Finance/Personnel Committee

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

Regular Meeting

Minutes

Tuesday, October 13, 2020 **7:30 PM**

1. Call to Order. Mayor Boyd called the Finance/Personnel Committee to order at 7:30 PM.

Attendee Name	Title	Status	Arrived
James Boyd	Mayor	Remote	
Mike Eserkaln	Alderperson	Remote	
Amy Chandik Kundinger	Alderperson	Remote	
Casey Nelson	Alderperson	Remote	
Kelly Ruh	Alderperson	Remote	

Also Present (Remote): Human Resources Director Shannon Metzler, Fire Chief Alan Matzke, City Attorney Judith Schmidt-Lehman, City Administrator Lawrence Delo, Police Chief Derek Beiderwieden, City Clerk Carey Danen, HR Generalist Tracy Hood, Finance Director Joseph Zegers, Scott Sternhagen of CliftonLarsonAllen LLP and Jason Shanda of M3 Insurance.

2. Approval of the Minutes of the September 8, 2020 Regular Meeting of the Finance/Personnel Committee.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Casey Nelson, Alderperson
SECONDER:	Amy Chandik Kundinger, Alderperson
AYES:	Boyd, Eserkaln, Kundinger, Nelson, Ruh

3. Fire Department Overtime and LifeQuest Services Billing Reports for September, 2020.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Mike Eserkaln, Alderperson
AYES:	Boyd, Eserkaln, Kundinger, Nelson, Ruh

4. Consideration and Approval of the September 2020 Police Overtime Report

Alderperson Nelson asked that the Chief provide additional detail on the 65.25 hours for Late Calls/Report Writing by Patrol, to which Chief Biederwieden explained that although the hours under the Investigation category might be a bit higher than normal, but the hours have always been there, he just broke it down a bit more. The detail in the Memo is a result of hours for Detective Staff Sergeant Investigations, requiring off-duty response time, time past regular hours when reports need to be completed for the District Attorney or when patrol officers need to stay to finish documents for others.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Casey Nelson, Alderperson
SECONDER:	Amy Chandik Kundinger, Alderperson
AYES:	Boyd, Eserkaln, Kundinger, Nelson, Ruh

5. Consider and Approve Police Records Management Agreement with Brown County.*

Alderperson Nelson asked whether there is concern with using this system versus a private option. Chief Beiderwieden explained that historically the City has used a records management system provided by Brown County, and all departments within the county used the same system until sometime between 2004-2006 when the county entered into a contract with ProPhoenix and Green Bay had its own system. The Green Bay system has now been offered to Brown County, and the City is tagging along since the City doesn't have its own. It would cost approximately $100,000 for the City to implement its own system; staff was unable to locate a privately-offered system that is cost-effective. The County is moving to the Green Bay system, and that is the best option for the City as well.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Casey Nelson, Alderperson
SECONDER:	James Boyd, Mayor
AYES:	Boyd, Eserkaln, Kundinger, Nelson, Ruh

6. Request of the City Clerk's Office to consider approval of Continuity of Elections Operations Plan Memorandum of Understanding.*

   Mayor Boyd requested a brief overview, and City Clerk Carey Danen explained that this item was brought forward for clerks to have the ability to help each other out with election duties, in the event a neighboring clerk would be sick or exposed to COVID, then other communities could step in as needed or as available to assist. The Memorandum of Understanding (MOU) is not a binding commitment to provide resources, and the City Attorney's Office is looking into insurance liability for providing coverage; the MOU is merely a back-up plan and provides assurance if something would happen. At the time of this meeting, the final list of communities participating is unknown, as approvals are still in process. Alderperson Chandik Kundinger indicated her thanks for the forward-thinking on coverage and for the effort put forth on behalf of the public.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Amy Chandik Kundinger, Alderperson
SECONDER:	Casey Nelson, Alderperson
AYES:	Boyd, Eserkaln, Kundinger, Nelson, Ruh

7. Consideration and Possible Action of 2021 Benefit Renewal and Plan Design Changes*

   Human Resources Director Metzler advised that prior to the City's plan renewal on January 1 each year, plan design changes are brought forward. There are two small changes this year on the medical side and changes made in the past have brought down costs considerably, such that a 0% premium increase was realized in 2019 (with the trend being a 7% increase), a 3% decrease for 2020 along with a premium holiday in July to give money back to employees, and rather than doing another premium holiday in December as the plan is trending well, it has been decided to decrease premiums 8% for 2021.

