



Finance/Personnel Committee

Regular Meeting

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

Minutes

Tuesday, October 12, 2021

7:30 PM

Council Chambers and Virtual

1. Call to Order. The meeting was called to order at 7:30 PM by Mayor Boyd.

Attendee Name	Title	Status	Arrived
James Boyd	Mayor	Present	
Mike Eserkaln	Alderman	Present	
Amy Chandik Kundinger	Alderman	Present	
John Quigley	Alderman	Present	
Kelly Ruh	Alderman	Present	

Also Present: City Attorney Judith Schmidt-Lehman, Assistant City Attorney Kristen Johnson, City Administrator Larry Delo, Fire Chief Alan Matzke, Maintenance Supervisor Tom Blohowiak, Finance Director-Treasurer Joe Zegers, Police Chief Derek Beiderwieden, Public Works Director Scott Thoresen, Scott Sternhagen and Dan Fochs of CliftonLarsonAllen (CLA), Human Resources Director Shannon Metzler, Jason Shanda of M3 Insurance, Scott Hemauer of HZ Properties LLC, Officer Russ Holcomb and members of the public.

Remote: Health Officer-Director Deborah Armbruster, Police Captain Jeremy Muraski, HR Generalist Tracy Hood and members of public (unidentified telephone participants).

2. Approval of the Minutes from the September 14, 2021, Regular Meeting of the Finance/Personnel Committee.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	Kelly Ruh, Alderman
AYES:	Boyd, Eserkaln, Kundinger, Quigley, Ruh

3. Public comment period.

None. No one responded to the Mayor's offer to speak on any item not on the agenda.

4. Fire Department Overtime and LifeQuest Services Billing Report for September, 2021.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	John Quigley, Alderman
AYES:	Boyd, Eserkaln, Kundinger, Quigley, Ruh

5. Consideration and Possible Action on the September 2021 Police Overtime Report.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	John Quigley, Alderman
SECONDER:	Kelly Ruh, Alderman
AYES:	Boyd, Eserkaln, Kundinger, Quigley, Ruh

6. Consideration and Possible Action on a \$2,000 grant from Wisconsin Public Service Foundation to the Police Department for ballistic shield replacement.*

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Amy Chandik Kunding, Alderperson
SECONDER:	Kelly Ruh, Alderperson
AYES:	Boyd, Eserkaln, Kunding, Quigley, Ruh

7. Consideration and Possible Action on Fire Department Request to apply for 2021 Wisconsin Forest Fire Protection Grant.*

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	Mike Eserkaln, Alderperson
AYES:	Boyd, Eserkaln, Kunding, Quigley, Ruh

8. Consideration and Possible Action on the Request of the YMCA to Extend its Option to Purchase Agreement.*

In response to the Mayor's request for an update, Administrator Delo advised that this item is a request from the YMCA to extend the deadline of its Option to Purchase from 2025 to 2032 to align with the anticipated construction of the Southern Bridge Corridor. This would allow the YMCA to pursue other projects prior to this one, but allow it to exercise the option if the bridge is completed earlier, with the intent to serve the population on both sides of the river to the south. Mayor Boyd indicated that this development is great for the City. In response to Alderperson Chandik Kunding's questions as to the risk of extending, Administrator Delo advised that the YMCA is a non-profit entity, resulting in no property taxes; the only risk is whether other parties may also be interested in the property. Based upon past community feedback, there is anticipated support for a YMCA and there are benefits noted in the agreement specifically for De Pere residents.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	John Quigley, Alderperson
SECONDER:	Kelly Ruh, Alderperson
AYES:	Boyd, Eserkaln, Kunding, Quigley, Ruh

9. Consideration and Possible Action on the Request of HZ Properties, LLC (Ameriprise Financial 111-113 N. Broadway St.) to Amend Revolving Loan Fund Agreement.*

Attorney Judith Schmidt-Lehman advised the Committee that there is a memo from Development Services Director Lindstrom in the agenda packet detailing the request for a six-month extension and, if approved, the Law Department will have the paperwork prepared for review with next Tuesday's Common Council meeting packet.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	Amy Chandik Kunding, Alderperson
AYES:	Boyd, Eserkaln, Kunding, Quigley, Ruh

