? Yes No
(c) Does the corporation, or any officer, director, stockholder or agent or limited liability company, or any member/manager or agent hold any interest in any other alcohol beverage license or permit in Wisconsin? Yes No
- (NOTE: All applicants explain fully on reverse side of this form every YES answer in sections 5, 6, 7 and 8 above.)

9. Premises description: Describe building or buildings where alcohol beverages are to be sold and stored. The applicant must include all rooms including living quarters, if used, for the sales, service, and/or storage of alcohol beverages and records. (Alcohol beverages may be sold and stored only on the premises described.) Room & Cooler (walk in)

10. Legal description (omit if street address is given above): _____
11. (a) Was this premises licensed for the sale of liquor or beer during the past license year? Yes No
(b) If yes, under what name was license issued? _____
12. Does the applicant understand they must file a Special Occupational Tax return (TTB form 5630.5) before beginning business? [phone 1-800-937-8864] Yes No
13. Does the applicant understand a Wisconsin Seller's Permit must be applied for and issued in the same name as that shown in Section 2, above? [phone (608) 266-2776] Yes No
14. Does the applicant understand that they must purchase alcohol beverages only from Wisconsin wholesalers, breweries and brewpubs? Yes No

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the signers. Signers agree to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted, will not be assigned to another. (Individual applicants and each member of a partnership applicant must sign; corporate officer(s), members/managers of Limited Liability Companies must sign.) Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

SUBSCRIBED AND SWORN TO BEFORE ME
this 1st day of June, 20 15
Jesse J. Ahrens
(Clerk/Notary Public)
My commission expires 10-11-15

David C. Huyck
(Officer of Corporation/Member/Manager of Limited Liability Company/Partner/Individual)
David C. Huyck
(Officer of Corporation/Member/Manager of Limited Liability Company/Partner)

(Additional Partner(s)/Member/Manager of Limited Liability Company if Any)

TO BE COMPLETED BY CLERK			
Date received and filed with municipal clerk <u>6-2-15</u>	Date reported to council/board <u>6-15-15</u>	Date provisional license issued _____	Signature of Clerk / Deputy Clerk
Date license granted _____	Date license issued _____	License number issued <u>N/A</u>	

AUXILIARY QUESTIONNAIRE ALCOHOL BEVERAGE LICENSE APPLICATION

Submit to municipal clerk.

Individual's Full Name (please print) (last name)		(first name)		(middle name)	
Huyck		David		Charles	
Home Address (street/route)		Post Office	City	State	Zip Code
2013 Church St			Beloit	WI	53511
Home Phone Number		Age	Date of Birth	Place of Birth	
Cell 608-289-2171		--		Beloit	

The above named individual provides the following information as a person who is (check one):

Applying for an alcohol beverage license as an individual.

A member of a partnership which is making application for an alcohol beverage license.

_____ of _____
(Officer/Director/Member/Manager/Agent) (Name of Corporation, Limited Liability Company or Nonprofit Organization)

which is making application for an alcohol beverage license.

The above named individual provides the following information to the licensing authority:

- How long have you continuously resided in Wisconsin prior to this date? 55 years
- Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality? Yes No
If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. (If more room is needed, continue on reverse side of this form.)
- Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality? Yes No
If yes, describe status of charges pending.
- Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit? Yes No
If yes, identify. _____
(Name, Location and Type of License/Permit)
- Do you hold and/or are you an officer, director, stockholder, agent or employe of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin? Yes No
If yes, identify. _____
(Name of Wholesale Licensee or Permittee) (Address By City and County)

6. Named individual must list in chronological order last two employers.

Employer's Name ABM	Employer's Address Madison Rd Beloit	Employed From July 1, 2013	To June 5, 2015
Employer's Name Beloit school Dist.	Employer's Address Keeler Beloit	Employed From July 2009	To June 30, 2013

The undersigned, being first duly sworn on oath, deposes and says that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application.

Subscribed and sworn to before me

this 1st day of June, 2015
[Signature]
(Clerk/Notary Public)
My commission expires 10-11-15

[Signature]
(Signature of Named Individual)
David C Huyck

Printed on
Recycled Paper

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL

Topic: Application for a Class “A” Beer License for Dave’s Bait & Tackle – Refer to ABLCC

Date: July 6, 2015

Presenter(s): Lori Stottler

Department: City Clerk

Overview/Background Information:

A new business presenting as “Dave’s Bait & Tackle”, has submitted an application for a Class “A” Beer License for the property located at 901 Bayliss Avenue in the City of Beloit.

Key Issues (maximum of 5):

1. Sanchez Rentals, LLC owns the building and property located at 901 Bayliss effective 6/29/2015, and has owned the restaurant “Salvador’s” next door for many years.
 2. The applicant wishing to do business as Dave’s Bait & Tackle, David C. Huyck is a resident of Wisconsin, as required by state law. Mr. Huyck has provided the Clerk proof of the State required alcohol sellers class completion; a sketch of the proposed store layout; “manual of procedures”; and the supplemental questionnaire as required for this application. The office is still waiting on proof of application to the DOR for a seller’s permit and FEIN number and a copy of the lease with the owner of 901 Bayliss Avenue.
 3. This property was the previous location of Dick’s Bait & Tackle which has since closed.
 4. The initial impact reports revealed the following:
 - a. City Planning revealed that the property is zoned C-2 and a conditional use permit will be required. The applicant was notified by letter to contact the city planning director, Drew Pennington to begin that process.
 - b. The Police Department’s neighborhood impact survey showed that neighbors were not opposed to the issuing of this license.
 - c. The Environmental and Wastewater impact survey stated that the property historically had a similar use and would not place burden on the city’s sanitary sewer system.
 - d. The Health Department reported no issues.
 - e. The Fire Department also had no objections to the issuance of this license as long as the applicant is in compliance of life safety codes and does not fall under habitual violation of fire codes.
-

Conformance to Strategic Plan:

This project conforms to the City’s Strategic Plan Goals #2 and #5 – encouraging business development and private sector investment, and promoting high quality development in the City.

Sustainability:

- **Reduce dependence upon fossil fuels** – N/A
 - **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature** – N/A
 - **Reduce dependence on activities that harm life sustaining eco-systems** – N/A
 - **Meet the hierarchy of present and future human needs fairly and efficiently** – N/A
-

Action required/Recommendation:

Staff recommends that this matter be referred to the Alcohol Beverage License Control Committee for review at the July 14th. This matter will likely return to the City Council for action at a regular meeting in the near future.

Fiscal Note/Budget Impact:

The \$500 license fee and \$50 publication fee is budgeted in 2015 as an expected revenue in the Clerks Budget.

Attachments:

Application

**RESOLUTION PLACING ADVISORY REFERENDUM
QUESTION ON APRIL 5, 2016 BALLOT**

WHEREAS, on June 3, 2015, City Clerk Lorena Stottler was served with a petition from “*South Central Wisconsin Move to Amend*” requesting that an advisory referendum be placed on the April 5, 2016 ballot; and

WHEREAS, state law provides that a number of electors equal to at least 15% of the votes cast for governor at the last general election may sign and file a petition with the city clerk requesting that a proposed ordinance or resolution, without alteration, either be adopted by the common council or be referred to a vote of the electors; and

WHEREAS, the City Clerk is required to examine the petition within 15 days of receipt of the petition and, after having done so, has found that the required number of signatures has been submitted and the petition is in proper form.

NOW, THEREFORE, BE IT RESOLVED that the City Council directs the City Clerk to place the following advisory referendum question on the April 5, 2016 Ballot:

***“Shall the City of Beloit adopt a resolution that calls for a Constitutional Amendment declaring that 1) Only human beings – not corporations, unions, nonprofit organizations, or similar associations – are endowed with constitutional rights; and 2) Money is not speech and, therefore, regulating political contributions and spending is not equivalent to limiting political speech under the First Amendment.*”**

A “yes” vote on this resolution would indicate support for a Constitutional Amendment while a “no” vote would indicate opposition to an Amendment.”

BE IT FURTHER RESOLVED that should the referendum pass on April 5, 2016, the City Clerk is directed to comply with state law regarding publication of the resolution.

Adopted this _____ day of _____, 2015.

