

CITY OF SHEBOYGAN

FINANCE AND PERSONNEL COMMITTEE

MONDAY, AUGUST 12, 2019

Chair Donohue called the meeting to order at 5: 00 p.m. The Pledge of Allegiance followed.

COMMITTEE MEMBERS PRESENT: Chair Mary Lynne Donohue, Alderpersons Trey Mitchell and Todd Wolf

COMMITTEE MEMBERS EXCUSED: Vice Chair Jim Bohren, Alderperson Markus Savaglio

STAFF / OFFICIALS PRESENT: City Attorney Chuck Adams, City Administrator Darrell Hofland, Director of Public Works David Biebel, Finance Director/Treasurer Marty Halverson, Director of Planning and Development Chad Pelishek, Director of Human Resources and Labor Relations Sandy Rohrick, Superintendent of Facilities, Traffic and Signs Michael Willmas, Police Lieutenant Bill Adams, Police Lieutenant Kurt Zempel, Mead Public Library Business Manager Debbie DeAmico, Assistant to the City Administrator Carrie Arenz, Senior Accountant Stacey Strittmater, Auditor/Analyst Laurie Suhrke, Payroll/Benefits Administrator Jennifer Lawrence, Human Resources Generalist Melissa Ness

PUBLIC PRESENT: Tom Yach, Roger Green, Brent Rempe, Jared Levy

MINUTES

Motion by Alderperson Wolf, seconded by Alderperson Wolf to approve the minutes of July 22, 2019. Motion carried.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

3.1 RO 53 - 19 - 20 / AUGUST 5, 2019 / DOC

3.2: Amended Summons and Notice of Object to Action in the matter of Wisconsin Bank & Trust v. Scott M. Matula et al.

City Attorney Chuck Adams indicated the city no longer has interest in the court action.

Motion by Alderperson Wolf, seconded by Alderperson Mitchell to recommend the Common Council receive and file the document. Motion carried.

3.2 RO 55 - 19 - 20 / AUGUST 5, 2019 / DOC

3.4: Proposal from American Fidelity Assurance Company regarding their services as a third party administrator to provide Section 125 (cafeteria plan") administration and Flexible Benefit Plan administration, enrollment solutions related to the health plan sponsored by the City of Sheboygan and other supplemental benefits.

Director of Human Resources and Labor Relations Sandy Rohrick provided an overview of the service proposal by American Fidelity Assurance Company (AFAC) to become the third party administrator for the city. Director Rohrick requested to move forward with changing the administration of these programs to AFAC. Representatives from AFAC reviewed the services to be provided to employees, including online enrollment assistance via technology, three additional voluntary benefit options, as well as additional employee education. The services are provided at no additional cost to the city. Director Rohrick indicated the city currently pays a monthly per employee fee with the current service administrator. Handouts from AFAC were provided explaining expense management services. The three additional voluntary benefit options include an individual cancer plan, an individual hospital stay plan, and individual life insurance for additional coverage via term or whole life. These are offered with a six month look back for employee. No physical exam would be required.

Motion by Alderperson Wolf, seconded by Alderperson Mitchell to recommend the Common Council receive the RO and adopt the document. Motion carried.

3.3 RES 59 - 19 - 20 / AUGUST 5, 2019 / DOC

4.2: Resolution authorizing the appropriate City Officials to execute an Acceptance Form and accept the Liability Insurance Proposal dated June 30, 2019 from Cities and Villages Mutual Insurance Company.

Director of Finance /Treasurer Marty Halverson presented information regarding premium differences for liability insurance and savings options. The analyzed savings was not significant enough to increase the deductible limit. At this time, the current option with Cities and Villages Mutual Insurance Company (CVMIC) offers the best plan long term for the city. Director Halverson noted the city has a strong, positive relationship with CVMIC.

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

3.4 RES 60 - 19 - 20 / AUGUST 5, 2019 / DOC

4.3: Resolution authorizing the appropriate City Officials to execute a Client Service Agreement between the City of Sheboygan and Grota Appraisals, LLC with regard to assessment services for the period January 1, 2020 through December 31, 2020.

City Administrator Darrell Hofland indicated the city has held a business relationship with Grota Appraisals, LLC since 2016. Administrator Hofland provided historical context and options for going forward with the agreement. In 2018, the city became out of compliance in meeting the required percentage valuation of property. The city now has five years to become compliant in this area. The contract cost for the current three year period is \$270,000 per year. The contract cost for the upcoming three year period will increase to \$290,000. Administrator Hofland recommends entering the contract with Grota Appraisals, LLC for the period of 2020 - 2022 at a cost of \$290,000 annually. Administrator Hofland added that if the city experiences a significant change in property value, the contract could be re-negotiated to include a city-wide reassessment prior to the end of the three year period. The city is very satisfied with their service and the Grota Appraisal staff.

