Finance/Personnel Committee

335 South Broadway
De Pere, WI 54115
http://www.de-pere.org

Regular Meeting

Minutes

Tuesday, September 11, 2018 | **7:30 PM** | **De Pere City Hall Council Chambers**

1. Call to Order. Mayor Walsh called the regular meeting of the Finance/Personnel Committee to order at 7:30 PM on Tuesday, September 11, 2018, at De Pere City Hall Council Chambers, 335 South Broadway Street, De Pere, Wisconsin 54115.

Attendee Name	Title	Status	Arrived
Scott Crevier	Alderperson	Present	
Ryan Jennings	Alderperson	Present	
Larry Lueck	Alderperson	Present	
Casey Nelson	Alderperson	Present	
Michael J. Walsh	Mayor	Present	

Also Present: City Administrator Lawrence Delo, City Attorney Judith Schmidt-Lehman, Fire Chief Alan Matzke, Assistant Fire Chief Richard Annen, Finance Director Joe Zegers, Park, Recreation & Forestry Director Marty Kosubucki, Development Services Director Kimberly Flom, Human Resources Director Shannon Metzler and Cindy Van Asten of M3 Insurance.

2. Approval of the Minutes of the August 14, 2018, Regular Meeting of the Finance/Personnel Committee.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Casey Nelson, Alderperson
SECONDER:	Scott Crevier, Alderperson
AYES:	Crevier, Jennings, Lueck, Nelson, Walsh

3. Public Comment and announcements. No announcements were made.
The Mayor offered the audience an opportunity to speak on any item not on the Agenda; no one came forward.

4. Approval of August 2018 Police Overtime.

Alderperson Crevier asked for information on payment responsibility for reimbursed overtime. Administrator Delo advised that the Police Chief was excused from attending this meeting due to the annual Police Department picnic; Alderperson Crevier indicated his question could wait until next month's meeting.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael J. Walsh, Mayor
SECONDER:	Larry Lueck, Alderperson
AYES:	Crevier, Jennings, Lueck, Nelson, Walsh

5. Fire Department Overtime and LifeQuest Services Billing Report for August, 2018.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Casey Nelson, Alderperson
SECONDER:	Ryan Jennings, Alderperson
AYES:	Crevier, Jennings, Lueck, Nelson, Walsh

6. Consideration of AECOM contract amendment for environmental remediation work on the O'Keefe property.*

   Alderperson Nelson asked about the number of lots impacted, and Development Services Director Flom explained that in 2010, the City secured a grant to conduct environmental remediation to make lots marketable for development. The State assigned AECOM to conduct work in the Richo Court area, and since that time, property lines have changed and some lots have been developed, but she will follow-up with more information for the Council meeting on exact properties impacted. She further advised that only City-owned property is being remediated, and the properties will all be in good condition to be sold pursuant to the DNR requirements for contaminated sites.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael J. Walsh, Mayor
SECONDER:	Larry Lueck, Alderperson
AYES:	Crevier, Jennings, Lueck, Nelson, Walsh

7. Consideration of Development Agreement Terms with Milwaukee View LLC for 428 N. Superior (ED-477). *

   Alderperson Crevier asked about an accurate assessed value for January 2020, with the balance by 2021, to which Development Services Director (DSD) Flom advised that the assessor will do partial assessments and that the school and town homes are being treated as separate projects, with the first assessment based upon the completion of the school, not including all of the town homes. She further explained that since the developer is trying to address property ownership, a bullet point was added in the Memo to make the Committee aware of conversations regarding two possible homeowners associations or potentially two separate agreements.

   Alderperson Jennings asked about the 33% TID incentive and buying the property and then selling it for $1, to which DSD Flom indicated is new with this project and the terms are structured based upon the new tax code as certain developer grants are now taxable at 40%. The City will attain ownership with a transfer of developer's purchase agreement and will then convey property to back developer under the obligations of the agreement. City Attorney Judith Schmidt-Lehman added that the agreement has not been written yet, but it will contain provisions regarding City repurchase of the property. In response to Alderperson Nelson, DSD Flom explained that the developer has a cure period of 90 days to fix failed contract provisions before the City would proceed.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael J. Walsh, Mayor
SECONDER:	Casey Nelson, Alderperson
AYES:	Crevier, Jennings, Lueck, Nelson, Walsh

8. Consideration of feasibility study in order to explore hotel development. *

   In response to Alderperson Crevier, Development Services Director (DSD) Flom explained that the business structure of this franchise may be different from other developers in that it identifies potential sites through investors; utilizes a third party to conduct a feasibility study; and then secures additional investors to continue with the project if the feasibility study generates favorable results. The City would own the feasibility study; TID funds could be used, with the associated costs put back into the project or factored into incentive package options; the City could utilize the study to approach other hotels if this project does not proceed and the study would be focused on the downtown area.

Alderperson Jennings asked about the downtown scope, whether it was limited to TID #7 and TID #9 if paid by a TID, and DSD Flom and Administrator Delo explained that the study would likely cover the entire downtown, but the boundaries of TIDs #7 and #9 do cover most of the areas identified as potential sites, and if a new site is identified outside of those TIDs which results in the creation of a new TID, the feasibility study could be reimbursed from that TID.

Alderperson Lueck expressed concern in doing a feasibility study for one specific business. DSD Flom indicated this is a unique request, and she will get some additional information for the Council meeting, but suspects that the franchise wishes the feasibility study to be independent in nature to attract investors. Administrator Delo added from City's perspective, Cobblestone is one of few franchises with a model that would fit well in the downtown and would be favorable to investors who want to be involved in a boutique-style hotel. DSD Flom added that a chophouse restaurant is also a component of Cobblestone's downtown hotels.