ATTEST:

Charles M. Haynes
City Council President

Lorena Rae Stottler, CPM/CERA
City Clerk

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL

Topic: Direct Legislation Petition for Proposed Resolution to be referred to the voters in the City of Beloit on April 5, 2016.

Date: July 6, 2015

Presenter(s): Lori Stottler

Department: City Clerk

Overview/Background Information:

On June 3, 2015, Clerk Stottler was served a petition with the names of 1,680 qualified electors from the *South Central Wisconsin Move to Amend* group. The petition requests the Beloit City Council to forward this petition to the voters on the April 5, 2016 ballot in the form of an advisory referendum. The clerk is legally required to certify or deny the petition within 15 days of receiving the petition. Because the Clerk certified the petition as sufficient, the City Council has 30 days to act.

The advisory referendum question if approved would read as follows:

***“Shall the City of Beloit adopt a resolution that calls for a Constitutional Amendment declaring that 1) Only human beings – not corporations, unions, nonprofit organizations, or similar associations – are endowed with constitutional rights; and 2) Money is not speech, and therefore regulating political contributions and spending is not equivalent to limiting political speech under the First Amendment.*”**

Key Issues (maximum of 5):

1. State Statutes allow that a number of electors equal to at least 15% of the votes cast for governor at the last general election in their city may sign and file a petition with the city clerk requesting that an attached proposed ordinance or resolution, without alteration, either be adopted by the common council or be referred to a vote of the electors. There were 9,024 votes cast for governor in the November 2014 general election in the City of Beloit. 15% is equal to 1,354 signatures. This petition included 1,665 valid signatures.
2. As of June 9, 2015, 57 southern Wisconsin communities have passed the resolution either by referendum (35) or council approval (22). A “no” vote by the City Council would automatically send the resolution to the April 5, 2016 ballot. Since the petitioner is requesting that the Council refer the resolution to the April 2016 ballot, the council may proceed to honor that request without debate/voting.
3. Should the referendum pass with the voters on April 5, 2016, the clerk is required by statute to then make publication of the resolution within 10 days. Should the referendum fail, no further action would be required on behalf of the City.

Conformance to Strategic Plan: N/A

Sustainability:

- **Reduce dependence upon fossil fuels** – N/A
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature** – N/A
- **Reduce dependence on activities that harm life sustaining eco-systems** – N/A
- **Meet the hierarchy of present and future human needs fairly and efficiently** – N/A

Action required/Recommendation:

The common council shall, without alteration, either pass the resolution or submit it to the electors at the April 5, 2016 election. The petition requests that the council refer the resolution to the April 5, 2016 ballot.

Fiscal Note/Budget Impact: N/A

Attachments:

Proposed Resolution, Report, Certification of Petition

Clerk Certification

I, Lorena Rae Stottler, clerk of the City of Beloit, Rock County, Wisconsin, certify all of the following:

1. On June 3, 2015, a petition of electors of the city was filed with me requesting that there be submitted to the electors of the City of Beloit, Rock County, Wisconsin, the following question:

***“Shall the City of Beloit adopt a resolution that calls for a Constitutional Amendment declaring that 1) Only human beings – not corporations, unions, nonprofit organizations, or similar associations – are endowed with constitutional rights; and 2) Money is not speech, and therefore regulating political contributions and spending is not equivalent to limiting political speech under the First Amendment.*”**

A “Yes” vote would indicate support for this resolution supporting a Constitutional Amendment, while a “No” vote would indicate opposition to an Amendment.”

2. Within 15 days after the date stated in paragraph 1, I determined by examination of the petition that it is sufficient;
3. There were 9,024 votes cast for governor in the City of Beloit at the last general election, that 15% of such votes equals 1,354 signatures; and that the petition was signed by 1,680 qualified electors of the city, and 1,665 of signers are sufficient.

Dated this 18th day of June, 2015.



Lorena Rae Stottler, City Clerk

**RESOLUTION
SETTING A DATE FOR A PUBLIC HEARING FOR THE
VACATION OF TUCK-A-WAY LANE RIGHT-OF-WAY
IN THE CITY OF БЕЛОIT, ROCK COUNTY, WISCONSIN**

IT IS RESOLVED THAT a public hearing on the proposed Resolution to discontinue and vacate Tuck-A-Way Lane as dedicated on Parkmeadow North Plat No. 3, City of Beloit, Rock County, Wisconsin, shall be held at the regular **City Council Meeting on Monday, August 17, 2015**, and the City Clerk is authorized and directed to give notices required under Section 66.1003, Wisconsin Statutes.

Adopted this 6th day of July, 2015.

City Council of the City of Beloit

Charles M. Haynes, Council President

Attest:

Lorena Rae Stottler, City Clerk

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL

Topic: Petition for Vacation of Tuck-A-Way Lane

- Resolution Setting a Public Hearing Date
- Council Referral to the Plan Commission

Date: July 6, 2015

Presenter(s): Julie Christensen

Department: Community Development

Overview/Background Information:

The Planning & Building Services Division has received a petition to vacate Tuck-A-Way Lane, which is a 142-foot dead-end street that intersects with Claremont Drive at the northern edge of the Parkmeadow North subdivision.

Key Issues (maximum of 5):

- As originally planned, this U-shaped street was intended to connect Claremont Drive to W. Hart Road, with 4-unit residential buildings on both sides of the street.
- The Parkmeadow North Phase 3 subdivision plat was approved & recorded, which dedicated Tuck-A-Way Lane as it current exists. Phase 4 of this subdivision was not recorded before the recession stalled this development, so Tuck-A-Way Lane has remained a short dead-end for the past decade.
- A different developer has received preliminary approval to construct a 100-unit assisted living facility on the northern portion of the Phase 4 land, and has proposed private driveways connecting his development to both Claremont Drive and W. Hart Road in lieu of the public street known as Tuck-A-Way Lane. The developer wishes to control access to Claremont Drive, which requires vacating the right-of-way known as Tuck-A-Way Lane as shown on the attached Plat of Vacation.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

- Consideration of this request supports Strategic Goal #5.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- **Reduce dependence upon fossil fuels – N/A**
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature – N/A**
- **Reduce dependence on activities that harm life sustaining eco-systems – N/A**
- **Meet the hierarchy of present and future human needs fairly and efficiently – N/A**

Action required/Recommendation:

- City Council consideration and action on the proposed Resolution, which states that a Public Hearing on this matter shall be held at the regular City Council meeting on August 17, 2015
- Referral to the Plan Commission for the August 5, 2015 meeting

Fiscal Note/Budget Impact: N/A

Attachments: Resolution Setting a Public Hearing Date, Petition for Vacation, and Plat of Vacation.

PETITION FOR VACATION OF A PUBLIC RIGHT-OF-WAY

We, the undersigned hereby petition the City of Beloit to vacate the following portion(s) of the public right-of-way know as: Tuck-A-Way Lane

The portion of the right-of-way proposed to be vacated is further described on the attached *Plat of Vacation* prepared by Registered Land Surveyor:

Print NAME and ADDRESS of PETITIONER:	SIGNATURE: (If jointly owned, both owners should sign petition.)	DATE SIGNED:
Name: <u>Chambers IV, LLC</u> Address: <u>2916 N. Hall Rd. Whiteside, WI 53190</u>	<u>Scott Shadel, member</u>	<u>6/8/15</u>
Name: Address:		
Name: Address:		
Name: Address:		
Name: Address:		
Name: Address:		
Name: Address:		
Name: Address:		
Name: Address:		
Name: Address:		

Contact person responsible for circulating this petition: Scott Shadel
 Address of contact person: 2916 N. Hall Rd. Whiteside, WI 53190
 Phone number of contact person: 608-751-1343
 Signature of contact person: Scott Shadel

To be completed by Planning Staff	
Filing fee: \$75.00 Amount paid: <u>\$75.00</u>	Meeting date: <u>Aug. 5, 2015</u>
Application accepted by: <u>Drew Pennington</u>	Date: <u>6/17/15</u>

PLAT OF VACATION

OF TUCK-A-WAY LANE AS DEDICATED ON PARKMEADOWS NORTH PLAT NO. 3, CITY OF BELOIT, ROCK COUNTY, WISCONSIN.

