



CITY OF VERONA
FINANCE COMMITTEE
MONDAY, JANUARY 13, 2020 – 6:30 P.M.
VERONA CITY CENTER – Conference Room D110
111 LINCOLN STREET

AGENDA

1. Call to order.
2. Roll call
3. Public Comment
4. Discussion and Possible Action re: Recommended Approval of the December 16, 2019 Finance Committee Minutes
5. Discussion and Possible Action re: City Investment Report-December 2019
6. Discussion and Possible Action re: Payment of Bills
7. Adjournment.

Chairperson Chad Kemp

POSTED: Verona City Hall
Verona Public Library
Miller's Market
City Web Page at www.ci.verona.wi.us

1/10/2020

Notice is hereby given that a quorum of the members of the City Council or other standing committees of the City Council may be present at the meeting of the Finance Committee to gather information about a subject over which they have decision-making responsibility. The City Council and any other standing committees will not take formal action at this meeting

IF YOU NEED AN INTERPRETER, MATERIALS IN ALTERNATIVE FORMATS, OR OTHER ACCOMMODATION TO ACCESS THE MEETINGS, PLEASE CONTACT THE CITY CLERK AT 845-6495 AT LEAST 48 HOURS PRECEDING THE MEETING. EVERY REASONABLE EFFORT WILL BE MADE TO ACCOMMODATE YOUR REQUEST.



City of Verona

Finance Committee
City Hall – 111 Lincoln Street
Verona, WI 53593-1520

MINUTES FINANCE COMMITTEE DECEMBER 16, 2019

The meeting was called to order by Alder Kate Cronin at 6:15 p.m. in Conference Room D110

Roll Call: Alder Kate Cronin and Alder Christine Posey were present. Chairperson Chad Kemp was excused.

Also present: Mayor Luke Diaz; City Administrator Adam Sayre; Finance Director Brian Lamers; Economic Development Manager Dayna Sarver; Wisconsin Women's Business Initiative Corporation (WWBIC) guests Andrea Hughes and An Nguyen.

Public Comment: None

Discussion and Possible Action regarding approval of November 18, 2019 Finance Committee minutes: Motion was made by Posey, seconded by Cronin to approve the November 18, 2019 Finance Committee minutes with changing item 8 from the wording of "confronted" to "contacted". Motion carried 2-0.

Discussion and Possible Action regarding other possible usage of the Revolving Fund Loan Balance: Economic Development Manager Dayna Sarver explained that the City's economic revolving fund was started with \$250,000 from the sale of city property then an additional \$500,000 with the closure of TID 7. The current fund balance is approximately \$759,000. Since the fund started there have been three loans, so it is not being used as frequently as perhaps it was intended. Some of the issues may be that it is not addressing business development needs for unsecured working capital, the interest rates and loan fees aren't attractive enough to compensate the low vacancy-high rent environment, and potential clients don't want to share sensitive information with a government agency. Sarver stated that one option for the future of the funds is for the Verona Economic Development Commission (VEDC) and the Community Development Authority (CDA) to consolidate. The CDA has the authority to undertake real estate development projects, but does not have the funds. Future vacant CDA positions could be filled by eligible former VEDC members. Another option could be to divide a portion of the funds between the CDA and the VEDC with a possible split of VEDC at 66% and the CDA at 34% that way real estate projects could still be funded as well as business development assistance. Sarver explained that currently the VEDC issues the check and there is no follow up support offered to the business such as mentorship or assistance to help the business be successful. By contracting with a third party, the clients concerns about divulging sensitive information can be mitigated. A third party option is WWBIC which is a non-profit entity with 50 staff members and over 200 volunteers. In 2018, they assisted 1,400 businesses and the average loan size was \$21,000. Sarver also stated that Kiva is another optional business

