

**Finance & Personnel Committee
of the City of Onalaska**

Wednesday, January 3, 2018

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1 The Meeting of the Finance & Personnel Committee of the City of Onalaska was called to order
2 at 7:15 p.m. on Wednesday, January 3, 2018. It was noted that the meeting had been announced
3 and a notice posted at City Hall.

4
5 Roll call was taken, with the following members present: Ald. Jim Olson, Ald. Harvey Bertrand,
6 Ald. Bob Muth

7
8 Also Present: City Administrator Eric Rindfleisch, Mayor Joe Chilsen, Financial Services
9 Director/Treasurer Fred Buehler, Human Resource Director Hope Burchell, Parks and
10 Recreation Director Dan Wick, Police Chief Jeff Trotnic, Ald. Jim Binash, Ald. Jerry Every,
11 Ald. Ron Gjertsen, Robert W. Baird Managing Director Brad Viegut, Monica Hauser of
12 Hawkins Ash CPAs

13
14 **Item 2 – Approval of minutes from the previous meeting**

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16 Motion by Ald. Olson, second by Ald. Bertrand, to approve the minutes from the previous
17 meeting as printed and on file in the City Clerk’s Office.

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19 On voice vote, motion carried.

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21 **Item 3 – Public Input (limited to 3 minutes/individual)**

22
23 Ald. Muth called three times for anyone wishing to provide public input and closed that portion
24 of the meeting.

25
26 **Consideration and possible action on the following items:**

27
28 **FINANCE**

29
30 **Item 4 – Omni Center financials for 2017**

31
32 Fred said the Omni Center financials included in committee members’ packets are through
33 November. Revenues totaled \$523,524.29, and expenditures, which are one month behind,
34 totaled \$505,838.70 for a \$17,685.59 surplus. Fred reminded committee members that items
35 paid in January typically are December’s business.

36
37 Motion by Ald. Muth, second by Ald. Olson, to approve the Omni Center financials for 2017.

38
39 Ald. Muth asked Fred, “We still have December?”

40
41 Fred said, “December revenue, and you’ll also have the bills that we paid in December for
42 November. You’ll also have December’s bills paid in January, which will be recorded back as

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43 accounts payable.”

44

45 Dan said, “I’m on Fred quite frequently to try to get these numbers where we’re at. Right after
46 the last Council meeting [December 12], Fred did give me ... The bills paid through November
47 also has payroll in for the month of December. Currently where we sit, as of the last bills, we
48 show a deficit of \$12,000. What that includes is \$20,000 of payroll, so we have all of
49 November’s bills paid. And we have \$20,000 of payroll that has already hit our books that is in
50 that figure.” Dan noted there is approximately \$9,000 from events and concessions revenue for
51 December in this number, and he asked committee members to keep in mind he does not have
52 room tax statistics for November and December. Dan noted there was approximately \$6,000 of
53 room tax per month for November and December of 2016, and he said the deficit would be
54 erased if that is the case for November and December of 2017. Dan said November, December,
55 January and February typically are profit months for the Omni Center due to the amount of ice
56 being utilized. Dan expressed confidence he will have “some very good news to share” in
57 February.

58

59 On voice vote, motion carried.

60

61 **Item 5 – General Fund Financials 2017**

62

63 Fred noted the revenues are through November, and expenditures represent bills for November
64 paid in December. Fred referred to Account No. 100-53311-370 (“Salt and Sand”) under the
65 Street Department and said the Board of Public Works estimated there would be a deficit of
66 \$13,000 to \$15,000 in this account. There is a \$6,128.70 deficit listed in the financial report
67 before the committee.

68

69 Motion by Ald. Muth, second by Ald. Olson, to approve the General Fund Financials for 2017.

70

71 On voice vote, motion carried.

72

73 **Item 6 – Review and consideration of the 2018 Summary of Financing Plan for the
74 upcoming capital projects**

75

76 Brad said a different approach being taken for 2018, and he referred committee members to the
77 2018 Financing Plan included in their packets. Brad noted there are two sets of financings: Note
78 Anticipation Notes, and General Obligation Corporate Purpose Bonds. A Note Anticipation
79 Note is a short-term financing in anticipation of a long-term borrowing. Brad noted the City of
80 Onalaska has utilized a State Trust Fund Loan for the past several financings. A State Trust
81 Fund Loan funds projects that are ineligible for long-term bonding. Brad said, “With this
82 approach, we’re suggesting that instead of using a State Trust Fund Loan, borrow the funds that
83 are not eligible for a long-term bonding from your General Fund as a part of this Note
84 Anticipation Note.” Brad noted there are utility projects that are Capital Improvements Projects

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85 scheduled for 2018, and he said these funds will not be needed until 2019. Brad said, “Some of
86 those projects are set aside, figuring we’ll come back next year with long-term bondings that are
87 probably going to be Enterprise bondings. They’re not general obligations of the city; they’re
88 revenue-backed issues of the city. In the interim, there are some projects that are included in
89 your 2018 CIP for your Enterprise Funds which you will need funding for. Those projects are
90 also included in this Note Anticipation Note.” Brad said the specific projects are outlined under
91 the heading of “Purpose.” The following 2018 CIP projects are ineligible for long-term bonding,
92 but they are eligible for note financing:

93

- 94 • Wi-Fi upgrade/expansion at city buildings
- 95 • Ordinance updates for Zoning Code Plan
- 96 • Community Center redesign plan
- 97 • Replace two squad cars
- 98 • Boiler replacement to high efficiency
- 99 • Carpet Police Department first floor
- 100 • LED light replacement at City Hall
- 101 • Cemetery fence

102

103 The following projects are revenue-supported projects financed in 2018, and they would come
104 back for a 2019 issuance:

105

- 106 • Watermain replacement and street reconstruction (Holiday Heights, East & West Young
107 Drive, Medary Lane, Hoffman Place)
- 108 • Street reconstruction (King Street, 5th Avenue North to 6th Avenue North, Main Street to
109 Monroe Street)
- 110 • Riders Club Road street renovation
- 111 • Braund Street/PH design – street reconstruction
- 112 • Fiber computer cable (City Hall to Public Works and Library)
- 113 • SCADA System upgrades
- 114 • 6th Avenue lift station reconstruction

