MINUTES OF THE FINANCE COMMITTEE

TUESDAY, APRIL 25, 2023, 4:30 PM
AMENDED
In person at City Hall, Room 207.
Virtual attendance also available via Zoom.

A. ZOOM MEETING INFORMATION.

1. This item contains Zoom information, instructions, and a link to the Virtual Comment Form.

B. ROLL CALL.

1. Members: Ald. Brian Johnson, Ald. Jesse Brunette, Ald. Bill Galvin & Ald. Jim Hutchison.

Present: Jesse Brunette, Jim Hutchison, Brian Johnson, Bill Galvin
Excused:None

C. APPROVAL OF THE AGENDA.

1. Approval of the Finance Committee agenda for the April 25, 2023, meeting.

Moved by Ald. Jesse Brunette, seconded by Ald. Bill Galvin to approve the agenda. Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

D. APPROVAL OF MINUTES.

1. Approval of the Finance Committee minutes from the April 11, 2023, meeting.

Moved by Ald. Jim Hutchison, seconded by Ald. Bill Galvin to approve the minutes. Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

E. REGULAR BUSINESS.

1. For consideration with possible action to accept the Wisconsin Historic Preservation fund subgrant for $25,000.

Moved by Ald. Bill Galvin, seconded by Ald. Jim Hutchison to accept the Wisconsin Historic

Preservaion Fund Subgrant for $25,000. Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison,

2. For consideration with possible action to rescind 2022 real estate taxes for John Jeanquart, parcel 21-5901 for $902.33.

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to discuss items 2-6 as one item and to approve as one. Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison, No- None, Abstain- None.

3. For consideration with possible action to rescind 2022 real estate taxes for MCR Rental LLC, parcel 23-254-5 for $1,085.41.

See item #2 for motions and approvals for items 2-6.

4. For consideration with possible action to rescind 2022 real estate taxes for Wandering Springs Estates LLC, parcel 23-327 for $3,357.11.

Moved by Ald. Jim Hutchison, seconded by Ald. Bill Galvin to amend the description on item #4 to add refund/rescind. Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

See item #2 for motions and approvals for items 2-6.

5. For consideration with possible action to rescind 2022 real estate taxes for Michael Zolper, parcel 21-2116-15 for $1,946.64.

See item #2 for motions and approvals for items 2-6.

6. For consideration with possible action to rescind 2022 real estate taxes for Michael Zolper, parcel 21-2116-18 for $1,946.64.

See item #2 for motions and approvals for items 2-6.

7. Consideration with possible action to allocate $50,000 of contingency funds for Carlson Dettman Consulting to provide a market measurement for City positions included in the City's pay plan contingent upon legal review of the agreement.

Moved by Ald. Jesse Brunette, seconded by Ald. Brian Johnson to hold until the 2024 budget discussions. Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison,

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to amend the hold until 2024 budget discussions and hold until next Council meeting with additional data provided from surveys, exit interviews and alternate funding sources. Motion carried.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison, No- None, Abstain- None

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to approve. Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jim Hutchison, No-Jesse Brunette

F. INFORMATIONAL.

1. 2023 Contingency Account: $244,643.36.

2. The next Finance Committee meeting will be held on May 9, 2023 at 4:30 PM.

G. ADJOURNMENT.

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to adjourn. Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison, No- None, Abstain- None.

VERBATIM MINUTES

- All right, call this meeting to order at 4:35 PM for the finance committee. April 25th, '23. Let the record reflect that Alder Galvin, Alder Brunette, Alder Johnson, Alder Hutchison are all present. Entertain a motion to approve the agenda.

- So moved.

- Second.

- A motion by Brunette, a second by Galvin. Any discussion? Seeing none, all those in favor say aye.

- Aye.

- Aye.

- Opposed, the motion carries approval of the minutes from the April 11th, 2023 meeting.

- So move.

- Second.

- And a motion by Hutchison, a second by Galvin. Any discussion? Seeing none, all those in favor say aye.

- Aye.

- Aye.

- Opposed? Motion carries. Item E, regular business. Number one, for consideration with possible action to accept the Wisconsin Historic Preservation Fund subgrant for $25,000. Any discussion?

- Motion to approve.

- Second.

- We have a motion by Galvin, a second by Hutchison. Any further discussion? Seeing none, all those in favor say aye.

- Aye.

- Opposed, motion carries. Item two. For consideration with possible action to rescind 2022 real estate taxes for John Jeanquart, parcel 21-5901 for $902.33. If you can pronounce that, then I'll let you laugh.