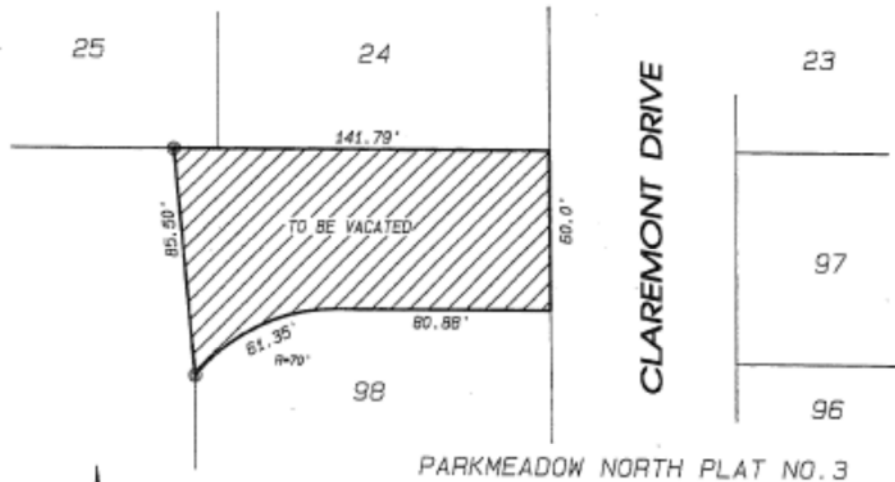
Ronald J. Combs

RONALD J. COMBS, PLS NO. 1330

If the surveyor's signature is not red in color, the map is a copy and may contain unauthorized alterations. The certification contained hereon shall not apply to any copies.



VALLEY CREST FIRST ADDITION



NOTES:

THIS MAP IS SUBJECT TO ANY AND ALL EASEMENTS AND AGREEMENTS, RECORDED AND UNRECORDED.

Project No. 114 - 393

DATE: JUNE 16TH, 2015

Combs
& ASSOCIATES

• LAND SURVEYING
• LAND PLANNING
• CIVIL ENGINEERING

100 W. Milwaukee St.
Janesville, WI 53548
www.combsurvey.com

tel: 608 752-0575
fax: 608 752-0574

**NOTICE OF PENDENCY
FOR THE VACATION OF TUCK-A-WAY LANE
RIGHT-OF-WAY IN THE CITY OF БЕЛОIT, ROCK COUNTY, WISCONSIN**

TO WHOM IT MAY CONCERN:

There will be a Resolution introduced and filed with the City Council of the City of Beloit, Rock County, Wisconsin on July 6, 2015 providing for the vacation of Tuck-A-Way Lane in the City of Beloit, Rock County, Wisconsin, described as follows:

Tuck-A-Way Lane as dedicated on Parkmeadow North Plat No. 3, City of Beloit, Rock County, Wisconsin.

A Plat of Vacation showing that portion of the right-of-way to be vacated is attached hereto and incorporated herein by reference. The City of Beloit may reserve and continue all easements for public utilities in the vacated area, including but not limited to sanitary and storm sewer, water, natural gas, and electric utility easements.

Proceedings after the introduction of the Resolution will be in accordance with the provisions of Section 66.1003 of the Wisconsin Statutes.

Dated this _____ day of _____, 2015.

CITY OF БЕЛОIT

By: _____
Lorena Rae Stottler, City Clerk

ORDINANCE NO. _____

AN ORDINANCE TO AMEND SECTIONS 30.17(2)(b)2, (b)3, (b)6 AND (b)7a OF THE CODE OF GENERAL ORDINANCES OF THE CITY OF БЕЛОIT PERTAINING TO ELECTRONICALLY VARIABLE-MESSAGE SIGNS

The City Council of the City of Beloit, Rock County, Wisconsin, do ordain as follows:

Section 1. Section 30.17(2)(b)2 of the Code of General Ordinances of the City of Beloit is hereby amended to read as follows:

"2. Be permitted in C-1, C-2, C-3, and CBD and PLI zoning districts as secondary, on-premises signs."

Section 2. Section 30.17(2)(b)3 of the Code of General Ordinances of the City of Beloit is hereby amended to read as follows:

"3. Not exceed maximum allowable sign area as follows:

Zoning District	Maximum EVM Sign Area
<u>C-1, C-2, & C-3, & PLI</u>	75 sq. ft.
CBD	150 sq. ft.

An "on-premises, sign area bonus" may be permitted by §30.13(3) of this chapter."

Section 3. Section 30.17(2)(b)6 of the Code of General Ordinances of the City of Beloit is hereby amended to read as follows:

"6. Not be located in the vision triangle as defined in section 8-400 of the Zoning Code. Be set back as required by the Zoning Code."

Formatted: Indent: Left: 0.5", Hanging: 0.5"

Section 4. Section 30.17(2)(b)7a of the Code of General Ordinances of the City of Beloit is hereby amended to read as follows:

“a. Operate only between the hours of 6:00 a.m. and 10:00 p.m. if the ~~commercial~~ establishment at which they are located abuts a residential district.”

Section 5. This ordinance shall be in force and take effect upon passage and publication.

Adopted this 20th day of July, 2015.

BELOIT CITY COUNCIL

By: _____
Charles M. Haynes, President

ATTEST:

By: _____
Lorena Rae Stottler, City Clerk

PUBLISHED: _____
EFFECTIVE DATE: _____
01-611100-5231- _____

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Sign Ordinance Amendments – Council Referral to the Plan Commission

Date: July 6, 2015

Presenter(s): Julie Christensen

Department: Community Development

Overview/Background Information:

City of Beloit staff has drafted an Ordinance to amend four sections of the City's Outdoor Sign Regulations, hereafter referred to as the "Sign Ordinance." The purpose of the proposed amendments is to allow the Central Christian Church on Milwaukee Road to use an Electronically Variable-Message (EVM) Sign to notify the public of programs at the church. The proposed Ordinance is attached.

Key Issues:

- The most substantive changes are listed below.
- Section 1 of the proposed Ordinance adds C-1 & PLI zoning districts to the list of zoning districts where EVM signs are permitted as secondary, on-premise signs.
- Section 2 establishes maximum sign areas for EVM signs in C-1 & PLI zoning districts.
- Section 3 changes where EVM signs are allowed to be located with regards to the vision triangle.

Conformance to Strategic Plan:

- Consideration of this request supports Strategic Goal #5.

Sustainability:

- **Reduce dependence upon fossil fuels – N/A**
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature – N/A**
- **Reduce dependence on activities that harm life sustaining eco-systems – N/A**
- **Meet the hierarchy of present and future human needs fairly and efficiently – N/A**

Action required/Recommendation:

- Referral to the Plan Commission for the July 8, 2015 meeting.
- This item will most likely return to the City Council for a public hearing and possible action on July 20, 2015.

Fiscal Note/Budget Impact: N/A

Attachments: Proposed Ordinance

City of Beloit Departmental Correspondence

To: City Council President Charles Haynes and
Beloit City Councilors

From: Eric R. Miller, Finance and Administrative Services Director

Date: July 1, 2015

Subject: **2014 Audit Report**

The City of Beloit's 2014 Comprehensive Annual Financial Report (CAFR) has been placed on the city's website. If you would prefer a hard copy, please let me know. The City's auditors, Baker Tilly Virchow Krause, LLP, will be presenting their report on the audit to the Council at the July 6th, 2015 regular city council meeting. I have also forwarded to you the required communications from the auditors regarding their report on internal controls. Staffs responses to the auditor's comments are included within the report.

If you should have any questions regarding any of this information please feel free to contact me.

Cc: Lori S. Curtis Luther, City Manager



July 1, 2015

To the City Council
City of Beloit
Beloit, WI

In performing the audit of the city's financial statements each year, and in accordance with auditing standards generally accepted in the United States of America, the auditors are required to evaluate the city's internal control systems and communicate to the governing body any deficiencies in internal control which they believe to be material weaknesses.

Because of these requirements, our auditors have prepared the attached Communication to Those Charged with Governance and Management which identifies those areas where they believe a control deficiency exists as of December 31, 2014. Also attached is management's response to their findings.