115

116 Brad said the structure of the note is slightly more than a one-year repayment period. One
117 maturity would be scheduled for July 2018. Brad said, “It’s not the intent that the city levies a
118 tax or takes Enterprise Funds to pay off the note. Instead, this time next year we’ll be talking
119 about a refinancing of that note into a long-term bonding for your General Obligation projects,
120 and also into a long-term bonding on the Enterprise projects. There will be several sets of
121 financings to accomplish that. I anticipate that the long-term bonding of the 2018 projects that
122 takes place in 2019 can be wrapped in with the city’s 2019 long-term projects. Ultimately, you
123 get to a very efficient financing where there’s one long-term bond that’s going to serve a couple
124 of years of projects. It’s going to help administratively. It’s one less debt issue to monitor. It’s
125 one less set of payments to wire to the bond holders. Along with this final maturity date

Reviewed 1/8/18 by Hope Burchell & Fred Buehler

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126 scheduled for July 1, 2019, there is a call feature that is the eligibility to prepay the debt, and that
127 begins on April 1, 2019. There's a three-month window there that the city has to lock in the
128 permanent financing. The purpose of that is to not have one set payment date that the city has to
129 get that financing locked in because if there would be a market disruption or if for some reason
130 you couldn't access the market or if there is a delay in preparations, if you have that one payment
131 date you're really stuck and you need to get something locked in by then. We've created some
132 flexibility here. Our intent would be to come back to you along the same type of a timeline that
133 we regularly follow, and that really gives us a nice time horizon to get something locked up."
134 Brad said the estimated interest rate on the note is 2.27 percent.

135
136 Brad addressed the General Obligation Corporate Purpose Bonds, and he said this bond issue
137 funds all the projects included in the city's Capital Improvement Program that are eligible to be
138 funded with long-term bonding. The exception is the Enterprise projects. Brad noted this is a
139 20-year repayment, with the final payment coming in 2037. First interest is scheduled for
140 October 2018. The estimated interest rate is 3.11 percent. Brad referred to the tentative timeline
141 listed on page 2 of the handout, and he told committee members that with Finance and Personnel
142 Committee approval the Common Council would take up initial resolutions at its February 13
143 meeting. The process of preparing the official statement, securing the bond rating, and
144 marketing the security out to investors would begin. Brad said he would appear before the
145 Common Council at its March 13 meeting and present the final rates. There would be two sets
146 of resolutions: one for the Note Anticipation Note, and one for the General Obligation Bond. If
147 the Council adopts those resolutions on March 13, the rates would be finalized at that point.
148 Brad said, "What I'm showing right now is our best estimates based on the current market
149 condition." The closing date would be April 3, and funds would become available at that time.

150
151 Brad referred to the boxed-in area on page 3 of the handout and said it represents the two sets of
152 financings that were just discussed: the Note Anticipation Note, and the General Obligation
153 Corporate Purpose Bonds. Brad said the data left of the box is the debt service of the city that is
154 supported by its tax levy. Brad referred to the data on the right side of the page and said the
155 combined debt service for 2018 is \$3,880,991. This total would increase to \$3,931,880 for 2019,
156 and decrease to \$3,815,774 in 2020, thereby allowing for future financings to be layered in to
157 fund the city's annual capital projects. Brad referred to the final page and noted the top of the
158 page shows what the Council has adopted for the 2018 CIP: the Sewer portion, Water portion,
159 Storm Water portion, and the General projects. The project amount funded by the Note
160 Anticipation Note is \$1,538,503. The project amount funded by long-term bonding is
161 \$3,568,637.

162
163 Brad said, "It's a little bit of a different approach, but this is common. This is a common
164 technique I've used with other municipalities trying to develop the most efficient mechanism of
165 financing. It does move away from the state for this year. But again, I believe it's going to be a
166 lower cost of debt and a more efficient financing given the circumstances we're working with."
167

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168 Fred referred to the page that lists the NAN and the General Obligation Corporate Purpose
169 Bonds, and he noted the city will utilize its fund balance to pay the interest payment.

170

171 Brad corrected Fred and said, “You’re not using fund balance. There’s going to be a premium
172 generated up front from the underwriters, the purchasers of the bond.”

173

174 Fred said, “That is a true statement for the NAN. The Note Anticipation Note assumes that the
175 NAN is going to be using funds on hand.”

176

177 Brad said this will only be for the 2018 payment, adding that 2019 will be wrapped into the long-
178 term financing.

179

180 Fred asked if all the resolutions will be sent to the Common Council.

181

182 Brad said all the initial resolutions will be sent to the Common Council.

183

184 Fred said all the initial resolutions will go directly to the Common Council for its January 9
185 meeting, adding there will be about eight initial resolutions.

186

187 Motion by Ald. Muth, second by Ald. Bertrand, to approve the 2018 Summary of Financing Plan
188 for the upcoming capital projects.

189

190 On voice vote, motion carried.

191

192 **Item 7 – Review and consideration of the draft of findings regarding the agreed-upon**
193 **procedure report from Hawkins Ash CPAs for the City’s portion of the Joint Municipal**
194 **Court**

195

196 Monica noted that committee members had received a copy of her report and said she would
197 discuss the three primary steps that were taken:

198

- 199 1. Understand the process for preparation and submission of the monthly Municipal Court
200 monthly financial report to the State of Wisconsin and the information that goes into that
201 report.

