

**Finance & Personnel Committee
of the City of Onalaska**

Wednesday, June 2, 2021

1

1 The Meeting of the Finance & Personnel Committee of the City of Onalaska was called to order
2 at 7:15 p.m. on Wednesday, June 2, 2021. It was noted that the meeting had been announced and
3 a notice posted at City Hall.

4
5 Roll call was taken, with the following members present: Ald. Diane Wulf, Ald. Jim Olson, Ald.
6 Tom Smith

7
8 Also Present (either in person or remotely): City Administrator Eric Rindfleisch, Mayor Kim
9 Smith, City Attorney Amanda Jackson, Financial Services Director/Treasurer Fred Buehler,
10 Human Resources Manager Amy Frandsen, City Engineer Jarrod Holter, Parks and Recreation
11 Director Dan Wick, Fire Chief Troy Gudie, Assistant Police Chief Troy Miller,
12 AP/AR/Purchasing Clerk Karen Marquardt, Ald. Cari Burmaster, Ald. Dan Stevens

13
14 **Item 2 – Approval of minutes from the previous meeting**

15
16 Motion by Ald. T. Smith, second by Ald. Olson, to approve the minutes from the previous
17 meeting as printed and on file in the City Clerk’s Office.

18
19 On voice vote, motion carried.

20
21 **Item 3 – Public Input (limited to 3 minutes/individual)**

22
23 Ald. Wulf called three times for anyone wishing to provide public input and closed that portion
24 of the meeting.

25
26 **Consideration and possible action on the following items:**

27
28 **FINANCE**

29
30 **Item 4 – Presentation of the 2020 Audited Financials from Hawkins, Ash Certified Public**
31 **Accountants**

32
33 Fred introduced Joe Haas of Hawkins Ash CPAs, who will be presenting to the committee the
34 2020 Audited Financials for the City of Onalaska.

35
36 Joe told committee members he had not had much personal involvement in the audit, noting
37 Justin Peterson, the Audit Manager who is in charge of the city’s audit, was unable to attend this
38 evening’s meeting. Joe noted he had been in charge of this audit for several years, and he has
39 made this presentation to the committee in the past. Joe told committee members they should
40 have received three bound reports earlier, and he said he will be covering the “Summary
41 Financial Report” this evening. Joe explained that the purpose of an audit is for an independent
42 third party to examine the city’s ledgers and present an opinion regarding if that party believes

Reviewed 6/3/2021 by Fred Buehler & Amanda Jackson

**Finance & Personnel Committee
of the City of Onalaska**

Wednesday, June 2, 2021

2

43 the ledgers are fairly presented. Joe said there are users of the city’s financial information (i.e.,
44 the public, the Common Council, the parties that purchase the city’s bonds) who wish to know
45 the status of the city’s financial condition. Joe said that while the city could provide financial
46 reports to those parties, they are seeking assurance that the data is correct. The City of Onalaska
47 secures the services of a CPA to examine the ledgers, perform audit procedures, and issue an
48 opinion. Joe said Hawkins Ash had issued an “unmodified opinion,” which is the best opinion
49 the city could have received, and it means the city’s financials, as presented, is materially
50 correct.

51
52 Joe told committee members there are three phases to an audit: the planning phase, the fieldwork
53 phase, and the wrap-up phase. The planning phase involves Hawkins Ash CPAs contacting Fred
54 and other city representatives and gathering information, and then developing a plan regarding
55 how the city will be audited. Joe said Hawkins Ash CPAs this is done based on risk, meaning if
56 anything new arises – such as, for example, the COVID-19 pandemic – Hawkins Ash CPAs
57 evaluates how that affected the city, and it is included in the audit plan. A team of three or four
58 auditors comes to City Hall for three to five days to meet with Fred, obtain information, and
59 perform the audit procedures. The auditors then return to the office, prepare the financial
60 statements, and draft an opinion.

