

## **FINANCE COMMITTEE Meeting Minutes August 10, 2023 Regular Meeting**

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*The meeting was called to order by Chair Sweeney at 4:30pm on August 10, 2023, in Government Center Room 204.*

### **1 ROLLCALL**

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

**VIRTUAL:** Jenny Van Sickle, and Sheanne Hediger

**CITY STAFF PRESENT:** Nick Rhinehart, Jim Paine, Renee Hoff, Cameron Vollbrecht and Karie Markon

**OTHERS PRESENT:** Shelley Nelson, Tom Beaudry, John Ramos, and Barb Hoag

### **2 APPROVAL OF MINUTES**

#### **2.1 Finance Committee (Meeting held July 13, 2023)**

**Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to approve the July 13, 2023, Finance Committee minutes.

**Councilor Sweeney proposed to moving item 4.2 and 5.1 to after 3.1 to accommodate those who don't need to be in attendance for the full meeting.**

### **3 OLD BUSINESS**

#### **3.1 Request from Finance Director Nick Rhinehart for approval of Omada Prevention & Health Management Program**

*The Health Insurance Committee (HIC) is recommending contracting with Omada, a virtual chronic care provider which offers diabetes and hypertension management programs. A discussion ensued concerning targeting a specific illness and employer sponsorship.*

*Further questions and concern of double coverage were addressed and a special request to meet with Health Partners was made.*

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

#### **3.2 Barker's Island Marina – Verizon Cell Tower Sublease**

*Eric Thomas was not present to present the requested additional information as this information was not provided by Verizon to Eric at time of the meeting.*

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

### **3.3 Review and Analyze proposal from Douglas County regarding the city's future as a tenant at the Government Center.**

Mayor Jim Paine requested a closed session.

Closed under Wis. Stat. sec. 19.85(1)(e) for the purposes of deliberating strategies and setting parameters for the continued negotiation of rent and other terms relevant to the county's proposed Agreement for city office space within the Government Center

**Motion** was made by Mike Herrick and seconded by Tylor Elm to go into closed session at 5:04 pm

**Motion** was made by Mike Herrick and seconded by Tylor Elm to return to open session at 6:00 pm

## **4. NEW BUSINESS**

### **4.1 2022 City of Superior Audited Financial Statement presented by Baker Tilly.**

Sheanne Hediger, employee of Baker Tilly, presented the finding of the 2022 City Audit. A question-and-answer period ensued.

**Motion** was made by Tylor Elm, seconded by Mike Herrick and carried to receive the 2022 City Audit final review.

### **4.2 Referred from Golf Course Committee – Expansion of Golf Cart Fleet**

Tom Beaudry, General Manager of the Nemadji Golf Course, presented the proposal of increasing the Golf Cart Fleet an addition 50 carts, with data on the supply and demand needed with the carts and possible increased revenue with the addition.

Barb Hoag, president of women's league spoke on behalf of the need for the addition carts.

**Motion** was made by Mike Herrick, seconded by Tylor Elm of statement of support for the golf course to order 50 additional golf carts

## **5. RECURRING BUSINESS**

### **5.1 Golf Course Report and Financials May and June 2023**

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

**Jack Sweeney proposed if there wasn't anything necessarily needed to review with 5.2 to 5.4 to hold over to next month.**

**Motion** was made by Mike Herrick, seconded by Tylor Elm and carried to hold 5.2, 5.3 and 5.4 in committee until September meeting.

**5.2 May and June 2023 Check Registers – 2023 expenditures**

**5.3 General Fund Financial Statements – 2023 and 2022 Expenditure vs. Budget Analysis as of July 25, 2023**

**5.4 Insurance Update**

**5.5 Other Financial Matters**

**6. ADJOURNMENT**

The meeting was adjourned at 6:47 p.m.