202

203 Monica said, “We got a good understanding of the process that’s happening now. The issue is
204 with the turnover in staff we had a hard time figuring out how things were done prior to the new
205 staff coming in. That’s one of the comments I make in [the report]. We know that collections
206 have changed significantly. That’s now all being done in the Finance office, and it’s getting
207 recorded in Incode software within the Finance office instead of being done in the Court Clerk’s
208 office.” Monica noted that Hildie McIntyre was hired as the new Municipal Court Supervisor in
209 October 2017 and she said, “We’re having an issue with following up and making sure the

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210 collections were getting done on citations. Now we're seeing a pretty solid procedure where
211 she's sending reminders within that software and regularly going back and visiting and looking
212 at those cases and making sure that if they're on a payment plan they're making payments. If
213 they're not making payments, it's getting turned over to the state. We now know that daily
214 reconciliations are being done in the Finance office. I don't believe this was being done before,
215 but again, I don't have the paperwork from back then as to how Amber [former Municipal Court
216 Supervisor Amber Jolly] or whoever was preparing that report, how they were actually getting to
217 the numbers. But currently, in Finance it's getting done daily to make sure that that report is
218 coming out correctly. [The report] says it appears that positive changes have been made to the
219 procedures for collections and reporting. Suggest to have written policies as to when open
220 citations are submitted to the SDC [State Debt Collection], TRIP, et cetera. It would ensure
221 some consistency and making sure that the staff in the Clerk's office, the Court office, knows
222 when they're supposed to be doing ... if they're going to wait or if the judge has to review the
223 file first, they know when that needs to get done versus now. I think it's pretty vague and I don't
224 think it's very procedural. I would recommend having some good documented procedures there.
225 Also, turnover is inevitable. We see it in our industry as well. Just having people write down
226 what they're doing and having some documentation just so that if something happens [such as] if
227 something were to happen to Hildie and she couldn't come into work for a week, can somebody
228 pick up and continue what she's doing?"

229
230 2. Determine if the information that goes into the Municipal Court Monthly Financial
231 Report to the state can be altered, or if it is completely generated from the computer
232 system. Determine the extent of altering that can be done to compile the Municipal Court
233 Monthly Financial Report to the state.

234
235 Monica said, "This is where we had a really hard time figuring out how Amber was generating
236 that report. We have a copy of the report. We can go back and regenerate it and get to the same
237 numbers. I'm assuming she just generates it out of Incode. But we didn't have a trail to be able
238 to figure out, was she going in and modifying anything within certain citations? How did she
239 make it work? We were unable to determine the method of generating the report submitted to
240 the state during the timeframe tested, which meant those months back. However, it can be
241 regenerated and we can recreate the original report. There used to be a balancing report done,
242 and then that report was submitted to the state. This process has changed. This is now running
243 through the Finance Department, and like I said earlier, it's getting reconciled daily and the
244 Finance Department is submitting that report. Our agreed-upon procedure was to test three
245 months. Two of those months [November 2015 and February 2017], we didn't have any issues
246 tying them out. We could tell there were no differences when she went from the reconciliation to
247 the state report. In May of 2016, we had some differences. I could not figure out how she was
248 coming up with the numbers. There were some adjustments that were being made, and certain
249 citations, when they were submitted to the SDC, there was an increase in a fine and then when it
250 was collected it was decreased. I believe that some of that was playing into why we had these
251 little differences on this report. I refer to it as CBD, the internal and external income on the

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252 balancing report. That was just adding those additional fees.”

253

254 3. Sample one month for each year of 2015 through 2017 and compare the following reports
255 with the goal of making a preliminary assessment of whether reports reconcile due to
256 manipulation in the software (Incode) in order to force a balance due to timing or to
257 obscure fraud or other irregularities.

258

259 Monica said, “We got a dump out of the TraCS System; the IT Department was able to do that.
260 Then we could look in the Incode system, and we had a paper file for those court cases. We
261 were trying to match things up and see what discrepancies we found.” Monica noted she had
262 broken out the findings by month:

263

264 **November 2015:**

265

266 Tested 151 citations from TraCS system report run from the IT Department.

- 267 • Seven missing paperwork on citation, and four of those were not in the Incode system.
268 There is no method to determine why that is. Juvenile citations are removed once a
269 juvenile has performed his/her community service, so it is possible some of the citations
270 were juvenile citations.
- 271 • Five were in TraCS and had paperwork, but were not in the Incode system.
- 272 • Nineteen had increases in the fine in Incode. Many were adding SDC fee. A portion had
273 the SDC fee added, then decreased.
- 274 • Seventeen fines were entered in Incode as an increase versus coming in from TraCS.
- 275 • Seventeen tickets still not marked as paid in Incode, and may still be unpaid tickets or not
276 collected from SDC yet.
- 277 • Overall collection, move to SDC taking a long time. Tickets from November not sent to
278 SDC until August, and no payments were made on citation.
- 279 • Inconsistency on sending to SDC on a timely basis.

280

281 **May 2016:**

282

283 Tested 250 citations from TraCS system report run from the IT Department. All parking
284 citations were pulled out.

- 285 • Thirteen tickets with paperwork in court dates files, but were not in TraCS report.
- 286 • Twenty-seven missing paperwork on citation, and 17 of those were not in the Incode
287 system.
- 288 • Two were in TraCS and had paperwork, but were not in the Incode system.
- 289 • Fifteen did not agree with amount in Incode to the paperwork and amount in TraCS.
- 290 • Twenty-seven tickets still not marked as paid in Incode, and may still be unpaid tickets or
291 not collected from SDC yet.
- 292 • One written off for short payment for 60 cents, and was entered as an increase in fees.

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- 293 • Forty-five had increases/decreases to the fees in Incode, and many were adding SDC fee.
294 This is an incorrect procedure, and it has been changed. Many of the citations currently
295 being submitted to SDC are being corrected if they have not been submitted.
296 • Overall collection, move to SDC taking a long time. Tickets from May not sent to SDC
297 until January.
298 • Inconsistency on sending to SDC on a timely basis.

299

300 **February 2017**

301

302 Tested 153 citations from TraCS system report run from IT Department.

- 303 • Seventeen missing paperwork on citation, and nine of those were not in the Incode
304 system.
305 • Six were in TraCS and had paperwork, but were not in the Incode system.
306 • Seven did not agree with the amount in Incode to the paperwork and amount in TraCS.
307 • Thirty-two tickets still not marked as paid in Incode. Most were sent to SDC in
308 December.
309 • Sixteen had increases/decreases to the fees in Incode. Many were adding SDC fee.
310 • Inconsistency on sending to SDC on a timely basis.
311 • Some tickets had no follow up for months after no payment.

