



## **Budget Committee Minutes**

City Council Chambers  
Monday, November 29<sup>th</sup>, 2021

Chairman Kreinbrink called the meeting to order at 7:01 PM.

Roll call was taken:

**Present:** Alderwoman Rebecca Johnson, Alderwoman Cara Killey, Alderman Brent Holcomb, Treasurer Pete Dell, City Accountant Wes Levy

**Also present:** Mr. Jim Peterson & Doug Grief

**Fund balance policy:** Mr. Pete Dell and Mayor Latham found cash reserve policy put out by water works foundation. Looking at policy of reserve.

GFOA government finance officers association – recommended not less 45 days of expenses. In budget document, narrative shows 3.6 million in capital account

**Disaster response & declaration:** What do we need to have on hand? Need to start to anticipate – insurance would cover unexpected expenses. Mr. Levy recommended 3-6 months

Average annual expenses low would be 25% high, 50% acceptable. Reserve can't anticipate disasters. Lean on the higher side if taxes aren't collected – delay in collection could result in chewing up three months reserve quickly. Looking at multiple funds –would like to have 25 / 50% on reserve. Build a target minimum looking over the past three years.

**Bond for Police Department:** Will move into the general fund. Mr. Levy informed us that the police bond policy will be put together and everyone will get a copy as soon as the city e-mails are fixed.

Mr. Levy will update with current cash & expenses.

Alderman Kreinbrink and Alderman Johnson agreed that 50% target would be best.

Property tax revenue is only about 30%. Committee needs to provide target range and Mr. Levy will provide current cash and expenses.

**American Rescue plan funds:** Options for where funds for the American rescue plan act should be spent: Tech? Storm? Infrastructure? Capitol ?

There are rules for how funds may be spent with grant funds. Tech is our number one concern. Treasurer Dell feels that we are inadequately operational & we may not be able to get cyber insurance as the "pool" for insurance is shallow. Suggested insurance pool duo authentication; third party companies that can take this & be responsible for our data instead of what we're doing now. Alderman Kreinbrink informed us that a preliminary study picked out vulnerable locations and we are currently looking for a third party to evaluate the system. Cloud Based cyber security suggested.

Funds can only be used as revenue replacement. Only \$150,000.00 is considered "lost revenue" and does not need to be allocated. Storm water / water & sewer is mainly what this money can be used on. Mr. Levy suggested putting a plan in place for the beautification program in Sandwich. One that helps promote small business. Suggestions from committee were using funds to help businesses be ADA compliant. In addition, sidewalks and using a sidewalk inventory program is on the horizon. Alderman Kreinbrink is working with the county to set up the GIS app.

IPRF grant funds are earmarked for the computers needed and inventory.

**Review of Monthly Bills:** Issues with Credit Cards and charges not posting. Coming in high on what was anticipated - \$550,000 above budget – trending towards \$120,000 – \$130,000 in gaming taxes – excess of \$5000.00 Consider applying it towards Police Pension. Discussion of Excess funds & Policy on pension funding... is a better way of approaching. On the expense side: page 4 all departments are under budget – only admin is close to what was expended. Being currently under staffed is part of the driver for the excess of funds. Police are also under. Sewer and water are cash positive. Sales taxes stayed strong through 2021.

**Old business:** December 6<sup>th</sup>, Randy Erickson is coming in to talk about the different projects for the coming year. Chief's new squad car is coming in. Tax Levy – looks good & is moving forward. Wes is working on ordinance to submit for vote. It is prepared & ready to issue. Instead of just rolling funds excess funds into the general fund... we would like to cut a check to police pension. At some point, the state will be taking over the pension – possibly in 2042 and if we are not current, they can charge us. It is necessary to address pension funding policy. Enterprise funds; sewer and water: can move on with getting quotes for the water study, quotes seemed high but study is complicated. Looking for a vendor to give us a proposal. Sewer study is done.

**2022/2023 Budget:** Dept. heads are starting to plan out their budgets – details on monies spent to date & intent for remainder of the year. Looking for where funds may be left to allocate. Currently, we have only received police budget. Brian Vokel looking for guidance. Denise also responded & will be late with budget. Brian Jarvas will be helping with wastewater budget. Request for Mayor to be copied on requests.

Next meeting set for: Wednesday Dec. 15<sup>th</sup> time TBD

**Adjournment:** There being no further business to come before the Committee, motion made by Alderwoman Johnson, and seconded by Treasurer Dell to adjourn at 8:35 PM. Motion carried unanimously by voice vote.

  
Fred Kreinbrink, Budget Chair