



Finance Committee Meeting Minutes of January 26, 2021

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

1. Call to Order and Roll Call.

Committee Chair Jim Allen called the meeting to order at 4:30 pm.

Present at the meeting were Committee Members Jim Allen and Patrick Singer.

Absent: Greg Majkrzak

Staff members and guests also present: City Manager Cameron Clapper, Finance Director Steve Hatton.

2. Review and Approval of Minutes from December 10, 2020. Allen made a motion to approve the minutes. Singer seconded the motion.

Ayes: Allen, Singer

Abstained: None

Absent: Majkrzak

Noes: None

The motion passed by unanimous voice vote.

3. Hearing of Citizen Comments – No members of the public in attendance offered comments.

4. Staff Updates

a. Financial Update – Year-to-Date

Hatton reviewed the preliminary 2020 year-end results noting there will be additional expenses and year-end adjustments yet to be made. Hatton reviewed current estimates for all funds noting that some of the funds show a deficit, but clarified that this is due to planned use of fund balance. General Fund is currently estimated to end the year with a surplus of \$205,000, which includes Routes for Recovery grant revenue, COVID-19 expenses, personnel vacancies, and programs that weren't able to be offered as planned due to COVID.

5. Discussion/Direction on the following:

a. 2020 Budget Amendment #2

Hatton presented a proposal to transfer ~\$110,000 of the estimated \$205,000 surplus for the General Fund to several of the other Funds maintained by the City to address specific funding needs.

- \$50,000 to Fund 216 – Police Vehicle Revolving Fund. The Police Department requested funding for two vehicles in the 2021 budget that were not funded due to

budget constraints. This transfer will provide the funding for replacement of one of these squad cars by separate request/action of the Police Department.

- \$10,000 to Fund 230 Solid Waste/Recycling Fund. This transfer will absorb some of the increase in recycling costs that were approved by Council after adoption of the 2020 Budget.
- \$8,500 to Fund 248 Park/Rec Special Revenue Fund. This transfer will offset program revenue lost due to COVID-19 and prevent a negative fund balance.
- \$40,680 to Fund 300 Debt Service Fund. This transfer will provide funding for 2021 planned use of Fund Balance.
- The remaining ~\$95,000 will be retained in the General Fund as Unassigned Fund Balance to improve liquidity and credit rating profile.

\$23,000 is amended -A draft Budget Amendment was included in the packet for action at the next Council meeting on February 2nd.

Singer made a motion to recommend approval of Budget Amendment #2 to Council at its next meeting Allen seconded the motion.

Ayes: Allen, Singer

Abstained: None

Absent: Majkrzak

Noes: None

- b. Insurance Claim made by Samuel Zimmerman. Hatton reviewed the details of a claim for damages related to an injury sustained by a minor at the Skate Park on September 30, 2020. Hatton consulted with our insurance carrier who advised that State Statute provides immunity for recreational activity on public grounds. Further guidance was provided to clarify that there is no duty to inspect/maintain property, provide signage/warnings, or compensate for injuries. Insurer recommendation was to deny the claim.

Allen moved to deny the claim. Singer seconded the motion.

Ayes: Allen, Singer

Abstained: None

Absent: Majkrzak

Noes: None

- c. Tax Increment Districts – Extension and Closure. Hatton provided overview of state Statute provision allowing extension of tax increment districts at the end of their lives and utilizing the increment collected during that period to benefit affordable housing. Extending TID #4 for an additional year would provide approximately ~\$2.0 million to benefit affordable housing and is only available once every 20 years.

Clapper clarified that that term ‘Affordable Housing’ under this statute is not limited to Low-Moderate Income (LMI) metrics used by other federal government programs. Affordable Housing under this provision is much more flexible. Affordable Housing programs funded through this extension would require only that housing not exceed 30% of Gross Household income of beneficiaries. Singer questioned the impact of extending TID #4 on the General Fund Levy. Hatton detailed that extension of TID 4

would delay approximately \$230,000 of Levy Revenue to the General Fund by one year. Hatton further detailed that the City would receive its proportional share of any remaining fund balance remaining after the TIDs are closed, currently estimated to be \$200,000 and to occur in 2021. This distribution of Fund balance is over and above the 2021 Budget. Extension of TID 4 would not delay the city's ability to create new Tax Increment Districts.

Hatton reviewed the current draft timeline that will continue to be refined with input from Ehlers (our Municipal Advisor), the CDA, and community groups. Extension or non-extension will not delay our ability to create new Tax Increment Districts.

Motion from Allen to recommend that Council pursue the extension TID 4 to benefit Affordable Housing . Motion seconded by Singer.

Ayes: Allen, Singer

Abstained: None

Absent: Majkrzak

Noes: None

- d. Exercise Of 2010 Build America Bond Call Option. Hatton described that the City will be able to repay the full balance of the 2010 Build America Bonds using current year fund balance and increment collections. The early repayment of this debt allows the City to retire TID 4 early and pursue creation of new tax increments in 2021.

Singer made a motion to recommend that Council exercise the Call option on the 2010 Build America Bond at its next meeting. Allen seconded the motion.

Ayes: Allen, Singer

Abstained: None

Absent: Majkrzak

Noes: None

6. Future Agenda Items – This item was not discussed during the meeting.
7. Discussion of Next Meeting Date – The next Finance Committee meeting is scheduled for February 23, 2021 at 4:30 pm.
8. Adjournment - Singer moved to adjourn with a second from Allen. The motion passed by unanimous voice vote.

The Finance Committee adjourned at 5:13 pm.

Respectfully submitted,

Steve Hatton, Finance Director