

VILLAGE OF WALWORTH
Finance Committee Meeting
Thursday, December 6, 2018 – 6:00 P.M.
Village Hall, 227 N. Main St., Walworth, WI

MINUTES

Call to Order: President Connelly called the meeting to order at 6:04pm.

Roll Call: Present: President Connelly, Trustee Czaja. Absent Trustee Nordmeyer. Also Present: Deputy Clerk Treasurer Rogers, Clerk Treasurer Waswo, Lt. Milligan, Chief Austin, Lauren Asplund - Library Board, Judge Pat Hubertz

Comments from the Public: None.

Business, Discussion, Consideration and Action on the Following:

Finance Committee Minutes from November 8, 2018

Czaja/Connelly motion to approve minutes from November 8, 2018. Motion carried 2 to 0.

November 2018 Treasurer's Report

Czaja/Connelly motion to recommend acceptance of Treasurer's Report to the full board. Motion carried 2 to 0.

November 2018 Village and Water/Sewer Payables

Czaja/Connelly motion to recommend approval of both village and utility payables as presented. Motion carried 2 to 0.

Banking Agreements with Town Bank and First National Bank and Trust Company

Every two years we do an agreement with First National Bank and Trust. One of the changes from the last contract is that they would like the village to maintain \$500,000, up from \$250,000. We normally maintain a balance of 1.3 million so the \$500,000 should not be an issue. By keeping the higher amount we can get a better interest rate. They recommended adding some fraud protections such as an ACH filter and dual authorization on transfers. The banking agreement is not a binding contract in the State of Wisconsin. You can't hold a municipality to the \$500,000 if we decide to go with a different bank.

CT Waswo explained, with the new software, the auditors and Civic Systems suggested the Village comingle all the cash into one bank and let the software split out the funds. This will make tracking and balancing accounts much easier for the village. Currently we have accounts that are not setup correctly and our auditors stated if they are using the village's tax exempt number, they need to be under the village's umbrella. We would not be able to do this with our current system as it is not fund accounting software. We separate the funds between bank accounts which is why we are managing 20+ accounts. Waswo was nervous about this at first but has talked with other municipalities that use Civic and they highly recommend comingling the cash. Town Bank also has other Civic System users who have done the same and combined their accounts.

First National can combine our accounts with one interest bearing checking account. There rates are based off the Wall Street Federal Fund rate minus .05%. Town Bank will provide the same rate as the Local Government Investment Pool (LGIP) plus 10 basis points. Normally the LGIP has better interest rates. Town Bank recommended a MaxSafe Money Market account and a general checking. The bulk of the funds would be in the MaxSafe account and funds would be transferred as needed to the checking account. This provides a layer of fraud protection.

CT Waswo explained the two agreements are very similar. She pointed out that First National could not provide us a loan rate in time for our budget; when they did it was 4.29% for a 5 year loan. Town Bank was able to offer us 2.85% in a timely manner.

President Connelly stated it's a change, which is always scary. Going with one bank and narrowing it down to one or two accounts, will allow us to take a lot of manual work out of it. This means less errors, less chance for fraud and opportunity to get a picture in real time of the village's health. He noted our auditors can remotely log into the Civic Systems software, which in turn will save us time and money with less traveling to village hall. Deputy CT Rogers was using Civic Systems for the utility before we did the switch in 2017, which took us 3 steps backwards.

Chief Austin stated the concern of his membership is the village would be using the fire Department's donated funds on roads or general fund projects. President Connelly replied you have access to your money and control over the expenditures of your money. The village will not be spending your donated funds on village related projects. CT Waswo noted it will be setup similar to the Library. They are restricted funds for designated purposes. The village cannot change that. Chief Austin asked about the process to obtaining checks. CT Waswo replied it would be the same process that is used now for the general fund expenses; the Chief approves the invoice for payment and designates the account number where the funds would be taken from, in this case it would be a donated fund account. Chief Austin wanted to know how accessible the money is if they need the funds after hours. CT Waswo replied it would be submitted as a reimbursable. Chief Austin asked about a petty cash fund. President Connelly noted our auditors strongly recommend against those. Austin questioned if their donated fund purchases will be scrutinized. CT Waswo replied that we have already discussed an ordinance change that will be brought to the board to allow for these items, such as community outreach. Lt. Milligan noted the change provides accountability and takes the weight off the Fire Department.

Judge Hubertz asked if there would be a change at the municipal court level. Waswo explained the differences noting weekly deposits would be turned over to the Treasurer and receipted into the new software. Any checks or refunds will be requested through our request for check form to the Treasurer, similar to what is done now with general fund court expenses.

Czaja/Connelly motion to recommend executing both bank agreements. Motion carried 2 to 0.

Banking relationships as they relate to Civic Systems software

Czaja/Connelly motion to recommend transfer of all monies to Town Bank once Civic Systems is implemented. Motion carried 2 to 0.

Contract for Building Inspection and Zoning Services with Ellis Border of Clearline Inspections

President Connelly said we did meet with both City of Delavan and Ellis Border. The recommendation out of the General Services Committee was to go with Clearline Inspections. Our current Building Inspector, Ron Nyman, also recommended Clearline Inspections. Ellis can handle building inspection, zoning administration, and code enforcement. City of Delavan would be doing building inspection and zoning administration. We were a little concerned with the zoning as that is new to T Welsh. The code enforcement is done by a third party, which would be another upcharge. Delavan also wanted a stipend every month. The other concern was the growth of the City of Delavan. The document favors Delavan and we were concerned we would always be last on the list. Ellis is the building inspector for the Town of Walworth and Genoa City. We feel we would get more face time and better response time with Ellis.

