

FINANCE COMMITTEE

Date and Time: Tuesday, July 28, 2015 @ 5:00 pm., Board Room

Members Present: Oberbeck(C), Kellbach, Mielke

Members Not Present: Nutting, Nagle

Others Present: Groat, Alfonso, Giese, Kujawa, Lindman, Schock, Werth, Tipple, Whalen, Wagner, Rayala, Jon Trautman

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by Chairperson Oberbeck at 5:15 pm.

Public Comment

None

CLOSED SESSION: Pursuant to 19.85(1)(e) of Wisconsin Statutes for deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session - for providing continuing Contract Assessment Services to the City of Schofield.

Held over to next meeting.

Presentation of the 2014 audit - Schenck CPA's Jon Trautman/ Groat

Trautman gave a brief summary of the Management Communication letter. He cited no difficulties and no errors. There were no material weaknesses or significant deficiencies in the internal control. There were a few recommendations regarding best practices.

Discussion and Possible Action on the consideration of the RESIDENTIAL SOLID WASTE AND RECYCLING SERVICE AGREEMENT

Groat stated the contract has been drafted by the Attorney's Office reflecting our RFP and the proposal that came back from Harter's. She indicated the Attorney's Office has also been developing the ordinances that govern how our residents will manage their refuse and recycling. The contract term is 10 years and 3 months so that renewal or changes would be considered in the month of March rather than January. She noted there is a 7 year renewal option available to Council. The carts will be delivered between Thanksgiving and Christmas and we will be staying with the current pickup days. A packet of information will be delivered with the carts to explain the program as well.

Motion by Oberbeck to amend the contract to remove the 7 year renewal option and to require that we go out for an RFP. Groat commented from an administrative standpoint, this option gives the future administration flexibility. Motion died for lack of a second.

Motion by Kellbach, second by Mielke to approve the contract for Residential Solid Waste and Recycling Service Agreement as presented. Motion carried 3-0.

Discussion and Possible Action regarding 2015 Budget Modification – Orthophotography

Groat stated the budget modification would transfer \$13,800 into GIS Contract Services from Street Improvements for the same amount to fund the GIS Imagery Project. Lindman noted this was brought to Finance in May and the committee directed us to find the funds and bring it back.

Motion by Kellbach, second by Mielke to approve the budget modification for Orthophotography. Motion carried 3-0.

Update on 5 Year Financial Strategic Plan

Groat feels that as we do the budget this is the perfect time to do some five year financial projections. We did ask the departments to prepare two year budgets so that we can plan for changes that won't be happening just next year, but the subsequent year. This is a great way to see trends.

The finance committee would like more specifics for a five year plan, including GFOA and Ehler's studies.

Update on 2016 Budget and Budget Projections – Groat

Groat said that some budgets are still trickling in. The county is also a bit behind in budgeting. We do not have any budget from the park's department at this time; Groat did put a place holder in the budget for the parks department for now. In April, Groat did an estimated projection of what the budget will look like. She noted a projected increase of \$976,000 in expenses in the general fund. Those have come in substantially higher than her projection. Her projection estimated the expenses at \$32,549,000, but requests from the departments (with the park's place holder, not actual) came in at \$33,405,000. Revenues were estimated at \$15,057,000, and they came in slightly lower at \$14,969,000. We are looking at about a two million dollar shortfall and that is with a three percent increase in the levy. Groat and the mayor have met with a just few departments: IT, finance, mayor's department, police department, animal control and other small, miscellaneous budgets that don't really belong to a specific department. Also, when the departments set up their requests, they need to communicate what types of deferrals are taking place. For example, with the street budgets, what *should* the city be doing? Their requests should reflect what is in the best interest of the city. We will be going through all of this. All budget meetings are set up. We will have more information as it becomes available.

Groat projected that the city would be using about \$500,000 of the levy for recycling. Marathon County's Solid Waste Fund is offering a onetime grant to offset the lost from the state grant cut.

Discussion and Possible Action on the closure of TID #5 in 2016 – Groat

Groat said that each year by May 15, we have to notify the state if we are going ask them to create another increment in that district. At this point, in July/August of 2015, we have until the spring of 2016 to make any firm decisions. We need to keep the district open for the 2016 increment to pay off the rest of the debt. There are two reasons to keep this district open for the 2016 increment. The first reason to get a project plan amendment so that we could use this district as a donor district to offset deficits in TID #3 or use it as a funding source if we were to do a project with the mall (if the mall was incorporated into District #3). The other reason to keep TID #5 open is to use that increment to improve housing in the city, like what was done with TID #2.

No action was taken on this issue.

Discussion and Possible Action regarding the topic "Developing a Sustainable Fiscal Plan - Balancing the 2016 Budget"... possible special meeting dedicated only to this topic

It was agreed to set up a special goal setting meeting among both the Finance and Economic Development Committees. It was agreed to meet in August.

Adjourn

Motion by Mielke, second by Kellbach to adjourn. Motion carried unanimously. Meeting adjourned at 7:30 pm.