10. Consideration and possible action to approve the following from the State of WI Department of Health Services 2021 DPH Consolidated Contract No. 47645-3 in the amount of \$523,300 (Immunization COVID Supp3, ARPA COVID Recovery and Public Health Workforce).*

Upon further discussion, Alderperson Quigley clarified whether these positions would cease if funding is stopped or whether these positions are currently doing other services

to which Health Officer-Director Armbruster explained that the funding is for limited-term positions resulting from COVID, and once the COVID funding goes away, so do the positions; however, the grants are in effect until 2024. The positions may not be needed once the focus shifts from COVID.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	Amy Chandik Kunding, Alderperson
AYES:	Boyd, Eserkaln, Kunding, Quigley, Ruh

11. Consideration and Possible Action of 2022 Benefit Renewal and Plan Design Changes.*

Human Resources Director Metzler presented with Jason Shanda of M3 Insurance (City's broker) to provide positive news to the Committee regarding the health fund. Surplus funds have been reduced as a result of a three month premium holiday for both employees and the City earlier this year, with some more significant proposals promised to be suggested this fall. Highlights of the changes suggested for 2022 would implement a co-pay structure which would decrease the surplus a small amount for savings appreciated by employees; implement a near site program (budget neutral change) with both Bellin and Prevea to obtain services at a reduced rate, resulting in direct billings to the City for those services, with certain services not requiring any employee co-pay; and implement a Real Appeal weight loss program for 2022 that will be reevaluated to continue based upon interest from employees.

It is also recommend that the cost-share structure for premiums be changed from 15% (employee contribution) and 85% (City) to 10% (employee) and 90% (City). In comparison to other public sector entities, De Pere is higher than some others, and with the surplus, now would be the time to reduce to be more comparable. The surplus fund would still have a target goal of funding for approximately 6 months of claims. These changes are currently recommended and the surplus can again be re-evaluated in 2022.

Mayor Boyd indicated he likes the conservative approach and rewarding employees with savings. Alderperson Chandik Kunding also commended leaving the buffer in the surplus funds. In response to Alderperson Quigley, HR Director Metzler advised that the City does have stop loss insurance, a premium paid for insurance on the insurance plan, and explained that for claims that are above \$100,000 the City is not responsible; this coverage keeps things stable and protects from these reductions.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	Kelly Ruh, Alderperson
AYES:	Boyd, Eserkaln, Kunding, Quigley, Ruh

12. Consideration and possible action to replace fuel tank monitoring system \$16,250.35.*

Maintenance Supervisor Tom Blohowiak advised the Committee that the fuel monitoring system is 35 years old, and the fuel tanks must be monitored to meet DOT codes. The system lost memory and reprogramming has not been successful; staff is unable to get parts to repair.

Mayor Boyd confirmed that funding will be taken from Unassigned Reserves.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	Amy Chandik Kunding, Alderperson
AYES:	Boyd, Eserkaln, Kunding, Quigley, Ruh

13. Presentation of 2020 Executive Audit Summary and Financial Statements.*

Dan Fochs and Scott Sternhagen of CLA (CliftonLarsonAllen LLP) appeared to provide an overview of the Executive Audit Summary for 2020 beginning on page 83 of the agenda packet.

Page 1 of the summary indicates that a "clean" audit report has been issued; The Internal Controls section discloses items of deficiencies: that CLA assists in the preparation of the Annual Financial Report and the material adjusting of journal entries.

Pages 2-6 is the Formal Required Communications from the audit, and those pages were reviewed with the Committee in detail.

In response to Mayor Boyd, Finance Director-Treasurer Zegers confirmed a correction of a reclassification from TID #12 as part of the audit.

Page 8 of the report provides the itemization of financial information; the General Fund is the largest fund and is consistent from the previous year and shows the City is managing the fund very well. The Cable Access fund is no longer in a deficit, and Mr. Sternhagen recited the various capital project funds and governmental funds. On page 9 it was highlighted that the general fund increased \$42,000 and is in good condition for 2021 budget year. The City has a 25% policy for expenditures and is in good financial condition, especially with the challenges of 2020.

An overview of Tax Incremental Districts 5-16 was provided, highlighting that TIDs 5 and 6 are close to closure. Finance Director Zegers added that TIDs 5 and 6 will close in 2021. TIDs do fluctuate as projects develop.

