

CITY OF SHEBOYGAN

FINANCE AND PERSONNEL COMMITTEE

MONDAY, SEPTEMBER 23, 2019

Chair Donohue called the meeting to order at 5: 02 p.m. The Pledge of Allegiance followed.

COMMITTEE MEMBERS PRESENT: Chair Mary Lynne Donohue, Alderpersons Markus Savaglio and Todd Wolf

COMMITTEE MEMBERS EXCUSED: Vice Chair Jim Bohren, Alderperson Trey Mitchell

STAFF / OFFICIALS PRESENT: Mayor Mike Vandersteen, City Administrator Darrell Hofland, Assistant City Attorney Thomas Cameron, Director of Public Works David Biebel, Director of Finance/Treasurer Marty Halverson, Director of Planning and Development Chad Pelishek, Director of Human Resources and Labor Relations Sandy Rohrick, Superintendent of Streets and Sanitation Jason Blasiola, Business Manager Dawn Sokolowski,

Assistant to the City Administrator Carrie Arenz, Senior Accountant Stacey Strittmater, Auditor/Analyst Laurie Suhrke, Human Resources Generalist Melissa Ness

MINUTES

Motion by Alderperson Wolf, seconded by Alderperson Savaglio to approve the minutes of September 9, 2019. Motion carried.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

3.1 RES 85 - 19 - 20 / SEPTEMBER 16, 2019 / DOC

4.1: Resolution authorizing the acceptance of monies from the Sheboygan Police Department personnel in the amount of \$3,334.50

Motion by Alderperson Wolf, seconded by Alderperson Savaglio to recommend the Common Council adopt the resolution. Motion carried.

3.2 RES 86 - 19 - 20 / SEPTEMBER 16, 2019 / DOC

4.2: Resolution authorizing the acceptance of the State of Wisconsin WISGrant in the amount of \$4,000.

Motion by Alderperson Wolf, seconded by Alderperson Savaglio to recommend the Common Council adopt the resolution. Motion carried.

3.3 RES 87 - 19 - 20 / SEPTEMBER 16, 2019 / DOC

4.3: Resolution to authorize an appropriation in the 2019 Budget for the purpose of establishing appropriation for contributions from nine members of the Sheboygan Police Department Honor Guard Unit to be used for honor guard unit uniform improvements.

Motion by Alderperson Wolf, seconded by Alderperson Savaglio to recommend the Common Council adopt the resolution. Motion carried.

3.4 RES 88 - 19 - 20 / SEPTEMBER 16, 2019 / DOC

4.4: Resolution to authorize an appropriation in the 2019 Budget for the purpose of establishing appropriation for the WISGrant received to be used for traffic enforcement devices.

Motion by Alderperson Wolf, seconded by Alderperson Savaglio to recommend the Common Council adopt the resolution. Motion carried.

3.5 RES 89 - 19 - 20 / SEPTEMBER 16, 2019 / DOC

4.5: Resolution imposing a residential recycling fee for services provided by the City

Director of Public Works David Biebel provided an eight year recycling fund projection separating solid waste and recycling fund budgets. The creation of a recycling fee will have no negative impact on the Expenditure Restraint Program or General Fund Budget. The \$4.00 monthly recycling fee covers the anticipated operating cost for the next 8 years. A new Enterprise Fund will separately track related revenues and expenses.

The current contract with Waste Management ends December 31, 2019. In this contract the cost to process recycling is \$0.00. Due to current economic markets, the value of recyclables has dropped dramatically. The city requested bid proposals for a new contract starting January 1, 2020. The bids came back at \$90.00 per ton or an estimated additional annual cost of \$362,864.

The recycling truck and cart purchase will be allocated to the new Recycling Utility Fund. The carts will arrive in April or May.

Public Works staff secured a one-time \$296,000 grant for the recycling partnership. Maintaining the grant will require documenting, monitoring and reporting to ensure the city adheres to the conditions of the grant.

The Department of Public Works has entered into contract with Sun Graphics Media to manage marketing for public education of the new automated recycling

garbage program.

Motion by Alderperson Wolf, seconded by Alderperson Savaglio to recommend the Common Council adopt the resolution. Motion carried.

3.6 DIRECT REFERRAL: RES 93 - 19 - 20 / SEPTEMBER 23, 2019: Resolution authorizing the adjustments to the " 2020 Requested" column of the 2020 Budget related to TID 17 and TID 18.

Finance Director/Treasurer Marty Halverson discussed the two interest notations within the Debt Service Fund. One was favorable in the amount of \$17,472.50, and the other was unfavorable of \$149,862.50. The net adjustment to the Deb Service Fund was a \$132,390 increase in expenditures.

Director Halverson disclosed a major change to the State shared revenue. The decrease of \$583,372.00 resulted from closure of the Alliant Energy's Edgewater Generating Station - Unit

4. The change will require higher than anticipated use of fund balance. In 2020 the budget will need to be reviewed carefully when developing the 2021 budget due to the the reduced shared revenue payment.

Motion by Alderperson Wolf, seconded by Alderperson Savaglio to recommend the Common Council adopt the resolution. Motion carried.

3.7 DIRECT REFERRAL / SEPTEMBER 23, 2019 / RO 81 - 19 - 20: Finance Director submitting an action plan for the Finance Department related to, but not limited to, the audit findings from the 2018 Comprehensive Annual Financial Report (CAFR).

Director Halverson distributed Audit Findings Action Plan in which the 2018 CAFR identified the areas that require improvement. While many areas need attention, documentation of policies and lack of continuing education by the staff are areas of improvement that the Finance Department has already begun to correct. The senior accountant has taken the lead on the documentation of policies. The Finance Department team indicated 50 areas that need to be addressed within the Finance Department. These improvements will lead to fixes for the audit findings and improve effectiveness of the department. The department is currently adequately staffed but a quick turnaround for improvements will require additional resources. The team confirmed to working on documentation and definition of policies and procedures for the Finance Department. It is estimated the team has achieved a 10 percent completion rate of the documentation process. The continuing education process has begun with the Auditor/Analyst attending the Municipal Treasurers Institute in July, and an Ehlers Tax Levy Workshop. The Finance Director and Senior Accountant are scheduled to attend a GFOA conference in November.

Committee Chair Donohue would like quarterly update reports on progress.

Motion by Alderperson Wolf, seconded by Alderperson Savaglio to recommend the Common Council adopt the resolution. Motion carried.

DATE OF NEXT REGULAR MEETING:

October 14, 2019.

ADJOURN Motion by Alderperson Wolf, seconded by Alderperson Savaglio to adjourn at 5: 39 p.m. Motion carried.