

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

Wednesday, June 5, 2019

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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, June 5, 2019. It was noted that the meeting had been announced and
3 a notice posted at City Hall.

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5 Roll call was taken, with the following members present: Ald. Jim Olson, Ald. Dan Stevens,
6 Ald. Kim Smith

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8 Also Present: City Administrator Eric Rindfleisch, Deputy Financial Services Director Kim
9 Isensee, Human Resource Director Hope Burchell, Parks and Recreation Director Dan Wick,
10 Assistant Police Chief Troy Miller, Fire Chief Billy Hayes, Ald. Diane Wulf, Ald. Tom Smith,
11 Ald. Boondi Iyer

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

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

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18 On voice vote, motion carried.

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

21
22 Ald. K. Smith called three times for anyone wishing to provide public input and closed that
23 portion of the meeting.

24
25 **Consideration and possible action on the following items:**

26
27 **FINANCE**

28
29 **Item 4 – 2019 Omni Center Financials**

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31 Kim reported that revenues for April totaled \$236,908.57, and expenditures totaled \$240,139.92
32 for a deficit of \$3,231.35.

33
34 Motion by Ald. Olson, second by Ald. Stevens, to accept the 2019 Omni Center Financials and
35 place them on file.

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37 On voice vote, motion carried.

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39 **Item 5 – 2019 General Fund Financials**

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41 Kim referred to Expenditure Line Item No. 100-53311-370 (“Street Department – Salt & Sand”)
42 and told committee members this line item will be over budget by approximately \$30,000 due to
43 the number of snow events during the winter of 2018-19.

Reviewed 6/7/19 by Kim Isensee

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44
45 Motion by Ald. Stevens, second by Ald. Olson, to accept the 2019 General Fund Financials and
46 place them on file.

47
48 On voice vote, motion carried.

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50 **Item 6 – Audit presentation by Hawkins Ash CPAs – 2018 City Financials**

51
52 Kim said Justin Petersen of Hawkins Ash CPAs will be presenting the report.

53
54 Justin told committee members either Financial Services Director/Treasurer Fred Buehler or Kim
55 should have given them copies of the report. Justin said the largest report is the full disclosure
56 note financial statements, and he told committee members he will be presenting the summary
57 report. The third report is the independent auditors' report with those charged with governance.
58 Justin said this report is required by auditing standards, and it addresses any challenges Hawkins
59 Ash CPAs encountered during the audit, as well as any disagreement there might have been with
60 management (there were no such disagreements). In addition, the report describes any changes
61 in accounting policies that would have occurred in 2018. Justin said the lone change was for the
62 implementation of the Government Accounting Standards Board (GASB) No. 75, which is
63 accounting and financial reporting for postemployment benefits other than pensions. Justin
64 referred to the financial statements and said there was a small change in accounting policies (an
65 adjustment to equity).

66
67 Justin addressed the Summary Financials Report and told committee members the report states
68 this is not an official audit report and is only for presentation purposes. Justin noted the
69 following:

- 70
- 71 • A comparative balance sheet with data from both 2018 and 2019 is on page 3. The data
72 includes all funds, from governmental funds, business-type accounts, and the fiduciary
73 tax account.
 - 74 • In the Equity section under “Other Fund Balances,” it appears as though the other fund
75 balances increased by more than \$4 million. Justin said the reason for that is the 2019
76 Note Anticipation Note Bond was received in December 2018. There was a \$4.6 million
77 fund balance that skewed the numbers due to when the funds were received. The city
78 normally receives the funds in January.

79
80 Ald. Stevens asked if it stands to reason that the city should be approximately \$4 million under
81 when the 2019 City Financials are presented in 2020.

82
83 Justin said yes.

- 84
- 85 • Page 4 shows a comparative of the General Fund revenues. This is compared to the