Respectfully submitted,

Eric R. Miller
Finance and Administrative Services Director

Cc: Lori S. Curtis Luther, City Manager

CITY OF BELOIT
Beloit, Wisconsin

COMMUNICATION TO THOSE CHARGED
WITH GOVERNANCE AND MANAGEMENT

As of and for the Year Ended December 31, 2014

CITY OF БЕЛОIT

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**REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS
IDENTIFIED IN THE AUDIT TO THOSE CHARGED WITH GOVERNANCE**

To the City Council and Management
City of Beloit
Beloit, Wisconsin

In planning and performing our audit of the financial statements of the City of Beloit as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of its internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the City of Beloit's internal control to be material weaknesses:

- > Internal Control Over Financial Reporting
- > Internal Control Environment

The City of Beloit's written responses to the material weaknesses identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, the city council and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.



Madison, Wisconsin
June 24, 2015

Auditing standards require that we perform procedures to obtain an understanding of your government and its internal control environment as part of the annual audit. This includes an analysis of significant transaction cycles and an analysis of the year-end financial reporting process and preparation of your financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and prepare annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- > There is adequate staffing to prepare financial reports throughout the year and at year-end.
- > Material misstatements are identified and corrected during the normal course of duties.
- > Complete and accurate financial statements, including footnotes, are prepared.
- > Complete and accurate schedule of expenditures of federal and state awards is prepared.
- > Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weakness surrounding the preparation of financial statements and footnotes (including the schedule of expenditures of federal and state awards), adjusting journal entries identified by the auditors, and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles or the schedule of expenditures of federal and state awards that are in conformance with the applicable federal or state requirements. In addition, material misstatements in the general ledger were identified during the financial audit.

This level of internal control over financial reporting can be a difficult task for governments that operate with only enough staff to process monthly transactions and reports, and often rely on their auditors to prepare certain year-end audit entries and financial statements.

Management's Response: Given our current staffing complement, it would be extremely difficult for the city to prepare its annual financial statements without the addition of professional staff within the finance department. For efficiency, cost effectiveness and convenience, the city has chosen to include in its annual financial audit engagement, that the auditor prepare the city's financial statements. With significant limitations placed on the city from a budget perspective, there is no immediate plan to deviate from this practice.

INTERNAL CONTROL ENVIRONMENT

A properly designed system of internal control includes adequate staffing as well as policies and procedures to properly segregate duties. This includes systems that are designed to limit the access or control of any one individual to your government's assets or accounting records, and to achieve a higher likelihood that errors or irregularities in the City's accounting processes would be discovered by your staff in a timely manner.

At this time, due to staffing and financial limitations, the proper internal controls are not in place to achieve adequate segregation of duties. As a result, errors, irregularities or fraud could occur as part of the financial reporting process that may not be discovered by someone in your organization. Therefore, we are reporting a material weakness related to the City's internal control environment.

INTERNAL CONTROL ENVIRONMENT (cont.)

There are also certain controls that are not currently in place related to significant transaction cycles. As a result, there is a risk that erroneous or unauthorized transactions or misstatements could occur without the knowledge of management or the governing body. Our recommendations for strengthening controls are listed below.

CONTROLS OVER ACCOUNTS PAYABLE/DISBURSEMENTS

1. Additional controls regarding check printing and processing should be developed for those instances when the City's typical controls cannot be followed. Access to check printing should be restricted from the person processing accounts payable.

Management's Response: The Accounting Division Director will process cash disbursements and check printing in those instances when the normal controls cannot be followed, this will allow for an additional person to print checks, there would be no instance where the accounts payable clerk would process checks or disbursements.

2. Accounts payable reconciliations from the general ledger to the accounts payable listing should be performed on a regular basis.

Management's Response: A separate account will be created to post any manual accounts payable entries for the purchasing card transactions and any miscellaneous manual transactions at year end. Also the Accounting Department will reconcile the accounts payable quarterly to the general ledger.

CONTROLS OVER RECEIVABLES/REVENUE

1. Utility accounts receivable balances should be reconciled to the billing system on a regular basis.

Management's Response: The Accounting Department will reconcile the utility receivable balances quarterly.

CONTROLS OVER INFORMATION TECHNOLOGY

1. Access rights for the network and significant applications should be reviewed at least annually by an appropriate person.

Management's Response: Because of the current limited resources of the Information Technology Department, an additional network administrator staff person in conjunction with additional software is proposed. The additional software and administrative personnel will allow for a more comprehensive review of all access rights for significant applications. However, budgetary constraints may prohibit such proposal from being approved.

2. The operating system, database, and applications should be monitored to identify any security violations. The City should proactively monitor both internal access on the network and financial applications as well as external access. In addition, there should be a procedure to resolve or escalate any security violations.

Management's Response: The Information Technology Department is investigating a variety of software to assist in monitoring internal and external application access. It will be the responsibility of an additional network administrator staff person to develop and escalate any security violations to the Director of Information Technology. The same budgetary constraints may prohibit additional staff at this time.

INTERNAL CONTROL ENVIRONMENT (cont.)

CONTROLS OVER MONTHLY AND YEAR-END ACCOUNTING

1. The cash and investment accounts were not reconciled between the bank account and the accounting records for the majority of 2014. Timely reconciliations are very important to ensure the integrity of the underlying accounting data.

Management's Response: The Accounting Department is now up to full staff again and will ensure the bank accounts and accounting records are reconciled and balance monthly. The department has also made a change in how general fund investments are recorded to assist in aid of reconciliation.

2. Year-end payroll accruals should be recorded to ensure proper cutoff between fiscal years.

Management's Response: The Accounting Department will ensure that if when a prepaid payroll occurs the proper entries are recorded.

3. Year-end reconciliations (retainages, payroll accruals) should be reviewed and approved by someone other than the preparer.

Management's Response: The Accounting Director will review and approve reconciliations prepared by Accounting staff and the Senior Accountant will review and approve reconciliations prepared by the Accounting Director.

ENTITY LEVEL CONTROLS

1. There is no formal risk assessment process taking place at the city. This should be done on a regular basis to identify areas of higher risk for misappropriation of assets or fraud.

Management's Response: The city will develop a risk assessment process that can be implemented for the purpose of identifying areas of high risk in an effort to minimize the potential for misappropriation of assets or fraud.

Since the controls listed above or other compensating controls are not currently in place, errors or irregularities could occur as part of the accounting processes that might not be discovered by management or the governing body. Therefore, the absence of these controls is considered to be a material weakness.

We recommend that a designated employee review the segregation of duties, risks, and these potential controls and determine whether additional controls should be implemented. This determination should take into consideration a cost / benefit analysis.

OTHER COMMUNICATIONS TO THOSE CHARGED WITH GOVERNANCE

TWO WAY COMMUNICATION REGARDING YOUR AUDIT

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks or material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - > Identify types of potential misstatements.
 - > Consider factors that affect the risks of material misstatement.
 - > Design tests of controls, when applicable, and other substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.
- d. We address the significant risks or material noncompliance, whether due to fraud or error, through our detailed audit procedures.

TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)

- e. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material noncompliance related to the federal and state awards whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of the federal and state awards and to determine whether they have been implemented. We will use such knowledge to:
- > Identify types of potential noncompliance.
 - > Consider factors that affect the risks of material noncompliance.
 - > Design tests of controls, when applicable, and other audit procedures.

Our audit will be performed in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, OMB Circular A-133, and the *State Single Audit Guidelines*.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, OMB Circular A-133 and the *State Single Audit Guidelines*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and OMB Circular A-133 and the *State Single Audit Guidelines* in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

- f. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for reporting material noncompliance while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the entity's federal and state awards. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material noncompliance, whether caused by error or fraud, is detected.
- g. Your financial statements contain components, as defined by auditing standards generally accepted in the United States of America, some of which we also audit.
- h. In connection with our audit, we intend to place reliance on the audit of the financial statements of the Beloit Public Library Foundation, a discretely presented component unit of the City of Beloit, Wisconsin, as of December 31, 2014 and for the year then ended completed by Siepert & Co., LLP. All necessary conditions have been met to allow us to make reference to the component auditors.

TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the City Council has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements or the federal or state awards?

Also, is there anything that we need to know about the attitudes, awareness, and actions of the City concerning:

- a. The City's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. We will perform preliminary financial audit work during the months of October-December, and sometimes early January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and will issue drafts of the financial statements for your review. Final copies of your financial statements and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors. We typically perform the single audit fieldwork around the same time as the financial audit. After single audit fieldwork, we wrap up our single audit procedures at our office and then issue drafts of our report for your review. Final copies of our Report on Federal and State Awards are issued after approval by your staff. This is typically 4-6 weeks after final single audit fieldwork, but may vary depending upon a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to talk with you.