   The dental plan would change administrators from Humana to Delta Dental, primarily for costs savings and service issue improvements, as well as having more in-network providers.

   Mayor Boyd indicated that these cost controls are commendable. In response to the Mayor's question, HR Director Metzler advised that the dental plan design would be virtually the same with one small difference; the plan currently pays 30% after the out-of-pocket maximum is reached and Delta Dental is unable to administer that, however members will have premium savings and the ability to realize more discounts for in-plan providers to make up that difference.

Upon further discussion, Alderperson Nelson commented how well the City keeps costs under control, and asked if any thought was given to decreasing co-pays or also expanding coverage in addition to premium savings. HR Director Metzler explained that the intent was to have balance, offering good coverage and a plan design attractive to employees, as well as be fiscally responsible for the plan overall in managing costs and be in-line with industry standards. A decrease in deductibles could be reviewed, but generally for a self-insured plan, someone has to pay for it, and it is attractive to employees to drive down the cost and be lower in premium compared to other entities. Alderperson Nelson indicated that he believes reducing the cost of deductibles long-term would be beneficial to explore.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Casey Nelson, Alderperson
SECONDER:	Mike Eserkaln, Alderperson
AYES:	Boyd, Eserkaln, Kundinger, Nelson, Ruh

8. Consideration and Possible Action to set Mayor and Council Salaries for 2022 and 2023*

Mayor Boyd shared his thoughts and some background on this item for newer alderpersons, clarifying that this item is for setting salaries in 2022 and 2023. He has most often seen an increase approved at around 2%, and while those who serve are not in it to make money, they should be compensated for their work, and Mayor Boyd feels it is right to offer increases further out. He supports a 2% increase in 2022 and 2023 for both the Council and Mayor positions. Alderperson Nelson expressed his agreement with the Mayor. City Attorney Schmidt-Lehman reminded the Committee that there was no Motion on the floor and that there should be a Motion for discussion to proceed. The Mayor then made a Motion for a 2% increase for 2022 for 2023 for the Mayor and Common Council positions, seconded by Alderperson Nelson.

Upon further discussion, Alderperson Ruh expressed her agreement, indicating that 2% recognizes cost of living standards and is fair.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Casey Nelson, Alderperson
AYES:	Boyd, Eserkaln, Kundinger, Nelson, Ruh

9. Review of the proposed Public Service Commission (PSC) De Pere Water Rate Increase Exhibit.

Finance Director Zegers advised the Committee that the Public Service Commission (PSC) sent its findings on September 17, 2020, located, along with his Memo, at pages 47-98 of the agenda packet. The PSC tries to balance the interests of the customers in water utility and the financial condition of water utility itself in setting rates. The last rate increase was in 2011, and the processing time for the 2019 application is pretty normal at 9 to 15 months due to the backlog of requests for increases. The report suggests a 15.37% increase in operating expenses and is set for a virtual public hearing on October 27. A typical customer increase would be 19.17% (approximately 2% per year since 2011). The virtual meeting is open for public comment, and notice of the increase will be advertised in the paper to advise customers. The Mayor asked whether this could also be advertised on social media and the City website for those who do not receive the newspaper.

In response to Mayor Boyd, Administrator Delo advised that the PSC makes the rates determination, not the City, so it is not necessary to make a Motion on this item.

Alderperson Chandik Kundinger suggested that it could be indicated through the communication channels, that this is not something that the City voted on, which may help to answer some questions when the increases are fully-established. Administrator Delo added that the reason that rates haven't increased since 2011 is that the Council made a conscious decision not to pursue while NEW Water was doing significant increases.

