

CITY OF SHEBOYGAN

AMENDED FINANCE AND PERSONNEL COMMITTEE

MAY 14, 2018

Chair Rindfleisch called the meeting to order at 4: 00 p.m. The Pledge of Allegiance followed.

COMMITTEE MEMBERS PRESENT:

Chair Alderperson Ron Rindfleisch, Vice-Chair Jim Bohren, Alderpersons Mary Lynn Donohue, Trey Mitchell and Todd Wolf

STAFF / OFFICIALS PRESENT:

Mayor Michael Vandersteen, City Attorney Charles Adams, City Clerk Meredith DeBruin, Director of Public Works David Biebel, Finance Director Nancy Buss, Director of Planning and Development Chad Pelishek, IT Director Greg Vertelka, Director of Human Resources and Labor Relations Sandy Rohrick, Assistant City Attorney Thomas Cameron, Mead Public Library Business Manager Debbie DeAmico, Budget Analyst Carrie Arenz.

MINUTES

Motion by Alderperson Wolf, seconded by Alderperson Donohue to approve the minutes of April 9, 2018. Motion carried.

ITEMS FOR DISCUSSION & POSSIBLE ACTION

3.1 RO 13 - 18 - 19 / MAY 7, 2018 / DOC

4.7: Comprehensive Annual Financial Report of the City of Sheboygan for the year ended December 31, 2017, prepared by Schenck SC. Presentation by Bryan Grunewald, Schenck SC.

Schenck SC presented details of the recently completed audit and the Comprehensive Annual Financial Report (CAFR) including a positive addition to the General Fund balance in 2017 of nearly \$1.4 million. The CAFR includes an independent audit report, internal control over financial reporting and a report on Federal and State assistance compliance. There were no internal control findings issues or concerns, as well as no indication of non-compliance with Federal and State financial assistance. General Fund reserves are in

strong financial condition. Outstanding general obligation debt of \$35.2 million remains at a low level compared to the statutory limit with a strong repayment schedule. 64 percent of General Obligation debt will be repaid within the next five years. Schenck indicated that bond agencies would consider the General Obligation debt ratio for the City of Sheboygan to be very strong. General Fund balances remain strong at 58.3 percent with growth of unassigned Fund Balance indicating steady growth in this area. The Harbor Centre Marina Fund was discussed. Staff will continue to monitor and provide details of Federal and State grant funding to the Finance Department.

Motion by Alderperson Wolf, seconded by Alderperson Donohue to recommend the Common Council approve. Motion carried.

3.2 RES 13 - 18 - 19 / MAY 7, 2018 / DOC

5.2: Resolution for the sale of approximately \$25,465,000 General Obligation Promissory Notes and Note Anticipation Notes. Presentation by Carol Wirth, Wisconsin Public Finance Professionals, LLC.

Wisconsin Public Finance Professionals, LLC presented the report on the financing of the 2018 projects. All projects included in the bond proposal were in the 2018 Budget with the exception of the TID 18 Business Park expansion. Issue 1 of the proposal includes typical bond funding for the city's Capital Improvements Projects, TID 14 reconstruction on Taylor Drive and TID 16 Halprin Water Fountain / Lighting. Issue 2 is a tax exempt Note Anticipation Note (NANS) Short Term Note encompassing TID 18 Business Park. This is not considered General Obligation debt in statutes. The intention is to refinance with General Obligation refunding bonds, reserving debt capacity for future use. Issue 3 is a taxable NANS covering a portion of the City Hall renovation and TID 18 Business Park, including the private purpose portion. All three issues are combined within this single resolution.

Motion by Alderperson Wolf, seconded by Alderperson Donohue to recommend the Common Council approve. Motion carried.

3.3 RO 7 - 18 - 19 / MAY 7, 2018 / DOC

4.1: Submitting the 2019 preliminary budget fiscal factors for guidance prior to departmental budget preparation.

Finance Director Nancy Buss presented the 2019 Budget fiscal factors. 2019 Budget preparation will begin next week with completion in July. This budget captures financial growth generated from \$45 million of net new construction, the expenditure restraint program, additional transportation aids, an increase in salaries / benefits and health insurance, as well as a reduction in elections. Although the 2017 Budget was adopted as a balanced budget, it generated nearly \$1.4 million in revenue over expenditures to increase the General Fund balance by that same amount. The 2019 Budget is projecting a \$906,050 shortfall. Chair Rindfleisch indicated his support of this document in light of the positive results of the 2017 Budget.

Motion by Alderperson Donohue, seconded by Alderperson Mitchell to recommend

the Common Council accept and file. Motion carried.

3.4 RO 8 - 18 - 19 / MAY 7, 2018 / DOC

4.2: Submitting Capital Improvement Projects (CIP) for the years 2019 - 2023 for the Department of City Development.

