

# FINANCE COMMITTEE Meeting Minutes February 09, 2023 Regular Meeting



*The meeting was called to order by Chair Sweeney at 4:30 pm on February 09, 2023 in Government Center Room 204.*

## 1 ROLL CALL

**PRESENT:** Jack Sweeney, Tylor Elm and Mike Herrick

**VIRTUAL:** Jane Darwin, Jenny Van Sickle, Nick Rhinehart, Tom Beaudry and Jim Paine

**ABSENT:**

**CITY STAFF PRESENT:** Camron Vollbrecht, Deb Kamunen, Jean Dotterwick and Linda Cadotte

**OTHERS PRESENT:** Lareasha Connors, Cheri Fitch, Ann Doucette, Mark Liebaert, Barb Hoag, Judy Davern, Emma Hengemuhle, Calla Gilbertson, Susanna Airis and Shelley Nelson

## 2 APPROVAL OF MINUTES

2.1 Finance Committee (Meeting held January 12, 2023)

***Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to approve the January 12, 2023 Minutes.*

2.2 Special Finance Committee (Meeting held January 25, 2023)

***Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to approve the January 25, 2023 Special Finance Committee Minutes.*

## 3 OLD BUSINESS

***Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to approve moving of item 4.2 ahead of 3.1.*

4.2 Request from Mark Liebaert, Douglas County Board Chair, to waive the 2022 landfill trailer park demo invoices.

Liebaert indicated the City and County have worked hand in hand on many projects and hope to continue the partnership well into the future. The Mayor was approached before the clean up began to waive the invoices from the cleanup. The current invoices total \$17,769.00. A question-and-answer period followed.

***Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to approve suspending any fees until such time the County reclaims all costs.*

3.1 Humane Society of Douglas County 2022 Financials and Reports

The Humane Society provided the 2022 financials and reports as requested by the Finance Committee.

***Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to receive and file the Humane Society of Douglas County 2022 Financials and Reports.*

#### **4. NEW BUSINESS**

##### **4.1 Kemper Sports Management, Inc. Contract Amendment**

The women of the golf league were introduced to the committee. Contract Analyst Darwin reviewed the management agreement between the City of Superior and Kemper Sports Management, LLC.

***Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to hold in committee until the March meeting.*

##### **4.3 Quarter 4 2022 Investment Review**

Assistant Finance Director Kamunen gave a synopsis of the Quarter 4 2022 investments.

***Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to receive and file the Quarter 4 2022 Investment Review.*

##### **4.4 Finance Director Rhinehart requesting approval of the 2023 Economic Development Budget.**

***Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to approve the 2023 Economic Development Budget.*

#### **5. RECURRING BUSINESS**

##### **5.1 Golf Course Report and Financials**

***Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to receive and file the Golf Course Report and Financials.*

##### **5.2 January, 2023 Check Registers – 2022 and 2023 expenditures**

***Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to receive and file the January, 2023 Check Registers – 2022 and 2023 expenditures.*

##### **5.3 General Fund Financial Statements – 2023 and 2022 Expenditure vs. Budget Analysis as of January 31, 2023.**

Assistant Finance Director Kamunen indicated most of 2022 has been reconciled.

##### **5.4 Other financial matters**

\* The auditors were working in the city office this week.

\* Questions arose as to the process that should be followed for vetting software programs and which departments should be involved.

\* Discussion ensued regarding insuring the City mechanic's tools and tool chests.

Next month Chair Sweeney would like a budget update from Chief Vollbrecht on the Village of Superior.

**6. ADJOURNMENT**

The meeting adjourned at 6:01 p.m.

*Minutes respectfully submitted by Jean Dotterwick*

Item 3.1 Handout at meeting

<b>Humane Society of Douglas County, Inc.</b>	
<b>2023 Budget Profit and Loss</b>	
	<b>Budget 2023</b>
<b>Income</b>	
<b>Total Fundraising Income</b>	<b>76,200</b>
<b>Other Revenue</b>	
City of Superior Contract	120,000
Donations	99,000
Grant Income	50,000
Membership Dues	2,436
<b>Total Other Revenue</b>	<b>347,636</b>
<b>Program Service Revenue</b>	
Adoptions	105,000
Dog License Sales	2,754
Impound Reclaim Fees	18,023
Surrender, Bite, & Hold Fees	10,710
<b>Total Program Service Revenue</b>	<b>136,487</b>
<b>Sales</b>	
Credit Card Convenience Fee	3,670
Reception/OTC Sales	9,262
<b>Total Sales</b>	<b>12,932</b>
<b>Total Income</b>	<b>\$ 497,055</b>
<b>Expenses</b>	
<b>Animal Care and Vet Expenses</b>	<b>144,000</b>
<b>Depreciation Expense</b>	<b>8,358</b>
<b>Employee Mileage/Fuel</b>	<b>6,500</b>

<b>Fundraising Expenses</b>	
All fundraising expenses & platforms	9,500
<b>Total Fundraising Expenses</b>	<b>9,500</b>
<b>Insurance</b>	<b>17,285</b>
<b>Operating Expenses</b>	
Accounting and Legal Fees	7,075
Advertising Costs	2,000
Telephone/Internet	2,500
Waste Disposal -Waste Mgmnt	2,600
<b>Total Operating Expenses</b>	<b>14,175</b>
<b>Other Expenses</b>	
Bank fees	3,617
Continuing Education-Staff	1,237
Office Supplies	3,200
Staff Uniforms/Volunteer shirts	1,000
Vehicle Expenses	2,000
<b>Total Other Expenses</b>	<b>11,054</b>
<b>Payroll Expenses</b>	
Payroll Taxes	28,730
Wages & Salaries	338,000
<b>Total Payroll Expenses</b>	<b>366,730</b>
<b>Repairs &amp; Maintenance</b>	<b>2,200</b>
<b>Total Expenses</b>	<b>\$ 579,802</b>
<b>Net Operating Income</b>	<b>(82,747)</b>