Trustee Czaja reviewed the contracts. She asked about the zoning services as it wasn't listed in Ellis' contract. President Connelly stated that would be included. We need to meet in the middle with what we came up with for the City of Delavan and Ellis' contract. We will have Ron take the two contracts and recommend a contract that we can finalize with Clearline Inspections.

Czaja motion to recommend we enter into a contract for Building Inspections and Zoning Services with Ellis Border of Clearline Inspections subject to an approved contract as prepared by Ron Nyman, subject to Finance review and final recommendation from Finance. Motion withdrawn.

Consensus was to give the Clearline Inspection contract to Ron Nyman to modify and bring back to the committee.

Continued employment with temporary Building Inspector Ron Nyman

Ron has offered to stay on for 30 days at an hourly rate of \$30 to \$40 based on the project to help Ellis get acclimated. Ellis has been coming in for the Plan Commission meetings and stated if hired, he would meet with Ron every Thursday prior to the execution of the contract. President Connelly noted we will continue this item to next month as it might not be needed.

Contract for Commercial Cross Connection Inspections with Hydro Corp

Public Works has made the recommendation to go with Hydro Corp for 262 nonresidential inspections for 2 years for a total of \$15,500. This would be funded from the utility and is \$5,000 difference from what was budgeted. Hydro Corp was the recommendation by the Director of Public Works. Trustee Czaja also contacted the City of LaCrosse and Prescott who have sent us a great deal of information. We also located our Cross Connection policy.

President Connelly questioned our ordinance as the competitor, Clean Water Engineering, said it requires an ordinance change to allow them to be the authorized representative for the village to conduct commercial cross connection inspections. Czaja is aware of this and we did receive a sample ordinance from the City of LaCrosse. President Connelly felt it should be sent to our Attorney for review.

Connelly/Czaja motion to recommend approval of Hydro Corp contract for Commercial Cross Connection Inspections, 262 nonresidential inspections for 2 years, at a cost of \$1,295 monthly, \$15,500 annually, and \$31,080 total subject to attorney review of the existing ordinance and recommendation of new ordinance. Motion carried 2 to 0.

Connelly/Czaja motion to suspend the rules of order and move to anything related to Fire/Rescue. Motion carried 2 to 0.

Fire/EMS Study update

Chief Austin explained currently there is not a county wide study. David Bretl said the county is not interested in funding or executing any Fire Department or EMS services. This is the responsibility of local offices. Chief Austin attended a meeting with Fire Chiefs from Sharon, Darien, Town & City of Delavan. There is discussion amongst these agencies to find a solution to elevate the burden on EMS. We are talking about an idea for a regionalized ambulance service that would serve the southwest quadrants. Walworth, Darien, and Sharon are similar communities. The Town of Delavan and City of Delavan have much higher EMS run volumes. Walworth, Town of Darien and Sharon combined are still under the City of Delavan runs. They run 1,000 EMS calls per year, Town of Delavan is 600, Walworth and Sharon are 300 and Darien is 200. The feeling is the Town and City of Delavan would consume a far greater amount of the services and we would be left without coverage. We are looking at a similar metro style model that we use now with possibly 2 crews on duty. Each community would still maintain its own rescue squad to provide backup services. This is all still very early in the process. Consolidations often work better on a smaller

scale. President Connelly asked about including Fontana. Their Chief has stated he is not interested in a joint venture. There is no benefit to Fontana as they already have 24 hour coverage funded through a referendum. Over the years we have started and stopped communications several times which has always fallen apart. Sharon and Darien are very interested in what we discussed, not necessarily a merger. Chief Austin stated mergers don't provide a savings back to the community. There are still a certain amount of equipment, people and fire stations needed. We wouldn't be able to provide the same service or response time by putting one station in the middle of the 3 communities. We need to be close to where the calls will be. This discussion is not a definite need today, but we want to have a plan in place if something happens and we lose key personnel in the departments.

Economic Outlook Report for Big Foot High School Bond Rating Application

We received an email from Doug Parker asking for help. They are beginning the process for selling bonds for the outdoor athletic facility. Part of the process is obtaining a bond rating. The better the bond rating, the better interest rates. One consideration is economic development in the district. He is reaching out for info on Walworth such as new houses, new businesses and job creation. President Connelly responded with some positives such as 200+ residential houses plated and approved, and growth from Mecum, Onvoy and Kikkoman. President Connelly will provide an economic outlook report to Mr. Parker.

Resolution language for Water Utility Revenue

President Connelly is going to craft a resolution designating how revenue from utility is spent if there is an excess.

Village Bond Rating

Trustee Czaja is concerned about our bond rating. If looking at our management letter from the auditors, it says rating agencies such as Moody's look for unrestricted balances as high as 25%. In 2017 the Village's unrestricted balance is only 10% of the general fund. This is lower than any of the benchmarks listed. If we are thinking of building or doing a 3 million dollar project, we have to look at this. We are nowhere near having a bond rating that would offer a decent rate of interest. She suggested slowing down the building process until we have the cash balances. President Connelly wasn't sure how this would happen as the Village's budget normally does not have money left over at year end. Trustee Czaja responded it takes time.

Adjournment

Connelly/Czaja motion to adjourn at 7:25pm. Motion carried 2 to 0.

/s/ Sabrina Waswo, Clerk Treasurer