Finance/Personnel Committee

335 South Broadway
De Pere, WI 54115
https://www.deperewi.gov/

Regular Meeting

Minutes

Tuesday, August 8, 2023 | **7:30 PM** | **Council Chambers and Virtual**

1. Call to Order

The meeting was called to order at 7:30 PM by Mayor James Boyd

Attendee Name	Title	Status	Arrived
Devin Perock	Alderperson	Present	
Pamela Gantz	Alderperson	Present	
James Boyd	Mayor	Present	
Amy Chandik Kundinger	Alderperson	Present	
John Quigley	Alderperson	Excused	

Also Present: City Administrator Lawrence Delo, City Attorney Tony Wachewicz, Finance Director-Treasurer Pamela Manley, Human Resources Director Shannon Metzler, Fire Chief Alan Matzke, Chief of Police Jeremy Muraski, (Remote), IT Director Steve Massey (Remote), Scott Sternhagen & Elizabeth McMasters of CliftonLarsonAllen (CLA).

2. Approval of the Minutes of the July 11, 2023, Regular Meeting of the Finance/Personnel Committee.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Amy Chandik Kundinger, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

3. Public comment upon matters not on the agenda. Comments made during the public comment period shall pertain only to matters under the jurisdiction of the Finance and Personnel Committee. §6-3(f) DPMC

   No public comments.

4. Consideration and possible action on the Fire Department Overtime and LifeQuest Services Billing Reports for July 2023.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Devin Perock, Alderperson
SECONDER:	Pamela Gantz, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

5. Consideration and Possible Action on the July 2023 Police Overtime Report.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Pamela Gantz, Alderperson
SECONDER:	James Boyd, Mayor
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

6. Consideration and Possible Action on Request from the Chief of Police to authorize expenditure of $1,040 to fund the costs of cellular internet connections for surveillance cameras for Optimist Park and Southwest Park. The funding source would be the Contracting Budget Line Item in the 2024 De Pere Police Department Budget. *

   Chief Muraski is looking for direction for the future beyond these two cameras. Administrator Delo states that the intent is, if this passes at council, that we would be including funding in the future for additional cameras as well. Alderperson Gantz had a question on why those are the two parks to start with. Chief Muraski responded by saying that those are the parks that have had the most problems recently. There have been disturbances at Optimist Park, as well as a fire, disturbances, and vandalism at Southwest Park. It has been based on the most frequently occurring problem areas in the city. Mayor Boyd also stated that Voyageur Park will be covered in the future because of their connectivity.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Devin Perock, Alderperson
SECONDER:	James Boyd, Mayor
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

7. Recommendation and Possible Action to contract with the National Testing Network (NTN) Regional Hiring Process for Recruitment of Candidates for De Pere Fire Rescue Firefighter Vacancies*

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Pamela Gantz, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

8. Recommendation and Possible Action to use ScreeningOne to Conduct Background Checks for Various Recruitments *

   They will be going to a different system upon the request of the Human Resources Department.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Pamela Gantz, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

9. Recommendation and Possible Action to Hire Prevea Health to Complete Job Analyses on Various Positions*

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Devin Perock, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

10. Recommendation and Possible Action to Approve Various Changes to the City Policy Manual. *

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Devin Perock, Alderperson
SECONDER:	Amy Chandik Kundinger, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

11. Consideration and Possible Action on Johnson Controls Planned Service Agreements for Fire Alarm Inspections/Monitoring (Municipal Service Center, Community Center, and City Hall). *

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Pamela Gantz, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

12. Consideration and Possible Action on Copier Leases for City Hall second floor, Community Center, Fire Station 1 and Municipal Services Center/Cloud FAX Solution. *

    Steve Massey, City of De Pere IT Director clarified that we would have two different leases through two different companies. Our copier leases would be from Complete Office of Wisconsin and our cloud fax portion would be through Gordon Flesch.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Devin Perock, Alderperson
SECONDER:	Pamela Gantz, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

13. Consideration and Possible Action on state debt collection agreement. *

    Finance Director-Treasurer Manley clarified what this will entail. We will be going with a different debt collection service than before. State Debt Collection- The only thing we are sending invoices out for right now is under $1,000 for accidents. Anything over $1,000 is sent off to the insurance company. We don't have many that we are invoicing for right now, but there will be more coming up in the future. This is a way to collect what is owed to us, but also collect the fees. Our current collection company will collect what is owed, but then take their fees out of what is owed to us. The State Department has other resources they can use to help get what is owed. They can trip and garnish wages. A lot of other resources are available through them as well.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Devin Perock, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