312

313 Monica said, “One thing I noticed is judge oversight, a physical presence, is a concern of mine. I
314 heard some comments – obviously I was sitting in there with the staff – about the judge not being
315 around. They didn’t know how he would handle certain things. They were going to ask him, but
316 he hasn’t been around to ask. The [Municipal] Court Supervisor has been there for a few months
317 and it still hasn’t been taken care of. I think there’s a lack of them meeting up and oversight –
318 him being there and telling them what they need to be doing. The process is to leave notes for
319 him and make piles on his desk, so if he comes in before he goes to court he can look at some
320 things. [There is a] lack of organization of papers and files in the judge’s office. [There are]
321 cases missed entering into Incode. I don’t know – was there a reason they were not in the
322 system? And what are the next steps?”

323

324 Ald. Muth asked, “In your whole study or your audit, did you find any funds, cash, anything
325 missing?”

326

327 Monica said, “I’m going to say no, with a caveat. We were looking in the Incode system, and so
328 if something wouldn’t have balanced, like on the paperwork to the Incode system ... From these
329 findings, you can see that there are increases and decreases in fees. I can’t tell. I didn’t have a
330 cash collection report to be able to go back and verify that because cash was being collected in a
331 different department at that time. I guess I’m going to say no, I didn’t find anything that alerted
332 me that somebody was stealing money.”

333

334 Ald. Bertrand said, “This is not a criticism of you, but in general there are a lot of ‘we don’t

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335 knows' and 'we can't find outs.' That's the nature of the beast we're looking at here. We knew
336 prior to the work that you did that were a lot of oversights and inconsistencies. I hate to be too
337 cynical here, but what do we know now that we didn't before? Are there significant actions we
338 should take now, given the work you did?"

339
340 Monica responded, "Your first [question] – what do you know now that you didn't know then? I
341 guess I'm not sure. I wasn't involved in the early-on stages. I saw the reports from Sean [City
342 Attorney Sean O'Flaherty]. I guess I'm not sure."

343
344 Ald. Bertrand said, "Let me ask you a different way. We have known since Eric brought the
345 issue up months ago there was a lot of mishandling of paper and oversights – we knew that. But
346 given the work that you've done here, I was thinking that perhaps you'd say, 'My goodness, we
347 need to do this. Based on what we found here, we must do so-and-so.' But I don't see that here
348 that we have to go out and do this, this and this that we're not doing."

349
350 Monica responded, "The problem is that so much has changed from ... One of these months that
351 we looked at was November 2015. From November 2015 to December 2017, cash collections
352 are different. The staff is all different. The way that we're preparing the reports is all different.
353 It's hard to go back and say, 'You need to do this, this and this.' I believe that with the
354 procedures now we've corrected a lot of the issues. Not having some of that paperwork, we
355 can't tell why things weren't entered. Some of the paperwork, they have no idea and we have no
356 idea where it's at, so I don't know what we do from here."

357
358 City Administrator Rindfleisch said, "We had an opportunity to speak over the phone initially as
359 to the findings before the report was generated, so for me it's not a bit of a surprise. But if I may
360 be able to answer, Harvey, some of the questions that you posed. As I discussed with Monica as
361 we were doing this procedure, I expressed the concern that actions taken, perhaps overreaching
362 on my behalf into the court, were appropriate because of what I had identified and what I had
363 seen. I think we've seen that disorganization, lack of recordkeeping, lack of process and
364 procedures ___ being followed on a consistent basis. Any questions that could come up, I didn't
365 feel confident that we could answer. The question asked here [was], was there any opportunity
366 for theft or money being missing? I don't think we had any way of answering that question.
367 Quite frankly, the results that I see here speak to what I feared was existing. It's not my worst-
368 case scenario, which is the good news, but still, what I feared is indeed there was disorganization
369 and a lack of supervision and a lack of process being followed. What I'm also pleased to hear is
370 that some of the reasons we can't track everything is because we have made the appropriate
371 changes [such as] moving things to Finance, going to a regular _____ outside that department,
372 having more eyes on that site, and making personnel changes that have that background in
373 following the process.

374
375 I guess to answer the last question [of] where do we go from here, what I identify here is a
376 couple things. Standard operating procedures – we still need to not just identify and follow

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377 them, but we need to write them down. You document them, as Monica said. ... When I was
378 talking about the proverbial bus that drives by and unfortunately runs over one of the employees,
379 we have something in place that someone else can follow and back up. It's not just in the case of
380 an employee, but it's identifiable. If a concern comes up we can go back and say, 'Here is the
381 process that needs to be followed.' ... The second thing I think it does identify here in the report
382 that I don't think I have an answer to is the lack of management supervision within that
383 department and following direction. I think some of that may be the nature of Municipal Court
384 and having an extremely part-time paid compensated judge for how many hours we expect them
385 to be in there and what kind of experience you expect from an elected office. I think there may
386 be some broader solutions to that problem, but I think that's the other issue there. It's a small
387 department that does require direct supervision – one that I'm technically not to provide. So
388 those two things I really think identify that. I think we identified that it isn't criminal. I think
389 it's disorganization. But we've had some very important solutions identified to us that we need
390 to follow, and that is following standard policies and procedures and having a manual written
391 down. Then, how do we deal with the lack of direct oversight and supervision within that
392 department?"

393
394 Ald. Muth asked, "So the difference between the report that our City Attorney gave us matches
395 the audit? So we paid \$8,000 to get the same information we already got from the City
396 Attorney? Eight thousand dollars of taxpayers' money to get the same results that we already
397 had before we did this audit. Is that correct?"

398
399 City Administrator Rindfleisch responded, "It confirms what I felt, and it confirms what Sean
400 reported."

401
402 Ald. Bertrand said, "When we commissioned you to do this – and again, I'm not criticizing you
403 because you went through all this – what I thought might come back was, let's say under your
404 comments, they wouldn't be general, [but rather] they'd be specific and there would be 'Oh, my
405 goshes. We have to do so-and-so. I can't believe that this is happening. We have to go back
406 and do this, this, this and this because this is what this has found.' But I don't see that. I don't
407 see anything that would give me or any of us urgency to go out and change this or that."

