

The meeting was called to order at 7:16 PM by Chairperson Roger Smith with the following roll call:

| Attendee Name | Title | Status | Arrived |
|----------------------|--------------|---------------|----------------|
| Joseph Tillmann | Aldersperson | Present | |
| Kenneth Neumann | Aldersperson | Present | |
| Roger Smith | Chairperson | Present | |
| Kim Olson | Aldersperson | Present | |
| Jack Abbott | Aldersperson | Present | |
| Michael Schmidt | Aldersperson | Present | |

Finance Committee Meeting of the Whole. Also present were Mayor John Guinn, Comptroller/Treasurer Angela Runde, and City Clerk Anastasia Gonstead.

APPROVAL OF MINUTES

Approval of April 24, 2023 Finance Committee Meeting Minutes

Motion to approve by Aldersperson Abbott, second by Aldersperson Schmidt. No discussion. 6-0, motion carries.

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| RESULT: | APPROVED [UNANIMOUS] |
| MOVER: | Jack Abbott, Aldersperson |
| SECONDER: | Michael Schmidt, Aldersperson |
| AYES: | Tillmann, Neumann, Smith, Olson, Abbott, Schmidt |

CITIZEN COMMENTS

None.

TAG CENTER REPORT

TAG Director Luehring was out sick. City Clerk Gonstead read her report.

TAG Center report:

1. Membership report: N/A
2. Staffing update: We are running severely short on lifeguards and swim lesson instructors. Many pools in our surrounding area are very short lifeguards too, regardless of pay. I have been looking into different incentive policies/programs to reward the lifeguards that show up for their scheduled shifts.
3. Maintenance Update: email sent from Scott.

Air Handling Unit #3. Recently they have been having difficulty keeping the heat controlled in both the men's and women's locker room. Called Nami and the technician came on site on May 8, 2023. They diagnosed a leak of the HW three-way valve actuator and stated it needs to be replaced. They sent a proposal of \$2,185.00 plus tax for parts and labor. The parts were ordered on May 10, 2023.

Lopez Roofing arrived on May 15, 2023 to repair the leaks on the roof. They are going to try that first to see if that solves the problems.

Recreation report:

- Summer recreation is underway! Men's and women's softball games started last week. There was a great turnout both days.
- Our Summer program guide will be ready right before Memorial Day. This will have our pool schedule, list of activities, and classes we offer at the TAG Center.

If you have any questions, you can call me tomorrow at my TAG Center phone number.

- TAG Center Report**
- Membership Report**
- Staffing Report**
- Maintenance Report**
- Recreation Report**

TREASURER'S REPORT

Treasurer's Report

Comptroller/Treasurer Runde reports she though Baker Tilly would have numbers by this point. They did entries. The are currently off by \$120,000, so it was sent back to them. They were working as recently as Friday and she has to stay out of the system until the next update. As of the time of this meeting, she is waiting to hear back from them. Mayor Guinn asked, when the auditor gives entries, do they provide explanations? Comptroller/Treasurer Runde explained much is lumped together, so they tend not too. Some are 30 pages long, then we have to hand entry due to the age of our system. She should be able to obtain a breakdown, if requested.

Aldersperson Smith asked how long until the new system is in place. Comptroller/Treasurer Runde stated August. Aldersperson Abbott inquired why there was a delay. Comptroller/Treasurer Runde explained there was change over at City Hall and Civic Systems books out months in advance. Things were pushed back once due to the turn over, then again due to the issue of not having the correct server delivered.

Aldersperson Smith asked about reconciliation and if we are confident it makes sense. Comptroller/Treasurer Runde explained she will let the auditors explain it, but that we know what we have in the back, but where it flows in and out of is where things get messy. Was it the system or did someone not know how to allocate things? We don't know. Aldersperson Smith stated he would like to hear from Baker Tilly how they have been reconciling. Aldersperson Abbott if one is waiting on the other (Sikich vs. Baker Tilly). Comptroller/Treasurer Runde explained Sikich has not been able to look at much, they need the audit finished. Aldersperson Abbott questioned if this is what Sikich was supposed to be doing. Comptroller/Treasurer Runde explained she has not had them look into much of anything. That everything is too much of a mess for them to even find something to look into. Aldersperson Smith asked if we have spent money on Sikich yet. Comptroller/Treasurer Runde explained not much, there have only been a few discussions. Aldersperson Smith stated he would like it if a line is able to be drawn and move on, but he is unsure if we can legally do that. Comptroller/Treasurer Runde explained, at some point, that is going to have to happen. In her position, it is problematic when departments or groups come looking for specific money and she has to dig to see if the money was really there. That the last few years, things got off, then it has to go against equity. Aldersperson Smith said he does not think anyone wants to spend \$400,000 to find \$400,000, but we need to adhere to State statute.

