

FINANCE COMMITTEE MINUTES
July 18, 2011
City Hall – First Floor Hearing Room West

Chairperson Scott McMeans called the meeting to order at 6:00 PM

Present: Alderpersons, Christopher Able, Matt Kadow, Alex Olson and Lee Thennes

Absent: None

Also Present: Alderperson Jill Hennessey, Interim Finance Director/Treasurer Tony Scherer, Fire Chief Bill Manis, WWTF Superintendant Brian Helming, Director of Public Works, Park & Recreation and City Engineer Val Mellon, City Assessor Sarah Hoppe, DPW Business Manager Mike Huck, Manitowoc Bandits Representative James Maurer and a member of the press.

Approval of Minutes

Motion by Alderperson Kadow and second by Alderperson Able to approve the minutes of the June 6, 2011 Finance Committee Meeting. Motion carried unanimously.

**Discussion and Possible Action Regarding Request from Bandits
Baseball Regarding Reimbursement of Municipal Field Concession
Stand Purchase Price.**

Chairperson McMeans requested DPW Business Manager Mike Huck to provide the Committee with background regarding this request. Mr. Huck explained that the Bandits Baseball Organization put forth the money to erect the Concession Stand for a total purchase price of \$10,399. The Bandits' Organization has paid a total of \$1,000 and is requesting reimbursement from the City for the remaining balance of \$9,933. The Bandits annual least payment of \$3,000 for the use of the Municipal Field baseball diamond facility would then be come the payment over the next three plus years to offset the expense.

Alderperson Thennes inquired as to why this project was carried out without approval of the Parks & Recreation Committee. Manitowoc Bandits representative James Maurer explained that attempts were made to get this project approved through proper channels. Attempts were made throughout the winter to work out an agreement between the Bandits and the Parks & Recreation Committee. In April of 2009 there was still no agreement reached. In order to have a facility, the Bandits Organization construction the stand with the understanding that an agreement would be forthcoming. Alderperson Thennes asked about the City's past practice with these types of arrangements. Mr. Huck pointed out a number of projects. Mr. Thennes then inquired as to why the City should make a full payment to the Bandits instead of deferring the lease payments. It was explained that they were attempting to do away with the interest payments to the Bandits Organization as the charges were placed on Mr. Maurer's personal credit card. Alderperson Able suggested reviewing past Park & Recreation documentation for further information.

Alderson Olson inquired about available funds and the party who initiated raising the other structure. Further discussion followed. Alderson McMeans then stated he would bring this matter to a Joint Finance/Parks & Recreation Meeting prior to the next Council Meeting.

Discussion Regarding the City of Manitowoc 2012 Budget Goals and Objectives.

Alderson McMeans stated that historically the Mayor requested guidance and direction from the Finance Committee in regard to the upcoming budget year. Due to the actions and directives being passed down from the State of Wisconsin, Alderson McMeans would like to have the Mayor approach the Finance Committee at a specific time, earlier in the budget process, to start a dialog on these and other issues facing the City for the 2012 Budget. With this process Alderson McMeans hopes to promote better lines of communication and collaboration. Alderson Able agreed with the process proposed.

Discussion and Possible Action Regarding 2011 Through 2015 Audit Services Contract

Interim Finance Director/Treasurer Tony Scherer explained that it is the Finance Committee's decision to choose the City's Financial Auditors. Formal bids may be let, but it is not necessary. Mr. Scherer recommended that the Committee stay with Schenck S.C. as their firm is familiar with the City's finances and in this time of financial upheaval and uncertainty, he felt it would be best not to bring in a new audit team. He also mentioned that the rates quoted were very reasonable and in line with the current charges.

A discussion followed regarding proposals for audit services. It was stated that for the previous contract, the Finance Committee at that time chose to renew with Schenck S.C. Therefore it was estimated that the last proposal for audit services was about 2001.

Motion by Alderson Able, second by Alderson Olson to assigned the City attorney the task of preparing an RFP for the City's 2011–2015 audit services. Motion carried unanimously.

Discussion and Possible Action Regarding Waste Water Treatment Facility Rates, Interest and Debt Service Issues

Alderson McMeans summarized the Committee's discussions to this point. WWTF Superintendant Brian Helminger re-stated his concerns regarding overcharges for capital projects to the Wastewater Treatment Facility. Interim Finance Director/Treasurer Tony Scherer stated that he was in agreement with Mr. Helminger's assessment. There was a general agreement among the Committee that the additional charges should not be continued.

DPW Business Manager Mike Huck explained that interest on bonds incurred for sanitary sewer projects should be the responsibility of the WWTF as the improvements are for their system. Further discussion followed. Alderman McMeans stated that he would like to bring this back for a resolution at the next Finance Committee Meeting.

WWTF Superintendant Brian Helminger then brought up the subject of investment interest on Wastewater Fund Balance Reserves. Mr. Helminger requested that the interest earned on the investment of WWTF fund balances be credited to the Wastewater budget. A short discussion followed.

Motion by Alderperson Able and second by Alderperson Olson to recommend from this point forward interest earned on WWTF investments (starting in 2011) be allocated to the Wastewater Treatment Facility budget (starting in 2011). Motion carried unanimously.

Motion by Alderperson Able and second by Alderperson Olson to adjourn the meeting. Motion carried unanimously.

Chairman McMeans declared the meeting adjourned at 6:50 PM.

Alderperson Scott McMeans
Chairperson
Finance Committee

By: Anthony J. Scherer
Interim Finance Director/Treasurer

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