408
409 Mayor Chilsen said, "I think that is what Monica is saying. I think what she's saying is we need
410 a process and a procedures manual of some kind so that everybody knows, like Eric said, before
411 that proverbial getting hit by a bus that somebody that comes after can pick up the pieces and hit
412 the ground running. I think that's what she's telling us."

413
414 Monica told Mayor Chilsen he is correct.

415
416 Ald. Muth said, "The way it's processed through Finance, the monies, all the changes that have
417 been implemented already or started or done that you've looked at since all the changes in staff
418 has been done. I'm looking at \$8,000 for this. This is not criticizing you [Monica] at all. You

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419 did your job. You came up with the same results that the City Attorney had already advised us.
420 I disagree with the spending of \$8,000 in taxpayers' money, but it was insisted. I was looking
421 for some other results other than what the City Attorney already gave us, but I don't see any."

422
423 Ald. Olson said, "I am just sitting back here listening to all of this information. And from where
424 I come from and the situations that I have had the opportunity to view in my lifetime, I find it
425 incredible that we're sitting here and there is no one to blame. That this just happened and
426 nothing happens. Somebody here is not facing responsibility of operating this system the way it
427 was designed to work. You can surmise anything you want, but this didn't happen in a bubble.
428 There is some awfully sloppy work going on here. I'm not asking for anybody to agree. Not to
429 acknowledge that would be absolutely ridiculous. There are reasons this happened, and it's not
430 just bad paperwork. You alluded to a little bit of that, too, but it's mismanagement at its highest
431 level. It's just pathetic. I can tell you that if this happened in the private sector that someone
432 would be gone just like that."

433
434 Ald. Bertrand asked, "As far as you know, there is no fraudulent activity – is that correct?"

435
436 Monica said, "I did not find anything that led me to believe that."

437
438 Ald. Bertrand said, "That to me says a lot in terms of what we should and shouldn't do here. It
439 seems that we should not just go out and chase to find speeders or people out in the street who
440 did this, that or the other, or find something we should do internally to solve a fraudulent
441 activity. That to me is a case closed."

442
443 Ald. Muth asked Fred if the report will be forwarded to the Joint Municipal Court Committee.

444
445 Fred noted that this audit was the City of Onalaska's portion.

446
447 Ald. Muth asked, "Is there a way for us to allow us to give them a copy of our findings since it
448 pertains to the Joint Municipal Court? I think especially the final page 3, all municipalities
449 should be aware of these observations and the things that have been accumulated or observed
450 through this audit."

451
452 City Administrator Rindfleisch noted the City of Onalaska is paying for the report out of the
453 General Fund and said the original intent was for the court to pay for its own audit. City
454 Administrator Rindfleisch said the report is solely the city's property and may only be used for
455 the city's information. However, City Administrator Rindfleisch also said he does not think it
456 will be an issue if the city sends the report to the Municipal Court for review as a public record.

457
458 Ald. Muth asked, "So the \$8,000 was Onalaska taxpayers' money?"

459
460 City Administrator Rindfleisch said yes and noted that only City of Onalaska cases were

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12

461 reviewed.

462

463 Monica said, “One thing that I would look at, it would be asking some of these questions. How
464 can this happen? How can we have this much paperwork missing? We probably know.
465 Hopefully we have a better system now. Sit down with the staff or somebody to figure out how
466 do these things happen. How do we have a ticket that comes through TraCS, but doesn’t get into
467 Incode? When we’re going through the standard operating procedures documenting things, these
468 are the things that we need to answer and hopefully identify them. Then there has to be a
469 determination. Do we start going back and reviewing things? Does the [Municipal] Court
470 Supervisor go back and make sure that [citations] have gotten paid or sent to SDC? Does the
471 city have some money to be recouped?”

472

473 Ald. Muth said, “I think that’s part of the process that’s going on right now. [Hildie] has made
474 some recommendations, and I think she’s doing everything she can to get us so we can ply with
475 everything and eliminate all this. We just have to give her the time and the tools to do what she
476 wants to do.”

477

478 Fred said, “The dollars that the city did spend to have an individual who has 17-plus years of
479 experience from Tyler was indeed helpful – not once, but twice. There were portions of the
480 module that my staff uses, as well as the Joint Municipal Court, that has been in the module for
481 quite some time, but not used. For example, scheduling, some of the reports when things need to
482 be printed, and of the items for tracking were there, but just weren’t utilized. I can tell you ...
483 that software is being used. I can also say that in the past four months I have not, over the years
484 of being with the city, had my report on my desk to file with the state within two days after the
485 month is over. That has happened because we are daily balancing and reconciling with what
486 comes in through funds with the software. I totally agree there are things that do hit TraCS that
487 won’t be recognized. For example, when a police officer may collect a citation that is not even
488 the city’s. It may be the state or the county. Those are not going to be in TraCS. I agree with
489 you that what needs to be done in the procedures manual is to indicate those that were not in
490 TraCS so they’re all accounted for so if you have ‘x’ amount of TraCS cases, ‘x’ amount in
491 Incode, these were the ones that were discarded. They have to balance out.”

492

493 Motion by Ald. Muth, second by Ald. Bertrand, to accept the draft of findings regarding the
494 agreed-upon procedure report from Hawkins Ash CPAs for the City’s portion of the Joint
495 Municipal Court.

496

497 On voice vote, motion carried.

498

499 **PERSONNEL**

500

501 **Item 8 – Review and consideration of new policy 4.13 Unmanned Aerial Devices Policy**

502

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13

503 Hope said this policy coming before the committee has been reviewed and drafted by the city's
504 legal counsel. Hope said there were a couple of minor changes because everything was
505 specifically outlining the Police Department. Information pertaining to the Fire Department has
506 been added. Hope noted that funds had been donated for the city to purchase a drone and said a
507 policy needs to be in place before a drone is purchased so that citizens may be comfortable with
508 how the drone will be utilized. Hope said she believes the policy clearly outlines the appropriate
509 uses, how a drone must be utilized, who is coordinating the program, and who is authorized to
510 use the drone.

511
512 Motion by Ald. Muth, second by Ald. Bertrand, to forward to the Common Council review and
513 consideration of new policy 4.13 Unmanned Aerial Devices Policy.