Mayor Guinn said June will be telling on numbers. He would like to have Sikich address the Council. As far as the Baker Tilly situation - they have been working for Mayville for 20 plus years, in later years when we had staffing issues, Baker Tilly was doing too much to help us out that we have gotten to a point where they are essentially auditing their own work. Ultimately, we need to keep Baker Tilly as our annual auditor and keep the divides. We need to take action on these recommendations they have made to us time after time. Alderperson Smith stated it is troubling that month after month, there is nothing to hang their hat on. Comptroller/Treasurer Runde explained she has been able to send out department head reports. She has asked them to keep eyes out to make sure things are looking correct, as the system has been doubling numbers. Alderperson Smith asked if that is an improvement from what we had before. Comptroller/Treasurer Runde stated that it is. That we were able to watch the system and where it is making mistakes. Fund balances going forward and cash we have, where it's allocated to and who it really belongs to, those are things we need to know. Alderperson Smith indicated it would be nice to high level review the department head budgets.

Alderperson Schmidt asked how many years ago the inaccuracies started appearing. Comptroller/Treasurer Runde stated she could not say for sure, however the last few years of audits Baker Tilly noted serious areas of concern. They notified Finance Committee, it was discussed. With turnover, 2016 was the last time all City Hall spots were operating on the same information. You lose a little information with each turnover. It is more work than what one person can do, it's been eight years of slow deterioration. Alderperson Schmidt asked if Baker Tilly is auditing us, how do they not know where it is going? Comptroller/Treasurer Runde explained Baker Tilly can explain it better, but for an overview, their job is not to look at the day-to-day interactions or how it flows. They look at very specific information. When things like internal spreadsheets are used, they would have no knowledge of that. Mayor Guinn explained the City has been monitoring many things outside of Caselle. There are multiple Excel spreadsheets, and multiple versions of those. In June they will talk with the auditors. They will find out where the problems are and get a game plan going on where we go from here. Would like to see us running where we need to be by next year, it took us far longer than that to break it.

Alderperson Schmidt states, what the constituents hear, with the \$400,000, is that it is not someone taking it. We need to effectively monitor it, down to trying to find where the remaining \$120,000 is. He doesn't want this to be made out to be something bigger than it is. Comptroller/Treasurer Runde stated people have asked how long this will take to clean up. She explains much of what she does in accounting is only done annually, so they need to expect, whomever replaces her, is going to be running into the same roadblocks. That she is fixing things as she comes across them, so the next person will find these issues for the next six months, at least. They get corrected as you go. For a realistic expectation, it does not matter how quick, fast, or hard someone works, it is still going to be a headache for the next year.

Mayor Guinn informed the Council he has a call with Sikich on what recovery/repair looks like. This will help provide an idea of what is needed. Also, they now need to find a new Comptroller/Treasurer. It's going to be a process.

ITEMS OF DISCUSSION/POSSIBLE ACTION

Review, with Possible Action, the Ending 2022 Budget and 2023 Budget

Comptroller/Treasurer Runde suggested this be tabled until Baker Tilly has provided the information regarding this.

Motion to table to next meeting by Alderperson Schmidt, second by Alderperson Neumann. 6-0, motion carries.

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| RESULT: | TABLED [UNANIMOUS] | Next: 6/26/2023 6:00 PM |
| MOVER: | Michael Schmidt, Alderperson | |
| SECONDER: | Kenneth Neumann, Alderperson | |
| AYES: | Tillmann, Neumann, Smith, Olson, Abbott, Schmidt | |

ADJOURNMENT

Motion to adjourn at 7:40 PM by Alderperson Schmidt, second by Alderperson Neumann. 6-0, motion carries.

Meeting adjourned at 7:40 PM.

Anastasia Gonstead, City Clerk