



ABSTRACT/SYNOPSIS OF THE ESSENTIAL ELEMENTS OF THE OFFICIAL ACTIONS OF THE FINANCE COMMITTEE OF THE CITY OF WHITEWATER, WALWORTH AND JEFFERSON COUNTIES, WISCONSIN.

Finance Committee Meeting Minutes of June 28, 2022

1. Call to Order and Roll Call - The meeting of the Finance Committee was called to order at 4:30 p.m. by Greg Majkrzak. Members Present: Greg Majkrzak and Lisa Dawsey Smith. Lukas Schreiber absent. Staff present; Finance Director Steve Hatton.
2. Request for Authorization to Amend Agenda with Less than 72 hours' Notice (Election of Chair and Vice Chair Added). Moved by Smith, seconded by Majkrzak.

Ayes: Dawsey Smith, Majkrzak

Noes: None

Abstained: None

Absent: Schreiber

The motion was approved by unanimous voice vote.

3. Election of Committee Chair and Vice-Chair. Smith nominated Majkrzak to remain Chair. Majkrzak accepted. Smith nominated Schreiber to be Vice-Chair.

Ayes: Dawsey Smith, Majkrzak

Noes: None

Abstained: None

Absent: Schreiber

The motion was approved by unanimous voice vote. Majkrzak remains Chair. Schreiber becomes Vice-Chair

4. Hearing of Citizen Comments – No citizens were in attendance.

5. Staff Updates

- a. Financial Update – FYE 2022 – Hatton reviewed the year-to-date financials (page 5-9 of the packet) through the end of May. Hatton commented on the first of these pages describing the General Fund so far in 2022 being unfavorable compared to the same period in 2021. The General Fund has received \$4.1MM in revenue YTD in 2022 vs. \$4.4MM in 2021 (\$281K unfavorable). The main driver to the year-over-year change being a payment in lieu of taxes payment from the water utility being made in May of 2021, but not in 2022. The transfer was delayed in 2022 due to the project costs incurred in 2022 for the Water Tower and Yoder Land/East Main St. prior to the revenue bond funding in June. Hatton discussed changes to the interest rates yield curve and annual inflation trending (page 9 of the packet). Majkrzak reported the backlog of container shipments to the ports is supposed to improve in the coming weeks, which will may move inflation present in the PPI to the consumer CIP-U measure. Hatton also reviewed the changes to interest earned on the city's deposit

accounts with First Citizens State Bank, which has been competitive. Smith asked whether it was normal for the Ride Share grant funding to be so late. Hatton reported that it was unusual and that the group within the state department of transportation that oversees the program has had some turnover and are catching up.

b. Staffing Update

Hatton reviewed the material in the packet related to tracking staffing against budgeted levels. Year to date, the organization has averaged just under six vacancies. Not all of these positions are equivalent due to differences in wages and benefits for each position. Vacancies represent the largest recurring area that helps to provide opportunity to save compared to budgeted expenditures. Any net savings against budgeted spending will generate a surplus, given no shortfalls in revenues. Monitoring these vacancies is the largest area to help monitor what breathing room we may have compared to budget values. In the 2022 budget, we were unable to budget for approximately \$350,000 in normal recurring transfers into special revenue funds in order to balance the budget. As we achieved a surplus in 2021 due to vacancies as well as several COVID funding programs and money from the closure of the tax increment districts, we were able to ‘pre-fund’ these 2022 transfer needs that could not be accomplished in the 2022 budget.

Majkzrak asked whether this report would be refreshed at a future meeting. Hatton committed to include at a future meeting.

5. Future Agenda Items –

- a. Dawsey Smith – None
- b. Majkzrak – Asked to be updated on capital projects compared to budgeted values. Where some bids and costs exceed budgeted values – which projects funded for 2022/2023 that were lower in the prioritization may need to be eliminated to remain within planned spending and borrowing.
- c. Hatton – Noted need to bring a Salary resolution update to the next meeting to ensure recruitments for the City Manager position and other vacancies are competitive as well as working towards the goal to benchmark 20% of positions annually.

6. Discussion of Next Meeting Date: The next Finance Committee meeting will take place on July 26, 2022 at 4:30 pm.

7. Adjournment: Smith moved to adjourn the meeting with a second by Majkzrak.

Meeting adjourned at 4:49 pm

Respectfully submitted,

Steve Hatton, Director of Finance and Administrative Services