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

**On Tuesday, April 12, 2016 Pursuant to Notice Duly Given**

1. Meeting called to order at 5:00 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, Mayor Bostedt, Sara Perrizo, Administrator Perrizo as Recording Secretary and other interested parties

1. Approval of Agenda

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

1. Approval of Minutes from the 3/01/16 meeting.

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

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

1. Correspondence/Public Appearances

Perrizo stated that the RFP for audit services is ready, but she is holding it until the final audit report for 2015 has been issued.

1. Discussion/Recommendation on:
   1. Payroll for the Month of March 2016 in the Amount of $175,381.24, Accounts Payable for the Month of February 2016 in the Amount of $1,211,601.22, Accounts Payable for the Month of March 2016 in the Amount of $304,394.07 and Other Financial Reports as Presented

Le Breck asked how often payments for insurance are made. Perrizo explained that the City’s property insurance premium is paid quarterly and the health insurance premium is paid monthly.

**Moved by Anderson, seconded by Feldt to approve the payroll for the month of March 2016 in the amount of $175,381.24, accounts payable for the month of February 2016 in the amount of $1,211,601.22, accounts payable for the month of March 2016 in the amount of $304,394.07 and other financial reports as presented.**

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

* 1. Invoice from KerberRose, S.C. in the Amount of $600 for Services and Discussion of Additional Pending Charges for Implementation of GASB 68

Perrizo stated that Karen Kerber still feels that the City should pay the $600 for the reallocation of debt in the financial statements. She referred to an email that she sent to Kerber in which Perrizo pointed out that the City’s agreement with KerberRose states that an estimate is to be given prior to any additional work being performed. That did not happen in this case.

Another issue that has come up is with the implementation of GASB 68. This is a pronouncement from the Government Accounting Standards Board (GASB) which changes how certain information must be presented in the financial statements. All municipal governments must follow this pronouncement beginning with the 2015 reporting year. KerberRose has indicated that they will be charging an additional $1,800 over and above the contracted amount due to this change. Perrizo contacted another local accounting firm that handles many municipalities, and they are not charging their clients for this. The City’s contract with KerberRose includes the preparation of the City’s financial statements and new GASB pronouncements are released each year. Perrizo does not feel it is fair for them to charge the City for this. Schreiber agreed, stating that it is not the City’s fault that additional work is required and it is part of our contract.

Erickson stated that she can write a letter to KerberRose disputing both invoices, once the final billing is received.

**Moved by Feldt, seconded by Anderson to direct Attorney Erickson to draft a letter to KerberRose, SC disputing the charges.**

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

* 1. 2015 Budget Carryover Requests

Perrizo went over each carryover request. Mayor Bostedt questioned the carryover amount of $480 for the Splash Club. Perrizo explained that, per the direction of the Park & Recreation Committee, a budget adjustment was done to increase donation revenue by $1,500 for the donations that were received from the Aageson Family, and to increase Pool Pass expense by $800 and Splash Club expense by $700. The expenses for the Splash Club in 2015 were $220 and these were all start-up expenses. Mayor Bostedt asked how the budget adjustment could have been done in full since $500 of the donation money wasn’t receipted until 2016. Perrizo explained that it was only the budget that was adjusted – the receipt was recorded in the correct year. Mayor Bostedt then stated that there were other donations for the Splash Club. Perrizo noted in the receipt log that all other donations were designated for the Pool. Perrizo will work with Sue Anderson to clarify this issue for 2016.

**Moved by Schreiber, seconded by Feldt to approve the 2015 budget carryover requests.**

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

* 1. Banking Proposal from Stephenson National Bank & Trust

Perrizo stated that the City’s current interest rate is .05% and the proposed rate from Stephenson is .45%. In addition, the fees paid for 2015 were $1,619 and Stephenson has proposed a flat fee of $100 per month. There was concern about City staff having to spend more time driving to the Stephenson location daily, so Stephenson has agreed to pick up the daily deposit from City Hall. Perrizo is recommending that all accounts be moved to Stephenson, with the exception of the City’s Section 125 account. She also suggested moving the Utility CD that is at Stephenson to FirstMerit. This will address the concern that was brought up about having all of the City’s money located at one bank. Schreiber asked if we have solicited a proposal from the bank that is acquiring FirstMerit. Perrizo stated that the acquisition won’t be final until October, but she did notify the City’s representative from FirstMerit that a change was being considered.

**Moved by Feldt, seconded by Resch to switch all accounts to Stephenson National Bank & Trust except for the Section 125 account.**

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

* 1. Approval of Invoices from Compass Minerals in the Amount of $19,403.70

R. Reed explained that this is for the purchase of road salt for the winter.

**Moved by Resch, seconded by Anderson to approve the invoices from Compass Minerals in the amount of $19,403.70.**

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

* 1. Approval of Invoice from Brooks Tractor in the Amount of $17,627.25

R. Reed explained that this is for a new motor for the front end loader. The invoice came in at about $1,000 less than was quoted. Anderson asked if a written warranty has been received for the work done. The consensus of the Committee was to find out from Wusterbarth before final approval of the invoice.

**Moved by Schreiber, seconded by Anderson to approve the invoice from Brooks Tractor in the amount of $17,627.25 contingent upon receiving a written warranty for the work performed.**

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

* 1. Approval of Quote for Purchase of Fire Chief’s Truck in an Amount Not to Exceed $17,000

J. Reed explained that this process began in November. He tried to have the old truck fixed, but the brakes are bad, it needs new tires and now the engine is knocking. The truck that he would like to purchase is a 2008 Silverado with 112,000 miles on it. Chrysler World will give us $5,500 for the old truck on trade-in. Other dealers had trucks available, but they were at a higher cost. The proposed truck has a cap which will allow an accountability board and radio to be installed in the back, which is necessary for fire operations. There will also need to be lights and graphics installed on it, as the light bar on the current truck is malfunctioning. Anderson asked if the truck will need to be painted. J. Reed stated that it will remain gray in color and only graphics will be added. Schreiber asked about a warranty. J. Reed believes it comes with some type of warranty and also stated that Chrysler World has provided excellent service for the department in the past. Mayor Bostedt asked where the money will come from to pay for the truck. J. Reed explained that it will come from the capital equipment budget.

**Moved by Feldt, seconded by Schreiber to approve the quote for purchase of Fire Chief’s truck in an amount not to exceed $17,000.**

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

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

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

**Meeting adjourned at 5:45 p.m.**

Respectfully Submitted:

Sara J. Perrizo, CPA

Administrator