*Minutes respectfully submitted by Karie Markon*



## City of Superior

### 2022 financial highlights

Prepared for the August 10, 2023 Finance Committee Meeting

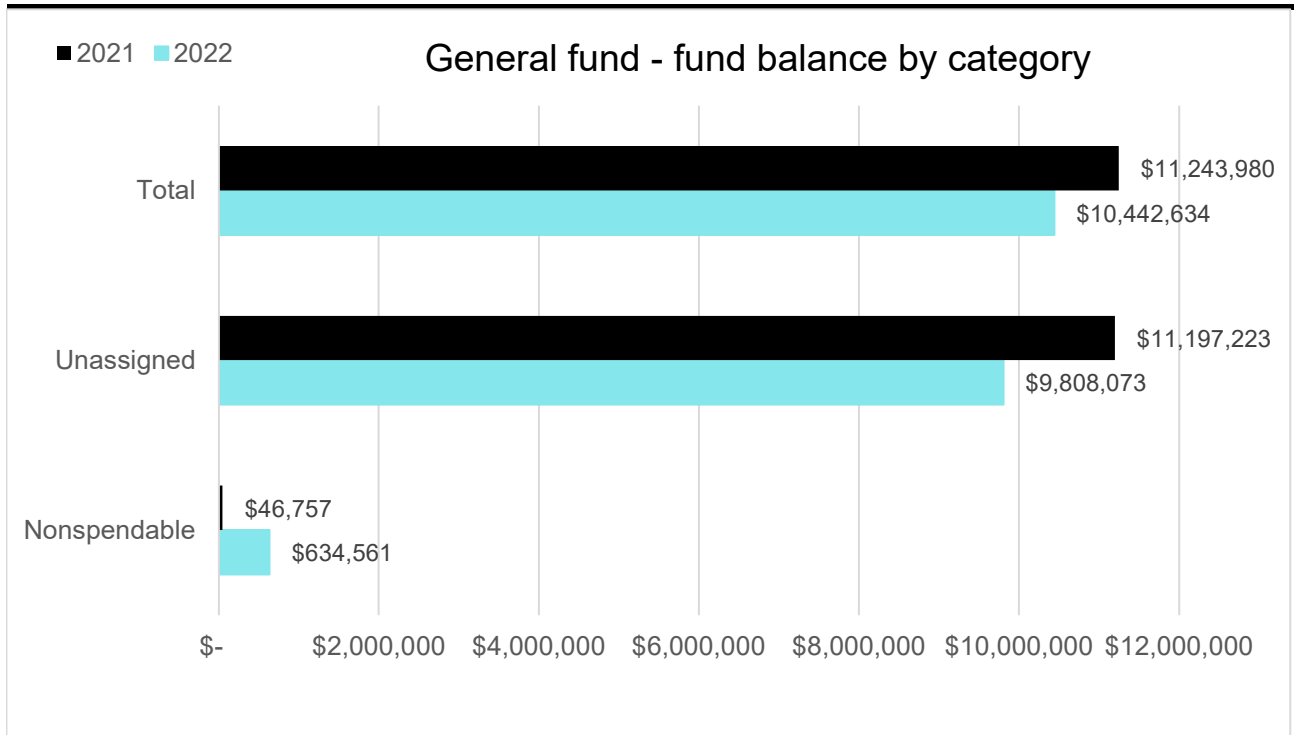
#### Client service team

Sheanne Hediger, CPA, Partner  
sheanne.hediger@bakertilly.com  
612.876.4599

Kaite Sam, CPA, Manager  
Matt Weltzien, CPA, Senior Associate

# City of Superior

## General fund results



### Summarized income statement

	<u>Actual</u>	<u>Final budget</u>	<u>Variance</u>
Revenues and other financing sources	\$ 28,807,728	\$ 29,274,866	\$ (467,138)
Expenditures and other financing uses	29,609,074	29,274,866	(334,208)
Net change in fund balance	<u>\$ (801,346)</u>	<u>\$ -</u>	<u>\$ (801,346)</u>

### Fund balance category definitions

Nonspendable - amounts cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained in tact.

Restricted - amounts that can be spent only for the specific purposes stipulated by an external source.

Committed - amounts constrained for specific purposes that are internally imposed through formal action of the governing body.

Assigned - spendable amounts that are intended to be used for specific purposes that are not considered restricted or committed.