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

3.5 RES 61 - 19 - 20 / AUGUST 5, 2019 / DOC

4.4: Resolution authorizing the appropriate City Officials to execute the agreement for transit service between the City of Sheboygan and the City of Sheboygan Falls.

Administrator Hofland presented updates on the agreement with the City of Sheboygan Falls for 2019 transit services. Administrator Hofland shared that historically the city has been unable to enter into a written agreement with the City of Sheboygan Falls for the services. Recently, Administrator Hofland and Director of Transit and Parking Derek Muench attended meeting with officials from the City of Sheboygan Falls and were successful in obtaining a written agreement for 2019. Capital costs

will be

built into the terms of the anticipated agreement for 2020.

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

3.6 RES 62 - 19 - 20 / AUGUST 5, 2019 / DOC

4.5: Resolution adopting certain changes to the City's Medical Benefit Plan and Dental Benefit Plan effective for calendar year 2020 coverage and establishing the monthly premium equivalent rates effective for January, 2020 coverage and thereafter.

Director Rohrick presented information regarding the health insurance fund. In recent years the health

insurance fund has experienced a decrease in its fund balance. The city is current

considering a five percent premium increase for 2020. Director Rohrick indicated the city

will not contribute

to employee s Health Savings Account (HSA) this coming year. City HSA contributions last year were \$400 for an individual plan and \$800 for a family plan. Director Rohrick also indicated the city is reviewing if the adequacy of the health insurance opt-out incentive for employees, currently \$1200 annually. American Fidelity Assurance Company representatives indicated typically an industry-wide opt-out incentive is two to three times the amount currently offered by the city.

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

3.7 RES 63 - 19 - 20 / AUGUST 5, 2019 / DOC

4.6: Resolution authorizing a transfer of appropriations in the 2019 Budget for the purpose of establishing estimated revenue and appropriation for purchasing trees related to the City's tree planting project to replace Ash trees.

Director Halverson confirmed this document is to account for the increased expenditures to the Urban Forestry Management program to combat the Emerald Ash Borer infestation. The funds under consideration are grant funds.

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

3.8 RES 67 - 19 - 20 / AUGUST 5, 2019 / DOC

4.10: Resolution authorizing a transfer of appropriations in the 2019 Budget.

Director Halverson explained the funds are needed to address recent changes in the Finance Department adding an additional staff, an unexpected long term staff vacancy, external audit support activities, and the upcoming operational assessment. The

General Fund's

contingency fund would be used. Alderperson Wolf supported the positive changes and progress the department is making.

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

3.9 GEN ORD 14 - 19 - 20 / AUGUST 5, 2019 / DOC

6.2: General Ordinance amending Section 82 - 33 of the Sheboygan Municipal Code so as to modify the Department of Public Works Table of Organization.

Director of Public Works David Biebel proposed changes in staff based on a reorganization completed in January. A current vacant custodian position in the Public Works Department would become 0.50 full time equivalent (FTE). This change allocates a total of 1.50 FTE to meet the maintenance needs City Hall. The remaining vacant 0.50 FTE position has been used to fund the full time Forester position created and filled in January. This change is budget neutral as the position exists as a vacancy in the Department of Public Works budget.

Motion by Alderperson Wolf, seconded by Alderperson Mitchell to recommend the Common Council adopt the general ordinance. Motion carried.

ITEMS FOR DISCUSSION ONLY

4.1 BENCHMARKS: Office of the City Administrator

Administrator Hofland presented the City Administration Strategic Plan Benchmark Measurements through June 30, 2019.

4.2 BENCHMARKS: Department of City Development - Planning Division

Director of City Development Chad Pelishek provided a summary of 2019 Quarter Two benchmark results. The department is working on the master redevelopment plan for downtown and Riverbend development areas. A lighting assessment was conducted with help of the Police Department to create a map indicating darker neighborhood areas. This report was then provided to Alliant Energy for additional LED lighting in the darkest areas. The project is expected to be completed by the end of 2019. An existing grant of \$50,000 is funding the lighting improvement project. Work also continues on the Pop-Up Shop initiative for downtown Sheboygan. Three pop-up shops will open October 1 on Eighth Street. The temporary businesses include Hometown Barkery, Cultivate Tastes tea shop and a third with women s handbags and accessories. These shops will run through December 31. The Livable Sheboygan Plan is complete and will be submitted to the AARP this month. The federal Housing and Urban Development plans are also submitted to support funding projects.

ADJOURN

Motion by Alderperson Wolf, seconded by Alderperson Mitchell to adjourn at 5:48 p.m. Motion carried.