14. Consideration and Possible Action on OPEB valuation agreement. *

OPEB stands for: Other Post Employment Benefits. OPEB is something that we must have an actuary calculate for us every two years. It is a standard that goes with our audit. Finance Director-Treasurer Manley stated that we are going to stay with the same vendor that we have been using. This is a four-year agreement. If we don't need to calculate it anymore, then we are able to terminate the contract.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Devin Perock, Amy Chandik Kundinger
SECONDER:	Pamela Gantz, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

15. Consideration and Possible Action on the City of De Pere Investments and Cash Detail report for June 2023.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Devin Perock, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

16. Presentation and approval of the 2022 Management Letter and Financial Statements. *

Scott Sternhagen & Elizabeth McMasters from CliftonLarsonAllen LLP (CLA) presented the Management Letter and the Executive Summary of the 2022 Audit, which is a summary of the full report. They went over all the key financial data that the City should be aware of. One thing that we still need to do this year is the Federal Single Audit because the city spent more than $750,000 of federal grant money. The Audit Opinion indicates that this is a clean audit report that is materially correct.

The three findings mentioned under Internal controls as deficiencies are that CLA prepared the audit (which is normal for a city of this size), and the material adjusting of entries. The adjusting of entries is common, especially this year with the new staff transition of hiring Finance Director-Treasurer Pamela Manley. Finding number 3 was journal entry documentation. They must test journal entries as part of the audit. They pulled some during the year with no documentation or not proper documentation. This is disclosed in the audit. They recommend that the city has a policy in place for documentation on journal entries, so this doesn't happen again if we are in the process of hiring new staff.

There were no compliance findings.

He went over pages 2-8, required communication. There was a new standard implemented - GASB (Governmental Accounting Standards Board). Statement number

87 meant for leases that required numerous items to be disclosed for lease receivables and lease payables. The report went over accounting estimates that were consistent with the previous years. There were no difficulties encountered in performing the audit, which is good, especially with the transition of staff members, and no uncorrected misstatements. There were a couple corrected misstatements, which were some material journal entries. There were multiple small ones, but three larger ones indicated in the report. Those were: core payment of short-term debt, record of closeout of TID 5, and additional AP for 2022 expenses. There were no disagreements with management when performing the audit.

Mayor Boyd asked the staff from CliftonLarsonAllen if we are normal in our findings compared to other municipalities. Scott Sternhagen responded that we are similar to other municipalities. They have had discussions with Pamela Manley, Finance Director-Treasurer, on what they can do for next year to improve the ease of the audit time.

The audit report also talks about our governmental fund balances. Our general account is our main fund, and at the end of the year the total general fund balance was $10,714,000. He went over the various buckets that the city has. We have some non-spendable, but the biggest portion is that it advances to other funds ($1.3 Million). We have 2 capital project funds: Pool capital project and water utility. That has a negative fund balance and negative cash. The general fund has already loaned them money, so they can't spend it again. The pool project fund is known that it will go into a deficit first and then will collect a levy every year to pay for that, which will make that total go down.

Other various funds are restricted to debt services, special revenue funds, housing. The City closed down TID 6, which then left $1.9 Million in that fund. The leftover money from closing the TID was moved to a housing revenue fund. We had some large donations for the River Walk pier. Unassigned deficit was the De Pere micro loan fund, which will go away as loans are repaid. Pool capital project is in a deficit of $1.2 Million. It is making up ground from the previous years. This year, we will be working on Capital projects fund, making sure that there isn't a deficit. We will be covering the $1.2 million deficit with a general funds transfer. They were working on that at the end of the audit, but decided to push that to 2023, so they could complete the 2022 audit.

In total, the general fund increased $280,000 in 2022, so there is a positive amount in that fund. They would like to see our fund balance between 25-30%, but the City has a fund balance policy between 25-35% of general fund expenditures. Our unassigned balance was $7.5 million. 25% of that would be $5.1 Million, while 35% would be $7.2 Million. We are within our policy range and in a good financial position for our general fund. We do have some TIDs that are in deficit. Having TIDs that are in deficit is normal. You will borrow money, spend money, and then get that increment back 2-3 years later once that development occurs. A positive general fund can help carry the Pool Capital project until we can pay that amount down.

