

FINANCE COMMITTEE MINUTES  
November 29, 2011  
City Hall – Council Chambers

Chairperson Scott McMeans called the meeting to order at 6:30 PM

Present: Alderpersons, Scott McMeans, Christopher T. Able, Matt Kadow, Collin Braunel and Alex Olson.

Absent: None

Also Present: Acting Finance Director/Treasurer Tony Scherer, Alderpersons Jill Hennessey, Dave Soeldner, Jason Sladky and Jim Brey (6:42), City Clerk/Deputy Treasurer Jennifer Hudon, City Attorney Juliana Ruenzel, Assistant City Attorney Kathleen McDaniel, Police Chief Tony Dick, Fire Chief Bill Manis, City Planner David Less, Director of Building Inspection/Facilities Manager Jim Muenzenmeyer, Director of Public Works/Parks & Recreation and City Engineer Valerie Mellon, Deputy Director of Public Works/Parks & Recreation and City Engineer Greg Minikel, DPW Operations Manager Randy Junk, Fleet Manager Kevin Glaeser, Transit & Cemetery Manager Derek Muench, DPW Business Manager Mike Huck, Recreation and Zoo Supervisor Jeremy Crees, Finance Business Manager Kim Lynch, Director of the Rahr-West Museum Greg Vadney, Director of Public Library Cherylyn Stewart, various city employees and members of the public and news media.

**Public Input**

Alderman McMeans opened the meeting for public input. No members of the public accepted his invitation to speak.

**Presentation and Discussion of Springsted Report**

Springsted Vice President Joe Murray introduced his team of financial analysts. Mr. Murray explained their process and analysis of expenditures, revenues, and short term borrowing. Springsted pointed out some deficiencies in financial reporting. Mr. Murray stated that there were both good things going on in the City as well as areas where improvements could be made.

He then went through their report and summarized it for the Committee. Springsted pointed out their findings, including but not limited to the following areas: the hiring of a Finance Director and Human Resources Director; shared Fire and Police services with the City of Two Rivers; shared clerical resources; health insurance opt out plan; maximize shared services between DPW, Parks and Recreation; review the need for a DPW parts clerk; combine GIS services; potential for information technology savings; organized volunteer efforts; review funding of non-essential services like the zoo, senior center, Rahr-West Museum, marine band, symphony, etc.; debt refinancing; eight best practices; shortfalls in existing fees & charges, right of way fees, special assessments, TIF administrative costs, enterprise stormwater utility, ambulance fees, healthcare design and short term borrowing.

A question and answer period followed with discussion on stormwater utility implementation/billing costs, retrofitting costs for shared services model, short term borrowing for operations, borrowing rates, credit rating shortcomings, MPU borrowing, City defaulting/bankruptcy option, asset disposal and the calculation of utility right-of-way revenue sources. That concluded the discussion of the Springbrook Report.

Next the Committee discussed the closing of the Citizen Park building. Operational/maintenance costs and capital needs were discussed. Alderperson Hennessey and others questioned the discussion, mentioning that the Committee should focus on budget reductions as opposed to budget add-backs.

The discussion then turned to labor costs and revenue enhancements. Alderperson Soeldner suggested a reduction of \$50,000 to DPW overtime in the snow & ice operations.

Motion by Alderperson Kadow, second by alderperson Olson to reduce the expense account 1100-32260-511200 from \$100,000 to \$50,000. Director of Public Works/Parks & Recreation and City Engineer Valerie Mellon addressed the issue with concerns for the Committee. Motion passed unanimously.

The Committee followed up with a discussion about health insurance. Different plans and options were reviewed. Mentioned in the discussion was an increase in employee contributions from 12.5% to 22.5 %. Savings were estimated at \$180,000. No action was taken at this time.

Jim Brey brought forward a suggestion to reduce the Mayor's membership dues by \$3,510. The Committee had a short conversation on the matter.

Motion by Alderperson McMeans, second by alderperson Olson to reduce the expense account 1100-15200-532400 by \$3510 to last years funding level of \$3,380. Motion passed unanimously.

The Committee then discussed employee expenses. Motion by Alderperson Olson, second by alderperson Braunel to remove an additional \$500,000 from operations (through the contra account). The Committee had a long discussion expressing the lack of detail in the motion and the consequences of the additional reductions to city services. Motion passed 3-2 with Alderpersons Able and Kadow dissenting.

Following the motion the Committee held discussions about out-of-town EMS services, the closing of Fire Station #4, borrowing (lines of credit) and MPU land and plant asset ownership.

Alderperson Kadow motioned to secure a line of credit for the remaining balance of \$1,744,590. Motion was second by Alderman Able. Alderperson Olson made a friendly amendment to move the remaining budget gap of \$1,744,590 to the Committee of the Whole. The Committee had some discussion regarding the timing of the 2010 CAFR and the 2012 Budget presentation. Also discussed was the possible borrowing of funds from the Manitowoc Public Utilities for the 2011 deficit. The amendment was accepted by Alderman Able. Motion passed 4-0-1 with Alderperson Able silent.

Motion by Alderperson Olson, second by Alderperson Kadow to adjourn. Motion carried unanimously. Chairperson McMeans declared the meeting adjourned at 8:43 PM.

Alderperson Scott McMeans  
Chairperson  
Finance Committee

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By: Anthony J. Scherer  
Interim Finance Director

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