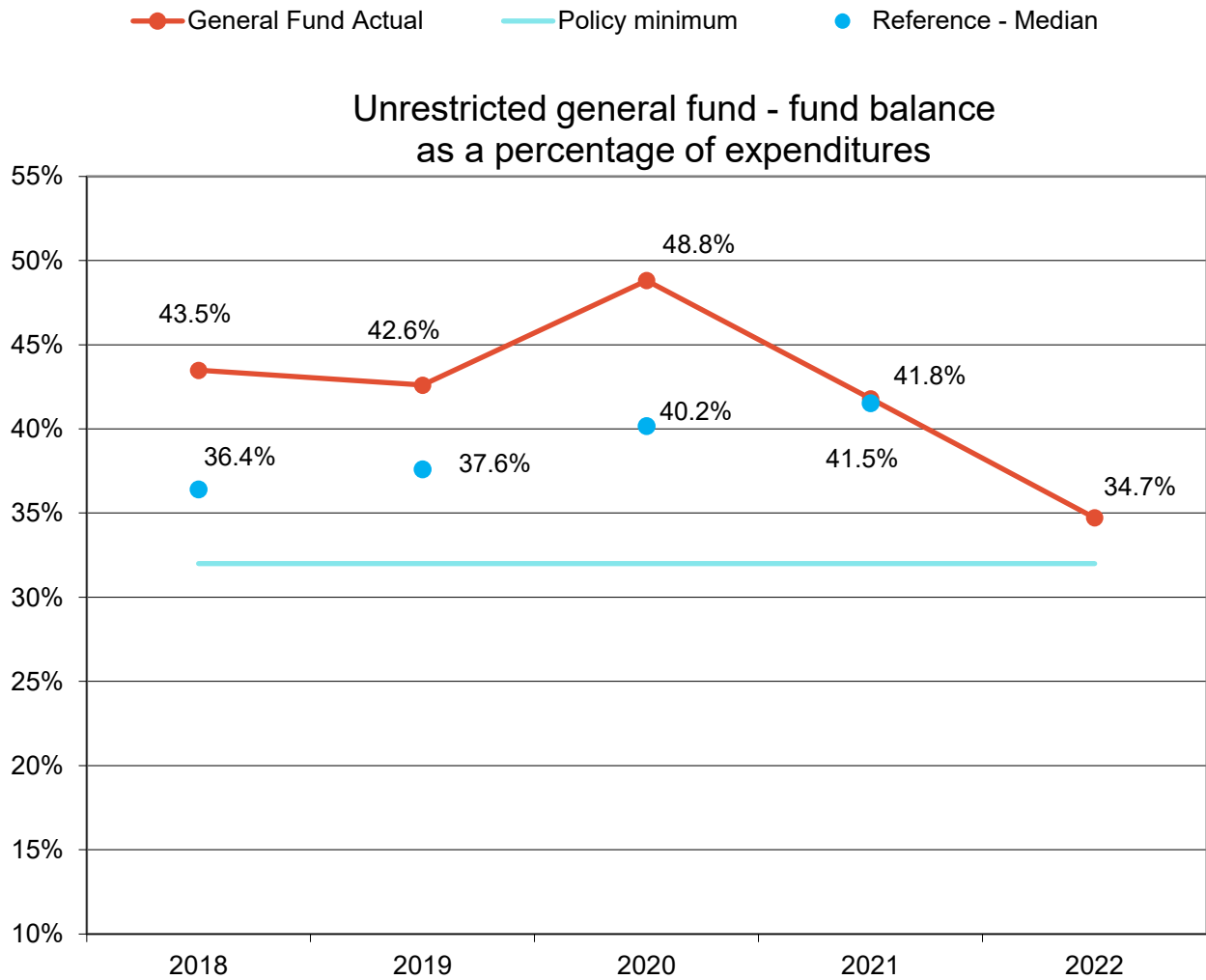
Unassigned - residual amounts that have not been classified within other categories above.

# City of Superior

## General fund - fund balance trends

### Fund balance policy:

Target to maintain a minimum of 32% of the total annual City budget.



### Other reference values

GFOA recommends a minimum of no less than 2 months (16.7%) of general fund expenditures.

Median reference value generated from 2018 - 2021 Baker Tilly municipal client data for population range of 17,500 - 30,000.