**COMMUNICATION OF OTHER CONTROL DEFICIENCIES, RECOMMENDATIONS
AND INFORMATIONAL POINTS TO MANAGEMENT THAT ARE NOT
MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES**

INFORMATIONAL POINTS

DEPARTMENTAL CONTROLS

As part of our annual audit process, we focus our efforts on the primary accounting systems, internal controls, and procedures used by the City. This is in keeping with our goal to provide an audit opinion which states that the financial statements of the City are correct in all material respects.

In some cases, the primary system of accounting procedures and controls of the City are supported by smaller systems which are decentralized, and reside within a department or location. In many cases, those systems are as simple as handling cash collections and remitting those collections to the City treasurer. (For example, this would be the case in a typical municipal swimming pool.) In other cases, the department may send invoices or statements of amounts due, and track collections of those amounts in a standalone accounts receivable system. (For example, this would be the case in a typical municipal court.)

Generally, the more centralized a function is, the easier it is to design and implement accounting controls that provide some level of checks and balances. That is because you are able to divide certain tasks over the people available to achieve some segregation of duties. For those tasks that are decentralized, it is usually very difficult to provide for proper segregation of duties. Therefore, with one person being involved in most or all aspects of a transaction, you lose the ability to rely on the controls to achieve the safeguarding of assets and reliability of financial records.

As auditors, we are required to communicate with you on a variety of topics. Since there is now more emphasis on internal controls and management's responsibilities, we believe it is appropriate to make sure that you are informed about the lack of segregation of duties that may occur at departments or locations that handle cash or do miscellaneous billing. Examples in your City that fit this situation may include the following:

- Pavilion
- Senior Center
- Ice Arena
- Pool
- Boat Launch
- Picnic Shelters
- Parks and Grounds Rentals
- Baseball/Softball Field Rentals
- Recreation Activities
- Rotary River Center Rentals
- Golf Course
- Cemetery
- Transit
- Library
- Public Works – Recycling Containers and Materials
- Utilities Department – Testing and Meter Deposits
- Police Department

INFORMATIONAL POINTS (cont.)

DEPARTMENTAL CONTROLS (cont.)

As you might expect, similar situations are common in most governments. We recommend that the City evaluate on an annual basis whether modifications to existing controls or additional controls are necessary at its decentralized departments.

As auditors, we are required to focus on the financial statements at a highly summarized level and our audit procedures support our opinion on those financial statements. Departments or locations that handle relatively smaller amounts of money are not the primary focus of our audit. Yet, because of the lack of segregation of duties, the opportunity for loss is higher there than in centralized functions that have more controls.

Because management is responsible for designing and implementing controls and procedures to detect and prevent fraud, we believe that is important for us to communicate this information to you. We have no knowledge of any fraud that has occurred or is suspected to have occurred relating to cash collections within the departments mentioned above. However, your role as the governing body is to assess your risk areas and determine that the appropriate level of controls and procedures are in place. As always, the costs of controls and staffing must be weighed against the perceived benefits of safeguarding your assets.

Without adding staff or splitting up the duties, your own day-to-day contact and knowledge of the operation are also important mitigating factors.

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, GASB 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.

OMB UNIFORM GUIDANCE FOR FEDERAL AWARDS NOW IN EFFECT

The U.S. Office of Management and Budget (OMB) issued comprehensive grant reform rules titled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" which affect federal awards issued after December 26, 2014. Therefore, the new federal awards and funding increments you receive in 2015 will be subject to these rules.

INFORMATIONAL POINTS (cont.)

OMB UNIFORM GUIDANCE FOR FEDERAL AWARDS NOW IN EFFECT (cont.)

The grant reform is intended to streamline the guidance on administrative requirements, cost principles, and audit requirements for federal awards. The uniform guidance superseded OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122, and A-133.

Some of the most significant changes impacting many governments include payroll reporting, subrecipient monitoring, procurement, indirect costs, and various changes to the allowability of certain costs. It is important for management to perform a comprehensive analysis of the new rules to determine what changes may be necessary to ensure your compliance. Visit our website at www.bakertilly.com/grantreform for additional resources or call us with your questions.

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.)

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/%7B92F7D640-E25A-4317-90AD-4976378A8F8D%7D/uploads/2013_Wisconsin_Act_274_FAQ_Packet.pdf.

IMPACT FEE SPEND-DOWN REQUIREMENTS

The City currently collects impact fees under Wisconsin State statute 66.0617. Revenues collected from impact fees are required to be placed in a segregated, interest-bearing account. Impact fee revenues and interest earned on impact fee revenues may only be expended on capital items for which the impact fees were imposed.

Statute 66.0617 was first amended by the 2005 Wisconsin Act 203 and later by the 2007 Wisconsin Act 44. These acts modified spend-down requirements as follows:

- > An impact fee that was collected before January 1, 2003, must be used for the purpose for which it was collected no later than December 31, 2012. If the fee was not used by that date, it was to be refunded to the current owner of the property, along with any accumulated interest.
- > Impact fees that are collected after April 10, 2006 and collected within seven (7) years of the effective date of the ordinance imposing the fees must be used within ten (10) years of collection with a possibility of extending the time for an additional three (3) years under extenuating circumstances or hardship.
- > An impact fee that is collected after April 10, 2006 and collected more than seven (7) years after the effective date of the ordinance must be used within a reasonable period of time after they are collected to pay the capital costs for which they were imposed, or they shall be refunded to the current property owner, along with any accumulated interest.

We recommend that management review the impact fee ordinance, collections, and eligible costs to ensure compliance with the spend-down requirements.

INFORMATIONAL POINTS (cont.)

GASB UPDATES

The following is a schedule of GASB projects:

Task or Event	Effective Date	Impact
GASB 68 – Accounting and Financial Reporting for Pensions and GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB 68	For fiscal years beginning after December 31, 2015	Your entity belongs to the Wisconsin Retirement System (WRS). WRS has represented that it will provide the information necessary for the employers to implement GASB 68. The government's share of the net pension liability / asset will be reported in its full-accrual funds and the government-wide financial statements. The footnote disclosures will have significant changes.
Current Agenda Project: Fair Value Measurement	Proposed effective date – June 30, 2016 (Exposure Draft issued in May 2014)	The objective of this project is to review and consider alternatives for the further development of the definition of fair value, the methods used to measure fair value and the applicability of fair value guidance to investments and other items currently reported at fair value, and the potential disclosures about fair value.
Current Agenda Project: Fiduciary Responsibilities	The GASB Board is expected to issue an Exposure Draft in October 2015	This project is to assess what additional guidance should be developed regarding the application of the fiduciary responsibility criteria in deciding whether and how governments should report fiduciary activities in their financial reports.
Current Agenda Project: Leases	The GASB Board is scheduled to issue an Exposure Draft in January 2016	The objective of this project is to re-examine issues associated with lease accounting, consider improvements to existing guidance, and provide a basis for the GASB Board to consider whether the current guidance is appropriate based on the definitions of assets and liabilities.
Current Agenda Project: Other Postemployment Benefits Accounting and Financial Reporting	Proposed effective date for plans – December 31, 2016; Proposed effective date for employers – December 31, 2017; Proposed effective dates for pensions not administered by a trust – June 30, 2017 (Exposure Drafts issued in May 2014)	The Board will consider the possibility of modifications to the existing standards of accounting and financial reporting for other postemployment benefits (OPEB) by state and local governmental employers and by the trustees, administrators, or sponsors of OPEB plans. GASB has stated that their objectives are to increase financial reporting transparency and to improve the usefulness of information to the various users of the financial statements.

INFORMATIONAL POINTS (cont.)

GASB UPDATES (cont.)

