

CITY OF RICHLAND CENTER

AGENDA ITEM DATA SHEET

Agenda Item: Request to Authorize Financial Management Services

Meeting Date: Tuesday, September 5, 2023

Requested by: Ashley Oliphant

Background: To provide responsible stewardship of the finite resources of the City, the Common Council acknowledged the need for strategic long-term professional financial planning and management services. With several significant development opportunities on the horizon and rising costs of operations, the Common Council must balance its planning goals with its commitment to minimize the need for increased taxation.

As such, the City Administrator and Economic Development Director were charged with identifying financial firms to assist with financial planning. Throughout the process the following areas were identified as necessary components to a comprehensive financial plan:

- Provide Caselle accounting software training to staff.
- Evaluate financial policies, procedures, and operations. Provide recommendation for improvements.
- Assist with the development of the 2024 budget.
- Create a 5–10-year financial management plan.
- Review and compare rates and fees. Recommend adjustments.
- Analyze debt, recommend plan for use of debt, and pursue bond rating.
- Develop a capital improvement plan.
- Assist in developing a plan for the creation of TIDs.
- Provide municipal finance training to staff and elected officials.
- Provide ongoing assistance or management services.

The City Administrator and Economic Development Director held meetings with several reputable firms such as Baird, PFM, Ehlers and BakerTilly, as well as the Southwestern Wisconsin Regional Planning Commission and MSA. Given the broad scope or nature of this level of financial planning, proposals were broken down into phases or projects similarly to what is listed above. This phased project approach creates an opportunity to select one firm for all services or to select multiple firms to maximize the strengths and expertise of each firm in a specific subject or task. This a la carte style selection also affords the City with the opportunity to build relationships with multiple firms, gain exposure to several styles and strategies, and offers an avenue for second opinions or advice. With a firm assigned to a targeted, specific, and well-defined task rather than the entirety of financial management, the risk for the duplication of work or a dissonant final product is minimal.

Recommendation:

After thoroughly reviewing the scope of services each firm has proposed, while also considering the ongoing accounting software conversion challenges being experienced in the Clerk/Treasurer's Office, it was determined that the need for additional day-to-day operational and training assistance must be addressed first. By doing so, the Clerk/Treasurer's Office will be equipped with the tools needed to overcome the current barriers affecting their capacity to support a comprehensive financial evaluation and subsequent strategy/plan implementation. Additionally, this approach will allow for a review of and recommendation for improvement to standard operating procedures and policies which may allow for greater organizational health and efficiency.

Therefore, the recommendation is to contract Misty Molzof the Local Government Services Specialist of Southwestern Wisconsin Regional Planning Commission on an hourly basis to provide:

- Training on the Caselle software
- Review financial policies and procedures

- Identify areas for improvement and make recommendations
- Assist in the development of the 2024 budget and capital improvement plan
- Other related tasks so that the City may pursue the next phase of the comprehensive financial planning process from a stronger position.

Her experience as a City Administrator, Clerk/Treasurer, and Utility Clerk, along with her direct user experience with Caselle, make her uniquely qualified to assist the City. Learn more about Misty here: <https://www.swwrpc.org/about-us/staff/misty-molzof>

It is anticipated that Misty would provide in person training and services one day per week (eight hours per week) for two months to three months. During this time, Misty will work closely with the Clerk/Treasurer's office, Economic Development Director, and City Administrator. The City Administrator will conduct frequent evaluations to determine the best utilization and direction of Misty's time as well as determining if or when additional or new services are needed.

During this first phase, communication with the aforementioned firms to refine proposals and adjust the scope of work as necessary will continue. It is expected that a request to contract with one or more firms for phase two of this process will occur near the end of the year or beginning of 2024.

Funding Source: Pool 4 Outlay - \$15,000 budgeted for financial advisory/planning services

Financial Impact: \$80 per hour for a total estimated cost of \$8,000 in 2023.

Anticipating 100 hours over the next 2-3 months for a total approximate cost of \$8,000. However, it is important to note that the service hours provided may fluctuate or change after a comprehensive evaluation by Misty and the Administrator. This estimate was based on a preliminary review of financial records and discussions with personnel.

Requested Action:

Finance Motion: To recommend to the Common Council to authorize the Administrator to contract with Southwestern Wisconsin Regional Planning Commission for the services of the Local Government Services Specialist for financial and planning purposes at a cost not to exceed the budgeted amount.

Council Motion: To authorize the Administrator to contract with Southwestern Wisconsin Regional Planning Commission for the services of the Local Government Services Specialist for financial and planning purposes at a cost not to exceed the budgeted amount.

Attachment(s): Proposals from financial firms