61
62 Joe’s presentation of the Summary Financial Report included the following information:

- 63
- 64 • Page 2 notes the summary is for presentation purposes only and one needs to refer to the
65 full financial statements for the full audit opinion.
 - 66 • Page 3 shows the combined balance sheet and a graph showing the city’s fund balances.
67 All the city’s fund financial statements (General Fund, Debt Service, Capital Projects,
68 Utility Funds) are combined under one column.
 - 69 ○ Cash investments totaled \$37 million at the end of 2020. Cash investments
70 totaled \$42 million at the end of 2019. Joe said he believes much of this has to do
71 with bond proceeds, noting there are instances when they are not completely spent
72 at the end of the year and are thus carried over and spent as the year proceeds.
73 Thus, there are fewer funds by the end of the year. Joe noted that is the case in
74 this instance.
 - 75 ○ Regarding “Interfund” under the “Asset” section, Joe noted the total listed is
76 \$2,174,000. This is compared to \$6,021,000, and Joe said that is what one fund
77 owes another fund, noting that it is due to bond proceeds. The Capital Project
78 funds bring in the funds, and they are paid to the Utilities when they utilize it for
79 their capital projects.
 - 80 ○ Regarding total assets (\$128 million compared to \$135 million), Joe said this was
81 anticipated.
 - 82 ○ Regarding “Interfund Payables” under the “Liabilities” section, Joe said this is the
83 same amount as the “Interfund Receivables” – one fund owes another fund.

**Finance & Personnel Committee
of the City of Onalaska**

Wednesday, June 2, 2021

3

- 84 ○ Regarding the city’s long-term debt, this is only the city’s Utility Funds debt.
85 This amount totaled \$25 million at the end of 2020, compared to \$27 million at
86 the end of 2019.
- 87 ○ Regarding “Net Position” under the “Equity” section, this shows the city’s Utility
88 Funds, meaning Water, Sewer, and Stormwater net position. The amount at the
89 end of 2020 totaled \$49 million, compared to \$51 million at the end of 2019. Joe
90 noted the majority of that is the city’s investment in its infrastructure.
- 91 ○ The General Fund balance totaled \$9,096,000 at the end of 2020. The total at the
92 end of 2019 was \$8,879,000. Joe noted that fund balance is broken down into
93 different categories. There are certain restrictions on some of it. The city has
94 designated those funds to be expended in certain areas, and therefore the city has
95 no access to it. The remainder is called “Unassigned,” and the city may expend
96 those funds as it sees fit. That total is \$8.5 million. That sum is compared to a
97 year of expenses in the General Fund to arrive at a percentage. The City of
98 Onalaska’s percentage is 90 percent. Joe said communities seek 20 to 30 percent
99 in many instances, and he noted the city’s General Fund balance is strong.
- 100 ○ Regarding “Other Fund Balances,” this amount increased by approximately
101 \$250,000.
- 102 ○ The graph shows the General Fund is slowly increasing, and the spikes on the
103 other fund balances could be from bond proceeds that are on hand at the end of
104 the year. Joe said it is increasing in general.
- 105 ● Page 4 shows the city’s General Fund revenues for 2020. The graph shows the revenue
106 sources, with the majority of the revenue coming from taxes and special assessments.
107 Intergovernmental (state shared revenue, transportation aid) accounted for 18 percent.
- 108 ○ Regarding “Culture/Recreation/Education” under “Public Charges for Services,”
109 there is a \$206,000 budget, but only \$24,000 was collected. Joe said this is
110 because parks and recreation services were significantly reduced due to COVID-
111 19.
- 112 ○ The city budgeted \$10,183,000 for total revenue and collected \$10,084,000. The
113 city collected approximately \$310,000 more than it did in 2019.
- 114 ● Page 5 shows the city’s General Fund expenditures. The graph shows 59 percent was
115 spent on public safety; 18 percent was spent on general government; 12 percent was spent
116 on public works; and 9 percent was spent on culture and recreation.
- 117 ○ Regarding “Culture and Recreation” (library, parks, recreation, Aquatic Center),
118 there was a decrease in expenses.
- 119 ○ The city budgeted \$10,183,000 in total expenses, and it spent \$9,868,000. The
120 city spent approximately \$350,000 more than it did in 2019.
- 121 ● Page 6 addresses Water, Sewer, and Stormwater. The graph shows the city’s operating
122 income or loss for the last four years. The Water Utility’s operating income has
123 decreased over the last four years. Joe said the city has addressed this by instituting rate
124 increases in 2020 and 2021. There was an operating loss in the Sewer Utility all four

**Finance & Personnel Committee
of the City of Onalaska**

Wednesday, June 2, 2021

4

125 years. However, the losses decreased in 2020 due to the rate increases. The Stormwater
126 Utility has been consistent over the four-year period. The Public Service Commission
127 examines the city's rate of return for the Water Utility. The rate of return for 2020 was -
128 0.6, compared to 0.17 in 2019.