Page 10 itemizes the self-insurance and dental funds; 2020 had an increase of about \$480,000 in the health self-insurance fund, which is almost 200% of claims for 2020. A graph is included on page 11, which shows the increase over the last five years. The dental surplus is not as significant as the health fund.

The City's Water Utility and Wastewater Utility are the most significant utility funds. Per FD-T Zegers the water fund is up 10% and trending upward in 2021. The City is cutting away at the advance from the General Fund and a rate increase was implemented at the right time. FD-T Zegers added that the Public Service Commission now has a simplified rate case application that allows municipalities to apply for a 3% increase in rates; staff is looking at that for 2022. Further discussion occurred among City Administrator Delo, the Mayor and FD-T Zegers to clarify that the proposal starts with conversation and moves to Public Works and is approved by the Public Service Commission. FD-T Zegers added that the sewer utility is unregulated. Wastewater Utility funding was then reviewed by Mr. Sternhagen. FD-T Zegers indicated that a positive for the Water and Wastewater accounts is that the City is updating infrastructure yearly.

Page 15 itemizes comments and observations from the departmental review of City's Finance Department and recommendations were highlighted to improve operations: (1) reassigning daily cash balancing to another employee so that the Finance Director-Treasurer can audit, to strengthen internal controls. FD-T Zegers indicated that the Deputy Clerk is reviewing the daily reconciliations to get a feel for that task as it is somewhat complex, with the hopes that by mid-December she should have a handle on it; (2) enhancing the approval and review process for transfers, which FD-T Zegers indicates he is receiving a monthly report for flow of LGIP funding and transfers that occur to the City checking; (3) documenting the review of voided transactions; (4) recommending a formal process for posting and reviewing entries, which the department is making changes in this area; (5) separating the process of payroll transactions, a finance department function, from adding employees to the system, typically a human resource function, which the department is looking to have an electronic footprint screens prepared that can be signed-off by Human Resource personnel, with the HR department setting the wage rate; (6) implementing a credit card policy to document procedures; and (7) conducting a review of new and one-time vendors for accuracy from fraudulent businesses by the Finance Director-Treasurer on a monthly basis. These suggestions are made to strengthen the financial control and segregation of duties in the department.

Page 16 provides a Technical Update for leases effective for 2022, which CLA is advising clients to review their leases. Administrator Delo indicated that the City leases one house on Lost Dauphin Road and does lease out some farmland in its business parks. Finance Director-Treasurer Zegers will follow-up with each department to look into any leases which may be applicable under the new standard.

The presentation concluded with the management letter, starting on page 103 of the agenda packet.

Mayor Boyd made a Motion to approve the Executive Audit Summary and send it to the Common Council for final approval.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	Kelly Ruh, Alderperson
AYES:	Boyd, Eserkaln, Kunding, Quigley, Ruh

14. Review and possible action on City of De Pere Investments and Cash Detail report for Aug. 2021.

Finance Director-Treasurer Zegers presented the balances as of August 31, 2021, with \$7.5 million in checking and \$17.5 million in City's four investment vehicles. The rate of return is typical of what has been seen during the year and throughout the industry: .06 to .21 percent, with record low times yielding lower results, however, a positive being the ability to borrow is cheaper also. The Local Government Investment Pool account decreased by \$6.3 million, due to \$4.7 million in debt payments and \$2 million for payroll and accounts payable, offset by \$400,000 received from Brown County as part of the tax settlement process.

September will decrease by \$2 million for accounts payable and payroll, with the 2021 borrowing proceeds expected at the end of this week.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	Amy Chandik Kunding, Alderperson
AYES:	Boyd, Eserkaln, Kunding, Quigley, Ruh

15. Future agenda items.

None.

16. Grievance submitted by De Pere Police Officer Russell Holcomb.

Mayor Boyd reviewed ground rules for grievance matters with the Committee. Assistant City Attorney Kristen Johnson advised the Committee that the three grievances under the title of this item need to be separated, so that each grievance is acted upon independently by the Committee.

The first matter to be addressed is on page 216 of the Agenda packet and is noted as **Grievance #3** regarding Article #7.