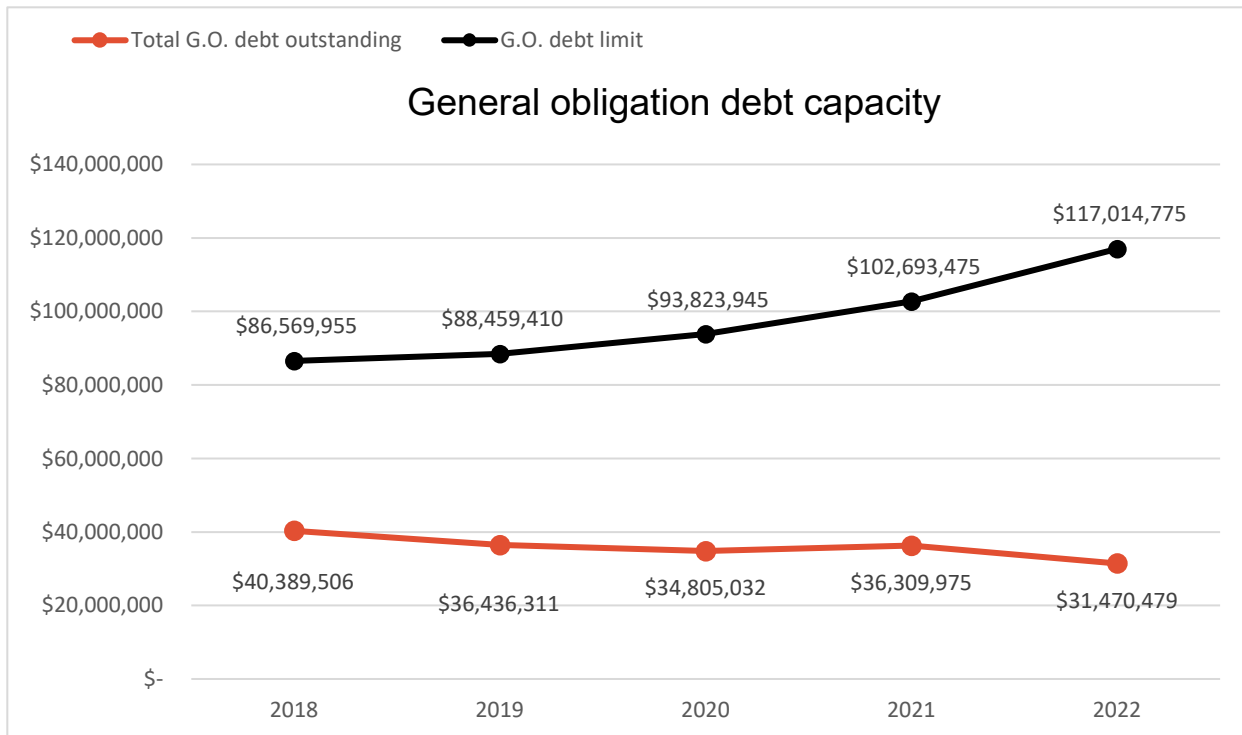
# City of Superior

## General obligation debt

### Debt management policy:

The City follows Wisconsin Statutes whereas the total general obligation indebtedness of the City may not exceed 5 percent of the equalized value of the taxable property within the City's jurisdiction.

Actual percentage of debt limit at 12/31/22: **27%**



### Total debt outstanding by type at 12/31/2022

	General obligation	Revenue debt	Premiums	Total
City	\$ 30,922,486	\$ -	\$ 907,615	\$ 31,830,101
Enterprise	547,993	8,867,001	-	9,414,994
<b>Total</b>	<b>\$ 31,470,479</b>	<b>\$ 8,867,001</b>	<b>\$ 907,615</b>	<b>\$ 41,245,095</b>

Comparative metrics available online through the Wisconsin Policy Forum.