Task or Event	Effective Date	Impact
Current Agenda Project: Blending Requirements for Certain Business-Type Activities	The GASB Board is expected to issue an Exposure Draft in June 2015	The objective of this project would be improve financial reporting by addressing issues related to inconsistent presentation of component units in financial reporting of governments engaged only in business-type activities.
Current Agenda Project: External Investment Pools	The GASB Board is expected to issue an Exposure Draft in June 2015	The objective of this project is to improve financial reporting by external investment pools and pool participants that report positions in investment pools.
Current Agenda Project: Irrevocable Charitable Trusts	The GASB Board is expected to issue an Exposure Draft in May 2015	The objective of this project is to determine what accounting and financial reporting guidance, if any, should be established for irrevocable charitable trusts held for the benefit of governmental entities.
Current Agenda Project: Tax abatement Disclosures	Proposed effective date – December 31, 2016 (Exposure Draft issued in October 2014)	The objective of this project is to determine what disclosure guidance for governments that have granted tax abatements, if any, are essential to financial statement users.

The GASB has two other projects which are on hold. They include the conceptual framework for recognition and economic condition reporting – financial projections.

The GASB revisits GASB standards ten (10) years after issuance. The GASB is currently revisiting GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, as well as reporting model-related pronouncements including Statements Nos. 37, 41, and No. 46 and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. The GASB has indicated that they are revisiting the following major provisions of these standards: management's discussion and analysis, government-wide financial statements, fund financial statements, capital asset reporting, budgetary comparisons, special purpose government reporting, and related notes to financial statements. In addition, the GASB is revisiting debt extinguishments, which includes a reexamination of GASB Statement Nos. 7, 23, and 62. We will share updates with you as they become available.

Full lists of projects, as well as many resources, are available on GASB's website which is located at www.gasb.org.

REQUIRED COMMUNICATIONS BY THE AUDITOR TO THOSE CHARGED WITH GOVERNANCE

To the City Council and Management
City of Beloit
Beloit, Wisconsin

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of the City of Beloit for the year ended December 31, 2014 and have issued our report thereon dated June 24, 2015. This letter presents communications required by our professional standards.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, OMB Circular A-133 and the State Single Audit Guidelines. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or those charged with governance of their responsibilities.

We considered the City of Beloit's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Beloit's internal control over financial reporting. We also considered internal control over compliance with types of requirements that could have a direct and material effect on a major federal and major state program to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for a major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, but for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

As part of obtaining reasonable assurance about whether the City of Beloit's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133 and the State Single Audit Guidelines, we examined, on a test basis, evidence about the City of Beloit's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of its major federal and state programs for the purpose of expressing an opinion on the City of Beloit's compliance with those requirements. While our audit provides a reasonable basis for our opinion on compliance, it does not provide a legal determination on the City of Beloit's compliance with those requirements.

To the City Council and Management
City of Beloit

We have issued a separate document which contains the results of our audit procedures to comply with OMB Circular A-133 and the *State Single Audit Guidelines*.

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client-prepared documents, such as official statements related to debt issues.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you in our Communication to Those Charged with Governance and Management dated July 23, 2014 and our meeting with the City Council on July 21, 2014.

QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES

Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City of Beloit are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the City during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of incurred but not recorded health insurance claims is based on historical claims. We evaluated the key factors and assumptions used to develop the incurred but not reported claim liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the Other Post-Employment Benefits (OPEB) liability is based on information provided to activities contracted by the City. We evaluated the key factors and assumptions used to develop the OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of allowance for doubtful ambulance receivables and municipal court receivables is based on historical revenues, historical loss levels, and an analysis of individual account collections.

Financial Statement Disclosures

The disclosures in the financial statements are neutral, consistent, and clear.

To the City Council and Management
City of Beloit

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatement identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

A summary of uncorrected financial statement misstatements follows this required communication. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition to the summary of uncorrected financial statement misstatements which follows this required communication, there was an unreconciled variance between the city's financial records and the bank's records in the amount of \$23,530 which was also uncorrected. Management has determined that this variance is immaterial to the financial statements taken as a whole.

A summary of corrected material financial statement misstatements follows this required communication.

In addition, we prepared GASB No. 34 conversion entries which are summarized in the "Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position" and the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" in the financial statements.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter. This letter follows this required communication.

INDEPENDENCE

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the City of Beloit that, in our professional judgment, may reasonably be thought to bear on our independence.

To the City Council and Management
City of Beloit

INDEPENDENCE (cont.)

Relating to our audit of the financial statements of the City of Beloit for the year ended December 31, 2014, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to the City in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants, and provided no services to the City other than audit services provided in connection with the audit of the current year's financial statements and nonaudit services which in our judgment do not impair our independence.

- > Financial statement preparation
- > Adjusting journal entries
- > SEFSA revisions
- > Continuing property records consulting
- > Compiled regulatory reports

None of these nonaudit services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information, which accompanies the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

To the City Council and Management
City of Beloit

RESTRICTION ON USE

This information is intended solely for the use of the City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We welcome the opportunity to discuss the information included in this letter and any other matters. Thank you for allowing us to serve you.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 24, 2015

CORRECTED MATERIAL FINANCIAL STATEMENT MISSTATEMENTS

City of Beloit
CORRECTED MATERIAL FINANCIAL STATEMENT MISSTATEMENTS

Account Name	Account Number	Debit	Credit
CASH EQUITY	01-1010- GF	848,775.00	
IN LIEU OF TAX	01611998-4060- GF		(848,775.00)
CASH EQUITY	26-1010 WATER		(848,775.00)
PAYMENT IN LIEU OF TAXES	26707408-5421 WATER	848,775.00	

To record the payment in lieu of taxes from water.

CASH-PAYROLL ACCOUNT	01-1011- GF	92,350.00	
CASH-PAYROLL ACCOUNT	01-1011- GF		(208,444.00)
PREPAID EXPENSES	01-1470- GF	208,373.00	
SECTION 125 PAYABLE	01-2029- GF		(1,263.00)
457 PLAN PAYABLE	01-2030- GF		(6,491.00)
FEDERAL WITHHOLDING PAYABLE	01-2031- GF		(21,101.00)
WISCONSIN WITHHOLDING PAYABLE	01-2032- GF		(7,579.00)
ILLINOIS WITHHOLDING PAYABLE	01-2033- GF		(1,083.00)
FICA WITHHOLDING PAYABLE	01-2034- GF		(22,536.00)
LOCAL #583 AF OF L PAYABLE	01-2037- GF		(587.00)
WISCONSIN RETIREMENT PAYABLE	01-2041- GF		(29,744.00)
LIFE INSURANCE PAYABLE	01-2043- GF		(22.00)
MISC WITHHOLDING PAYABLE	01-2045- GF		(1,868.00)
GENERAL HEALTH BENEFITS	01-2090- GF		(5.00)

To record prepaid payroll at the end of the year.

FEDERAL AID RECEIVABLE	29-1351- CIP	577,848.00	
INTERGOV AIDS RECEIVABLE	74-1351- FMYG	117,061.00	
INTERGOV AIDS & GRANTS - STATE	P2906000-4330-2014 CIP		(577,848.00)
OPERATING GRANTS - FEDERAL	74666300-436002-35282 FMYG		(117,061.00)

To record additional accounts receivable amounts resulting from subsequent receipt testing.

INVENTORY - CENTRAL STORES	26-1520 WATER	54,450.00	
PUMPING-ELECTRIC PUMP EQUIPMNT	26-174325 WATER	11,224.48	
TRANS-METERS	26-174346 WATER	20,000.00	
TRANS-METERS	26-174346 WATER	2,520.00	
TRANS-METERS	26-174346 WATER	1,260.00	
TRANS-METERS	26-174346 WATER	5,680.00	
TRANS-METERS	26-174346 WATER	118,500.00	
COMMUNICATION EQUIPMENT	26-174397 WATER	14,502.16	
COMMUNICATION EQUIPMENT	26-174397 WATER	16,900.00	
STRUCTURE MAINTENANCE	26707672-5261 WATER	2,250.00	
MAINTENANCE MATERIALS	26707673-5345 WATER	15,000.00	
MAINTENANCE MATERIALS	26707677-5345 WATER		(18,450.00)
BUILDINGS/CONSTRUCTION	0026-70-75-199-505-519-000-5511 -2		(49,502.16)
BUILDINGS/CONSTRUCTION	0026-70-75-199-505-540-000-5511 -2		(36,000.00)
BUILDINGS/CONSTRUCTION	0026-70-75-199-505-541-000-5511 -2		(3,780.00)

WATER SYSTEM	0026-70-75-199-505-634-000-5525 -2	(5,680.00)
BUILDINGS/CONSTRUCTION	0026-70-75-499-505-472-000-5511 -2	(2,250.00)
EQUIP-OTHER OVER \$1,000	0026-70-75-499-505-472-000-5533 -2	(28,124.48)
WATER SYSTEM	0026-70-75-499-505-587-000-5525 -2	(118,500.00)

To capitalize water assets charged to project accounts.