- 129 • Page 7 shows the remainder of the funds. Joe described the Special Revenue Funds as a
130 unique revenue source. The Debt Service Fund accounts for all the expenses for the
131 general government debt. There is a new Capital Project Fund every year – bonds are
132 issued to fund those projects, and the funds are spent over time. The remaining
133 Enterprise Funds include the cemetery, tourism, the Omni Center, and the Gundersen
134 Health System parking ramp. These funds are operated like a business and include user
135 fees.
- 136 • Page 8 is the Independent Auditors' Report. The city added \$5.1 million of general fixed
137 assets for various projects (primarily infrastructure). The Water, Sewer, and Stormwater
138 utilities added \$4.1 million of fixed assets (infrastructure). The General Obligation long-
139 term debt increased by \$1.5 million to a total outstanding obligation of \$43.7 million.
140 The city's debt limit is \$108 million.
 - 141 ○ Hawkins Ash CPAs found no irregularities regarding internal controls after
142 testing a sample of transactions for various revenues and expenses.
 - 143 ○ Regarding Hawkins Ash CPAs' communication with the Common Council, there
144 is nothing of note on which the Council needs to be informed.

145
146 Motion by Ald. T. Smith, second by Ald. Olson, to accept and place on file the 2020 Audited
147 Financials from Hawkins, Ash Certified Public Accountants.

148
149 On voice vote, motion carried.

150
151 **Item 5 – 2021 Omni Center Financials**

152
153 Fred noted the following:

- 154
155 • Of the \$32,064.32 coming into the Omni Center, room tax accounts for \$12,645.82 (1
156 percent of the sales for the first quarter); the Special Projects Fund accounts for
157 \$15,793.50 (25 percent of its contribution); and additional Tourism funding accounts for
158 \$3,625 (25 percent).
- 159 • The current deficit is \$40,112.04 (\$164,921.50 in revenues, \$205,033.54 in expenditures).
- 160 • First quarter liquor sales exceeded \$11,000. This will be transferred in so that the
161 \$40,112.04 deficit will be decreased.

162
163 Ald. T. Smith asked Dan Wick what he believes the Omni Center's financial status would have
164 been in 2020 had the COVID-19 pandemic not occurred.

165
Reviewed 6/3/2021 by Fred Buehler & Amanda Jackson

**Finance & Personnel Committee
of the City of Onalaska**

Wednesday, June 2, 2021

5

166 Dan told Ald. T. Smith the first quarter of 2020 was the facility's busiest year. However, Dan
167 also noted approximately 80 events had to be cancelled throughout 2020, and 2021 had started
168 off slow. Dan said the Omni Center still hosted the same number of tournaments, but the
169 number of participants had been limited, and concessions sales decreased. Dan noted several of
170 the larger trade show events either were cancelled or moved back in the year, and he said,
171 "We're not doing too bad. We have a good next few months coming up. Our ice schedule, we
172 actually have a contractor coming in [Thursday] to paint the rink for us due to limited staffing.
173 We have the busiest summer of ice scheduled currently in the books than we've seen in the last
174 three or four years. We see a lot of activities coming back, and hopefully we continue to move
175 in the right direction."

176

177 Motion by Ald. Olson, second by Ald. T. Smith, to accept and place on file the 2021 Omni
178 Center Financials.

179

180 On voice vote, motion carried.

181

182 **Item 6 – 2021 General Fund Financials**

183

184 Fred noted the following:

185

186 • Regarding interest income, the city was receiving 0.13 percent for interest in September
187 2020, but the current rate is 0.05 percent. The city will be facing a deficit of
188 approximately \$25,000 in interest income for 2021 (\$50,000 was budgeted) if this trend
189 continues.

190 • Fred said he and Jarrod are hopeful the Street Department's Salt & Sand account will not
191 be facing a deficit due to a relatively mild 2020-21 winter season. The city budgeted
192 \$84,371, and the balance currently sits at \$80,924.62.