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- 86 budget and prior years actual. The largest portion of the revenue for the General Fund
87 comes from taxes and special assessments. Justin said this is common for a municipality
88 of Onalaska's size. Intergovernmental is the second-largest section, and it is comprised
89 of state shared income and state grants. Justin said \$770,000 of that amount in the state
90 grant was highway aid from the Wisconsin Department of Transportation.
- 91 • Line items that changed from the budget include Building & Permits (\$160,000 increase)
92 and Interest Income (\$120,000 increase).
 - 93 • General Fund expenses compared against the budget and the 2017 actual are shown on
94 page 5. The General Fund's largest expenses are public safety (Police Department, Fire
95 Department, Inspections), general government (Public Works), and cultural and
96 recreation. Justin said the financial figures are all consistent to where they were in prior
97 years.
 - 98 • The comparative schedule 2018 to 2017 statement of revenue expenses and changes in
99 net position are on page 6. This shows Water, Sewer, and Storm Water. The graphs
100 show operating income and/or operating losses over the last four years. Both Storm
101 Water and Sewer have had operating losses for four consecutive years, and Water has
102 gone both up and down.
 - 103 • Page 7 shows the other funds and what their year-end fund balances were. Justin said
104 that in the last year several capital project funds had funds in them, and he told committee
105 members Fred had worked with Hawkins Ash CPAs on closing out some of the funds to
106 reduce the number of them as their balances were continuing to carry from year to year.
 - 107 • In the current year, there were \$3.3 million in fixed asset additions – \$2.5 million of that
108 total was comprised of infrastructure (streets, curbs); \$684,000 was comprised of vehicles
109 (a fire truck was capitalized, and the city purchased a tandem axle plow truck). There
110 also was \$1.9 million in fixed asset additions for Water and Sewer.
 - 111 • Regarding long-term debt, the city's General Obligation debt balance totaled \$48,209,000
112 at the end of the year. This is less than that State of Wisconsin Statute debt limit of
113 \$99,417,000.
 - 114 • The \$9.8 million in debt increases in the current year is skewed up due to the \$4.6 million
115 of the 2019 NAN.
 - 116 • Justin referred to an independent auditor's report, which states what the opinion was on
117 the audit, and he told committee members the opinion was an unmodified or clean (best)
118 opinion.
 - 119 • Regarding the auditor's report on compliance and internal control, internal controls
120 appear to be adequate for the city. Hawkins Ash CPAs did not identify any material
121 compliance issues.

123 Motion by Ald. Stevens, second by Ald. Olson, to accept and place on file the Audit presentation
124 by Hawkins Ash CPAs – 2018 City Financials.

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126 On voice vote, motion carried.

Reviewed 6/7/19 by Kim Isensee

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Item 7 – Authorization for Hawkins Ash CPAs to review/analyze the storm water and sewer rates and continue on the complete Public Service Commission (PSC) water rate review

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Justin said he believes committee members should have a rough copy of a proposal for the review, including the cost. Justin said Hawkins Ash CPAs would do the following for each fund:

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- Review and project expenses and revenues
- Incorporate new debt into expense projection
- Calculate rate of return
- Calculate revenue requirements

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Hawkins Ash CPAs would take the following actions with the city's utilities:

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- **Water:** Rate case with the Public Service Commission. An estimated 25 to 30 hours would be needed at a cost of \$165 per hour for a total cost of \$4,000 to \$5,000.
- **Sewer:** Review of current expenses/revenues as noted above, sewer rate analysis/new rate proposal (if needed). An estimated two hours would be needed at a cost of \$165 per hour for a total cost of \$330.
- **Sewer:** Review of current expenses/revenues as noted above, a Storm Water Utility rate analysis/new rate proposal (if needed). An estimated two hours would be needed at a cost of \$165 per hour for a total cost of \$330.

151

Justin noted the city had done a simplified water rate increase this past year and he told committee members if the city wishes to increase rates again it must go through the PSC. Justin said this is a longer process, so Hawkins Ash CPAs would collect all the data, compile it, and submit it to the PSC. The PSC then comes back with a rate, and it goes before the Utility Commission from there. Justin said there is more work involved with a water rate increase versus sewer and storm water.

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Motion by Ald. Olson, second by Ald. Stevens, to authorize Hawkins Ash CPAs to review/analyze the storm water and sewer rates and continue on the complete Public Service Commission (PSC) water rate review.

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Ald. K. Smith said the city will pay Hawkins Ash CPAs the rates on the document dated May 28, 2019 in committee members' packets.

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Ald. Stevens said it is his understanding this was a contentious issue with the previous Common Council, and he stated, "I think from the point of the taxpayer, the homeowner having regular rate increases is going to be much more preferable to holding the line and then having to shock

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168 the system. A three or four-dollar increase in the tax bill for the utilities is probably a lot easier
169 to swallow than \$50 or \$60 dollars at a time. I think we're going with the right plan here."

170

171 On voice vote, motion carried.

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173 **Item 8 – Options regarding an insurance policy for the Joint Municipal Court**

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175 Kim said this item is tied into conversations that have occurred regarding the need to have a
176 bond solely for the Joint Municipal Court. Kim said the committee has three options from which
177 to choose, and she told committee members city legal counsel recommends choosing Option No.
178 3 due to cost. This option shows what is covered, along with the limits and the deductibles, and
179 Kim said it is a policy that covers all of the municipalities as a whole for the court.

