

City of Monroe
Finance and Taxation Committee Minutes
March 14, 2016

A. CALL TO ORDER & ROLL CALL

Chairperson Stangel called the meeting to order. Present at roll call were Alderpersons Stangel, Bauman, Armstrong, Alternate Beer, and Youth in Government member Nate Smith. Youth in Government member Abby Yurs was absent.

B. CORRECTION OF MINUTES

Alderperson Bauman commented that the March 8th minutes say "Motion made by Alderperson Armstrong Beer ...to adjourn". They need to be corrected to say "Motion made by Alderperson Beer.....".

C. BUSINESS: OPEN

1. CONTRACTED TAXI SERVICE

Karl Schulte from Brown Cab Service was present to explain. The recommendation is to increase the package delivery fee up to \$6.50 and the agency fare up to \$5.65. Questions and discussion took place. An example of a package delivery is when a hospital discharges a patient who needs to borrow a wheelchair and then the wheelchair needs to be returned to the hospital. Agency fares are fares that get charged strictly to service agencies already receiving subsidies for the transportation and that need to be billed for the taxi service. Also, the recommendation is to add Sunday service hours from 8 am until 2 pm beginning March 20th and to add a few hours during the busy times of weekdays. More questions and discussion ensued. Motion made by Alderperson Bauman and seconded by Alderperson Armstrong to approve the increase in hours and the other rates increases for special services. On voice vote, the motion first carried by the Youth in Government members and then by the Finance & Taxation Committee official members.

2. REQUEST FROM GREENWOOD CEMETERY TO REIMBURSE FOR ADDITIONAL EXPENDITURES IN 2015

Nate Klassy spoke on behalf of Greenwood Cemetery. There was \$105 in the account at the end of the year. They need help paying 2 bills from last year. (\$7,565 from Reffue Pas for bookkeeping services for the year and \$3,000 to Nate Klassy that he personally loaned to the cemetery). They have a long term care account, but they can only use the interest on that money and the interest rates are very low. Questions and discussion ensued. The city has paid the cemetery \$36,000 for the year and they need an extra \$10,565 to cover last year's expenses. Klassy said the revenues were down in 2015 and more mowing had to be done than normal. The interest rates keep going down. More people are being cremated and they don't get as much money for that compared to traditional burials. More discussion took place. Klassy said they have a new

superintendent who will actually do the mowing and they feel this year will be much better. Stangel suggested giving them a loan and to evaluate a year from now and see if it can be chipped away at. Admin. Rath made comments and said there are some other ways to reduce expenses as well. It was discussed to do an \$11,000 loan with no interest out of the contingency fund and to have City Atty. Ewald draw it up and make the framework. Motion made by Alder Armstrong and second by Alder Bauman to loan \$11,000 to the cemetery board (as discussed). On voice vote, the motion first carried by the Youth in Government members and then by the Finance & Taxation Committee official members.

3. ACT ON NEWTON KEENAN CLAIM

City Clerk Stamm explained. The claim is in regards to a sewer backup. The recommendation from CVMIC is for the claim to be denied. The city has a regular maintenance program in place and has been complying with it. The city is meeting the standard of reasonable care. Utilities Supervisor Kennison provided further details regarding this incident. Questions and discussion took place. Motion made by Alderperson Armstrong and seconded by Alderperson Bauman to deny the claim. On voice vote, the motion first carried by the Youth in Government members and then by the Finance & Taxation Committee official members.

4. PRACTICE REGARDING CASH PAYMENT FOR REIMBURSEMENT OF MUTUAL AID SERVICES

Chairperson Stangel said that Alder Boyce put this on the agenda and explained. The city pays cash for mutual aid for special events. Admin. Rath provided further information. There are concerns about work comp and if they are being paid properly. Alder Armstrong said that Alder Boyce's concern was paying cash and not having a way to track it. Police Chief Kelley provided further explanation and expressed concerns if the practice is changed. It has been done this way for almost 40 years. A stub is sent back with them. They are being treated as contractors. If they were employees, the city would need to issue W2's, swear them in and register them with the training and standards bureau as a new officer. Comptroller Schuchart had an IRS document with her outlining that paying in cash is ok, but taxes are still due on the earnings. The cash is tracked from beginning to end with signatures required. More questions and discussion ensued. As an alternative, Police Chief Kelley said the city can make them fill out a timecard and send them a check. Alderperson Armstrong commented that it is all documented and there is a trail and he doesn't see an issue. The committee generally agreed they are comfortable with the current practice, but may want to consider writing checks.