- I'd say jean quart. But-

- Okay.

- Our city assessor is on the line if you have any questions on these five rescinded items.

- Are these all you overcharged for some reason?

- There're different actions on some of them. The old system had some checks in there that were not carried over. As far as a couple of 'em are unbillable lots. The later ones. A couple of 'em, I think the first one is an unbillable lot that we had an adjustment on that didn't carry forward that we're rectifying. The second one is we had two storage buildings that were assessed that weren't actually in place as of the first of the year. So we're asking to have those taken off. The third one is another unbillable lot that the adjustment wasn't carried forward. We added that back in to make the adjustment. The last two are similar. We had the property, it's a apartment building that was listed as having all one-bedroom units, when in fact they were actually efficiency units. So value was less on those and that's why we're looking for an adjustment on those also.

- Alright. Why don't we do this? Let's entertain a motion just to suspend the rules and take up items two through six with one vote.

- I'll second. Or I'll make that motion second.

- So we have a motion by Galvin, a second by Brunette to suspend the rules. All those in favor say aye.

- Aye.

- Opposed. Motion carries. That way we can just talk about all of 'em at the same time. Any, Alder Brunette?

- Yeah, thank you Chair. I've got a question for Director Ellenbecker or Attorney Bungert. When something like this happens, obviously there's a reduction in revenue that the city would be receiving. How is that accounted for? Do we do a budget transfer or just carry it to the end of the year? See where we're at?

- We typically have a couple of these every year. We may have a few more this year, just because of the . And these are when some of the people come back and ask the assessor's office some questions. We actually budget for... We have a budget within the assessor's office. It's either 20 or 25,000, I can't remember the line number. We actually budget for it, assuming that we would have a few rescinded or refunded items. So any of these reductions actually will hit our general fund assessor's office. So we have them every year. So we actually budget something small for it.

- Yeah. Is there any more coming that you're aware of?

- I would have to ask the assessor.

- Just a question. I mean, just to follow up with that. I mean when we did the St. John's one, and there were a few others, and at that time I had asked if we had that and we said no, we had to take it at a contingency. Why is that one different?

- These follow state statute, and Russ you can certainly jump in at any point, but these follow the rescinded policy procedures, the procedures from the state saying that there was a mistake and that now we go through the rescinded process. At the end of this year, in November or October, our staff members will send them all to the state. They will make a determination on them and at that point, if they feel that they were valid, we will actually send bills back out to all the taxing jurisdiction and get a portion of our tax bill back for all these changes. The ones that was done for St. John, it couldn't follow the rescinded process because this was a decision to forgive some taxes. That's completely different.

- Okay.

- We correct an error made by my office that we're correcting through this process, it's called a palpable error. So in this case, this is the process that we go through in order to make it right for the property owners.

- Did you...

- Yeah, Mr. Schwandt, I guess the question was do you foresee any more coming down the line?

- The only issue there is we're sending out assessment notices shortly, and with the personal property, it's generally personal property that we have these types of rescissions on. Mainly because we're not notified by the property owner if they've moved out. We check that the building's still there and it looks like they're still active, but when the tax bills go out, we get a notification from them, you know, in December, that they no longer do any business as of the first of the year. So until those we really don't have a good idea. But my office is pretty good at covering those. But for the most part, I think if you got like 3,500 accounts, there's gonna be one or two of 'em that may have gone out of business that didn't notify us. So cross our fingers, I don't think we'll have any, but we'll see I guess when the tax bills go out and people say "I'm sorry I wasn't in business".

- Okay, thank you.

- I'm sorry, I didn't mean to jump on you. Okay. Any other questions on these items? If not-

- I only have a question on item four, I brought it up. It looks like the backup information is spreadsheets and it's all correct in terms of the amount the city to refund except item four. That individual or that property paid half the tax. And so the backup information, the amount of city to refund is, I don't think correct, because it simply is the difference between what actually should have been taxed and what was, it doesn't take into account half payment. I know the calculation will be done in house, but number four is different than the rest, I guess.