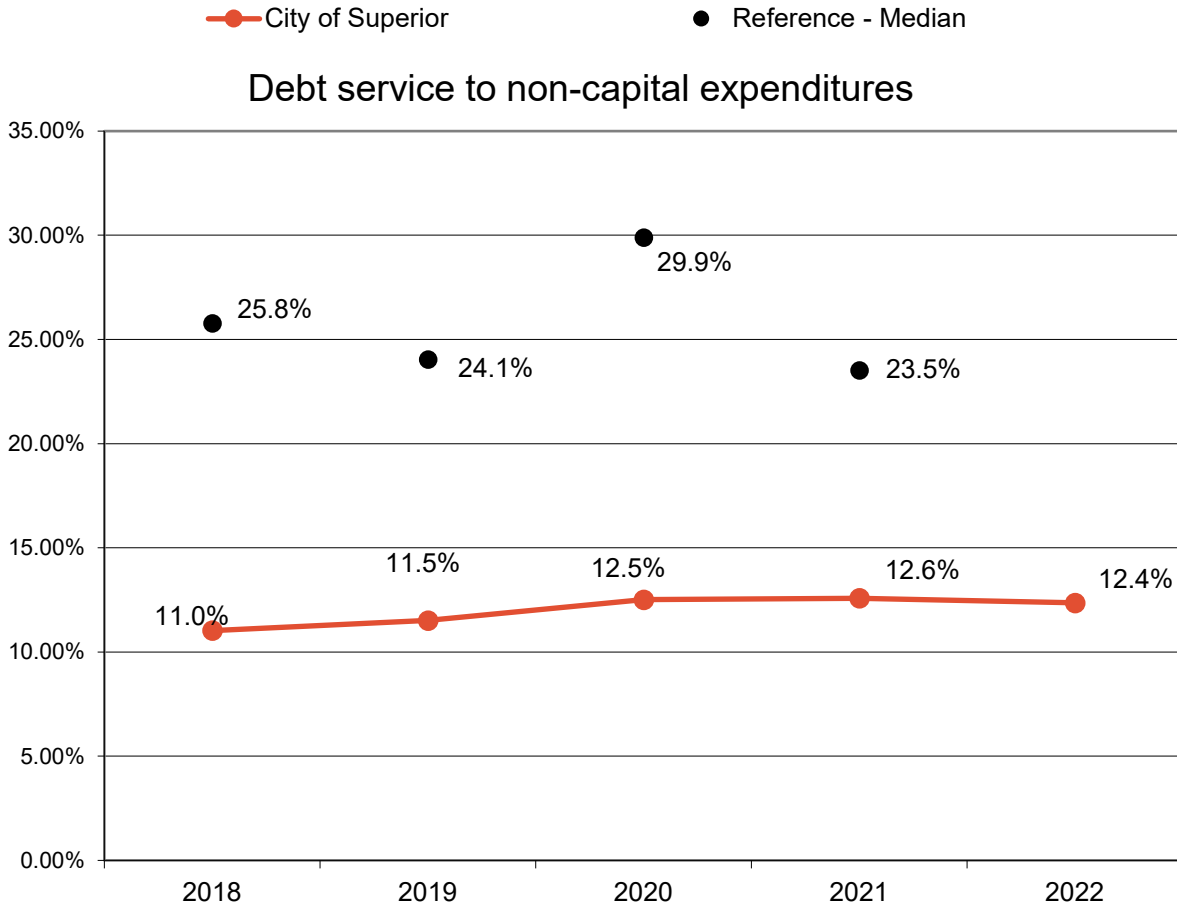
<https://wispolicyforum.org/research/municipal-datatool-examining-and-comparing-wisconsin-cities-and-villages/>

Select "Debt" -- options for custom comparisons or comparisons by county

General obligation debt per capita as of 12/31/2021 (latest information available) ranks the City of Superior as 264 out of 602 cities and villages in Wisconsin.

# City of Superior

## Governmental funds - debt service



### Current and prior year data

	<u>2022</u>	<u>2021</u>
Principal retirement	\$ 3,913,101	\$ 3,516,325
Interest and fiscal charges	1,032,062	1,082,034
Issuance costs	-	159,444
<b>Total</b>	<b>\$ 4,945,163</b>	<b>\$ 4,757,803</b>
Non-capital expenditures	<u>\$ 39,993,004</u>	<u>\$ 37,791,011</u>

### Other reference values

Median reference value generated from 2018 - 2021 Baker Tilly municipal client data for population range of 17,500 - 30,000.



