

Village of Weston, Wisconsin
OFFICIAL PROCEEDINGS OF THE FINANCE COMMITTEE
held on Monday, June 17, 2019 at 4:30 p.m., in the Board Room at the Municipal Center,
Chairperson Maloney presiding.

AGENDA ITEMS.

1. Call to Order & Welcome by Chairperson Maloney.

Meeting called to order at 4:30 p.m. by Finance Committee Chairperson Maloney.

2. Roll Call by Recording Secretary.

Roll call indicated 5 members present

<u>Member</u>	<u>Present</u>
Bender, Robert	YES
Ermeling, Barb	YES
Maloney, Mark	YES
Sukup, Carrie	YES
Yaeger, Richard	YES

Village staff in attendance: Donner, Trautman, Trittin, and Wodalski. Village officials in audience: CDA member Jelmeland and President Sparks.

3. Approval of minutes from previous meetings: April 1, 2019

Motion by Bender, second by Yaeger, to approve previous meeting minutes from April 1, 2019.

Yes Vote: 5 No Votes: 0 Abstain: 0 Not Voting: 0 Result: PASS

<u>Member</u>	<u>Voting</u>
Bender, Robert	YES
Ermeling, Barb	YES
Maloney, Mark	YES
Sukup, Carrie	YES
Yaeger, Richard	YES

4. Public Comments.

Trautman addressed an email staff received from Bob Warner regarding the Marshfield School District fraud situation and how the village plans to prevent something similar happening here. Trautman forwarded the email and her response to the committee.

Trautman stated that we do not currently have something in place but requested suggestions or recommendations. Trautman added that we do not have many ACH transactions with our vendors but do have it setup for some benefit and lease payments.

Bender suggested that all requests for changes to banking information be requested in written form on letterhead. Sukup also stated that staff should be informed no ACH

changes should be made without approval from the Finance Director. Trautman suggested calling a phone number from an invoice to confirm the request is legitimate.

The committee consensus was that all requests for changes in banking information must be requested in writing on letterhead and go through the Finance Director.

ACKNOWLEDGE WORK PRODUCT TRANSMITTALS.

5. Acknowledge May 2019 budget status – all funds

Motion by Ermeling, second by Bender, to acknowledge the May 2019 budget status report.

Yes Vote: 5 No Votes: 0 Abstain: 0 Not Voting: 0 Result: PASS

<u>Member</u>	<u>Voting</u>
Bender, Robert	YES
Ermeling, Barb	YES
Maloney, Mark	YES
Sukup, Carrie	YES
Yaeger, Richard	YES

6. Acknowledge May cash summary

Yaeger asked why Connexus was not a bank we did business with. Trautman responded that Connexus stopped taking tax collection payments a few years ago so the village pulled its money from there. Yaeger added that Connexus has a good interest rate. Trautman stated she would contact Connexus to see if we could get some money deposited there.

Motion by Ermeling, second by Sukup, to acknowledge the May 2019 cash summary.

Yes Vote: 5 No Votes: 0 Abstain: 0 Not Voting: 0 Result: PASS

<u>Member</u>	<u>Voting</u>
Bender, Robert	YES
Ermeling, Barb	YES
Maloney, Mark	YES
Sukup, Carrie	YES
Yaeger, Richard	YES

EDUCATIONAL PRESENTATIONS & REPORTS.

7. Review Finance Committee Municipal Code

Trautman asked for committee feedback on the code for the Finance Committee. Trautman asked if the committee felt comfortable reviewing and making recommendations to the board on insurance coverage and risk management. Trautman also asked if there were any other areas in question or things that should be added. Bender stated that he is familiar with insurance but did not think that it needed to be a Finance Committee responsibility. Bender asked if we had an agency shopping for insurance to ensure we get the best rates; Trautman confirmed that was the case. Sukup stated that if it is not something that is going to come to the Finance Committee it should be taken out. The committee agreed.