193

194 Motion by Ald. T. Smith, second by Ald. Olson, to accept and place on file 2021 General Fund
195 Financials.

196

197 On voice vote, motion carried.

198

199 **Item 7 – School Resource Officer for 2021-22**

200

201 Assistant Police Chief Miller said this is more of an informational item at this point, noting
202 Police Chief Charles Ashbeck had informed him earlier this week this item is set to go before the
203 Onalaska School District Board at its June 14 meeting. Assistant Police Chief Miller told
204 committee members the Police Department will have more information after the Onalaska
205 School District either accepts the School Resource Officer position for 2021-22 as is or wishes to
206 make modifications.

Reviewed 6/3/2021 by Fred Buehler & Amanda Jackson

**Finance & Personnel Committee
of the City of Onalaska**

Wednesday, June 2, 2021

6

207

208 **Item 8 – City of Onalaska Claims Handling Procedure**

209

210 Amanda said that as the city prepares for Fred’s upcoming retirement, city staff had examined
211 some of Fred’s duties that traditionally are not related to the Finance Department, and she noted
212 claims handling typically falls under the City Attorney’s Office. Amanda told committee
213 members she believes it was easier for the Finance Department to handle those duties prior to the
214 city employing a full-time City Attorney, and she said, “[We are] looking forward to shifting that
215 under Legal.”

216

217 Amanda noted she had reviewed both the process and the procedure, and she said, “Our
218 threshold for taking Claims to Council was really low. We take basically every claim to Council,
219 and that can be really frustrating for residents because it elongates the process. Also, most
220 claims are generally routinely denied, so this does give myself or whoever the City Attorney is
221 the authority to approve or deny claims, [and to] settle claims up to \$5,000, which is a relatively
222 low threshold in comparing to other communities. My goal was to make the process more
223 straightforward to people making claims so they understand what types of claims are routinely
224 denied, [and] what the process is. I think we have a lot of people who make claims who really
225 think that their claims may be approved for very routine things like sidewalk falls and things like
226 that which very clearly are statutorily something we would deny. This tries to make that a little
227 more transparent on the front for those individuals, and it kind of updates the process. It’s a
228 fillable form they can submit. It will email the form to us online, so it’s a little more user-
229 friendly as well.”

230

231 Ald. Wulf said she believes it is logical for the City Attorney’s Office to address claims, and also
232 that she is comfortable with granting the City Attorney the authority to settle claims of \$5,000 or
233 less. Ald. Wulf asked if the Common Council will be made aware of any claims of \$5,000 or
234 less.

235

236 Amanda told Ald. Wulf she can send out an email notification regarding any claims, and also
237 that she is willing to copy Councilmembers regarding a denial.

238

239 Ald. Wulf asked Ald. T. Smith and Ald. Olson for their input, and she also noted the form clearly
240 states that any claims that exceed \$5,000 will be reviewed by Finance Committee.

241

242 Ald. T. Smith said he agrees it is logical to shift claims to the City Attorney’s Office, and also
243 that he would like to be informed of any claims via an email or another method.

244

245 Ald. Wulf suggested perhaps the Council could be notified quarterly.

246

247 City Administrator Rindfleisch told committee members the request for the City Attorney’s
248 Office to handle claims includes a request to deny claims that are less than \$5,000 up front rather

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**Finance & Personnel Committee
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Wednesday, June 2, 2021

7

249 than bringing those requests before the Common Council for its denial. City Administrator
250 Rindfleisch said the City Attorney would be managing both the payouts and the denials totaling
251 less than \$5,000, and he stated, "I concur that anything that expresses liability on the city by
252 doing a payout, you certainly should be notified of that. I think that's fair."

253
254 Amanda offered to notify the Common Council if the city is making a payout, and she offered to
255 provide the Council with a yearly report of all the denials.

256
257 Ald. T. Smith said he finds Amanda's suggestion to be acceptable, adding he does not believe
258 the Common Council needs to see the denials. Ald. T. Smith said he would like to see a report if
259 there is a financial transaction.

260
261 Mayor K. Smith asked Fred if this discussion had occurred several years ago, and she said that at
262 that time the Common Council decided to have the claims come before the Council because
263 Councilmembers wanted to be informed of denials. Mayor K. Smith noted Councilmembers
264 oftentimes are contacted if the individual is unhappy with the outcome, and she said, "I'm not
265 saying we have to do that. I'm just saying from a historical standpoint, at that point the Council
266 did want to know that these things were happening."

