FINANCE COMMITTEE
Date and Time: Tuesday, October 12, 2021 @ 5:15 pm., Council Chambers
Members Present: Lisa Rasmussen, Dawn Herbst, Sarah Watson, Michael Martens, Deb Ryan
Others Present: Maryanne Groat, Emily Ley, Anne Jacobson, Bob Barteck, Eric Lindman, Katie Rosenberg, Matt Barnes, Tammy Stratz, Anne Keenan, Toni Vanderboom, Mary Goede, Michelle Van Krey

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. The meeting was called to order by Chair, Lisa Rasmussen.

Minutes of the previous meeting(s): (9/28/21)
Motion by Watson, second by Herbst to approve the minutes of the previous meeting (9/28/21). Motion carried 5-0.

Discussion and possible approval of reprogramming Community Development Block Grant funds from an Economic Development Activity to a Housing Rehabilitation Activity
Lisa Rasmussen explained this item is about the spend-down period for Block Grant funds, based on the fact that development has been slow with the pandemic. The plan is to reclassify to a more active fund.

Tammy Stratz, Community Development, stated we have several years before we have to draw it down, but we have to draw down our Program Income first. Because we have not had the ability to do any loans the last few years, but loans are being repaid, there is quite a bit of Program Income that needs to be used.

Deb Ryan questioned if the Rehab funds can be used in the future for people who want to replace the lead laterals and plumbing upgrades. Stratz confirmed that they had the guidelines changed so that anyone that is doing their lead lateral and if also they need the sewer taken care of can be helped if they income qualify.

Motion by Watson, second by Ryan to approve reprogramming CDBG funds. Motion carried 5-0.

Discussion and possible action regarding 2020 audit presentation by Clifton Larson
Maryanne Groat introduced Jon Trautman and Stewart Randall from Clifton Larson to report on their audit and the City's financial position as of December 31, 2020.

The Government's Communications Letter and the Annual Financial Report can be viewed in the packet online: https://www.ci.wausau.wi.us/Portals/0/Departments/Council/Archives/Standing%20Committees/Finance%20Committee/2021/FINC_20211012_Packet.pdf

Discussion and possible approval of two year auditing services agreement extension
Groat stated the city went out for competitive proposals in 2016 and at that time there were two quotes, one from Schenck and one from Clifton Larson. The service contract was awarded to Schenck and Clifton Larson purchased Schenck in 2019, so now they are one in the same company. She indicated she would like to extend the contract another two years. She explained the justification for extending the contract rather than go out for an RFP is because there only were two proposals last time and the city is very satisfied with the service. She stated we appreciate their knowledge and expertise because the CDA is very specialized accounting and not all auditors know how to manage those audits. She commented that with the ERP implementation she was really looking to try to minimize extra work whenever possible. Having a firm who is familiar with our accounting records helps us be more efficient. She indicated she also asked for an estimate to prepare the annual financial statements this time to get us beyond the ERP System, when we would take it back.

Motion by Martens, second by Ryan to approve the two year auditing services agreement extension, including the preparation of the annual financial statements. Motion carried 5-0.

Discussion and possible action regarding modification of our fixed asset capitalization policy
Groat stated we are trying to tie up any loose ends as we go into the ERP implementation. She stated currently all assets are capitalized if they are over $5,000. One of the recommendations of the GFOA is to establish different levels for different types of assets. She indicated she surveyed other communities and is recommending the thresholds be General capital assets $10,000 and Infrastructure $50,000. She stated we want to make sure that we have good physical control over our assets and are able to do that without capitalizing them.

Motion by Martens, second by Herbst to approve the modification to the fixed asset capitalization policy. Motion carried 5-0.

Discussion and possible action regarding final implementation of salary study - Option 3
Rasmussen stated the city has been working on implementing the 2019 wage study for some time in small bites. Option 2 was originally selected, bringing everyone to midpoint, but was not a full implementation of the consultant's recommendation. Groat commented the Human Resources Committee heard a recruiting and retention plan and this is a part of that plan. It affects the senior employees and finalizes the implantation of the salary study.

Motion by Herbst, second by Martens to approve the final implementation of Option 3. Motion carried 5-0.

Discussion and possible approving the 2022 health, dental and supplemental insurance plans
Motion by Herbst, second by Martens to approve the plans. Motion carried 5-0.

Discussion and possible action regarding 2022 Business Improvement District Plan
Groat explained Business District was created by statute about 10 years ago. The businesses located within the geographic boundaries had to conduct an independent election to create the district. It is a mechanism for them to tax themselves for the betterment of the area through a special assessment. The assessment method has a minimum and a maximum tax. They adopt a budget each year and tax the properties that fall with the boundaries for River District efforts, mainly salaries of the administrative staff. The city collects it through taxes and remit the funds to the BID.

Deb Ryan stated she had heard from some of the businesses on the west side that they did not feel they were getting their money's worth. She indicated she wanted to table this item and take surveys of the businesses as to their satisfaction with it. She did not think the city should be doing the bookkeeping for them. Rasmussen stated the management of the BID is between the BID Board and those businesses. The Finance Committee does not have the authority to dissolve the BID or modify who is in or out of it.

Ryan felt the BID Board should make a plan to do their own accounting on January 1st. Groat explained by state statutes a BID is created and the city does the accounting to levy, collect and remit the tax, which is the sole methodology. She noted there is west side business representation on the Board and there isn't any dramatic changes to the plan from previous years. The motion to table died for lack of a second.

Groat indicated they could discuss the city doing accounting for non-profits at a future meeting because that is a totally different topic.

Motion by Watson, second by Martens to approve the 2022 BID Plan. Motion carried 4-1. (*Ryan was the dissenting vote*.)

Adjourn
Motion by Watson, second by Herbst to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 6:00 pm.