Part of the report talked about all the TIDs and where they stand. The City has about 12 TIDs that are open with TID 6 pretty much closed out, and the report shows what the fund balance is, and what the tax increments are for the 2022 year, as well as going into the 2023 year. It also shows what the outstanding obligation debts are for each one of the TIDs. Mayor Boyd asked about TID 14, the Irwin TID and its status. Scott Sternhagen responded that it has a positive fund balance. It does have $940,000 of un-reimbursed costs. There was most likely borrowing there that hasn't been spent down yet with a fund balance of $414,000, and debt of $1.35 Million. It most likely will take a little while to pay that back down. City Administrator Delo mentioned that this TID might have been pay/go, which could be why we don't have the extreme debt on this one, even though the project is only half done.

TID 15, 16 & 17 are all relatively new.

Scott Sternhagen went over the self-insurance funds. The past couple of years the City of De Pere has been healthy, so the city hasn't raised any premiums for their employees. We still have a good amount of fund balance in our Health Insurance funds. We lowered that balance by doing some extra holiday/vacation days for the employees. We are close to where our claims are. Administrator Delo explained that the council would like to get the fund balance down to $1.2 million this year. We are seeing it trend down, with it going down the last couple of years. It is all part of a plan as we are using that surplus and increasing rates for 2024. This will be the first time in three years that the rates will increase. Finance Director-Treasurer Manley stated that there was a planned use for the fund balance in 2023 and we are trending high on our claims above our planned use.

Dental coverage is consistent from year to year.

The utilities are reviewed next in the report. Operating results for water utilities are at $7.2 million. Operating income coming in at $1.2 million. We have some interest revenue and expenses bringing the income before contributions and transfers to $1.2 million. We had some capital contributions, if the TIFs are doing work, they are paying for the infrastructure. It isn't cash coming in, but infrastructure going in the ground that the utility will operate then. That total is $672,000. Transfers out being $412,000. Our water utility looks like they are doing well from an operating standpoint. There is a large advance from other general funds because we have a cash deficit. As an older city, money will need to be put back into our infrastructure. City Administrator Delo said that this has been in the plan from the Council for the last 10 years or so. It has been laid out for the city to not increase water prices for years while NEW Water was increasing their rates. They would eventually increase water prices and intend to pay back $500,000 a year over a period of time to get it paid off. We are also looking to go for a full rate increase in 2024 so we can cover more of that deficit and not just cover operating costs. City Administrator Delo also mentioned that our goal is to spend $1.2 million in infrastructure each year in the city, this last year was down because of some changes with some projects. Every year differs between a little higher and a little lower depending on the projects coming through. We are going to continue to do infrastructure at that rate, which matches what the Public Service Commission (PSC) expects us to do.

Wastewater utility is on the next page. This will fluctuate depending on consumers and usage. Total operating revenue was $10.4 million, with operating expenses of $8.1 million. Revenue was down but expenses dropped as well, with operating income of $2.2 million. From a cash standpoint, $2.6 million was brought in with a net change in cash to $1.3 million, which is before any advances to the water utility.

Stormwater- Charges for services are $2 million, expenses are at $1.6 million, which includes depreciation. Storm water repairs can be very expenses for bills or capital projects and cash is utilized for that. The Stormwater fund is in good shape for the City.

Overall, our general fund, sewer and storm are all in good financial standings. Water operating results are good, but still has that cash deficit.

CliftonLarsenAllen is happy how the audit went and continued to say that the city is in a good position financially. We will be working with CliftonLarsenAllen again next year and are hoping to have better tracking of finances, which will make the audit go much more smoothly. CLA did the Public Service Commission (PSC) and State reports to help with the transition of the new hire to the Finance Director-Treasurer position.

Mayor Boyd made a recommendation for the audit report to go to the Council, seconded by Alderperson Gantz. The motion was approved by a unanimous vote.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Pamela Gantz, Alderperson
AYES:	Devin Perock, Pamela Gantz, James Boyd, Amy Chandik Kundinger
EXCUSED:	John Quigley

17. Future agenda items.

18. Adjournment

Upon Motion of Mayor Boyd, seconded by Alderperson Perock, the meeting adjourned at 8:15p.m. by unanimous vote.

Any person wishing to attend this meeting who, because of disability, requires special accommodations should contact the Clerk’s office at 339-4050 by Noon, the previous day so that arrangements can be made.

***Items with an asterisk require City Council approval.**

Respectfully submitted,
Amy Darnick