**THIRD AMENDMENT TO MANAGEMENT AGREEMENT**

THIS THIRD AMENDMENT (“THIRD Amendment”) to the Management Agreement dated as of June 28, 2019 (the “Agreement”) by and between the City of Superior, a Wisconsin municipal corporation (“Owner”) and Kemper Sports Management, LLC., a Delaware limited liability company (f/k/a Kemper Sports Management, Inc., “KSM”) is made and entered into as of \_\_\_\_\_, 2023, (the “Third Amendment Effective Date”), by and between Owner and KSM. Capitalized terms not otherwise defined herein shall have the meaning as set forth in the Agreement.

**WITNESSETH:**

WHEREAS, the Owner and KSM entered into the Agreement for KSM to provide certain management services for the Nemadji Golf Course (the “Course”);

WHEREAS, Owner and KSM desire to amend the Agreement to reflect said changes as set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and agreements herein contained, Owner and KSM agree to revise the Agreement as follows effective as of the Third Amendment Effective Date:

1. Appointment and Term. Article 2 “Appointment and Term”, Section 2.2 “Term” is hereby deleted and replaced with the following:

2.2 Term. This Amendment shall be effective as of the Third Amendment Effective Date, but the second term (the “Second Term”) for performance of the Management Services under this Agreement shall begin on November 5, 2024 (the “Commencement Date of the Second Term” and unless sooner terminated as provided in Article 9 below, shall terminate on the fifth (5<sup>th</sup>) anniversary of the Commencement Date of the Second Term (the “Termination Date”). This Agreement may be renewed upon mutual agreement of terms and fees.

2. Management Services. Article 3 “Management Services”, Section 3.3 “Scope of Services” is hereby deleted and replaced with the following:

3.3 Scope of Services. Subject to the Budgets, the Approval Rights, and terms and conditions set forth herein, KSM shall use commercially reasonable efforts to perform those acts that are necessary in the opinion of KSM to operate and manage the Course, on behalf of and for the account, and at the sole cost and expense of, Owner, in accordance with the standards of quality expected at comparable top golf courses in the vicinity of the Course and in accordance with the mission of the Course. In connection with the foregoing, KSM shall perform the following acts and services: (i) manage and supervise all day-to-day operations of the Course, including tee time reservations, collecting green and cart fees, clubhouse operations, outside services, course maintenance, managing tournaments and events, food & beverage, payroll and benefits administration, accounting and financial reporting, etc.; (ii) hire, train, and supervise all employees required to

carry out KSM's responsibilities; (iii) manage payment of all Course Operating Expenses; (iv) acquire on behalf of the Course all goods and services necessary to carry out KSM's responsibilities; and (v) market the Course to achieve targeted objectives.

3. Management Services. Article 3 "Management Services", Section 3.5.1 "Financial Reporting" is hereby deleted and replaced with the following:

3.5.1 Financial Reporting. During the Term, KSM shall provide the following financial statements in a format reasonable specified by Owner, to include but not limited to line-item separation for each revenue source and payroll category.

4. Management Services. Article 3 "Management Services", Section 3.5.1 "Financial Reporting" is hereby updated by adding the following:

(iii) KSM shall submit to the Owner, within sixty (60) days after the close of each fiscal year, a summary showing reasonably accurate details of rebates that are specifically attributable to the Course, as well as dividends, or other related sources of income regarding the operation of the Course. This report should include, but not limited to, information if the source of income was retained by KSM or by the Course.

5. Insurance Provisions. Exhibit D "Insurance Provisions" Items B, D and E are hereby deleted and replace with the following:

(B) Commercial General Liability and Umbrella/Excess Liability Insurance providing coverage for bodily injury and property damage arising in connection with the operation of the Course or on the Property and including coverage for contractual liability providing limits of not less than:

Bodily Injury and Property Damage Liability -	\$1,000,000 each occurrence
Personal Injury and Advertising Liability - per organization	\$1,000,000 per person or per organization
General Policy Aggregate -	\$3,000,000
Products Liability/Completed Operations Aggregate -	\$3,000,000

(D) Commercial Liquor Liability including coverage for damages arising out of the selling, serving, or furnishing of any alcoholic beverage with a limit of \$1,000,000 per occurrence/\$1,000,000 aggregate limit or the minimum limits required by statute if higher.

(E) Employment Practices ("EPLI") of not less than \$1,000,000 per claim.

6. Golf Course Maintenance Standards – Greens. Exhibit E "Golf Course Maintenance Standards – Greens" is hereby deleted.
7. Full Force and Effect. Except as otherwise specifically modified herein and that which would be required to reflect the intent of the parties, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment as of the Third Amendment Effective Date.

KEMPER SPORTS MANAGEMENT, LLC.

CITY OF SUPERIOR

By: \_\_\_\_\_  
Steven K. Skinner  
Chief Executive Officer

By: \_\_\_\_\_  
Name: Jim Paine  
Title: Mayor

By: \_\_\_\_\_  
Name: Camila Ramos  
Title: City Clerk

By: \_\_\_\_\_  
Name: Frog Prell  
Title: City Attorney

By: \_\_\_\_\_  
Name: Nicholas Rhinehart  
Title: Finance Director

Approved at the Superior Finance Committee on  
Approved at the Superior Common Council on