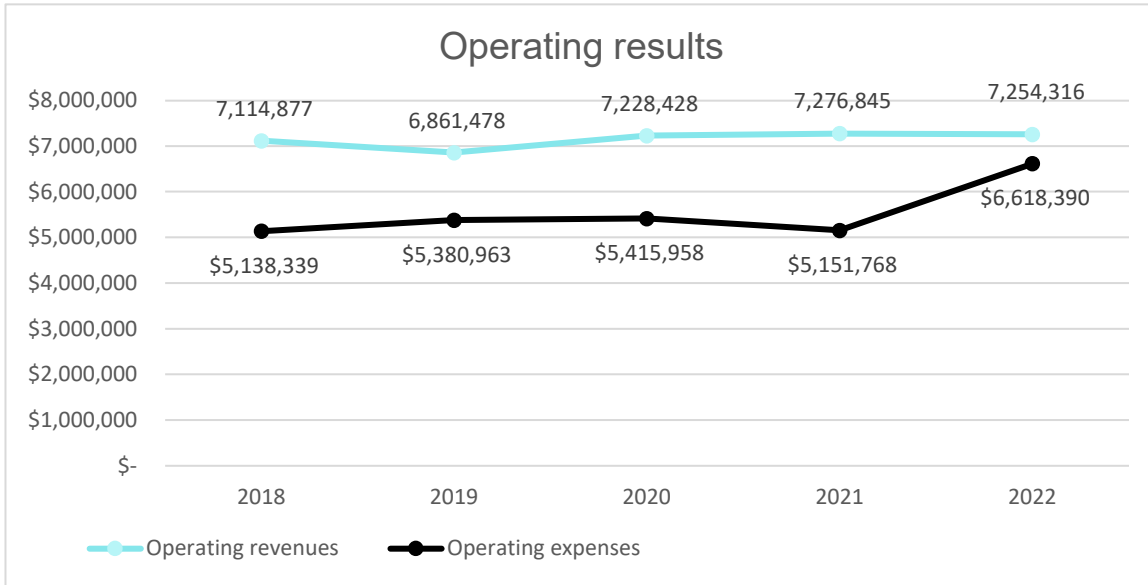
City of Superior  
Other governmental funds



	<u>2022</u>	<u>2021</u>
<b>Fund balance - other governmental funds</b>		
Major Funds:		
ARPA Grant Special Revenue Fund	\$ 318,368	\$ -
Assigned for public health and safety		
Capital Improvement Program Fund	\$ 8,904,943	\$ 8,881,377
Restricted for capital projects		
Debt Service	\$ 1,511,471	\$ 3,438,294
Restricted for debt service		
Nonmajor Funds:		
Loan Special Revenue Fund	\$ 323,877	\$ 274,718
Library Special Revenue Fund	383,503	363,989
HUD CDBG Special Revenue Fund	428,761	610,382
Affordable Housing Special Revenue Fund	1,344,824	345,106
Economic Development Special Revenue Fund	1,682,568	1,775,909
Tourism Commission Special Revenue Fund	505,160	-
Revolving Grant 2020	579,901	421,109
Other Special Revenue Funds	1,559,845	1,709,850
Tax Incremental District No. 9 Capital Projects Fund	326,327	(154,451)
Tax Incremental District No. 13 Capital Projects Fund	(330,706)	(242,687)
Tax Incremental District No. 14 Capital Projects Fund	(130,934)	344,044
Redevelopment Authority	741,610	632,833
Other Capital Project Funds	229,148	239,326
Total fund balance - nonmajor funds	<u>\$ 7,643,884</u>	<u>\$ 6,320,128</u>
<b>Net position - internal service funds</b>	<u>\$ 2,747,393</u>	<u>\$ 4,330,106</u>



# City of Superior - Sewerage System Audit Results - December 31, 2022



## Unrestricted Reserves

	2018	2019	2020	2021	2022
Year end balance	\$ 4,107,522	\$ 4,441,554	\$ 5,680,370	\$ 6,831,826	\$ 6,210,226
Months on hand	<b>6.93</b>	<b>7.77</b>	<b>9.43</b>	<b>11.27</b>	<b>10.27</b>