Officer Holcomb presented to the Committee first and indicated that 77.5 points were allotted for the interview process for the traffic officer position, with seniority included in the scoring. He believed the scoring is flawed and input provided by sergeants (that do not supervisor him) is unfair as he was evaluated by those who do not understand what he does in his position. Officer Holcomb further indicated that he has a passion for traffic enforcement, is trained in commercial motor vehicle law and performs at a high level, conducting over 4,000 traffic stops per year, a number he believes is well above average. He advised the Committee that under the scoring, individuals with discipline issues and no experience scored higher. Officer Holcomb is representing himself during this meeting as the position at issue has been given to the union president. In his years in the position, he has worked with three supervisors and three prosecutors; he has educated supervisors on what he does; abnormal duties are time consuming and complicated. He is a certified car seat installer (De Pere Cares Car Seat Program); coordinates the Frogger Program with police services volunteers; has trained Community Service Officers and expanded their duties within the department; has trained crossing guards; has "traffic talk" on Facebook for tips, complaints and suggestions for improvements; shares information with engineers regarding traffic data so that he can be efficient in his duties; responds to school bus calls; and shared that crimes have been solved off his traffic stops. He further indicated that he would have received a higher score if he had been fairly evaluated; he has been working under a generic job description in his position, rather than what he truly does, and believes he wasn't properly reviewed during the process and that points were not allocated properly.

Human Resources Director Metzler and Chief Beiderwieden presented on behalf of the City. The Chief acknowledged Officer Holcomb's training and commended his efforts in performing in his position. He then indicated that Article #7 relates to promotion of personnel and the traffic officer position is an assigned position; Article #7 doesn't apply as the traffic officer is appointed by the Chief, and there is no set process for the position. In reference to the process that was utilized, the scoring has not been shared, and he is aware of only three people that know the scores. Human Resources Director Metzler recognized Officer Holcomb's passion for his job, and shared the process for a grievance and defined a grievance for the Committee; the labor contract with the Union is clear that

this is a specialty assignment with the department that ends as of 12/31/21. Out of courtesy to the applicants, the Chief identified a process and this matter is not a grievable issue. The language indicates that the Chief shall appoint someone; there is nothing to grieve. The issue before the Committee tonight is whether there is a violation of the contract.

Mayor Boyd clarified that nothing regarding the process is in the contract. Officer Holcomb indicated he did bring up a concern to his supervisor. Alderperson Quigley asked a question as to whether the process was unfair to Officer Holcomb.

Grievance #2 is located at page 218 of the Agenda packet and is regarding Article #9 of the Labor Contract regarding overtime.

Officer Holcomb presented first and indicated that he has not been offered patrol overtime at any point during his tenure as traffic officer; no overtime has been offered although he is supervised by the Patrol Captain.

In response to Officer Holcomb, Chief Beiderwieden indicated that Article #9 of the contract references overtime and while Article #8 is for patrol, the traffic officer position is a special assigned position with set hours for Monday through Friday between 7:00 a.m. and 7:00 p.m.; there is flexibility to adjust the daily scheduled hours, with supervisor approval. Patrol officers work 6 days in a row and then have three days off, including weekends, which are off days for the traffic officer. The traffic officer is not subject to be ordered to work overtime, nor does the position work in an area-specific. The Chief believes Officer Holcomb understood the difference between the positions as he was on the bargaining unit when the 2017 Memorandum of Understanding (MOU) was negotiated. The traffic officer would not be in the rotation for patrol overtime for vacations or illness, as it goes back to patrol officers as identified in the contract.

Regarding grievance procedures, Officer Holcomb requests overtime going back for four years; however, the grievance language requires a grievance to be filed within 20 calendar days of the occurrence in order to be considered timely. Officer Holcomb's grievance is not timely and couldn't go back farther than 20 days from the date of the grievance. Chief Beiderwieden indicated that Officer Holcomb is not eligible for patrol overtime, but is eligible for special assignment overtime that is not patrol specific, such as special events.

Grievance #1 is found on page 219 of the Agenda packet and is the subject of Articles 1-3 and 8 of the Labor Contract.

Officer Holcomb presented to the Committee that the Contract has the traffic officer position ending as of 12/31/2021; nothing is addressed or indicated for 2022, and does not clarify what happens moving forward. Further there is no language that states he cannot continue in the position or what happens when a new officer takes over; the intention is not clear. Other assignments in the department are not discontinued under specific time parameters and officers can stay as long as they want; if someone is performing why can they not stay in the position? Staffing levels of patrol officers currently prohibits use of his special training outside of the traffic officer position and changes to his hours and working conditions is subject to bargaining.