RESULT:	**DISCUSSED**

10. Review and possible action on City of De Pre Investments and Cash Detail report for Aug. 2020.

Finance Director Zegers advised that the Cash and Investment Summary is located on page 101 of the packet, and the City had 21 million in total cash and investments.

He explained the LGIP decrease of 5.1 million due to the tax credit payment to Brown County of 3.7 million, debt payments of 4.1 million at the end of August and the remainder for Accounts Payable, which decrease was offset slightly by the 4.2 million tax settlement from Brown County. September will decrease this account by 2.5 million for accounts payable. The borrowing proceeds are expected on 10/14, which will increase the balance. Interest earnings to date of $331,000 are just a bit behind the annual budgeted amount.

Mayor Boyd indicated that no action is needed on this item, and he made a Motion to accept the report and place it on file, seconded by Alderperson Nelson.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Casey Nelson, Alderperson
AYES:	Boyd, Eserkaln, Kundinger, Nelson, Ruh

11. Presentation of 2019 Preliminary Audit Management Letter and Financial Statements.*

Finance Director Zegers advised that this report is located on pages 105-219 of the Agenda packet, and Scott Sternhagen of CliftonAllenLarson LLP (CLA) will review the executive audit summary. The summary indicates where the 2019 General Fund is currently at after the audit results and the city's unassigned fund has a balance of 6.6 million, 36.61% as compared to the 2020 budget. Scott Sternhagen reviewed the report with the Committee and explained that the Executive Summary is in draft format and should be finished in the next week or so, as a virtual audit is a little less efficient versus an in-person audit. He provided the following to the Committee:

TIDS will fluctuate based on projects; the city is in good financial shape as far as its governmental fund; the General Fund is in good shape and it is recommended it be higher for a buffer to protect against unforeseen expenses. Finance Director Zegers added that the City's bond rating has been reaffirmed, 35% is positive to maintain and is a plus in maintaining the rating. Mr. Sternhagen indicated that TID summaries are shown and increment is generated each year; some of those accounts will be cleaned up as the TIDs come to the end of life at the end of 2020 and 2021.

Self- insurance funds are healthy, with a fund balance of 1.9 million (and rising over the years); confirming positive changes to the plan.

The Water Utility increase makes sense for the operations in 2019 and the Public Service Commission (PSC) is behind with the review that is required. City may consider submitting a simplified rate increase in the future; Finance Director Zegers indicated that the PSC allows a simplified rate increase with a five-year stipulation.

The Wastewater Utility shows a positive change in net position and is in better shape than in past years.

The Stormwater Utility is in good shape with year-end cash of just over 1 million.

CLA recommends as an observation, but is nothing of significance, that the City review and approve of journal entries either by the City Administrator or three office individuals going forward for visibility of approvals.

In conclusion, Mr. Sternhagen indicated that technical updates and new standards are included in the report to make the City aware; he then offered the opportunity for questions and expressed appreciation for the opportunity to present remote.

Mayor Boyd thanked CLA for the report and the detail and to Mr. Sternhagen for making it understandable. He also expressed thanks to staff for keeping the City in a good place and that is encouraging.

Finance Director Zegers commended the Council for the 25-35 percent rule, and being on the higher end has really helped with keeping the bond rating strong and allow the City to borrow at low interest rates.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	James Boyd, Mayor
SECONDER:	Amy Chandik Kundinger, Alderperson
AYES:	Boyd, Eserkaln, Kundinger, Nelson, Ruh

12. Future agenda items.

No future Agenda items were presented. Alderperson Nelson indicated he is happy that the Mayor is feeling better and able to participate in tonight's meeting.

13. Adjournment

Upon Motion of Mayor Boyd, seconded by Alderperson Chandik Kundinger, the Finance/Personnel Committee unanimously adjourned at 8:40 PM.

Respectfully submitted,
Angela Zills