180

181 Ald. K. Smith asked Kim if the municipalities will share in the cost.

182

183 Kim said it will be based on cases not dismissed.

184

185 Ald. Stevens asked Kim if the other municipalities that participate in the Joint Municipal Court
186 approve of this option.

187

188 Kim said this is solely the City of Onalaska's position at this point and told Ald. Stevens the city
189 will have to take this option to the municipalities and let them decide.

190

191 City Administrator Rindfleisch said that while the city will be asking for input from the other
192 municipalities, ultimately the City of Onalaska will be making the decision as the city has
193 administrative responsibility for the Joint Municipal Court.

194

195 Ald. Stevens noted the city previously has not had a bond in the court, and he asked if the city
196 would have been insured or indemnified for cases that might have existed in the past. Ald.
197 Stevens asked, "What's the value to us, aside from the legal opinion?"

198

199 Kim said it is her understanding each municipality has its own bond that covered the judge, and
200 that bond would have kicked in. Kim said State of Wisconsin Statute requires that the court must
201 have the bond.

202

203 City Administrator Rindfleisch explained that each municipality was to be bonded, but the
204 municipalities were not bonded. City Administrator Rindfleisch said the insurance purchased by
205 the Joint Municipal Court will replace the bonding necessity of the other municipalities. City
206 Administrator Rindfleisch reiterated the City of Onalaska is the administrative oversight of the
207 courts and said it is in the city's best interest to ensure that all the municipalities are covered
208 because the City of Onalaska "would be the first on the line."

209

Reviewed 6/7/19 by Kim Isensee

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210 Motion by Ald. Stevens, second by Ald. Olson, to proceed with Option No. 3 at a total cost of
211 \$673 regarding an insurance policy for the Joint Municipal Court.

212

213 On voice vote, motion carried.

214

215 **PERSONNEL**

216

217 **Item 9 – Monthly department presentation by the Police Department**

218

219 Assistant Police Chief Miller’s presentation including the following:

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- 221 • The Police Department’s Mission Statement and its values were developed by the
222 department’s vision team, which is represented by officers from each shift, Special
223 Services, non-sworn staff, and the department’s administration. The Police Department’s
224 Mission Statements reads as follows: *“To build community partnerships and provide
225 service-oriented policing to maintain a safe environment and enhance the quality of life.”*
226 The Police Department’s values are compassion, integrity, professionalism, and service.
- 227 • There are three shifts (first, second, third) in the Patrol Division. Each shift has its own
228 sergeant. There should be six officers working each of those shifts when the Police
229 Department is at full capacity. Staffing can range from two to four officers per shift,
230 including or not including the supervisors. There is a Professional Standards Sergeant
231 who serves in an administrative role, oversees the Community Services Division, and
232 assists with the Investigations Division. All of the aforementioned positions are
233 encompassed under the Assistant Police Chief. The Police Chief is the ultimate authority
234 in the department in terms of structure. The Police Chief is responsible for
235 Administrative Services/Records, which includes the non-sworn staff.
- 236 • Two officers currently are undergoing field training, meaning they are riding with
237 officers for 16 weeks before going out on their own. The 16-week field training period
238 helps officers learn to operate by the department’s guidelines, policies and rules.
- 239 • The Police Chief position currently is vacant. There also is a vacancy in the Patrol
240 Supervisors position; however, Assistant Police Chief Miller announced it will be filled
241 in two weeks when Officer Matt Jahr will be promoted to Third Shift Supervisor. As a
242 result, there will be a vacancy in the School Resource Officer position. There also is a
243 vacancy in the Patrol Division; however, there is a conditional offer out to an individual.

244

245 Ald. K. Smith asked if the officers are listed by seniority by shift.

246

247 Assistant Police Chief Miller said they are listed by seniority. Assistant Police Chief Miller also
248 said shift bidding occurs yearly, and this is done by seniority. Assistant Police Chief Miller said
249 some officers with the most seniority have requested to work either second or third shift as it
250 works better for their home life. However, the trend is for senior officers to be moved to the day

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251 shift. Assistant Police Chief Miller said rank or seniority does not determine what shift officers
252 work as it is their choice and it is done yearly by seniority.