Director of Planning and Development Chad Pelishek presented the Capital Improvements Projects for 2019. These projects include requests for funding for the following; a detention pond for a proposed south west side housing development within the TID 18 area, development of a master plan for the west side of the Sheboygan River to be vacated by Mayline / Safco, signage, landscaping and improvements to the SouthPointe Enterprise Campus area, updated City of Sheboygan entry signage located on Highways 42, 23 and 28, parking structure design for the Innovation District, and a land acquisition of former rail road right of way to be used as a bicycle / pedestrian path.

Motion by Alderperson Bohren, seconded by Alderperson Wolf to recommend the Common Council accept and file. Motion carried.

3.5 RO 9 - 18 - 19 / MAY 7, 2018 / DOC

4.3: Submitting Capital Improvement Projects (CIP) for the years 2019 - 2023 for the Department of Information Technology and WSCS Cable TV Fund.

Director of IT Greg Vertelka presented the Capital Improvements Projects for 2019. These projects include requests for funding for the following IT projects; reconstruction of the data center upon return to City Hall, an enterprise backup system to match the upgraded disc capacity, asset management software for utilization by the Public Works Department, and an upgrade to Microsoft Office. These projects include requests for funding for the following Cable TV projects; I-Net replacement system to upgrade the coaxial cable currently connecting WSCS to Spectrum (Note: In order to improve picture quality, Spectrum needs to broadcast WSCS in high definition, which is not the current practice),

and Live-U to allow live broadcast to Spectrum.

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

3.6 RO 10 - 18 - 19 / MAY 7, 2018 / DOC

4.4: Submitting a request from the Director of Planning and Development, accepting \$20,000 in sponsorship contribution towards the 2018 City's Freedom Fest Celebration from the Vollrath Company.

Director of Planning and Development Pelishek noted the Vollrath Company, LLC committed their sponsorship to 2019 and potentially 2020.

Motion by Alderperson Wolf, seconded by Alderperson Mitchell to recommend the

Common Council approve. Motion carried.

3.7 RO 12 - 18 - 19 / MAY 7, 2018 / DOC

4.6: Submitting a request from the Director of Planning and Development, the requested grant funds from public service agencies from 2018 Community Development Block Grant program.

Director of Planning and Development Pelishek presented distribution of \$867,000 in Community Development Block Grant funds. This grant is \$75,000 higher than the 2017 Community Development Block Grant funds.

Motion by Alderperson Wolf, seconded by Alderperson Donohue to recommend the Common Council approve. Motion carried.

3.8 RO 15 - 18 - 19 / May 7, 2018 / DOC

4.9: Submitting Capital Improvement Projects (CIP) for the years 2019 - 2023 for the Department of Human Resources.

Director of Human Resources and Labor Relations Sandy Rohrick presented one Capital Improvements Project request for 2019 including an update to the city's ADA Compliance Plan per the 2014 Federal mandate.

Motion by Alderperson Donohue, seconded by Alderperson Wolf to recommend the Common Council accept and file. Motion carried.

3.9 RES 12 - 18 - 19 / MAY 7, 2018 / DOC

5.1: Resolution to authorize the transfer appropriations in the 2018 Budget for the purpose of establishing appropriation for the City Hall renovations utilizing General Fund unreserved fund balance in the amount of \$2,500,000. Establish appropriations for land improvements in the SouthPointe Enterprise Campus in the amount of \$12,448,541.

Finance Director Buss noted that all projects were included in the 2018 Budget with the exception of the improvements to the industrial park. Initially, only the land acquisition was included. However, potential development requests are coming in much quicker than originally anticipated.

Motion by Alderperson Wolf, seconded by Alderperson Bohren to recommend the Common Council approve. Motion carried.

ITEMS FOR DISCUSSION ONLY

4.1 BENCHMARK MEASUREMENTS: Office of the City Clerk

City Clerk Meredith DeBruin presented the first quarter 2018 benchmark measurements for the Office of the City Clerk.

4.2 BENCHMARK MEASUREMENTS: Information Technology Department

IT Director Vertelka presented the first quarter 2018 benchmark measurements for the Information Technology Department.

4.3 BENCHMARK MEASUREMENTS: WSCS Cable TV

IT Director Vertelka presented the first quarter 2018 benchmark measurements for WSCS Cable TV.

4.4 BENCHMARK MEASUREMENTS: Department of City Development

Director of Planning and Development Pelishek presented the first quarter 2018 benchmark measurements for the Department of City Development.

4.5 BENCHMARK MEASUREMENTS: Human Resources Department

Director of Human Resources and Labor Relations Rohrick presented the first quarter 2018 benchmark measurements for the Human Resources Department.

4.6 BENCHMARK MEASUREMENTS: Office of the City Administrator

Budget Analyst Carrie Arenz presented the first quarter 2018 benchmark measurements for the Office of the City Administrator.

4.7 BENCHMARK MEASUREMENTS: Finance Department

Director of Finance Buss presented the first quarter 2018 benchmark measurements for the Finance Department.

DATE OF NEXT REGULAR MEETING June 11, 2018

ADJOURN

Motion by Alderperson Wolf, seconded by Alderperson Donohue to adjourn at 6: 03 p.m. Motion carried.