514
515 On voice vote, motion carried.

516
517 Ald. Muth said Item 10 will be addressed next.

518
519 **Item 10 – Review and consideration of renewal of Gundersen Health System Lutheran**
520 **Hospital Agreement for 2018**

521
522 Hope said this agreement is the agreement the city has in place with Gundersen “should we
523 decide we wanted to do pre-work screens before somebody is hired to determine whether or not
524 they're physically capable of doing the job. We do a medical screen, which is the drug screen
525 and checking to make sure they have all the proper immunizations in place – particularly for
526 police and fire.” Hope noted the Fire Department does its own in-house, which Gundersen
527 already has approved, and she said, “This was put into place just in case we wanted to do
528 additional departments.” Hope said there are minor rate increases, but the contract language is
529 the same.

530
531 Motion by Ald. Olson, second by Ald. Bertrand, to approve renewal of Gundersen Health
532 System Lutheran Hospital Agreement for 2018.

533
534 On voice vote, motion carried.

535
536 **Item 9 – Review and consideration of giving direction to the Police Chief to provide a**
537 **staffing plan/reorganization plan for the police department's administrative staff and**
538 **administrative duties**

539
540 City Administrator Rindfleisch said Police Chief Trotnic had expressed concern regarding the
541 Police Department's administrative staffing; specifically, the personnel and their duties. City
542 Administrator Rindfleisch said Police Chief Trotnic had expressed concern in November about
543 the type of tasks being assigned to employees of a salary rank – are the correct individuals doing
544 the correct tasks?

Reviewed 1/8/18 by Hope Burchell & Fred Buehler

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14

545
546 Police Chief Trotnic said, “One of the things that we do within the Police Department is try to
547 continually evaluate what we’re doing. One of the things that I have as a goal myself is not
548 remain static in the approach that I take to managing a police department. We have a vision
549 team in place that assists with [giving] guidance and direction. We’re constantly reviewing what
550 we’re doing. I believe this specifically relates to Professional Standards Sergeant, which we had
551 the job description approved by the Council in April 2016. That was put together for a very
552 specific reason. Fast forward to November 2017, one of the things Assistant Chief Troy Miller
553 and I do on an annual basis is we review the budget at the 10-month mark to make sure we’re on
554 track with where we need to be with our budgeting. We also start talking about plans for the
555 next year on how we deal with some of our staffing issues. One of the things that we specifically
556 talked about was the Professional Standards Sergeant’s position. We talked internally if we were
557 getting everything that we could out of that position. We have a job description in place. We
558 sent out an email back in March 2017 that basically outlined the primary functions and the non-
559 primary functions of the Professional Standards Sergeant. That position stays very busy doing
560 some of the tasks that we ask it to do.

561
562 We decided going into 2018 that we’re going to have an exercise early in 2018. We’re getting it
563 scheduled for within the next two weeks because we were waiting for another key to see if it was
564 going to happen or not. We basically outlined all of our duties that we do within the Police
565 Department that fall kind of on the administrative level. What we’re going to do is try to figure
566 out how to rearrange what people do to try to specifically be more efficient in the way that we’re
567 doing things. One of the examples that we looked at is open records requests. Our agency did in
568 excess of 600 open records requests in 2017, which is overwhelming to our department. I have
569 an Assistant Chief being paid at the salary of an Assistant Chief to do a big portion of those open
570 records. One of the things we want to do since there was probably no relief for us as far as hiring
571 additional personnel is to try to shift some duties around to get that off the Assistant Chief’s plate
572 and onto a plate that we felt like it belonged. In the process, also looking at the Professional
573 Standard Sergeant’s position, we went to realign the duties for this position. We wanted to try to
574 figure out going through 2018 what is best for the agency as a whole. We talked back in
575 November [and decided] we want to assess it in June 2018 to see if this the route we want to
576 continue with this position. If it’s not a route we want to continue with, we have to figure out at
577 that point what we want to do with it going forward.

578
579 The reason why we’re picking June 2018 is because we feel like with the way that we do our
580 scheduling for the next year, we give our sergeants and our officers ample notice on what their
581 duties are going to be for the next year so they can make plans for family and everything else. In
582 November 2017 we didn’t feel like we had enough notice for that even if we wanted to make
583 changes. However, I don’t think at that point it was necessary to make the changes to begin
584 with. I still firmly believe based on what we ask that person to do is the best thing for my
585 department to still do at this point. We can go over some of the duties that they do. One of the
586 goals that we were looking at doing ... There was a point in 2016 where we went from four

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15

587 shifts to three shifts. We had days, evenings, mids, and we had a swing shift. We felt like it was
588 more efficient for the Police Department to take the swing shift officers and put them out onto
589 the regular team. We basically had three teams – first shift, second shift, day shift, evenings, and
590 mids. At that point we had four sergeants for three teams. What we wanted to do is take some
591 of the duties that a Patrol Sergeant was doing that was taken away from the patrol function that
592 we want them to be doing and see if we can shift it to the fourth sergeant that was swing shift.
593 At the same time, it also gave us the luxury to look at some of the things that person could be
594 doing such as training, internal affairs, recruiting, the FTO programs, and a whole litany of
595 things that we ask that person to do. Can we put it under one hat that helps us in multiple areas
596 of the department? I feel like I personally made the right call, and I stand by that. I think there
597 are others who feel different about that. But that’s kind of where we’re at with this.
598

599 The agenda talks about providing a staffing plan/reorganizational plan for the Police Department.
600 It’s already being done, anyway. Whether the outcome is going to appease everybody, that’s not
601 for me to say. But again, we’re in the process of doing this as we speak. I would guess that we
602 would be done by the end of the first quarter of 2018.”
603

604 City Administrator Rindfleisch told Police Chief Trotnic he is glad that there continues to be
605 review of being the most efficient with his staff.
606

607 Police Chief Trotnic said, “Under my administration style – and I’m not saying I’m perfect – I
608 worked under five chiefs in 20 years in Joplin [Missouri]. I saw a lot of them come in who were
609 static in their thought process. They work inside a little box, and they don’t let the outside world
610 influence their decision making. That’s not me. We continually evaluate what we do. I
611 continually try to develop staffing that I feel like what is best for the 18,000 people that we serve.
612 I think the Police Department does an effective job at what we do based off of what we ask them
613 to do with our staffing levels.”
614