LOSS ADV FUNDING 2011	23-290927 SEWER	(729.00)
LOSS ADV FUNDING 2011	25-290927 TRAN	(468.00)
DISCOUNT ON REFUNDING BONDS	26-290921 WATER	(147,815.75)
REVENUE BOND DISC 09	26-290924 WATER	(56,137.30)
LOSS ADV FUNDING 2011	26-290927 WATER	(1,832.00)
PREMIUM ON REVENUE BONDS	26-290928 WATER	64,133.00
LOSS ON REFUNDING	26-290929 WATER	(42,569.00)
PREMIUM ON REFUNDING	27-290924 STORM	(13,244.00)
Sewer Amortization Expense	23707428-5736 SEWER	729.00
Transit Amortization Expense	25707428-5736 TRAN	468.00
Amortization Expense	26707428-5736 WATER	184,221.05
Amortization Expense	27707428-5736 STORM	13,244.00

To record amortization of debt discounts, premiums, and loss on advance refunding.

RADIO READ METERS	26-174347 WATER	(257,669.00)
ACC DEPR-RADIO READ METERS	26-184347 WATER	257,669.00

To retire meters.

UTILITY DEPOSIT LIABILITY	26-2017 WATER	40,000.00
DIST & MAINS - CIAC	26-174344 WATER	23,838.51
DIST & MAINS - CIAC	26-174344 WATER	39,576.00
HYDRANTS-CIAC	26-174349 WATER	11,303.53
Customer contributions	26707421-4505 WATER	(74,718.04)
OPERATING INCOME	26707471-4505 WATER	50,000.00
OPERATING INCOME	26707471-4505 WATER	2,542.31
OPERATING INCOME	26707471-4505 WATER	(17,824.27)
MAINTENANCE MATERIALS	26707673-5345 WATER	(19,851.34)
REGULAR PERSONNEL	26707675-5110 WATER	(1,400.00)
MAINTENANCE MATERIALS	26707677-5345 WATER	(2,639.73)
CONT SERV-HYDRANTS/VALVE REPL	26707673-524101 WATER	(7,380.03)
CONT SERV-LEAD SERVICE REPL	26707673-524102 WATER	(13,022.03)
NEW SERVICE INSTALLATIONS	26707673-524104 WATER	(30,424.91)

To properly record activity from water customer miscellaneous billing.

CASH EQUITY	23-1010 SEWER	(231,304.00)
CASH EQUITY	26-1010 WATER	231,304.00
JOINT METERING EXPENSE	23707561-5239 SEWER	231,304.00
DEPRECIATION EXPENSE	26707403-5700 WATER	(118,719.00)
Other Revenue	26707474-4505 WATER	(62,171.00)
TAXES	26707599-519408 WATER	(50,414.00)

To record the joint metering allocation at year end.

ACC AMORTIZATION-ACQ ADJ	26-184118 WATER		(236,018.00)
ACC DEPR-WELLS & SPRINGS	26-184314 WATER		(91,936.00)
ACC DEPR-PUMP-STRUCTURE & IMP	26-184321 WATER		(84,504.00)
ACC DEPR-PWR PROD EQUIP	26-184323 WATER		(11,612.00)
ACC DEPR-PUMP-ELECTRIC PUMP EQ	26-184325 WATER		(46,021.00)
ACC DEPR-WTR TR-STRUCTURES&IMP	26-184331 WATER		(1,163.00)
ACC DEPR-WTR TREAT-EQUIPMENT	26-184332 WATER		(9,841.00)
ACC DEPR-TRANS-DIST. RESERVOIR	26-184342 WATER		(39,052.00)
ACC DEPR-TRANS-DISTR MAINS	26-184343 WATER		(196,411.00)
ACC DEPR-CIAC SERVICES	26-184344 WATER		(12,483.00)
ACC DEPR-TRANS-SERVICES	26-184345 WATER		(192,375.00)
ACC DEPR-TRANS-METERS	26-184346 WATER		(33,700.00)
ACC DEPR-RADIO READ METERS	26-184347 WATER		(195,321.00)
ACC DEPR-TRANS-HYDRANTS	26-184348 WATER		(88,450.00)
ACC DEPRECIATION - MISC	26-184349 WATER		
ACC DEPRECIATION - MISC	26-184349 WATER		(1,110.00)
ACC DEPR-MAINS CIAC	26-184350 WATER		(2,374.00)
ACC DEPR - BUILDINGS	26-184390 WATER		(70,122.00)
ACC DEPR-OFFICE FURN. & EQUIP	26-184391 WATER		(1,819.00)
ACC DEPR-TRANSPORTATION EQUIP	26-184392 WATER		
ACC DEPR-TOOLS, SHOP EQUIP	26-184394 WATER		(2,023.00)
ACC DEPR-LABORATORY EQUIPMENT	26-184395 WATER		
ACC DEPR-COMMUNICATION EQUIP	26-184397 WATER		(50,998.00)
ACC DEPR-COMPUTER EQUIPMENT	26-184399 WATER		
ACC DEPR Radio Read Meters	26-18434601 WATER		(8,417.00)
DEPRECIATION EXPENSE	26707403-5700 WATER	1,123,765.00	
AMORTIZATION OF UTILITY AQUISITION ADJ	26707406-5700 WATER	236,018.00	
Depreciation on CIAC	26707426-5700 WATER	15,967.00	

To record water depreciation expense at year end.

CONSTRUCTION IN PROGRESS	23-1749 SEWER	410,359.11	
Contributions (Customer and Municipal)	23-4691 SEWER		(410,359.11)
Construction Work in Progress	26-174107 WATER	449,069.54	
CAPITAL PAID IN-MUNICIPAL CONTRIBUTIONS	26707200-3970 WATER		(449,069.54)

To record the Gateway Water and Sewer project as construction in progress and contributions from TID.

MAINS	23-1709 SEWER	7,206.05	
OTHER ASSETS-BOUNDARY	23-1800 SEWER	13,726.79	
OTHER ASSETS-BOUNDARY	23-1800 SEWER	21,000.00	
OTHER ASSETS-BOUNDARY	23-1800 SEWER	11,000.00	
OTHER ASSETS-BOUNDARY	23-1800 SEWER	6,080.00	
CONTRACTS PAYABLE - RETAINAGE	23-2505 SEWER	18,692.21	
INFLUENT/EFFL PUMP/FORCE MAIN	23-174101 SEWER	16,768.73	
INFLUENT/EFFL PUMP/FORCE MAIN	23-174101 SEWER	51,446.81	
INFLUENT/EFFL PUMP/FORCE MAIN	23-174101 SEWER	19,533.18	
INFLUENT/EFFL PUMP/FORCE MAIN	23-174101 SEWER	6,870.00	
INFLUENT/EFFL PUMP/FORCE MAIN	23-174101 SEWER	5,000.00	
INFLUENT/EFFL PUMP/FORCE MAIN	23-174101 SEWER	14,000.00	

INFLUENT/EFFL PUMP/FORCE MAIN	23-174101 SEWER	4,486.03	
INFLUENT/EFFL PUMP/FORCE MAIN	23-174101 SEWER	17,768.69	
AERATION BASIN	23-174104 SEWER	24,188.54	
AERATION SYSTEM	23-174105 SEWER	8,406.42	
AERATION SYSTEM	23-174105 SEWER	9,520.45	
SLUDGE THICKENING	23-174109 SEWER	7,240.00	
SLUDGE THICKENING	23-174109 SEWER	8,239.00	
SLUDGE/SOLIDS HAULING	23-174111 SEWER	26,632.72	
SLUDGE/SOLIDS HAULING	23-174111 SEWER	24,779.00	
MAINTENANCE MATERIALS	23707563-5345 SEWER	50,197.99	
MAINTENANCE MATERIALS	23707563-5345 SEWER	115,256.76	
ROADWAY CONSTRUCTION - STREETS	P2302179-55142011 SEWER		(68,215.54)
SANITARY SEWER	P2304199-55232013 SEWER		(57,404.04)
SANITARY SEWER	P2304199-55232013 SEWER		(18,692.21)
SANITARY SEWER	P2304199-55232014 SEWER		(115,256.76)
CONTR SERV-PROFESSIONAL	P2304568-52402010 SEWER		(19,533.18)
CONTR SERV-PROFESSIONAL	P2304568-52402014 SEWER		(13,726.79)
IN-HOUSE ENGINEERING	P2304568-52582014 SEWER		(21,000.00)
SANITARY SEWER	P2304584-55232011 SEWER		(11,870.00)
IN-HOUSE ENGINEERING	P2304632-52582014 SEWER		(5,000.00)
IN-HOUSE ENGINEERING	P2304633-52582014 SEWER		(6,000.00)
CONTR SERV-PROFESSIONAL	P2311401-52402011 SEWER		(6,080.00)
BUILDINGS/CONSTRUCTION	P2311401-55112010 SEWER		(84,953.71)
BUILDINGS/CONSTRUCTION	P2311401-55112013 SEWER		(42,538.45)
SANITARY SEWER	P2311401-55232012 SEWER		(17,768.69)

To capitalize sewer assets that were recorded to expense/project accounts.