5. REVIEW FUND BALANCE POLICY FOR POTENTIAL REVISIONS(S)

Chairperson Stangel questioned where the fund balance is right now. Comptroller Schuchart said that it is adjusted after every audit to keep it at 25%. Stangel

commented that 25% is a very conservative amount to keep and the General Accounting Board said we only need 15%. Stangel questioned if this fund balance could be used for something that would benefit the city such as covering some liabilities such as reducing the PTO employee benefit liability, which would increase the city's rating when borrowing money. Admin. Rath commented that he just went to a conference on this. He said that the most important thing for the bond ratings is management practices, policies and procedures. At the conference, they said that the best communities in Wisconsin are at the 25% fund balance. Big reductions to the fund balance in say a year are looked at unfavorably. A better approach is to figure out what level the city wants to be at and keep chipping away at it over a number of years. This shows more discipline. Admin. Rath made more comments. Questions and discussion took place. The auditors said that the recommended industry standard is 2 months and 17%. Fire Chief Rausch made comments that it is good to leave some money in reserve in case of emergencies. Emergency funding is not released until the emergency is closed. Administrator Rath and Nate Smith left at this time.

Chairperson Stangel commented that this is just the beginning of the discussion and that nothing immediate has to be done. The City should look to see if there is a logical way to use the money that would put the city in a better financial position. We should get more info from the auditors on the fund balance.

Alder Armstrong excused himself from the meeting at this point and invited Alder Beer to step in.

6. DISCUSS AND MAKE RECOMMENDATION TO COUNCIL FOR A NEW AGENCY AND INSURER FOR CITY'S PROPERTY INSURANCE

Clerk Stamm reported that she contacted the City of Platteville, which is insured by EMC and they just said the reference was good and there were no complaints or problems. Stamm reported that the comparison was not easy to do because of so many intricacies in the policies and not receiving apples to apples information. She also sent out an email on the Clerk's network regarding the three companies. All companies appear to be good companies. One thing to keep in mind is that EMC has a third layer in the proposal (Lanz & McArdle as local agent but going through TriCor in Platteville, with the insurer being EMC. A quick glance at EMC's policy and proposal raised some concerns. Some of the coverage limits were different than requested. Alder Bauman commented that EMC has already been ruled out. Stamm commented that she has had a lot of conversation with CHUBB and MPIC the last few days. There is a possibility that in the future, MPIC's Board of Directors could declare dividends that could go back to the municipalities or CVMIC who is an investor. MPIC has not yet been rated. Whitefish Bay and Pewaukee have both reported good experience with claims payment from MPIC. CHUBB's proposal has higher deductibles for equipment and employee tools than requested. Differences in flood coverage between MPIC and CHUBB was then discussed. The staff

recommendation is that the city go with MPIC. (Cost is lower than Chubb, one stop shopping through CVMIC, all insurance and claims coordinated through CVMIC, all loss control done through CVMIC, Green County also has MPIC, MPIC proposal was the only proposal received on time and completely responsive to all questions, transition should be seamless, possibility of dividends in the future, MPIC will provide professional appraisal services for all city properties and will provide a wire cash transfer advance in the event of a catastrophic event, 290 Wisconsin municipalities have signed on with MPIC). Fire Chief Rausch made comments that he has had problems in the past when vehicles are insured with one company and the buildings are insured with another. The direct infusion of cash in an emergency situation offered by MPIC would also be helpful. More questions and discussion ensued. Motion made by Alderperson Bauman and seconded by Alderperson Stangel to recommend to Council that MPIC be our property insurance carrier from April 1, 2016 – March 31, 2017. Motion carried.

D. BUSINESS BY MEMBERS

None

E. ADJOURNMENT

Motion to adjourn made by Alderperson Beer and seconded by Alderperson Bauman. Motion carried.

Carol J. Stamm, CMC/WCMC
City Clerk/Director of General Government