



# Consideration of Forming a Finance Committee

February 27, 2025

Madison Metropolitan Sewerage District



# Purpose

- Provide a focused forum for detailed review of financial policies, plans, and procedures, while supporting the full Commission's decision-making role.
- Staff recommend that the Finance Committee not be an independent decision-making body on financial matters. Instead, the Committee would serve as a recommending authority to the full Commission.
- Staff recommend a permanent committee that extends beyond 2025.



# Scope Recommendation

1. Review the District's financial policies and make recommendations to the full Commission on any changes.
2. Review the District's budget process and parameters and make recommendations to the full Commission on guidance to staff in budget development.
3. Review the District's annual financial audit results.
4. Review the District's long term financial plan and recommend key financial policies and strategies to the Commission for approval.
5. Review other financial matters as directed by the full Commission.
6. Provide regular status updates to the Commission regarding ongoing work.



# Membership Recommendation

- Three members; the Commission will strive for representativeness of all three appointing authorities: City of Madison, Dane County Cities and Villages Association, and the Dane County Towns Association.
- The Commission will strive to include members with skills and experience in finances.
- The Commission will strive to limit membership overlap with any other existing committees.
- Membership on the Finance Committee shall be decided by the full Commission annually, when officer elections take place.
- Commissioners Fries, Lytle, and Paltz expressed interest at 2/13/25 Commission meeting



# Operations Recommendation

- The Committee shall select a chair to facilitate meetings and coordinate with staff on agendas.
- A quorum shall consist of all three members. If a member is unable to attend, the meeting shall be rescheduled.
- The Committee shall meet on at least a quarterly basis, with schedule adjustments as needed to align with Commission decision points.
- The meeting schedule and frequency can be adjusted based on experience during the initial months of operation.
- Meeting minutes will be recorded and shared with the full Commission for transparency.



# Initial Topics for Consideration

- Commission Financial Policies
  - Capital fund reserve (ATT-2D)
  - Use of excess operating funds (ATT-2D)
- General obligation bonding process overview
- Budget development process for 2026 budget



# Staff Involvement Recommendation

- A District finance and budget subject matter expert
  - Assist the Committee in identifying financial issues to review, providing technical information, and assisting in reporting on committee work to the full Commission.
- An administrative support staff person
  - Assist with meeting noticing, note taking, other administrative matters
- Additional subject matter experts as appropriate for a given topic.



# Approval

- Questions/Discussion
- **Vote 1 (2025-02-27-R8):** Consideration of Forming a Finance Committee
- **Vote 2 (2025-02-27-R9):** Finance Committee Member Election

