



**Finance Committee Meeting**

**February 26, 2019**

**6:00 pm**

**Municipal Building, City Manager's Conference Room (2<sup>nd</sup> Floor)**

**312 W Whitewater St.**

**Whitewater, WI 53190**

**Minutes**

**1. Call to order and roll call.**

Meeting called to order by L. Binnie at 6:00 pm.

Present: Lynn Binnie, Chris Grady, Patrick Singer

Absent: None

Others: Cameron Clapper (City Manager), Steve Hatton (Finance and Administrative Services Director), Christine Munz-Pritchard (Neighborhood Services Director / City Planner)

**2. Minutes: Review and approval of minutes from January 08, 2019 meeting:**

Motion to approve minutes as prepared and distributed (P. Singer). Second by C. Grady.

Aye: All via voice vote (3)

Nay: None

Absent: None

**3. Discussion / Direction on the following:**

a. Neighborhood Services Fee Changes: Discussion on user charges for Neighborhood Services fees:

- Violation Processing Fee: Enforcement of repeat code violations incurs more staff time and expense than are recovered through violation fees. A new violation processing fee will be added to third and subsequent violations for the same offense within a 12-month period. Surcharge shall be equal to 18% of base violation fees.
- Plan Review Processing Fee: Plan/Permit approval requires a review of project plans that may include internal and external planning/engineering resources. The City recovers external planning/engineering expenses incurred through billing the attributable project. This practice has not addressed the related expense of internal resources. In an effort to recover these internal costs, a 25% processing fee will be charged for project plan review. Processing fee shall be equal to 25% of billed external planning/engineering costs.

- Planning Fee Changes: Similar to above items, existing planning fees are not adequate to recover the cost of service. Recommended changes are:

Summary of Planning Fee Changes		Current Cost	Proposed Cost
Extraterritorial Certified Survey	Under 5 Lots	\$100 + \$10 per lot	\$100 + \$10 per lot
	Over 5 Lots	\$100 + \$10 per lot	\$500 + \$10 Per lot
Certified Survey	Under 5 Lots	\$100 + \$10 per lot	\$100 + \$10 per lot
	Over 5 Lots	\$100 + \$10 per lot	\$500 + \$10 Per lot
Conditional Use Permit	Project < \$15,000	\$100.00	\$100.00
	Project > \$15,000	\$100.00	\$250.00
Zoning Change		\$200.00	\$400.00
Annexation		\$200.00	\$500.00

Committee requested Violation Processing Fee (i) and Planning Fee (iii) changes be presented to Council for approval. Plan Review Fee (ii) to be presented informationally.

Motion to recommend approval to Council by C. Grady. Second by P. Singer.

Aye: All via voice vote (3)  
 Nay: None  
 Absent: None

b. Shared-Ride Taxi Program.

- 2/19 Council meeting approved increases to address anticipated 2018 and 2019 operating shortfalls.
- There has been a string of recent complaints about the service. Hatton is working with Brown Cab to:
  1. Identify actions necessary to ensure services delivered are timely and high-quality.
  2. Once service level quality is confirmed – address the public image of the service through promotion, including site visits, public information spots through community TV and social media.
  3. Execute ridership initiatives to improve ride volume.
- The WI DOT will complete a Compliance Site Review of the Shared-Ride Taxi Program on May 2, 2019. The stated purpose of the review is to support the City to ensure compliance with Federal requirements of the program.

c. Priority Based Budgeting (PBB):

- The City is working to leverage Priority Based Budgeting principles that directly tie services provided by the City, the costs of those services, and community priorities when allocating resources during budget development.
- In 2019, Whitewater is developing the data sourcing and performance measures necessary to support this type of initiative. 2020 actions are to include program definition and relative prioritization using PBB tools to help inform allocation of resources.

- This can be done utilizing consultants and tools developed to facilitate the process. The City is researching other communities who have used different approaches with varying degrees of consulting support and access to proprietary software tools. The cities of Monroe and Sheboygan as well as Jefferson County are examples of public bodies that have worked with PBB recently.

4. Staff Updates: provided by S. Hatton

a. Water Rate Study:

- Water and Wastewater rates are being reviewed for adequacy by our Municipal Advisor, Ehlers, Inc.
- Ehlers will be in on March 4<sup>th</sup> to review open items required before they can complete their study and application.
- Water rates are regulated by and require approval of the Public Service Commission. Wastewater rates are approved by the Common Council.
- Full-rate case applications to the PSC are currently averaging over 12-months to process. We may need to pursue another Simplified Rate Case, as we did in June 2018, to provide for the processing period.

b. Cash Yield:

- Report provided on interest yields received during the January period. Our highest deposit yields are coming from Local Government Investment Pool (LGIP) at 2.47% (annualized) and American Deposit Management at 2.52% (annualized). We also receive competitive yields from our main operating accounts held at First Citizens and Associated at 2.37% and 2.36% respectively.

c. 2018 Preliminary Financials:

- General Fund 2018 Actual vs. Budget: Favorable by ~\$366,000 (355K Revenue / 11K Expenditures), mostly on the Revenue side. Significant contributors to each area of over/under performance were reviewed.
- Other funds: Commentary provided on various funds showing deficit.
- Year-end Audit entries remain to be made, so this may change.

d. GFOA Distinguished Budget Award Program: Our 2019 Budget document has been submitted for consideration.

e. CDA Loan Program Loan Status:

- Write-offs: \$204,510 (Solomo Technology) and \$87,306 (JCIB, Inc.), both of which have been previously reserved, are now being written-off. CDA has evaluated recovery opportunities and determined they are non-recoverable.
- Reserves: New reserves are being established for EdviewRate (\$102,510) and Bomboard (\$104,300).
- Discussion held around genesis and performance of loans as well as the underlying companies and their impact on the local economy.
- Staff is to develop a formal reserve policy to document review and reserve disciplines.

5. Future agenda items:

- Discussion on City Manager's Performance review process.
- 2018 Financial Audit Report (March or April).

6. Discussion of February Meeting Date:

- Next meeting to be at 6 pm on Tuesday March 21<sup>st</sup>.

7. Adjournment:

Motion to adjourn at 7:31 pm made by C. Grady. Seconded by P. Singer. Motion approved

Aye: All via voice vote (3)  
Nay: None

Absent: None