615 City Administrator Rindfleisch asked Police Chief Trotnic if he would be willing to present a
616 potential new organizational chart regardless of action taken this evening.
617

618 Police Chief Trotnic said yes and stated, “What we’re going to be doing based off a retirement
619 that was announced today as far as one of our civilian staff, we’re going to be redoing job
620 descriptions. We’re going to be reviewing them. I talked to Hope today to ask for that job
621 description with the assistance of trying to ... Because it’s a civilian position, it makes much
622 more sense to me to be paying the level of rate of pay to do open records at that level. What
623 we’re going to be looking to do is kind of shifting those duties, but that person has a whole litany
624 of other duties that have to be relieved and shifted around as well. Part of that is going to be
625 reviewing the job duties of the Professional Standards Sergeant. This is a position that maybe
626 will be here in 2019, and maybe it won’t be here in 2019. Maybe it’s something that gets
627 addressed at that point. But there are going to be changes recommended that, as a whole, I don’t
628 know if it’s going to impact the organizational chart, but it’s going to impact the job descriptions

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629 that impact the organizational chart. When you look at an administrative plan, I look at the
630 organizational chart that defines what our administration plan is. It tells you basically where all
631 of our positions lay out, and then each one of those positions has a job description which outlines
632 what their responsibilities are for. We're not the only ones who look at job descriptions and
633 make sure our people are doing what they need to be doing. I know Hope sends out job
634 descriptions for review. ... I know the city as a whole is constantly looking at this as well. I
635 think the one thing I would share with the committee is we look at it on a continual basis."

636
637 City Administrator Rindfleisch said he and Police Chief Trotnic had discussed tasks aligned with
638 salary rates, including utilizing sworn officers to perform more law enforcement and fewer
639 administrative tasks.

640
641 Police Chief Trotnic said there are areas in the department that concern him regarding things that
642 he believes are not aligning with what should be done. Police Chief Trotnic said it causes
643 frustrations when his officers are overtasked with some of their duties, stating, "We're trying to
644 manage the best that we can with the personnel that we have. We're making the decisions that
645 we have to make to run the department as effectively as we can. To be quite honest with you, in
646 2008 I was hired to do that. I have to live with the outcome of the decisions that I make. If the
647 Police Department has issues, they're going to fall on my shoulders. I need to have the ability to
648 make plans that I see are a best fit for me that have the most positive impact upon the citizens
649 that we serve. That's what I strive for every day. Whether that aligns with everybody's
650 viewpoints, I'm sure it doesn't. Police departments can be very contentious in nature, anyway.
651 But I truly do the best job that we can. I don't do it by myself; Assistant Chief Miller is a big
652 part of that process as well. One thing that I don't want to do is be somebody that dictates how
653 this department is running through my eyes only. ... I put the vision team to be really open-
654 minded in our approach to how we police. I think it's very effective, in my opinion."

655
656 Ald. Muth noted the Police Department has three new officers as well as a couple other officers
657 who have been with the department less than two years. Ald. Muth also noted there are three
658 sergeants who are on patrol, and one sergeant who is not. Ald. Muth asked, "It doesn't take a
659 sworn officer to get records requests, does it?"

660
661 Police Chief Trotnic said it does not.

662
663 Ald. Muth said, "What I'm looking at is the supervision of brand-new officers on the street, to be
664 able to go to a supervisor for questions, procedures and so on. Secondly, they have a supervisor
665 on duty who can cover the city liability-wise to make sure we don't get sued by an officer who
666 hasn't had the experience to know what they're doing. I want the young officers to be able to go
667 to a supervisor. If we have three sergeants and we have three shifts, the sergeants have to have
668 vacations and days off, there are a number of days we don't have a supervisor on duty. Is that
669 correct?"

670

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671 Police Chief Trotnic said, “This department, as far as I know, has never been 24/7 supervised. It
672 wasn’t 24/7 supervised when I got here, and it’s still not 24/7 supervised.”

673
674 Ald. Muth, a retired City of Onalaska police officer, noted there use to be a rotating sergeant and
675 three sergeants on the force, and he said, “What I’m concerned about as a Councilmember [is]
676 the liability for the citizens of Onalaska. I want to make sure our young officers have
677 supervision out there and somebody to go to should they have questions. Or have a supervisor
678 present to watch what’s going on to make sure that they are following procedures, and they are
679 doing it the right way. I want them to have a resource to go to. Personally, I do not understand
680 having a sworn officer that is in the office Monday through Friday and we’re lacking supervision
681 out on the street. I just don’t agree with it.”

682
683 Police Chief Trotnic said, “As Chief of Police and what I view as a highly litigious occupation,
684 I’m with you. I don’t come to work every day with my head buried not worrying about liability.
685 I don’t know if you think I do. I understand it’s a highly litigious occupation. Again, we’ve
686 never had 24/7 supervision. Each of the officers that you’re talking about fall underneath a
687 sergeant that they report to. The way we lined up the Professional Standards position is we
688 intentionally put it on a 10 a.m. to 6 p.m. position. They are half of the day shift and half of the
689 evening shift. If there is not a day shift sergeant that is available, we have a sergeant there at
690 least half of that shift, and vice-versa. If there is not an evening shift sergeant available, that
691 sergeant is available to cover for that shift, too. What you’re really talking about here is having a
692 sergeant to help cover the gap. There have been plenty of times that that sergeant has covered
693 the gaps that [Ald. Muth] is talking about. This position is not only a position where they sit at a
694 desk. I have ____ calls here from 2016 and 2017 where that sergeant has spent time on roads,
695 going out on calls of service, being there for the officers, making sure they’re being there and
696 being supervised. He’s not sitting just at a desk doing a job of an administrator. The job
697 descriptions that have been assigned to him, the primary functions and the nonprimary functions,
698 are not things that we just created just because we have a Professional Standards Sergeant.
699 They’re things that have to be done. Even if I don’t have a Professional Standards Sergeant, the
700 majority of these things on here fall underneath a sworn officer. Somebody is going to be doing
701 them anyway regardless of what I call a sergeant. They just are.”

