

## City of Brodhead

### Audit and Finance Committee meeting minutes for the August 12, 2020 meeting

1. Meeting called to order by Paul Huffman at 4:00 pm
2. **Quorum was present as determined by roll call:** Paul Huffman, Sam Woodford, Doug Pinnow, Richard Peach (new member), Interim Treasurer Dan Nelson (via GoToMeeting) and Treasurer Keri Miller. Also, in attendance: Mike Olson, Police Chief Chris Hughes, Scott & Ann Anderson
3. **Public Appearances:** Mike Olson asked for the minutes from 7/13 to be updated to reflect his position on short term cash shouldn't be used on long term debt unless there is abundance/excess of cash beyond the policy limit. Mike also wanted to remind the finance committee that 3 years ago he suggested the City purchase the vacant land south of Subway on the curve when it was available but the City decided not to buy it. Mike says he understand that borrowing for assets is necessary but the asset will be gone in 10 years. The City should borrow to invest in the City and should want to invest in itself. Doesn't look good to private investors if the City doesn't invest in itself.  
  
Scott Anderson spoke in support of the Affordable Housing. He says this is a good way to grow the city and a major windfall for the entire city.  
  
Ann Anderson spoke in support of the Affordable Housing. Ann agrees with Scott that it would be good for the city. Said this grant won't come back again. There is housing shortage for affordable housing. Will bring more children to our schools. Also, In the affordable housing project that can be state approved day care also which would be a good thing.
4. **Committee Comments or Questions:** Huffman discussed the City is no longer recognizing advisors to committees. They are not part of the committee and should not contribute so it was decided to forego having any advisors on city committees. Mike Olson was an advisor on Finance Committee for 15 years. He gave City Treasurer Miller a blue binder with previous minutes and evaluations that he has kept.
5. **Approve Previous Minutes:** Motion by Huffman to approve the previous minutes with the changes Mike Olson suggested. Second by Pinnow. All ayes. Motion carried.
6. **Review Closed Session & Conflicts of Interest Procedures:** The committee was sent an article from The Municipality on closed sessions and the City of Brodhead Ordinance Chapter 50 on Conflicts of Interest. This is being reviewed by all City committees at their August meeting.
7. **Capital Projects Update:** The committee reviewed the list of capital projects that was emailed on Thursday, August 6th from Treasurer Miller. Woodford asked to include the budgeted amount of each project and the fixed asset number of each project going forward. Treasurer Miller will make these changes for the September meeting.
8. **Treasurer Reports:** The committee reviewed the July 2020 voucher report, bank reconciliations for July 2020 and July 2020 YTD budget vs actual reports the was emailed on Thursday, August 6th. Woodford had a question about a formula. Treasurer Miller will look into & email the committee. No action taken.
9. **Debt Analysis:** Dan Nelson discussed the City's existing debt, TID 6 Debt that was taken out for longer than the life of TID 6 and future debt through 2031 with \$250,000 annual borrowing for capital projects. Dan stated the City has a healthy fund balance but may need to use the fund balance in 2021 and/or 2022 if there are state fund cuts. Dan asked the committee if he should look into refinancing with interest so low right now. Committee agreed for Dan to look into refinancing current debt from 2017 & 2020 and also the possibility of borrowing either \$250,000 or \$500,000 extra for the 2021 and/or 2022 capital projects since interest rates are so low. The committee isn't committed to borrowing the extra money but would like to see the impact it would have. Dept Heads should come up with capital project list that the extra money would be used for.
10. **Affordable Housing Project:** Dan Nelson expressed his concern and said to proceed with caution. Make sure whatever land might be purchased the City can recover the costs especially if the PILOT payment would be 1/3 of a property tax payment. Would the PILOT payment have to be shared or do we get to keep all of it? Also, to get the land appraised to make sure the asking price right. Pinnow asked if the City could take the money from Fund

Balance to purchase land. Dan said that's a possibility but to remember that money may be needed if state funding is cut in the coming years. Woodford asked if it could be a capital project. Dan said that would be a question or Bond Council. Peach would like a public hearing for the community to be aware of the project and expense that would be incurred by the tax payors. Finance Committee is encouraging Council to have a special meeting just for Affordable Housing and make the decision if they support the idea or not. As of now it has only been discussed at Economic Development and Finance Committees.

11. **Accurate Appraisal 2021 Revalue:** Dan discussed that the City is having issues with the City Assessor Accurate Appraisal. The City has a contract with them through 2021. In 2021 the City is supposed to have a revalue done. Dan would like to move on from Accurate Appraisal after 2021 so he's asking the committee if we can renegotiate our 2021 contract with Accurate Appraisal and make it a maintenance year not a revalue year.

Motion by Pinnow to approve asking Accurate Appraisal to renegotiate the 2021 contract to be a maintenance year. Second by Huffman. All ayes. Motion carried.

12. **Public Fire Protection:** Dan discussed the Public Fire Protection and garbage bill. Moving the Public Fire Protection to the property tax bill and the garbage bill to the Water & Light bill. These would increase the City's levy limit. Could split the increase between operations cost & capital projects. If we change the Public Fire Protection it would need PSC approval, a rate study done and take about 9 months. Committee advised Dan to look into further.
13. **Future Agenda Items:** Investment Policy, City Treasurer Evaluation, Refinancing
14. **Set Date/Time for Next Meeting:** Monday, September 14, 2020 at 4:00 p.m.
15. **Adjourn:** Motion by Peach to adjourn. Second by Woodford. All ayes. Motion carried.

**Submitted by:** Treasurer, Keri Miller