8. Review of 2020 Budget for Village Board, Administrator and Committee Budgets

Trautman stated her goal is to bring a few department budgets during each meeting. Trautman stated that we do not have any of the new benefit rates so the budgets cannot be finalized. The goal is to get everyone comfortable with what is in the budget, so we know what there is to work with when we start finalizing the budget.

Maloney asked if the budget process would be similar to last year as he received feedback that it went well. Trautman stated it would, but thinks it went well because we did not have to cut much last year since we absorbed the budget increase by reallocating some of our debt service levy to our general fund levy. Trautman added that this would not be a possibility this year so we need to be more conscious of how we can work together to balance the budget. Donner stated that feedback was received that last year’s process went well but thought Trautman’s goal was to bring the detail in smaller pieces to get a better understanding of the budget line items and then bring it all together later.

POLICY ISSUES – DISCUSSIONS/RECOMMENDATIONS.

9. Discussion and possible recommendation on Assessor contract

Trautman brought this item to see what the committee’s thoughts were on assessor services. Maloney asked when the last time a village-wide reassessment was done; Trautman stated it was in 2007. The committee discussed whether it would be worth it to do a village-wide reassessment. The committee stated that the last time it was brought up it was found that it would cost more for the reassessment than the increase in assessed value would bring in. Bender clarified whether we were still within the state limitations on variance from equalized value; Trautman confirmed we were.

Sukup asked when the last time we went out for requests for proposals (RFP) was. Trautman stated it was when she was still here in 2013. Maloney stated that it makes sense to go out for RFP to see what is out there. The committee agreed.

Motion by Sukup, second by Bender, to recommend that staff send out requests for proposals for assessor services.

Yes Vote: 5 No Votes: 0 Abstain: 0 Not Voting: 0 Result: PASS

<u>Member</u>	<u>Voting</u>
Bender, Robert	YES
Ermeling, Barb	YES
Maloney, Mark	YES
Sukup, Carrie	YES
Yaeger, Richard	YES

10. Discussion and possible recommendation of 2019 budget transfer

Trautman stated that this needs formal approval for the audit trail.

Motion by Bender, second by Yaeger, to recommend the Village Board approve the 2019 budget transfer of \$730.61 from 10-06-56900-336-000 to 10-06-56900-812-000.

Yes Vote: 5 No Votes: 0 Abstain: 0 Not Voting: 0 Result: PASS

<u>Member</u>	<u>Voting</u>
Bender, Robert	YES
Ermeling, Barb	YES
Maloney, Mark	YES
Sukup, Carrie	YES
Yaeger, Richard	YES

11. Discussion and possible recommendation on taking delinquent personal property tax bills to small claims court

Trautman stated the listing of delinquent personal property tax in the packet is for entities still in business that we hope to collect money from. The listing is as of May 31 and will be updated prior to sending it on to the attorney. Letters and statements have been sent out to inform the businesses of their delinquent tax with language stating we would forward unpaid balances on to our attorney. Trautman requested any feedback from the committee on sending these to small claims in terms of dollar threshold or if the committee knows anything about the businesses listed. Sukup stated that River Valley's delinquent tax was paid; Trittin confirmed it was paid on 6/10. Ermeling asked if some of those listed would have licenses withheld if the taxes are not paid; Trautman responded they would and that the list would be reran in the end of June after licenses have been issued.

The committee discussed the pros and cons of small claims. Maloney and Ermeling stated that it would be better to call to collect on the delinquent personal property. Yaeger asked if Trautman was planning on being present in small claims court and asked if all of the claims could be taken care of at once or if they had to be taken individually. Trautman stated she was planning on having the attorney attend small claims court and had reached out to the attorney to determine the details. Trautman also stated the attorney mentioned attorney costs can be recovered through small claims court. Yaeger stated that is assuming you actually collect so we could end up stuck with attorney costs and a delinquent bill. Sukup stated that we need to understand what happens to the attorney fees if the person we took to small claims still does not pay and we need to determine the threshold for taking items to small claims. Jelmeland stated that the claims from small claims court show up as judgements against individuals. Yaeger stated for businesses that may not be the case as many are setup where the individuals are separate from the business entity.