Chief Beiderwieden and Human Resources Director Metzler presented on behalf of the City. Chief Beiderwieden advised the Committee as to identity of the referenced Articles claimed in this grievance and indicated it is unclear to him what is being grieved. The position is a four year assignment written in the Contract and the MOU of 2017. The reason there is a specific ending in 2021 is because Officer Holcomb was selected to the position when the term was going to be longer than four years, such that there was a starting date and ending date. Management understood it to be a four year assignment, as a special assignment. School Resource Officers (SRO) and the Community Resource Officer can remain without an end date, unless disciplinary issues occur. This position needed an end date for the traffic officer as it is was felt it was not healthy for the organization to have only one person benefit from the role. The idea was that an officer could utilize the knowledge gained in the traffic officer position and use it going back to patrol, so that a new officer would have an opportunity to gain that knowledge as well. The position was bargained as an MOU, put into the contract and ratified. HR Director Metzler added that for the specialty assignment of K-9 officer, that individual stays for the life of dog, and then the officer goes back to the patrol officer assignment; there is no need to negotiate the hours and the officer would simply slide back into his or her previous role. The department does not have a lot of specialty assignments and new recruits are interested in specialty assignment opportunities. The department does not want to tie up all specialty assignments and could shuffle people to give others an opportunity. Officer Holcomb can also use his skill set in patrol. The term of the assignment is nothing personal; the intent was to do what is best for the organization and department.

Officer Holcomb followed-up by stating that his position is the only one with a turnover; that he was allowed to reapply even though it was indicated to end in 2021; and that he missed opportunities to apply for SRO openings. Further, the department is not often above staffing levels to allow him to use his special resources and had he known it was ending, he would have had opportunity to pursue other positions. There is nothing that specifies what happens in January 2022. In response to Mayor Boyd, Officer Holcomb indicated there is nothing stating that he has to be removed.

In response to Alderperson Quigley's questions on the Chief's ability to stop assignments at any point, Chief Beiderwieden explained that he does have some discretion, but for example SROs are a function of the school in collaboration with the City as to the payment arrangement. Other special assignments could not be afforded by the department unless funding is provided. The K-9 officer is on patrol as a special shift and the Community Resource Officer could be eliminated by a process.

In response to Alderperson Chandik Kunding, Chief Beiderwieden advised that the initial term had odd extra time because the position started in March and not January. It will be a four year assignment going forward. The K-9 officer is a patrol assignment and not a special assignment. HR Director Metzler added that the new person would have a four year assignment.

Officer Holcomb alluded to past practice and language that is not clear and is ambiguous; the language specifically states a four year assignment and both parties knew the intent. Officer Holcomb has done the job at a high level.

Mayor Boyd made a motion to go into closed session at 9:27 p.m.; seconded Alderperson Ruh. Upon vote, motion carried unanimously.

Mayor Boyd made a motion to return to regular order at 9:41 p.m.; seconded by Alderperson Quigley. Upon vote, motion carried unanimously.

Officer Holcomb is commended for his passion for the job.

Mayor Boyd made a Motion to Deny Grievance #3 upon finding there was no contract violation, seconded by Alderperson Quigley. Motion carried by unanimous vote.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	John Quigley, Alderperson
AYES:	Boyd, Eserkaln, Kunderinger, Quigley, Ruh

Mayor Boyd made a Motion to Deny Grievance #2 upon finding there was not a contract violation, seconded by Alderperson Ruh. Motion carried by unanimous vote.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	Kelly Ruh, Alderperson
AYES:	Boyd, Eserkaln, Kunderinger, Quigley, Ruh

Mayor Boyd made a Motion to Deny Grievance #1 upon finding there was not a contract violation; seconded by Alderperson Eserkaln. Motion carried by unanimous vote.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	James Boyd, Mayor
SECONDER:	Mike Eserkaln, Alderperson
AYES:	Boyd, Eserkaln, Kunderinger, Quigley, Ruh

It was noted that the Grievant will be advised of the Committee's Decision in writing.

17. Adjournment.

Upon Motion of Mayor Boyd, seconded by Alderperson Ruh, the Committee voted unanimously to adjourn the meeting at 9:44 p.m.

Respectfully submitted,
Angela Zills