- Correct. So you're right, we should call it a refund slash rescinded. So in this case, since they have paid a bigger portion already. Again, most cases we'll ask any of 'em to pay at least their first installment, so that no penalty interest accrue while we go through this process. And then once this goes through council at the end of next week, if everything's approved, we will then look up the current status and if there's any tax bill remaining, we will get those tax dollars rescinded. If they've overpaid, we will give 'em a refund or we will give 'em some combination, we will refund or we will rescind. Rescind means we'll actually go in the tax bill system and we will work and get that reduced so that well bottom line, we cut the check to the county and then that pays off their portion of the bill and if they still have something remaining, when they get their bill on July 31st, then they'll just pay what's ever left. And if they've overpaid it then we will send them a refund or some combination.

- Okay. So it'll be taken care of in due course.

- Correct.

- Okay. So I just send as a motion to amend to add the word refund. We have a second?

- Sure.

- Galvin. All those in favor say aye.

- Aye.

- Aye.

- Opposed? You okay with that? Motion carries.

- Sure.

- Okay. Any other questions? Good catch though. All right. So these items are all bundled together. We got a motion to approve by Galvin.

- Second.

- Second by Brunette. All those in favor say aye.

- Aye.

- Opposed. Motion carries. We are on item number seven.

- Thank you, Russ.

- Consideration with possible action to allocate $50,000 of contingency funds for Carlson Dettman Consulting to provide a market measurement for city positions included in the city's pay plan contingent upon legal review of the agreement. Director Faulds, Chief Faulds.

- So you have the memo and also you have the proposal from the consultant. So the city is requesting that we enter an agreement with Carlson Dettman Consulting for a market measurement of our city positions. What would occur is the assessment would start next month. It would go through about September and then after September we get the data from our consultant and we would put together a proposal to review in the budget in the fall for it. So to give some perspective, the last study we did was in 2017. That was implemented on December 1st, 2017. The cost was $20,000 for that year and then it was cost about $184,000 to the general fund the year after. And then it was about a total cost of 275,000 for the year 2018 for all funds. So what would happen is we would put together a proposal, around the budget time, and we would determine when would be the best time to implement it, trying to balance the budget and ensure that we can afford it. So it could be a one-year decision, could also be over two years for it. And I guess also to explain, in 2017 what happened was they did a salary study where you review all the positions, all the responsibilities, and then you update it and they actually created our city pay plan. This market assessment is going to be looking at the market data and looking at our current wages and making sure we're competitive. So we won't be reviewing every position and the responsibilities, but we may be doing some reclassifications here and there. So the total cost they propose is about 35,000 but there will be some additional cost for reasonable travel expenses. And then there may be some additional cost for meeting with departments and getting more information, or for the reclassifications of certain positions.

- So Joe like, broadly speaking I don't have any objection to this. In fact, I think for at least the better part of the year we've been asking for this. But clearly this is something that was predictable. Why isn't it budgeted?

- I think it wasn't budgeted because I guess, I don't know if we were asking for it last year. Because in July I believe I presented to the personnel committee the option to go this route and provide an assessment for all the positions. And I guess that wasn't brought forth by the committee. I think that was brought forth by the committee after the budget. So the reason why it wasn't brought forth was because I guess the cost was coming up with it. I don't have a definitive answer, but implementation costs I think wouldn't have been maybe able to be fit in 2023? And now we're trying to plan for this in 2024. So I still don't have a great answer for that.

- No, I get that. And I think that's really my only hesitation. To me when I think of contingency, that's for necessary, required, unplanned expenses. So this is where I kind of find myself at an impasse. Like I feel like we've talked about this and have said that, "hey we want this", right? So on one hand it's something we want. On the other hand, I just, I feel like we should have budgeted for it too. And my fear is of course you start to spend down contingency too quick, and then when you need it, you don't have it.

- Yeah. Maybe Director Ellenbecker, how much have we spent the last couple of years in contingency? Because I think we did increase it this year.

- We did increase it.

- We did, but we've also had some other major things that have been brought before us that we haven't seen a cost for yet.

- So I guess the only answer I can give for that is, again, we brought it up in July that this was an option. We looked at our budget for 2023, didn't think that the consultant fee would fit in the budget for 2023, and now we'd like to go forward with it.

- So it really just goes back to the time sensitivity, you know, for me. If we're not even sure if it's something that we can even implement into next year's budget, like how time sensitive is it to do the study?

- So how would I respond to that would be, I think it'd be better to know where we're at, so therefore we could plan for it over a year or two years or three years. So if we wait, then we might have to wait another full budget cycle to implement it. So I think it's good to know at least where we're at in a market standpoint and then go from that.

- Okay.

- I saw Alder Brunette had his hand up.