Jelmeland asked what the attorney will charge; Trautman stated she had asked for that information from the attorney. Trautman also added that she was going off of our current accounts receivable policy that states that we will send unpaid accounts receivable to small claims and is looking for direction from the committee on how to go about it. Bender stated that small claims court verifies that the money is owed legally, but it will not necessarily get the bill paid. Yaeger stated that the claims can also be disputed extending the process of collecting.

Jelmeland asked what the plan is for items too small to go to small claims. Maloney stated he thought several could be collected after making phone calls. Jelmeland recommended using a collections agency as it will have a direct effect on the person's credit score. Maloney disagreed and stated he wanted to see staff taking care of collections.

Staff was directed to bring this item back after making phone calls and getting more information from the attorney.

12. Discussion and possible recommendation of writing off all personal property tax bills that will not be taken to small claims court

Trautman stated that the list provided in the packet is for delinquent personal property tax owed by entities no longer in business as well as unpaid interest from 2013 and forward that is deemed uncollectible. Ermeling asked if Anytime Fitness was out of business; Trautman responded that they are no longer there.

Motion by Bender, second by Sukup, to recommend the Village Board to write off all businesses highlighted in yellow for personal property tax and interest.

Yes Vote: 5 No Votes: 0 Abstain: 0 Not Voting: 0 Result: PASS

<u>Member</u>	<u>Voting</u>
Bender, Robert	YES
Ermeling, Barb	YES
Maloney, Mark	YES
Sukup, Carrie	YES
Yaeger, Richard	YES

13. Discussion and possible recommendation of an investment policy/investment committee

Trautman stated this item was brought up by Jelmeland via email to Maloney. Jelmeland was under the impression that the village did not have an investment policy, but it was clarified that a policy does exist. Trautman stated that the investment policy needs looked at and updated. The committee discussed the previous discussions with investment firms.

Trautman asked if the committee thinks we should have an investment committee made up of local professionals as recommended by Jelmeland. Maloney asked if the committee would be a subcommittee of the Finance Committee. Ermeling thought it would be a subcommittee made up of investment experts to provide direction.

Jelmeland asked if there are any minutes detailing investment activities. Trautman responded there was not and that as treasurer she has the responsibility to invest village funds safely and securely. Jelmeland stated there should be a record of investments purchased so they can be evaluated for policy compliance – this would be one purpose of the investment committee. The Finance Committee stated they were not comfortable managing the village’s investments. Bender stated that in a prior position he had sole responsibility of investing. Bender went on to say staff is limited already on what can be invested in and thinks it is easier to not have others involved since staff knows their cash flow the best. Sukup asked if it was mostly CD’s that were being invested in; Trautman stated she has been investing in short-term CD’s. Trautman also added that we currently have so much money because the TIF has not really began its large projects. Maloney stated that he does not think we should ask people for opinions and then not pay them. Maloney’s suggestion was to email 3-4 people for a consensus and make investment decisions that way.

Ermeling asked if we check with local banks when CD’s come due. Trautman said that she currently does not but could start doing that. Maloney asked if we could just reach out to several banks when we are looking to invest to get rates and then go with the best one. Jelmeland stated that there are websites we can check or subscribe to for interest rate checking. Ermeling asked if we should change our investment policy to put priority on local

banks. Maloney responded that if we were to do that then we should do that in all areas of business, not just investing. Sukup stated that generally it is best to go with the place that has the highest rate. This item will be brought back at the next meeting.

14. Strategy for capital borrowing including municipal facilities.

Donner gave background information on prior discussions on capital project needs and municipal facility needs. Donner stated that the estimated cost of the new building was \$12.6 million based on the floor plan at the time, but that Wallenkamp at Kueny mentioned that costs rise by approximately 3% a year so the current cost for the same building is likely higher.

