**Minutes of the Meeting of the Finance Committee Held**

**On Tuesday, March 1, 2016 Pursuant to Notice Duly Given**

1. Meeting called to order at 5:15 p.m. by Chairperson Reed
2. Roll Call: Darrell Anderson, Al Schreiber, Lauren Resch, Jean Feldt, Roger Reed

Also Present: Alderperson Le Breck, Fire Chief John Reed, Superintendent of Public Works Jeremy Wusterbarth, Mayor Bostedt, Sara Perrizo, Administrator Perrizo as Recording Secretary and other interested parties

1. Approval of Agenda

**Moved by Anderson, seconded by Schreiber to approve the agenda. M/C**

1. Approval of Minutes from the 02/09/16 meeting.

**Moved by Feldt, seconded by Resch to approve the minutes as typed.**

**Motion carried upon verbal voice vote. 5 ayes**

1. Correspondence/Public Appearances

J. Reed has received a quote to replace the fire panel/alarm system at City Hall. The current panel and system still work, but replacement parts are no longer available in the event that anything should break. The estimated cost of replacement is $5,000. J. Reed is suggesting holding off on replacement until the panel actually breaks.

1. Discussion/Recommendation on:.
	1. Payroll for the Month of February 2016 in the Amount of $112,988.78, Accounts Payable for the Month of January 2016 in the Amount of $1,375,638.15 and Other Financial Reports as Presented

Feldt noted that utility costs throughout the City are significant and questioned if there are ways to find savings. Perrizo stated that the new HVAC control system will help with energy costs at City Hall, insulation was added to some windows last year and “green hinges” have been added to both the street department and fire department garage doors to reduce air flow there. Wusterbarth stated that the energy numbers are actually down in the Utility department due to better pump performance. Also, we are going to be changing all of the street lights over to LED’s and could also consider doing the same with the lighting in City Hall. Mayor Bostedt asked about the insulation of the buildings and commented that wind comes in by the windows. Discussion ensued regarding the possibility of putting new windows in at City Hall and Perrizo said that she would look for grant possibilities to pay for this.

Le Breck commented on the heating and water costs for the Harbor Masters building and noted that we also pay for a porta potty at the Harbor during the winter. He understands that people don’t want to walk to use the restroom, but this seems wasteful. R. Reed stated that the porta potty was removed at one time and many people complained. Mayor Bostedt stated that this is for the fishermen, who we want at the Harbor. Wusterbarth opined that people will get used to the change after a few months if the porta potty is removed. This item will be referred to the Harbor Commission.

**Moved by Anderson, seconded by Schreiber to approve the payroll for the month of February 2016 in the amount of $112,988.78, accounts payable for the month of January in the amount of $1,375,638.15 and other financial reports as presented.**

**Motion carried upon verbal voice vote. 5 ayes**

* 1. Invoice from KerberRose, S.C. in the Amount of $5,800 for Audit Services

Mayor Bostedt stated that every year our audit firm charges more than the contracted amount for one reason or another. When we hire someone to do an audit, it should be for the entire audit, regardless of what that entails. Perrizo explained that recently she found an error in the recording of the EMS funds. Initially, the funds were recorded properly in the EMS fund, but the auditors had moved them to the general fund in 2014. When Perrizo contacted them, she was told that she could transfer the funds back, which must be done because Federal law states that these funds must be accounted for separately. In addition, Perrizo pointed out an error to the auditors regarding the allocation of debt between the City and the Utility. This has resulted in additional funds being available in the debt service fund, which is not a bad thing, but if the situation had been reversed, the City would have been short on money to pay for its debt service. The work that the auditors did to correct the error in the debt allocation resulted in the firm billing the City for an additional $1,000. Perrizo contacted Karen Kerber, owner of the firm, to dispute these charges. Kerber felt that they relied on information provided by the City in 2009, when the debt was issued, and stated that since the conversations from 1999 can’t be “recreated” that she felt the charges are warranted. Perrizo disagreed and Kerber did offer to reduce the charges to $600, which is what is in front of the Committee tonight.

Anderson stated that, in addition to these charges, KerberRose attempted to charge the City for phone calls last year. Perrizo was able to have those charges reversed, but Anderson pointed out that the City is paying Perrizo to do the additional work to handle these types of items. KerberRose had the low bid when the proposals were last received, but they are billing extra and are actually coming in near the high big amount.

J. Reed noted that there are checks and balances in place to catch any errors that are made and offered kudos to Perrizo and her staff for being on top of things.

**Moved by Feldt, seconded by Anderson to approve the invoice from KerberRose, S.C. in the amount of $5,200 for audit services and to deny the additional charges in the amount of $600.**

**Motion carried upon verbal voice vote. 5 ayes**

* 1. Approval of Invoice from DeGroot, Inc. in the Amount of $3,166.47 for Repair of Sludge Line at WWTP

Wusterbarth explained that approximately two months ago one of the sludge lines ruptured. He had to call in a contractor to repair the line and Utility staff assisted in the repair to keep the costs down. We have a temporary repair in place now, but this is an item that is on the list of upgrades needed at the treatment plant.

**Moved by Schreiber, seconded by Resch to approve the invoice from DeGroot, Inc. in the amount of $3,166.47 for repair of sludge line at WWTP.**

**Motion carried upon verbal voice vote. 5 ayes**

1. **Moved by Schreiber, seconded by Feldt to adjourn.**

**Motion carried upon verbal voice vote. 5 ayes**

**Meeting adjourned at 5:47 p.m.**

 Respectfully Submitted:

 Sara J. Perrizo, CPA

 Administrator