development tool that provides 0% interest crowdfunded capital to local small businesses loans that can be up to \$10,000. Sarver stated that performance metrics could be required of the business development assistance. Program adjustments could be evaluated after the program has reached a stabilized year. Andrea Hughes and An Nguyen from the WWBIC talked to the Committee about the business services they provide and their working relationship with Kiva. WWBIC vets businesses and provides an endorsement of applicants in the Kiva program. Applicants with the WWBIC endorsement have a higher repayment rate. If the Kiva loan application cannot reach the funding goal they will not receive the funding. If the City were to partner with Kiva to provide matching funds for Kiva applicants, thereby improving the likelihood of them receiving the loan, then the City's contribution would be recognized by the City logo. Sayre asked about the cost of the program and stated that once the funds are gone out of this fund there is a chance it may not be funded again. Hughes and Nguyen explained once the City made the decision on the goals of the funds and the level of loan administration, reporting, and business assistance they could determine the cost at that time. Costs could be structured on a per loan basis. Sarver asked the Committee if the goals would be moving forward for the fund would be for business development, real estate development or both. Cronin asked if consolidating the CDA and VEDC or dividing the funds were the only two options. Cronin would like to see a housing rehabilitation program or housing assistance program developed. Sarver stated that the CDA would have the authority to develop a housing program and use the funds for that purpose. Additional funds could also be added when TIDs close by extending their life by a year, collecting the increment, and utilizing 75% of the funds for affordable housing initiatives and 25% for improving the existing housing stock. Cronin stated that she was in favor of splitting the funds as recommended. Posey asked Sayre and Lamers if changing the underwriting criteria would impact the City's credit rating. Lamers stated that it would not. Posey stated that she would like to start by making changes to the underwriting criteria and that she is not opposed to taking more risks to help viable businesses with the capitol they need. The Committee decided to have this as a future agenda item.

Discussion and Possible Action regarding the City Investment Report for November 2019:

Lamers stated the investments continue to decrease as funding is diverted to major construction projects that are currently happening.

Discussion and Possible Action regarding the Revenue and Expenditure Report for November 2019: Lamers stated there was really nothing at this point to be concerned about.

Discussion and Possible Action regarding the payment of bills:

Motion was made by Posey, seconded by Cronin to approve the payment of bills totaling \$743,504.14. Motion carried 2-0. Motion was made by Posey, seconded by Cronin to approve the payment for the TIF 8 error of \$1,076,254.78. Motion carried 2-0.

Adjournment: Motion was made by Posey, seconded by Cronin, to adjourn the Finance Committee Meeting at 6:56 p.m. Motion carried 2-0.