702
703 Ald. Bertrand said he does not know where the discussion is going and what conclusion is trying
704 to be reached. Ald. Bertrand said, “Maybe the conclusion will be to ask the Chief to put together
705 a study of how he should reorganize, which apparently you’re doing. Apparently you’re trying
706 to determine how best to run your department and how to move people around. Are we trying to
707 reinforce the idea that he should do this? Are we going to be voting on something to do or not to
708 do? Where are we going with this?”

709
710 Ald. Muth said he believes it is review and consideration of giving direction to Police Chief
711 Trotnic. Ald. Muth noted that an officer had announced his/her retirement and said, “I think the
712 duties within the Police Department, the administrative department, can be evaluated on who

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18

713 does what.” Ald. Muth noted he has had past conversations with Assistant Police Chief Miller
714 and said the Assistant Police Chief “is overwhelmed with all the stuff he’s doing. Somehow, I’m
715 trying to get it in mind why this position is what it is when, in many aspects, it doesn’t have to be
716 a sworn position. I don’t want to be paying somebody \$100,000 a year who is looking up public
717 records. ... I’m looking for some idea of the duties that are non-sworn. It can be done and
718 handled by administrative staff who are non-sworn. I’m also looking for supervision of our
719 young officers and covering liability for the city. Those are my concerns. If there’s an increase
720 we need to have another sergeant, maybe that’s something you can recommend or we can look
721 at. But I’m sorry. That position I just do not agree with.”

722
723 Police Chief Trotnic said, “When you look at the position of a boots on the ground patrol
724 sergeant. This is no different than what an Investigative Sergeant would be. I believe we had
725 Investigative Sergeants before I got here. That would be a position that has been created from
726 the sergeants, yanked from the patrol, and put over into the investigation side that is doing
727 administrative duties on the investigative side. They’re investigating cases, but they’re not doing
728 patrol functions. This is not a position that is just a wild thought. Departments use these types
729 of positions to try to handle some of these duties. I totally understand and have the same
730 concerns you do. I wish this department was a 24/7 supervised department. I’ve never worked
731 for a department that is not other than the little community that I did as a favor to them. I’ve
732 always been privileged to not have to worry about that. Do I like the fact I have young officers
733 out there who are not supervised? No. But they can pick up the phone. We always have
734 somebody on call who can pick up a phone and make a phone call. Is it the best? No. But if
735 you really want to help me – and you’ve already mentioned it – the only way we can get the 24/7
736 supervision even with the four sergeants I have is for additional staff.”

737
738 Ald. Muth said, “That’s what I’m looking at. If we can take this position and the duties that are
739 outlined ... I’ve read what the duties are for this position, many of which can be handled by non-
740 sworn position ...”

741
742 Police Chief Trotnic said he is unsure if he wants Internal Affairs and training of officers to be
743 handled by non-sworn. Police Chief Trotnic said non-sworn personnel can handle open records
744 requests, adding, “I know we’re not in here to probably break this down, but I’m saying I
745 disagree just a little bit with that.”

746
747 Ald. Bertrand said he believes the Finance and Personnel Committee should not be in the
748 position in this meeting of determining “the rightness or wrongness of one position.” Ald.
749 Bertrand also said it seems to him that that question should be handled with city staff, be it
750 Police Chief Trotnic, Eric, Hope, or others within the Police Department, with perhaps some
751 direct input from the Common Council. Ald. Bertrand said, “If there’s a change that should be
752 taking place, that decision should be made by you people and brought to us. I do not believe we
753 should not be debating this tonight.”

754

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19

755 Police Chief Trotnic told Ald. Bertrand the step to which he had referred was already occurring
756 prior to tonight's meeting. Police Chief Trotnic noted he already had had conversations with
757 Mayor Chilsen and City Administrator Rindfleisch, adding he had spoken to his own staff prior
758 to speaking to Mayor Chilsen and City Administrator Rindfleisch.

759

760 Ald. Bertrand said Dan could be ask to come before the committee, go through all of his staff
761 members, and then address one particular staff member. Ald. Bertrand said, "I'm puzzled at
762 what we're doing here."

763

764 Police Chief Trotnic said, "What I will assure the committee is we did an annual review of
765 everything that we do. Many times we're doing it at multiple times a year."

766

767 Ald. Olson noted Police Chief Trotnic had explained his intentions and said, "I think he has a
768 right in his position to make that choice about how he wants to police. I think if we want to have
769 some comments based on some other issues I think that's perfectly OK. But I think the final
770 decision should be his."

771

772 Ald. Muth said he agrees, noting that Police Chief Trotnic answers to Mayor Chilsen by State of
773 Wisconsin Statute. Ald. Muth added, "This Council answers to the finances and salaries and
774 benefits. I want to make sure that the citizens get their protection for what they're paying for.
775 That's my concern. We handle the budget. We handle the purse strings. That is our business, so
776 that is part of our job."

777

778 Police Chief Trotnic told Ald. Muth that he agrees with him.

779

780 Hope said the resignation gives the city a better opportunity to review several different positions
781 in that area. Hope said, "As we review them, we will bring them back to Finance and Personnel,
782 so I'm assuming this will not need to be on the Council agenda [for January 9]."

783

784 **Item 11 – Review and consideration of renewal of Gundersen Health System Occupational**
785 **Health Service Agreement for 2018**

786

787 Hope said this is the agreement the city has in place to do pre-employment physicals and random
788 and reasonable suspicion drug tests. Hope said the contract language has not changed; however,
789 there are changes in the rate schedule. Hope noted there will be a rate increase for tuberculosis
790 tests, among other tests.

791

792 Motion by Ald. Bertrand, second by Ald. Olson, to approve renewal of Gundersen Health
793 System Occupational Health Service Agreement for 2018.

794

795 On voice vote, motion carried.

796

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20

797 **Adjournment**

798

799 Motion by Ald. Olson, second by Ald. Bertrand, to adjourn.

800

801 On voice vote, motion carried.

802

803

804 Recorded by:

805

806 Kirk Bey