## Debt Coverage

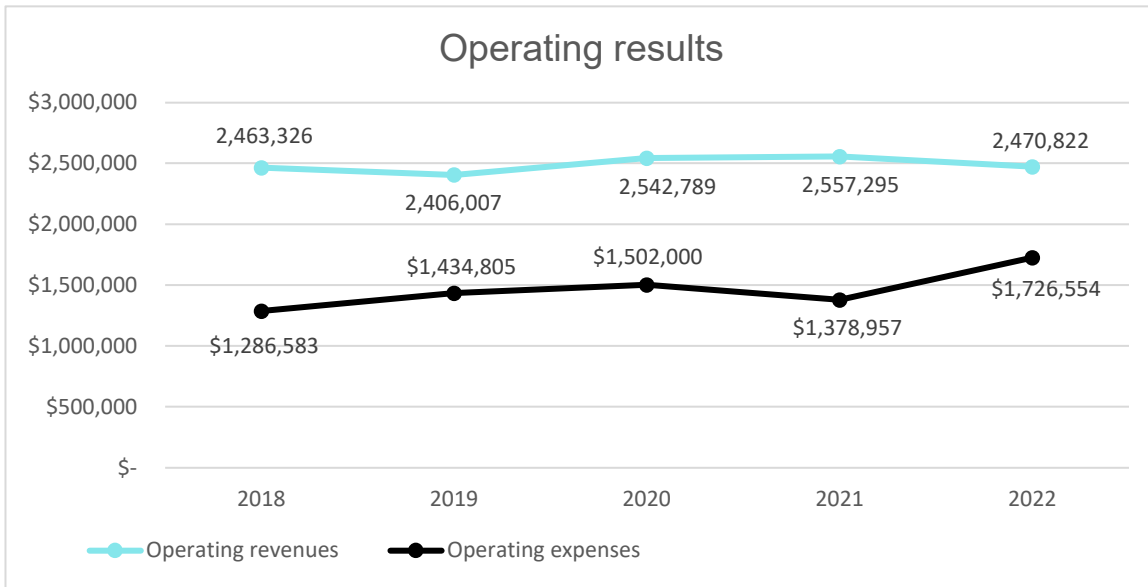
	2018	2019	2020	2021	2022
Actual	<b>6.55</b>	<b>3.51</b>	<b>4.00</b>	<b>3.60</b>	<b>2.46</b>
Required	1.10	1.10	1.10	1.10	1.10

## Investment in Capital



# City of Superior - Stormwater

## Audit Results - December 31, 2022



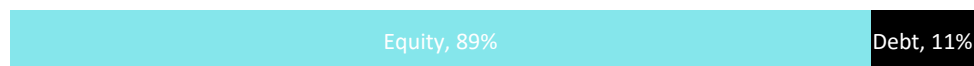
### Unrestricted Reserves

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Year end balance	\$ 2,242,424	\$ 1,782,509	\$ 2,245,426	\$ 2,302,748	\$ 2,265,204
Months on hand	<b>10.92</b>	<b>8.89</b>	<b>10.60</b>	<b>10.81</b>	<b>11.00</b>