Donner stated that we need to maintain our capital improvement plan and come up with a 5-year plan. A key piece of that is determining if we are going to move forward with the municipal facility project.

Donner gave committee members two handouts: a draft capital improvement plan from 2019-2023 and a couple of additional borrowing scenarios Ehlers put together. Donner walked the committee through the draft capital improvement plan first. For each year the projects are broken out by funding source and totaled for each year. The estimated general obligation portion needed for each of the years is: \$3.4 million for 2020, \$4.7 million for 2021, \$17.5 million for 2022 (municipal facility included here), \$4.4 million for 2023, and \$2.7 million in 2024. These amounts could be shifted around based on changing priorities and new estimates.

Donner shifted to discussing the financing plans Ehlers put together earlier this year. The plans in the packet and the handouts show financing options for the municipal center using either 20-year general obligation bonds or using a 40-year Rural Development Loan alongside regular capital borrowings. Donner stated these scenarios likely need reran with different assumptions. The scenarios assume the closure of TIF #2; however, Donner stated that the CDA recently had a discussion on extending the life of TIF #2.

Donner stated that staff wants to get a sense of the committee's and board's direction on how to move forward. Donner also stated that the prior focus had been on keeping a certain tax rate; however, Trautman felt it made more sense to focus on a debt service levy as the tax rate can fluctuate if a reassessment is done.

Ermeling stated that she thinks we need to know the revised space needs before moving forward to ensure what we projected previously is what is needed. The committee had a brief discussion on having a community room. Ermeling stated that those types of rooms are a lot of upkeep for staff. Maloney stated he did not think we needed a community room since there are several other options in the community.

Donner asked the committee's thoughts on loan options. Yaeger stated that he is in favor of a 20-year loan over a 40-year loan as the village has the cash flow and can save on interest costs. Bender agreed with Yaeger and added that additional building investments will likely be needed after 20 years to upkeep the facility. Bender stated that we need to move on this project soon. Sukup asked if there is anything for sale in the village to permanently house office staff. Ermeling responded that it is more cost effective to have all staff together per the building designer. Bender stated he feels it makes more sense to have employees in close

proximity to each other. Maloney stated that he thinks we should consider all options and added that the facilities that were toured had two separate facilities.

Consensus is to have Ehlers run 20-year financing options and to reevaluate space needs. Bender stated that a decision should be made by late fall to keep things moving. Maloney said he wants to see community education; Donner stated Wallenkamp from Kueny would assist us with that. This will be brought back at the next meeting.

RESOLUTIONS/ORDINANCES.

FUTURE ITEMS.

15. Next meeting date(s):

- Mon, July 15, 2019 @ 4:30 p.m. Regular Committee Meeting
- Mon, August 19, 2019 @ 4:30 p.m. Regular Committee Meeting
- Mon, Sept 16, 2019 @ 4:30 p.m. Regular Committee Meeting

16. Topics for future meetings.

- a. Facilities, investments, and personal property tax collections.

17. Remarks from Staff.

- a. Trittin added that the July 15 meeting would start immediately following the Tourism Commission meeting.

18. Remarks from Committee Members

Maloney stated that he attended his first EMPD Joint Finance Committee and that kudos were given to Finance staff for the EMPD audit.

19. Announcements.

ADJOURNMENT

Motion by Ermeling, second by Bender, to adjourn the Finance Committee meeting.

Yes Vote: 5 No Votes: 0 Abstain: 0 Not Voting: 0 Result: PASS

<u>Member</u>	<u>Voting</u>
Bender, Robert	YES
Ermeling, Barb	YES
Maloney, Mark	YES
Sukup, Carrie	YES
Yaeger, Richard	YES

Maloney adjourned the Finance Committee meeting at 5:57 p.m.

Next meeting is scheduled for Monday, July 15, 2019.

Jenna Trittin, Recording Secretary