Alderperson Nelson asked about this type of development being on the radar, and DSD Flom indicated that the recent focus has been on residential, but bringing more visitors to downtown De Pere makes sense. Alderperson Jennings asked whether the cultural district market analysis covered hotels; DSD Flom indicated the study was focused on residential, office and retail land uses. Alderperson Jennings asked further if any information could be obtained from the Visitors Bureau, and Administrator Delo indicated typically when a new hotel is added in this area, an older one tends to close.

Mayor Walsh added that rooms may be needed in the downtown area if the Cultural Center comes to fruition, and DSD Flom added that the City has a unique environment to enjoy right outside a hotel room.

Alderperson Nelson requested that a Cobblestone representative attend the council meeting.

RESULT:	**ADOPTED [3 TO 2]**
MOVER:	Michael J. Walsh, Mayor
SECONDER:	Casey Nelson, Alderperson
AYES:	Ryan Jennings, Casey Nelson, Michael J. Walsh
NAYS:	Scott Crevier, Larry Lueck

9. Recommendation to increase Outreach Activity Coordinator one pay grade as part of the 2019 Compensation Study/Review *

In response to Alderperson Crevier's questions, Human Resources Director Metzler indicated that this position was not previously anticipated to be studied and should be the last one; a Compensation Study is required at least once every five years, with the next one possibly in 3-4 years; and from an HR perspective the goal is to hire the best candidate that is a good fit for the City, keep wages competitive and use a more aggressive approach to fill certain positions that are more difficult to recruit, which may require an individual position to occasionally be studied outside of the full compensation study.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Larry Lueck, Alderperson
SECONDER:	Casey Nelson, Alderperson
AYES:	Crevier, Jennings, Lueck, Nelson, Walsh

10. Consideration of 2019 Benefit Renewal and Plan Design Changes.*

Human Resources Director Metzler introduced City's Benefit Broker, Cindy Van Asten of M3, and presented the 2019 proposed benefit and plan design changes. Monthly review meetings have taken place with the benefit team in an effort to keep costs down, and while the medical plan will not see many changes, the pharmacy plan will see some considerable changes, primarily to reduce costs of specialty drugs for rare conditions, typically given by injection at the doctor's office. The medical plan is recommended to increase by 3%, the self--insured dental plan will also increase 3% and the fully-insured dental plan will increase 6%.

Cindy Van Asten of M3 explained the pharmacy plan changes are suggested to manage costs within the plan: to provide access to a broader retail vaccination network, control dispensing amounts to limit waste and to counteract drug couponing that only offsets only the member's out-of-pocket cost. Committee members' questions were answered and further discussion was had regarding notification to members impacted by pharmacy plan changes, couponing for specialty/injectable drugs to assist the plan without harming members, the appeal process available through CVS/Caremark and medical necessity changes for home health to the medical plan.

Alderperson Nelson shared his concern with risk of industry shift from coupons or changes resulting in member impact, to which Cindy Van Asten advised that plan review occurs in regular intervals and would occur to protect members in the event of couponing changes. HR Director Metzler added that the City does also give members funds of up to $2,000 in an HRA account that could be used toward deductible and pharmacy costs.

In response to Alderperson Crevier, it was advised that changes were made to colonscopy coverage to encourage participation and that employees choose between dental plans, with 70% on the Humana self-insured plan (open access) and 30% on the Dental Associates fully-insured plan (more restricted but better coverage).

Cindy Van Asten explained, in response to Alderperson Jennings, that medications will be obtained from another supply company that has a better contractual rate with CVS/Caremark. In response to Alderperson Nelson, she further advised that there is an appeal process in place if there is a necessity to utilize a preferred brand.

Alderperson Crevier requested that HR Director Metzler provide a chart with the current rates side-by-side with the new proposed rates.

Cindy Van Asten commended HR Director Metzler and the City team's proactive approach and monthly work on the City's plan to manage costs with the least impact to members.

RESULT:	**ADOPTED [UNANIMOUS]**
AYES:	Crevier, Jennings, Lueck, Nelson, Walsh

11. Consideration of City Investment Policy Changes.*

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Casey Nelson, Alderperson
SECONDER:	Scott Crevier, Alderperson
AYES:	Crevier, Jennings, Lueck, Nelson, Walsh

12. Request of Ald. Hansen to consider adopting an ordinance allowing for towing/booting vehicles owned by habitual parking violators (Ald. Hansen has requested to withdraw this item).

RESULT:	**WITHDRAWN**

13. Discuss the Status of the 2019 Budget.

    Administrator Delo advised that budget review has been completed with each department by the Mayor, Finance Director and City Administrator. The Finance Department is now compiling data from departments and budget decisions made to this point. Meetings will continue next week, with the goal of completing the Mayor's proposed executive budget by next Wednesday, which is a draft document not put out to the public. Following the study session, the budget is then made available to the public.

RESULT:	**DISCUSSED**

14. Consider Fire Department Staffing Considerations. *

    Mayor Walsh moved to go into closed session at 8:25 PM, seconded by Alderperson Crevier. Upon roll call vote, Motion carried unanimously.

    Mayor Walsh moved to return to regular order at 9:32 PM, seconded by Alderperson Nelson. Upon roll call vote, Motion carried unanimously.

RESULT:	**NO ACTION**

15. Future agenda items.

    None.

16. Adjournment.

    Upon Motion of Mayor Walsh, seconded by Alderperson Crevier, the Finance/Personnel Committee unanimously adjourned at 9:33 PM.

Respectfully submitted,
Angela Zills