Respectfully submitted,
Brian Lamers CPA
Finance Director

City of Verona
Investments
December 31, 2019

BANK / BROKER	ACCOUNT NAME	DUE DATE	RATE	BALANCE NOV 30, 2019	BALANCE DEC 31, 2019
DANA Inv/Schwab	Fed Farm Cr-Agency Security	12/26/2019	1.400%	599,844.00	-
DANA Inv/Schwab	FFCB NTS	6/8/2020	1.520%	549,065.00	549,125.50
DANA Inv/Schwab	FHLB-Agency Security	6/26/2020	1.630%	498,745.00	498,860.00
DANA Inv/Schwab	FHLB BOND	2/24/2021	1.800%	254,484.90	254,627.70
DANA Inv/Schwab	FHLB BOND	10/6/2021	1.540%	470,136.00	470,962.50
DANA Inv/Schwab	Federal Home Ln	7/6/2023	1.850%	-	999,500.00
DANA Inv/Schwab	Federal Home Ln	4/27/2020	1.750%	500,205.00	500,090.00
DANA Inv/Schwab	Federal Home Ln	7/10/2020	1.650%	499,755.00	499,495.00
DANA Inv/Schwab	FHLMC MED TERM NTS	7/24/2020	1.850%	574,166.25	574,131.75
DANA Inv/Schwab	Federal Home Ln	11/27/2020	1.700%	595,926.00	595,556.00
DANA Inv/Schwab	Federal Home Ln	4/27/2021	2.000%	500,330.00	500,145.00
DANA Inv/Schwab	FHLMC MED TERM NTS	8/25/2021	1.600%	673,798.50	672,867.00
DANA Inv/Schwab	FNMA NTS	12/27/2019	1.400%	324,915.50	-
DANA Inv/Schwab	Federal Home Ln	6/29/2021	2.000%	499,430.00	-
DANA Inv/Schwab	FHLMC MED TERM NTS	8/17/2021	1.750%	748,207.50	748,410.00
DANA Inv/Schwab	FHLMC MED TERM NTS STEP	9/30/2021	2.000%	749,340.00	-
DANA Inv/Schwab	FHLMC 840778-Mortgage *	7/1/2042	4.457%	219,002.91	209,593.83
DANA Inv/Schwab	FMLMC 840244-Mortgage *	5/1/2043	4.061%	120,165.77	112,062.62
DANA Inv/Schwab	FMLMC 840240-Mortgage *	10/1/1943	2.195%	-	1,014,727.28
DANA Inv/Schwab	FMLMC 840594-Mortgage *	11/1/2043	3.965%	138,664.08	136,887.35
DANA Inv/Schwab	FMLMC 840798-Mortgage *	10/1/2044	4.323%	166,587.26	155,603.43
DANA Inv/Schwab	FMLMC 849504-Mortgage *	10/1/2044	4.107%	169,226.63	156,641.20
DANA Inv/Schwab	FHLMC 840551-Mortgage *	3/1/2045	4.155%	148,537.77	131,080.66
DANA Inv/Schwab	FHLMC 840752-Mortgage *	12/1/2045	4.409%	157,059.85	155,739.72
DANA Inv/Schwab	FHLMC 2B7388-Mortgage *	1/1/1949	2.567%	824,603.09	805,672.91
DANA Inv/Schwab	FHLMC 840912-Mortgage *	3/1/2046	3.609%	293,719.35	277,283.33
DANA Inv/Schwab	FHLMC 840931-Mortgage *	11/1/2046	2.681%	759,123.39	710,534.34
DANA Inv/Schwab	FHLMC 840978-Mortgage *	5/1/1948	2.563%	850,058.58	843,827.85
DANA Inv/Schwab	FNMA PL BM1554-Mortgage *	6/1/2042	4.442%	138,477.93	137,510.68
DANA Inv/Schwab	FNMA PL BM01087-Mortgage *	12/1/2043	4.247%	96,531.99	89,392.39
DANA Inv/Schwab	FHLMC BM4041-Mortgage *	5/1/2044	4.251%	219,700.78	201,211.93
DANA Inv/Schwab	FNMA PL BM1433-Mortgage *	7/1/2044	4.089%	125,928.35	101,773.15
DANA Inv/Schwab	FNMA PL BM1433-Mortgage *	4/1/2047	2.686%	596,079.09	555,062.31
DANA Inv/Schwab	FNMA PL BM6101-Mortgage *	8/1/2047	2.635%	961,931.49	951,430.06
DANA Inv/Schwab	FNMA PL BM6056-Mortgage *	9/1/2048	2.731%	996,847.91	980,023.10
DANA Inv/Schwab	GNMA 764807-Mortgage *	8/20/2049	2.498%	768,327.20	742,699.44
DANA Inv/Schwab	FHLMC 840910-Mortgage *	7/1/2043	4.398%	429,010.81	416,314.78
DANA Inv/Schwab	Small Business Loan *	2/25/2025	4.829%	370,113.13	364,482.32
DANA Inv/Schwab	Small Business Loan *	1/25/2028	3.400%	296,681.62	293,890.28
DANA Inv/Schwab	Small Business Loan *	11/25/2042	3.500%	377,084.34	376,070.60
DANA Inv/Schwab	Small Business Loan *	1/25/2043	3.000%	516,638.86	474,982.90
DANA Inv/Schwab	National Australia BK/NY	1/20/2023	3.000%	410,860.00	410,028.00
DANA Inv/Schwab	Berkshire Hathaway	1/20/2023	2.750%	390,666.60	389,253.00
DANA Inv/Schwab	Westpac Banking Corp	1/20/2023	3.650%	340,749.50	340,775.50
DANA Inv/Schwab	US Bank	1/20/2023	3.400%	262,257.50	261,967.50
DANA Inv/Schwab	Alphabet Inc	2/25/2024	3.375%	387,805.20	387,670.15
DANA Inv/Schwab	Apple Inc	5/11/2024	2.850%	414,088.00	412,476.00
DANA Inv/Schwab	Money Market	NA	1.860%	910,695.31	1,558,421.18
LGIP	01 GENERAL	NA	1.920%	7,183,474.07	7,193,432.32
LGIP	02 Cemetary Fund	NA	1.920%	289,410.52	289,811.72
State Bank of Cross Plains	MMI INVESTMENT ACCOUNT	NA	2.380%	2,678,689.30	18,001,951.84
Capitol Bank	PUBLIC FUNDS ACCOUNT	NA	2.240%	2,680,561.01	2,684,697.15

Total Investments

\$ 33,727,707.84	\$ 49,189,753.27
-------------------------	-------------------------

* These investments are Mortgages, they will go down each month as Principal is paid and will be reinvested again.