### Debt Coverage

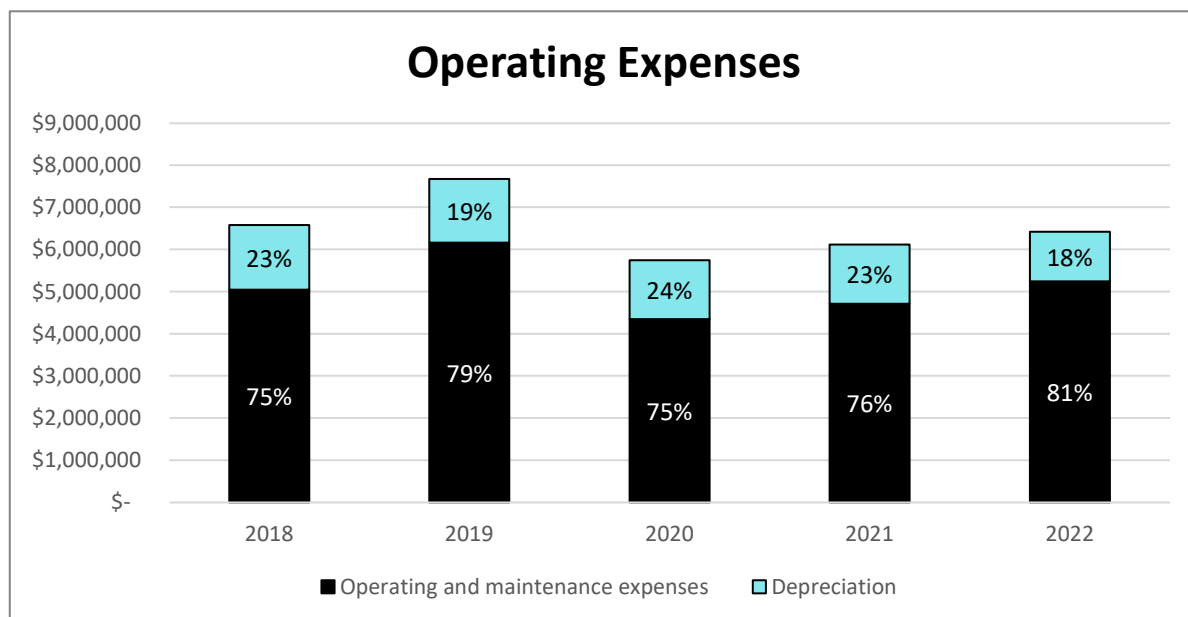
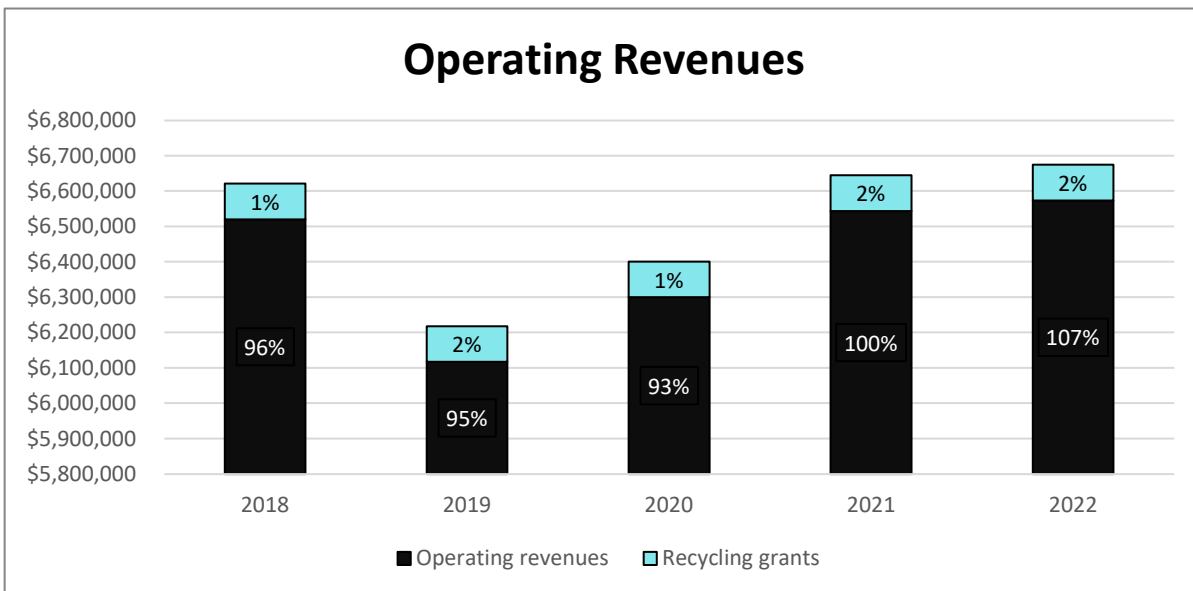
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actual	<b>6.55</b>	<b>4.43</b>	<b>4.00</b>	<b>4.95</b>	<b>2.30</b>
Required	1.10	1.10	1.10	1.10	1.10

### Investment in Capital



# City of Superior - Landfill

## Audit Results - December 31, 2022



### Unrestricted Reserves

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Year end balance	\$ 1,888,405	\$ 1,940,219	\$ 1,519,923	\$ 1,142,082	\$ 1,567,499
Months on hand	<b>4.49</b>	<b>3.78</b>	<b>4.20</b>	<b>2.91</b>	<b>3.59</b>