



Finance Committee Meeting

August 17, 2017

7:00 am

City Manager's Meeting Room

Municipal Building-2<sup>nd</sup> Floor

312 W Whitewater St

Whitewater, WI 53190

**MINUTES**

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

Meeting was called to order by Lynn Binnie at 7:00 am. The meeting was held in the City Manager's Meeting Room, 2<sup>nd</sup> Floor Municipal Building, Whitewater, WI 53190.

Present: Patrick Singer, Lynn Binnie, Chris Grady

Absent: None

Others: Cameron Clapper (City Manager), Steve Hatton (Director of Finance/Administrative Services), and Pat Cannon (CDA Director)

**2. Minutes: Review and approval of minutes of**

- a. June 15, 2017 meeting,
- b. July 20, 2017 meeting.

Motion by Singer, Second by Grady to approve minutes as posted

Aye: All via voice vote (3)

Nay: None

**3. Review of financial position against budget through July 31, 2017.**

- Hatton presented a draft summary report of all City funds to provide a clear overview of monthly and yearly changes of revenue and expense line items along with a display of net fund equity.

**4. Sick Leave Severance Policy – Review and discussion of policy, accrued liability, sinking fund and budget action for 2018.**

- Hatton presented a document highlighting the City's financial exposure to accrued sick leave benefit payable to staff upon separation/retirement. This was a benefit offered to city employees hired prior to June 29, 2011. This benefit allowed those staff to accrue to a maximum of 720 hours of pay that could be paid at retirement. There is currently no cap on accrual.

- The payout is often used by retiring employees fund health insurance premiums as an insured annuitant until payout is exhausted.
- The City is anticipating two announced retirements in 2018 with a sick leave payout of approximately \$55,000. Fund 260 currently has a \$35,000 balance available to use towards the two upcoming announced retirements.
- City Manager Clapper noted he has previously waived his participation in this benefit before the actual loss of sick time pay out to City employees hired after June of 2011.
- Committee moves to discussion of other options to cover sick banks.
- Paid Time Off (PTO): Option the City reviewed last year but ultimately felt too many employees would be off on the same day due to staff size.
- Short Term Disability: FMLA discussed with the option of reducing the sick bank cap currently at 720 hours.
- Committee requested further detail on demographics of staff noting provisions of state retirement parameters of Sworn / Non-sworn groups. Hatton to prepare for review during next meeting for policy and budgeting review of this item.

#### **5. Update on 2018 budget process.**

Budget presentation/process for 2017:

- October 3, 2017, City Manager to present Budget Request to Common Council.
- Finance Committee to have one (1) regular meeting in October to review budget and two (2) Special Finance Committee meetings to continue reviewing and work on budget.
- 1<sup>st</sup> Meeting in November-Common Council is provided an overview and chance to comment.
- 2<sup>nd</sup> Meeting in November: Public Hearing and Common Council final adoption.

Budget process to be presented to Common Council 9/5/17 for approval. Date and time of Special Meetings to be finalized next meeting.

#### **6. Discussion and Action regarding scope and authority of the Finance Committee as designee of Common Council.**

Hatton provided Finance Committee with duties and responsibilities as described in the ordinance noting as suitably descriptive with no further detail needed.

#### **7. Discussion and Action regarding Financial Advisory Services RFP packages received.**

Packages sent to committee members 2 weeks ago. Each RFP is considered responsive to RFP requirements and some have more strengths than others. Proposals were discussed before opening pricing.

- Ehlers: more planning focused and provided specific examples.
- Baird: strong on debt issuance side/credit rating part. Baird has a lot of disclosure on conflict and settlement actions with the FCC.
- Springsted: provides 3 separate entities: Municipal; Executive Recruiter and an Investment Manager. Primary contact has 15 years of experience as a Municipal Manager bringing policy and governance strength.

Agreed goal is to select a company with strengths in bond sale and long-term planning purposes. Planning is the most desirable attribute.

Hatton opens and reviews proposals with committee. RFP Pricing Proposal: After reviewing in more detail, Hatton will assemble a table to highlight the main points of each proposal side-by-side and send out to the committee before the next meeting to include prices. Committee agrees Financial Advisory Companies are not needed for presentations or interviews at this time, but may be after reviewing outline materials to be provided by Hatton. Further discussion during next Finance Committee meeting on September 21 with recommendation to full Council on October 3, 2017.

## **8. Future agenda items**

- Review and discussion of PD request to modify Dispatch position (now vacant) from part-time to Full Time. Suggested to present to Sept. 5 Council meeting for timely recruiting.

## **9. Adjournment**

Meeting adjourned by L. Binnie at 8:14 am, second by C. Grady.

Aye: All via voice vote (3)

Nay: None