267
268 Ald. Wulf said based on Mayor K. Smith's line of thinking, she believes that likely would
269 necessitate the Council receiving a report sooner rather than later. Ald. Wulf said it would be too
270 late if the Council receives quarterly reports regarding denials.

271
272 Ald. T. Smith asked if there is an appeals process for individuals whose claims were denied.

273
274 Ald. Wulf asked if perhaps Councilmembers could receive an email as claims come in so that
275 they are aware of them.

276
277 Amanda said she believes Councilmembers would want to receive the email on the end rather
278 than the front so that they are aware of what the result was.

279
280 Ald. Wulf said she does not believe the committee needs to make a motion regarding how
281 Amanda will distribute notifications to Councilmembers as committee members have the
282 understanding Councilmembers will be notified on the back end.

283
284 Ald. T. Smith suggested perhaps getting the rest of the Councilmembers' perspective.

285
286 Ald. Wulf told Ald. T. Smith this item may be placed on the Non-Consent Agenda for the June 8
287 Common Council meeting.

288
289 Motion by Ald. T. Smith, second by Ald. Olson, to approve in concept the City of Onalaska
290 Claims Handling Procedure and place it on the Non-Consent Agenda for further discussion at the
Reviewed 6/3/2021 by Fred Buehler & Amanda Jackson

**Finance & Personnel Committee
of the City of Onalaska**

Wednesday, June 2, 2021

8

291 June 8, 2021 Common Council meeting.

292

293 On voice vote, motion carried.

294

295 **PERSONNEL**

296

297 **Item 9 – Update from Human Resources on staffing**

298

299 Amanda noted she had sent out a memo earlier Wednesday that addresses the following:

300

- 301 • The Parks and Recreation Department is seeking an Office Specialist.
- 302 • Jarrod is hiring for an Operator, which soon will be two Operators due to an upcoming
303 retirement.
- 304 • The Financial Services Director position will be addressed under Item 11.
- 305 • A Building Supervisor for the Omni Center has been hired. His first day of employment
306 is June 21.
- 307 • The Police and Fire Commission met May 25 to establish an eligibility list for the Police
308 Department. There was a primary list for immediate hire, and a secondary list for the
309 July positions. The Police and Fire Commission will meet Thursday regarding firefighter
310 interviews.

311

312 **Item 10 – Potential modifications to the Body Camera Policy**

313

314 Amanda said both administration and the Police Department had reviewed the policy, which also
315 was sent to Cities & Villages Mutual Insurance Company (CVMIC) for review. Amanda said
316 CVMIC had suggested one modification that has been made referencing record retention in the
317 State of Wisconsin Statute as well as Marsy's Law.

318

319 Motion by Ald. T. Smith, second by Ald. Olson, to approve potential modifications to the Body
320 Camera Policy.

321

322 Fred told committee members Police Chief Ashbeck thought it would be best to see if there
323 would be any other changes. Fred said the changes CVMIC had recommended will be made and
324 placed in Councilmembers' packets for the June 8 meeting.

325

326 On voice vote, motion carried.

327

328 **Item 11 – Recruitment of a new Financial Services Director**

329

330 Amanda told committee members two potential candidates for the position are scheduled to be
331 interviewed Friday morning, and she said the outcome of those interviews will determine the

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**Finance & Personnel Committee
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Wednesday, June 2, 2021

9

332 city's next steps.

333

334 City Administrator Rindfleisch noted that per the discussion that occurred at the May 18 Special
335 Common Council meeting, those next steps either could be hiring a recruitment firm or someone
336 to serve as Financial Services Director on a temporary basis. City Administrator Rindfleisch told
337 committee members city staff is excited about the opportunity to interview two candidates
338 Friday, and he said, "We aren't proposing to move forward until we have some sense of what
339 Friday brings."

340

341 Ald. Wulf asked if this item should appear on the June 8 Common Council meeting agenda as a
342 possible update.

343

344 Ald. Wulf was told yes.

345

346 **Adjournment**

347

348 Motion by Ald. T. Smith, second by Ald. Olson, to adjourn at 7:57 p.m.

349

350 On voice vote, motion carried.

351

352

353 Recorded by:

354

355 Kirk Bey

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