- Yeah. Thank you Chairman. Director Faulds, we have 39 open positions on the city website. I don't know if there are multiple positions with the same title, so maybe even the seasonal employees are more... But what are you seeing right now in terms of human resources filling positions and tracking the quality candidates per job posting? Are we getting multiple applications?

- So I think we have, it's about probably 49 positions open right now. So there probably are multiple. And I think the past year we've gone between probably 40 and 60 open positions throughout the year.

- We had 70 at one point.

- Yeah, 70 at one point. And I think certain positions are more difficult to hire for than others. And I think the quality of the candidate, we probably don't have the number of candidates that... So that's probably where we're struggling the most. I mean, you only need to find one, but you like to have more to choose from than what we're getting at this point.

- Yeah, and there are some personnel actions that we have coming up after this meeting. And it seems like that so far has been our approach, is that when we find that there's some positions where somebody vacates, we then realize maybe we need to increase the pay. I mean, isn't that something we could potentially do the remainder of the year if we discuss this later on in the budget year for next year? Like to take that piecemeal approach? 'Cause it seemed to have worked. I mean you have the support of the council to do that so far.

- Yeah, so you're right. We have done that. I think the concern with the piecemeal is, there's good intentions with the piecemeal. Like you said, a position becomes vacant, it's hard to hire for, so maybe we look at the position and make sure we have the responsibilities well defined. We might change them to make 'em more complex, that could then increase the pay, things like that. But when we piecemeal, we then get one or two positions that start increasing our pay plan and sometimes it's inconsistent with the other positions and they kind of get left behind. Whereas when you have a salary study altogether, it raises up everyone at the same time. So that's why we've done the best we could to go forward with our reclassifications during the budget cycle every year, so that it's consistent. 'Cause sometimes we have people doing reclasses early in the year, and then other positions come to it later. But when we talk in personnel next week, or at the next meeting, the positions we're bringing forward for the reclassifications, we recommend going forward now because we feel like it's needed. But I do feel overall that the salary study for a whole on the city, is much better than piecemealing positions.

- One other question for director Faulds, and I have a question for finance. About a month ago, we had a rather large issue. Not to go back into the politics of the whole surveillance issue, but we were told that security in City Hall was a serious concern, right? And we're three, four weeks from that discussion, refer to staff, come back with ideas. My concern is that we don't know what that report is yet. We don't know what the recommendations are and it's quite possible if we're going to secure City Hall or make it so employees feel more safe coming to this environment, to the workplace, we might need some money from contingency to implement those ideas. And so for us to, you know, divert, you know, basically 20% of the contingency fund for this effort where we don't know what the security recommendations will be... Any update on that?

- So I think there's been a couple of requests for the security. I think there was a request on that assessment, a threat assessment for City Hall. I think there was a request for an ordinance review for all city facilities. Then I think there was a request for feedback from employees. So I think all those are being working on at this point. So I don't have any definitive numbers on what that could be. And also I think the feedback from employees would be helpful to kind of gauge where we go. But that's the difficult question that, you know, the senior staff and the common council have to wrestle with is, you know, how do we look at the wages of our employees, make sure we're competitive, but the then also look at the safety of our employees as well. I mean it's tough. I would like to hope that you don't have to choose one over the other, but the reason why we're asking for contingency for this, 'cause it was not budgeted, and to coincide with our budget process that we have. We start next month with this market assessment, we'll know a proposal for the fall and for the 2024 budget.

- Yeah, I can . I guess it was kind of related to the contingency fund. That for me is, a quarter million dollars, 244,000 now. It's not a lot of money and, again I get the politics, the surveillance stuff, and I don't want to go back in that mess. But it's worth mentioning that we were kind of told that the security of City Hall is a pretty significant issue. And I remember a month ago saying, okay, that's such a serious concern, then what can we implement immediately to make things safe that don't include unnoticed all the surveillance at that time, but I know that it was noticed. So my fear in relation to contingencies, I don't want to divert $50,000 of that fund if a couple weeks from now or a month from now, city administration says this is what we need to do to secure City Hall. Aside from ordinances, aside from the threat assessment, and aside from input of city staff, I would hope that we would have enough funds to implement the ideas that come from that. So you don't have to respond, that's just so you know where I'm coming from about those funds.

- Alder Galvin?

- In the memo it talked about doing this every five years. And that we did one in 2017, we do it this year, that'll be six years. That's if it's done this year, correct?

- Yeah, it'll be finished this year.

- All right. And the time before that was in the 80s.

- Yeah.

