

CEDARBURG LIGHT & WATER COMMISSION

March 15, 2021

The regular monthly meeting of the Light & Water Commission was held on Monday, March 15, 2021 at 6:00 p.m. utilizing the Zoom App.

Call to order by President Blaine Hilgendorf

Roll Call: Present – Joseph Dorr, Blaine Hilgendorf, Tim Larson, David Pagel, Paul Radtke, City Council Member Patricia Thome

Excused – Andy Moss

Also Present – General Manager Dale Lythjohan, Financial Manager Lynda Lalley, Administrative Manager Mari Lauer, Staff Accountant Keri Shumway

STATEMENT OF PUBLIC NOTICE

The Statement of Public Notice was read, and it was acknowledged that the agenda for this meeting was posted and distributed in compliance with the Wisconsin Open Meetings Law.

APPROVAL OF MINUTES

The minutes of the Regular Meeting held on February 15, 2021 were read and approved on a motion by Paul Radtke, seconded by Patricia Thome. Motion carried.

VOUCHER SUMMARY FOR FEB

Accounts Payable	\$ 847,382.37
ACH & Wire Transfers	75,558.10
Payroll	<u>69,671.00</u>
Total Vouchers	\$ 992,611.47

BANK BALANCE FOR FEB

2/1/21 Balance Available	\$ 177,824.94
+ Deposits	1,345,692.90
- Checks and Other Debits	<u>992,611.47</u>
2/28/21 Available Balance	\$ 530,906.37

REVENUE ITEMS FOR FEB

kWh Sold – 9,003,615	\$ 863,826.20
Water Sold 25,435,676 Gallons	<u>130,624.31</u>
	\$ 994,450.51

Water Pumped 34,797,700 Gallons
Power Purchased – 8,854,656 kWh

NEW BUSINESS

PRESENTATION BY BAKER TILLY EXECUTIVE SEARCH

Kim Herlitzka, Partner at Baker Tilly Executive Search provided a short introductory presentation outlining their executive search process, and how Baker Tilly assists clients in hiring efforts. Kim gave a general overview of the search process which includes the initial search, identifying candidates, qualifying candidates and selecting the candidates. The presentation is available electronically.

PRESENTATION OF THE ANNUAL OFFICE UPDATE

Administrative Manager Mari Lauer and Financial Manager Lynda Lalley provided the annual office update presentation. Their presentation was intended to review key activities from the last year or so, the present, and the future outlook for the office.

Lynda discussed the staffing challenges and changes that occurred in 2020. 2020 was the first year utilizing the Open Point software for closing work orders; accounting staff training continued to progress; and the new accounting software was selected by the WPPI focus group.

Mari discussed shifting of job responsibilities due to staff changes; the impacts of the public health emergency (as it relates to customer service, collections and billing); and the switch to one cycle billing in November 2020. The accounting and office staffs continue to cross-train and develop efficiencies.

The presentation is available electronically.

CONSIDER APPROVAL OF NEW ACCOUNTING SOFTWARE; AND ACTION THEREON

The WPPI Dynamics Replacement Working Group reviewed various accounting software packages, and chose Civic Systems LLC as the new platform. It was also the consensus of the focus group that support would be provided by Civic Systems instead of through WPPI.

Staff recommends purchasing the software in full in 2021 at a cost of \$72,500, as this amount will be capitalized in 2021. Another option would be to spread the cost over a 2-3 year period. Annual support costs will be \$17,700 for the first three years, and then increased based on the CPI (or 3%, whichever is lower). Commissioners discussed the option of spreading the payments out, versus an upfront payment, and asked staff to give it further consideration.

A motion was made by Paul Radtke, seconded by Patricia Thome, to approve the purchase and continued support of new Accounting software through Civic Systems as quoted, and enabled staff to move forward with either payment option after their additional review. Motion carried.

REVIEW OF THE 2020 BUDGET TO ACTUAL REPORT

The 2020 Budget to Actual Report was provided to commissioners in advance of the meeting. The report summarizes how actual costs compared to budgeted costs for 2020. When costs differed substantially from budget to actual, notations were made on the report identifying the reasons.

In addition, projects during the year that were to exceed the budget were explained in more detail through the department reports.

The full budget to actual report can be reviewed in the electronic commission packet.

CITY COUNCIL UPDATE, GENERAL MANAGER, AND DEPARTMENT REPORTS

The following are highlights of the Manager & Department Reports provided in writing to the commissioners in advance of the meeting.

The audit report will be presented virtually at the April commission meeting. After the April meeting, commission meetings could be held in person depending on guidance from the public health department. Staff identified some of the challenges of holding hybrid meetings, and recommended that all either virtual or in-person meetings be considered.

Staff has developed comments and changes to the current water impact fee draft. Staff will present the final plan at the April commission meeting.

The Rotary is planning a bike ride fundraiser for Tech-Ed scholarships. CL&W will donate/sponsor \$1,000 for the event.

2021 Electric Service Outages to date: 3

- 2020 Year-end total: 12
- 2019 Year end total: 20
- 2018 Year end total: 11
- 2017 Year end total: 21

Construction of the HLPZ water tower continues on schedule. The base cone and bottom portion of the sphere is complete. The entire sphere could be complete by the end of March.

February Water Pumpage:

- 2021 = 34,797,700
- 2020 = 35,340,720
- 2019 = 31,866,500

The virtual audit was completed on February 26. The auditors set up a secure site for staff to download paperwork, and most paperwork was submitted prior to the

audit. There was one adjusting entry for GASB68 reconciliation for 2020. This entry is done each year to account for changes in valuations of the WRS deferred inflows and outflows relating to pension.

In 2020, the utility property insurance carrier was changed from Chubb to Municipal Property Insurance Company (MPIC). MPIC offers a free appraisal service. HCA Asset Management, LLC performed an appraisal of the utility properties in January. The appraisal report was received and the valuations are more than double the former values (\$31 million vs \$64 million) which has a significant impact on the property insurance premium. Management is reviewing the appraisal in detail, and working with MPIC. If the data is found to be reasonable, than the property insurance premium could more than double.

APPROVAL OF BILLS

The bills, as listed on the attached Check Register, were audited and a motion was made by Patricia Thome, seconded by Tim Larson, to approve the bills for payment. Motion carried.

ADJOURN

A motion was made by Joe Dorr, seconded by Tim Larson, to adjourn at 7:30 p.m. Motion carried.