253

- 254 • Assistant Police Chief Miller referred to the page showing how many years of service
255 each officer has, and he noted the officers with fewer than 10 years of service reflects a
256 time when there was significant turnover in the department primarily due to retirements.
- 257 • Regarding training, the State of Wisconsin requires every sworn law officer to have a
258 minimum of 24 hours of training each year. Training includes firearms training and a
259 driving course. The state revokes an officer's certification if he/she does not meet the
260 requirements, and he/she is not eligible to be a sworn police officer. All City of Onalaska
261 Police Officers must meet this requirement by June 30 of each year. Assistant Police
262 Chief Miller said, "They do, and most of our officers far exceed this." Assistant Police
263 Chief Miller said the department has an ample training budget, and he noted officers take
264 advantage of free and low-cost trainings. Department instructors also conduct on-shift
265 and in-house training. Officers shoot a minimum of four times a year even though they
266 are only required to qualify once a year. Officers also have memberships to the Holmen
267 Rod & Gun Club, and the department offers "shoot days" in which an instructor is sent to
268 the club when there is ample staffing and provides one-on-one guidance to officers.
- 269 • The Police Department also has a reserve unit that Assistant Police Chief Miller said is
270 "very critical." The Police Reserves are volunteers who fill in for crossing guards and
271 work during parades and special events such as road races. The Police Reserves receive
272 some funding via the Municipal Court system for providing security, and the reserves do
273 charge for staffing time for some of the road races. However, the members themselves
274 do not get paid as funding is utilized for equipment and training. Assistant Police Chief
275 Miller noted Sergeant Tim Berg oversees the Police Reserves and said they also partner
276 with other local agencies.

277

278 Ald. K. Smith asked how many individuals currently are serving with the Police Reserves.

279

280 Assistant Police Chief Miller said membership fluctuates between 15 and 25, and he told Ald. K.
281 Smith college students serve as reserves.

282

283 **Item 10 – Review and consideration of changes to City of Onalaska policies:**

284

- 285 a. 6.03a Electronics Communications Policy

286

287 Hope referred committee members to Section 2c ("Prohibited Communications/Equipment") and
288 said it now reads as follows (bold verbiage has been added): "*For the protection, integrity, and
289 security of the City's System, electronic media shall not be used to instant message **outside of
290 City-provided IM solutions.** Instant messaging is considered public record.*" Also, Section 4a
291 ("Passwords) now reads in part as follows: "*The password shall be changed no less frequently*

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292 *than every 90 days (changed from six months) to protect the integrity of the information system.”*

293 Hope told committee members IT and city legal counsel had reviewed all the policies.

294

295 Motion by Ald. Olson, second by Ald. Stevens, to approve changes to City of Onalaska 6.03a

296 Electronics Communications Policy.

297

298 On voice vote, motion carried.

299

300 b. 6.03b E-mail System Policy

301

302 Hope said Section 3d (“Personal Use”) now reads as follows: *“The use of non-city owned
303 electronic devices on the city’s network or computing systems is not supported.”* The words

304 “prohibited and” before “not supported” have been deleted.

305

306 Motion by Ald. Stevens, second by Ald. Olson, to approve to approve changes to City of

307 Onalaska 6.03b E-mail System Policy.

308

309 On voice vote, motion carried.

310

311 c. 6.11 Mobile Phone Policy

312

313 Hope noted the following changes have been made:

314

315 • Blackberry enabled devices and Research in Motion (RIM) wireless devices have been
316 removed from “Definition,” and Android devices has been added.

317 • “Use of Mobile Phones or Similar Devices” has been updated to read in part: “... users
318 should be aware that emails sent **regarding city business** via their smartphone on their
319 personal email account will be subject to the records retention policies listed in the Email
320 System Policy.”

321 • “Prohibition of Camera Phones” has been updated to read in part: “Employees may not
322 use any cameras, video and audio recording devices, or video or recording features of
323 mobile phones, or other digital devices that contain such capability for personal use
324 **while on City business.**”

325 • Section B(g) now reads as follows: “Devices should be **encrypted and** protected by a PIN
326 **or** password, biometrics, or other appropriate digital security measure to prevent
327 unauthorized access.”

328

329 Motion by Ald. Stevens, second by Ald. Olson, to approve changes to City of Onalaska 6.11

330 Mobile Phone Policy.

331

332 On voice vote, motion carried.

Reviewed 6/7/19 by Kim Isensee

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334 **Adjournment**

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336 Motion by Ald. Olson, second by Ald. Stevens, to adjourn at 7:56 p.m.

337

338 On voice vote, motion carried.

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341 Recorded by:

342

343 Kirk Bey