

CITY OF SHEBOYGAN

FINANCE AND PERSONNEL COMMITTEE

FEBRUARY 22, 2021

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

COMMITTEE MEMBERS PRESENT: Chair Mary Lynne Donohue (remote), Vice Chair Jim Bohren (remote), Alderperson Roberta Filicky-Peneski (remote), Alderperson Trey Mitchell (remote), Alderperson Markus Savaglio (remote)

STAFF / OFFICIALS PRESENT: Mayor Mike Vandersteen, City Attorney Chuck Adams (remote), City Administrator Todd Wolf, Director of Public Works David Biebel, Director of Planning and Development Chad Pelishek (remote), Director of Human Resources and Labor Relations Vicky Schneider, Interim Finance Director Daniela Tainer-Partipilo, Fleet Supervisor Rick Ney, Assistant City Attorney Thomas Cameron (remote), Assistant to the City Administrator Carrie Arenz

PUBLIC PRESENT: Carol Wirth-Wisconsin Public Finance Professionals, LLC (remote), Matt Jaskowiak-Enterprise Fleet Management, Adam Weber-Enterprise Fleet Management

MINUTES

Motion by Alderperson Savaglio, seconded by Alderperson Mitchell to approve minutes of February 8, 2021. Motion carried.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

3.1 R.O. 132 - 20 - 21 / FEBRUARY 1, 2021 / DOC

3.3: Submitting a Summons and Complaint in the matter of Roswitha T. Both vs. City Plan Commission of the City of Sheboygan.

City Attorney Chuck Adams confirmed this matter has been dismissed with prejudice by the plaintiff.

Motion by Alderperson Savaglio, seconded by Alderperson Filicky-Peneski to

recommend the Common Council file the document. Motion carried.

3.2 R.O. 144 - 20 - 21 / FEBRUARY 15, 2021 / DOC

3.8: Submitting the City of Sheboygan 2021 Long Term Financial Plan to the Common Council.

City Administrator Todd Wolf presented the 2021 Long Term Financial Plan, submitted in accordance with the existing 2017 - 2022 Strategic Plan. In 2022, the Plan will be updated to encompass the extension of the Strategic Plan through 2027. During this extension, changes will be put in place to bridge to the upcoming 2023 - 2027 Strategic Plan. Discussion continued regarding the need for changes generated at the state legislative level to support municipal government and relieve the strict financial constraints which the legislature has placed on municipalities.

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

3.3 R.O. 145 - 20 - 21 / FEBRUARY 15, 2021 / DOC

3.9: Submitting an analysis of the Motor Vehicle Division of the Department of Public Works non-commercial driver's license vehicles (Non-CDL light duty by Enterprise Fleet Management). The analysis describes the current state of the fleet and its limitations, provides alternative to shorten the life cycle and maximize the equity at the time of resale. In addition, the program will improve operating and capital financials.

Administrator Wolf and Director of Public Works David Biebel introduced the proposed fleet lease program. In accordance with Administrator Wolf's 2021 State of the City address, this lease program lends support to the City's neglected fleet, saves money and provides safer equipment. Numerous cities/counties in Wisconsin and throughout the nation are utilizing this leasing program. This document is under consideration at Public Works Committee on February 23 as well. The light-duty portion of the Public Works fleet consists of approximately 58 pieces of equipment, and represents 64 percent of the overall fleet, having an average age of 12 years. This leasing program would provide nearly \$250,000 of annual relief to the City's General Obligation Bond issuances, allowing focus for bonded purchases to shift to heavy-duty vehicles when replacement is necessary. The program will reduce the average age of the fleet from 12 to three years, giving the City the opportunity to maximize on higher trade-in values. Matt Jaskowiak and Adam Weber, both of Enterprise Fleet Account Management provided a thorough presentation of the leasing program. At the City's current pace for light-duty vehicle replacements, it will take 20 years to cycle through the entire fleet replacement. The leasing program is anticipated to realize annual ongoing sustainable savings of \$39,292. The vehicle maintenance program was discussed. Alderperson Savaglio inquired on use of resources for maintenance. Administrator Wolf confirmed the lease program provides the ability to shift maintenance resources to heavy-duty vehicles and equipment. Director Biebel discussed the history of the Motor Vehicle department, which currently operates with one unfilled technician position. The department absorbed all Fire Department vehicle maintenance as well. Management of the light-duty vehicle maintenance plans under the proposed lease agreement were discussed. Alderperson Bohren inquired on the addition of Police vehicles

to the lease program. Administrator Wolf confirmed expansion of the program is under review.

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

3.4 RES 168 - 20 - 21 / FEBRUARY 15, 2021 / DOC

4.5: RESOLUTION PROVIDING FOR THE SALE OF APPROXIMATELY \$3,660,000 TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021 B.

Carol Wirth, President, Wisconsin Public Finance Professionals presented information outlining the issuance of Taxable General Obligation (GO) Refunding Bonds, Series 2021 B. The purpose of the issuance is stretch out the payment timeline for these three previous issuances. This issuance allows the City to realize savings and restructure existing GO debt to ensure that debt payments fall within the City's allowable tax levy which is allocated for debt payments. Currently, interest rates are at historically low levels. In 2019, the City utilized a current refunding as a means to reduce the impact on the City's tax levy, and plan for manageable future GO debt payments. This resolution completes the advanced refunding of the 2015, 2016 and 2017 notes, while locking in low interest rates. Discussion regarding the impact of the advanced refunding program, its impact on existing GO debt, future debt issuances, and on the City's overall budget followed.

Motion by Alderperson Filicky-Peneski, seconded by Alderperson Mitchell to recommend the Common Council adopt the resolution. Aye-Donohue, Filicky-Peneski, Mitchell; Nay-Bohren, Savaglio. Motion carried.

3.5 DIRECT REFERRAL RES 175 - 20 - 21 / FEBRUARY 22, 2021: A RESOLUTION approving the Investment Policy of the City of Sheboygan.

Administrator Wolf provided historical detail of the City's existing policy, in which use varied among financial institutions. The policy was created in 1995, and most recently updated in 2011. This policy complies with state statutes and provides a current, comprehensive program in which to manage the City's funds in changing market conditions. This overarching policy will be used consistently at all financial institutions. Assistant City Attorney Thomas Cameron discussed policy, its compliance with state statutes, and its guidance to use the highest rated secure investments. This policy has been placed on a schedule to be reviewed and updated every 3 - 5 years.

Motion by Alderperson Filicky-Peneski, seconded by Alderperson Bohren to recommend the Common Council adopt the resolution. Motion carried.

DATE OF NEXT REGULAR MEETING: March 8, 2021 5: 00 PM

ADJOURN

Motion by Alderperson Filicky-Peneski, seconded by Alderperson Savaglio to adjourn at 7: 01 p.m. Motion carried.