ACC DEPRC - EQUIP COMPUTER	23-1751 SEWER		(29,104.00)
ACC DEPR - SLUDGE STORAGE FCLT	23-1756 SEWER		(95,486.00)
ACC DEPR - EQUIP MACHINERY/OTH	23-1757 SEWER		(13,843.00)
ACC DEPR MAINS	23-1759 SEWER		(167,682.00)
ACC DEPR - VEHICLES	23-1770 SEWER		(20,375.00)
ACC DEPR - NEW PLANT FACILITY	23-1799 SEWER		(2,289,840.00)
DEPRECIATION EXPENSE	23707561-5731 SEWER	2,616,330.00	

To record sewer depreciation expense.

BUSES	25-1722 TRAN	799,788.00	
EQUIP-OTHER OVER \$1,000	P2511263-5533-2014 TRAN		(799,788.00)

To capitalize buses purchased during the year to the appropriate account.

FEDERAL AID RECEIVABLE	25-1351 TRAN	614,048.00	
OPERATING GRANTS - FEDERAL	25707400-436002 TRAN		(614,048.00)

To record 2014 federal operating assistance revenue and receivable.

CASH EQUITY	01-1010- GF		-50,771.00
CASH EQUITY	02-1010- CPC		-32,527.00
CASH EQUITY	33-1010- ERF1	283,659.00	

GAIN (LOSS) ON MARKET VALUES	33-441302- ERF1		-283,659.00
GAIN (LOSS) ON MARKET VALUES	01611998-441302- GF	50,771.00	
GAIN (LOSS) ON MARKET VALUES	02707388-441302- CPC	32,527.00	

Provided by client: To reverse the prior year mark to market adjustment on investments and record a loss on investments that matured and were sold during the year.

SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS

City of Beloit
SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS

December 31, 2014

	Financial Statements Effect - Debit (Credit) to Financial Statement Total					
	<u>Total Assets/ Deferred Outflows</u>	<u>Total Liabilities/ Deferred Inflows</u>	<u>Total Net Position/ Fund Balances</u>	<u>Total Revenues</u>	<u>Total Expenses/ Expenditures</u>	<u>Change in Net Position/ Fund Balances</u>
Governmental Activities	-	-	-	-	(160,039)	(160,039)
Business-Type Activities	-	-	-	-	(203,953)	(203,953)
General Fund	50,568	(126,685)	76,117	(65,224)	76,117	10,893
Equipment Replacement Fund	-	-	-	(21,075)	-	(21,075)
Capital Improvements Fund	-	(136,216)	136,216	-	136,216	136,216
Water Utility	-	-	-	-	(203,953)	(203,953)
Remaining Funds	-	(9,319)	9,319	-	74,055	74,055

MANAGEMENT REPRESENTATIONS



June 24, 2015

Baker Tilly Virchow Krause, LLP
Ten Terrace Court
P.O. Box 7398
Madison, WI 53707-7398

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of the City of Beloit as of December 31, 2014 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Beloit and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.

Finance Department	City Attorney	City Clerk	Housing Services	Human Resources
608/364-6685	608/364-6623	608/364-6600	608/364-6650	608/364-6685
Fax 364-6642	Fax 364-6718	Fax 364-6649	Fax 364-6609	Fax 364-6759

6. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
7. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal and state awards.
8. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the basic financial statements as a whole. In addition, you have recommended adjusting journal entries, and we are in agreement with those adjustments.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
10. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
15. We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. There are no known related parties or related party relationships and transactions of which we are aware.

Other

17. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

18. We have a process to track the status of audit findings and recommendations.
19. We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
20. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
21. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
22. We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
23. There are no:
 - a. Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c. Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
 - d. Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - e. Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
24. In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
 - a. Financial statement preparation
 - b. Adjusting journal entries
 - c. SEFSA revisions
 - d. Compiled regulatory reports
 - e. Continuing property records consulting

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

25. The City of Beloit has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
26. The City of Beloit has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

27. The financial statements include all material component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
28. The financial statements properly classify all funds and activities.
29. All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
30. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
31. The City of Beloit has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
32. Provisions for uncollectible receivables have been properly identified and recorded.
33. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
34. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
35. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
36. Deposits and investment securities are properly classified as to risk, and investments are properly valued. Collateralization agreements with financial institutions, if any, have been properly disclosed.
37. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
38. Tax-exempt bonds issued have retained their tax-exempt status.
39. We have appropriately disclosed the City of Beloit's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
40. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
41. With respect to the supplementary information, (SI):

a. We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

a. If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

42. We assume responsibility for, and agree with, the findings of specialists in evaluating the net OPEB obligation and related actuarial valuation information and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

43. With respect to federal and state award programs:

a. We are responsible for understanding and complying with and have complied with the requirements of the Single Audit Act Amendments of 1996, OMB Circular A 133, *Audits of States, Local Governments, and Non-Profit Organizations*, *State Single Audit Guidelines*, including requirements relating to preparation of the schedule of expenditures of federal and state awards (SEFSA).

b. We acknowledge our responsibility for presenting the SEFSA in accordance with the requirements of OMB Circular A-133 §310.b and the State Single Audit Guidelines, and we believe the SEFSA, including its form and content, is fairly presented in accordance with OMB Circular A-133 §310.b and the *State Single Audit Guidelines*. The methods of measurement and presentation of the SEFSA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFSA.

c. If the SEFSA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFSA no later than the date we issue the SEFSA and the auditors' report thereon.

d. We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and the *State Single Audit Guidelines* and included in the SEFSA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e. We are responsible for understanding and complying with, and have complied with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal and state program.

- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provide reasonable assurance that we are administering our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal or state agencies or pass-through entities relevant to the programs and related activities.
- h. We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Circular A-133 Compliance Supplement and the State Single Audit Guidelines, relating to federal and state awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal and state awards.
- j. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation agreements, and internal or external monitoring that directly relate to the objectives of the compliance audit, if any, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to the compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. We are not aware of any instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
- r. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

- s. The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal and state agency or pass-through entity, as applicable.
 - t. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of OMB Circular A-133 and the *State Single Audit Guidelines*.
 - u. We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditors' reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements to ensure that subrecipients have taken the appropriate and timely corrective action on findings.
 - v. We have considered the results of subrecipient audits and made any necessary adjustments to our books and records.
 - w. We have charged costs to federal and state awards in accordance with applicable cost principles.
 - x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and the *State Single Audit Guidelines* and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
 - y. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
 - z. We are responsible for preparing and implementing a corrective action plan for each audit finding.
 - aa. We have disclosed to you all contracts or other agreements with our service organizations, and we have disclosed to you all communications from the service organization relating to noncompliance at the service organizations.
44. We are responsible for the electronic submission of required annual financial data to HUD's Real Estate Assessment Center (REAC) and for ensuring that it is complete, accurate, and timely filed, in accordance with our regulatory and contractual obligations to HUD.
45. We have disclosed to you all information of which we are aware that may affect the completeness and accuracy of the electronic submission, and we have disclosed to you all communications from regulatory agencies affecting the electronic submission.

Sincerely,

City of Beloit

Signed: 

Signed: 

Signed: 