- So if we do it every five years then it can be budgeted every five years if someone remembers or if there's a system in place to make sure it's put in there. Are we also looking at police and fire with this?

- They would not be looked at. I don't believe so.

- Because they're contract. They look at everybody else anyway.

- There are some transit positions that would be included, like mechanics and things like that.

- And the civilian PD positions, .

- Those will be included?

- Yes.

- What about our subcontract positions? Like the crossing guards and that? Because that became a problem, in that when we went out for the bids this year, the one that got it couldn't do it. And the other ones were paying less than what the city was paying, which created a huge problem for us getting employees. Thus we had police officers out there doing, which was really counterproductive to what we were trying to accomplish.

- Do you have anything?

- Yeah, no. Because we contract that out, they wouldn't be included in our salary study.

- Then why do we shoot for 50%, if we want the top employee? I mean it's just like the police say, I remember contract negotiations, "we wanna be in the top five". And we are one of the top five communities in the state. Why do we want to shoot for 50%? Why not shoot for what is gonna get us in the top five? I mean you can certainly stagger what they're getting, based on what work experience or education they bring to the job, you know? 'Cause I know that our jobs are set up that, you know, you can make from here to here. And so why don't we do that?

- Yeah, so. Yeah, I should have been probably a little bit more clear on this. So in 2017, I believe, the hope was to bring all the employees up to the 50th percentile. And the 50th percentile is pretty common, I think a lot of municipalities that's what they try and shoot for. What this market assessment would do is, from my understanding, is they would review all of our positions with the comparable municipalities and also some public and private data and they would give us what would be the 50th percentile, the 50th 75th blend, and the 100th percentile as well. So that's where we could look at that data and choose where we want to be. But so last time we did the 50th percentile, we could do higher if we wanted to, but we're trying to make sure it fits in the budget.

- Well and I guess that's, and I don't know if they assess this, but to me a lot of the good employees I've seen leave, over the last say 10 or 15 years, have gone to other municipalities who are paying more. And if you looked at the job descriptions, it actually was requiring not as much work from them for that higher pay. So if we're in the 50 percentile and our surrounding communities are above that, or the job description is requiring less work from the employee compared to what they do here, we're screwing ourselves into a hole and we're still gonna be bringing in employees and losing 'em. So I think we need to like a slightly better strategy on, you know, we have to be more nimble I guess. And I mean, I know I've seen it with some of the jobs that we've been combining responsibilities and I think on DPW, what was it? There was just something last month, where we were redoing the jobs-

- With the parking?

- Yeah. So I mean, you know, other than just being in the 50 percentile, I think we need to be shooting for more than that.

- Yeah and I think this assessment would give us the data. We could choose where we want to be. And we just have to balance that with the budget.

- Jim, did you have your hand raised before?

- No.

- Okay. Thought you did, sorry. Brunette?

- I do have a question for director Ellenbecker. So obviously, Director, with the budget that we passed, it was six six, mayor broke the tie. You know, it was kind of contentious in some areas. And one of the concerns that I had was we were counting on a lot of revenue that Alderman Johnson suggested. Very good that we were able to pass the budget in the end, but it kind of counted a lot of revenue, and if the city doesn't meet our increased revenue expectations, that we're gonna need to offset somehow. And that was one of the nice things about the contingency fund, is that we kind of have that as a bit of a buffer for some of these things. So can you give us a ballpark idea? We're about four months into the year complete, where are we at with meeting those revenue expectations that we counted on to balance the budget?

- You know, I really, off the top of my head, I don't know if I can give you that answer right now. I really spend more time working on the 2022 year-end audit, and haven't really looked at the first four quarters. I can get you more information. I mean the large bulk of the revenues of the taxes come in at the beginning of the year. So when I run a report now, it's gonna look like we're at like 89% of all revenues for the year. So I would have to drill into all the other items.

- Some of the things were increased property sales, and Director Stechschulte's here, but increased property sale. We were talking about increased inspection revenue. There were a lot of things that we kind of cobbled together to get that budget passed.

- Sure did.

- Yeah, right? That would be my concern is like, goodness gracious, where are we? We're four months in. And it's not your fault, we didn't ask for it.

- No, I would actually like to give you a quick update. Actually I just had an update with them, just a few days ago on those two topics. I mean the director could give you a very high level, those are two items like you said that-

- Yeah it's a financial, this for me is a financial decision more than anything. I think perhaps the need is there, it's just can we afford it? Should it have been part of our normal budget process? So whatever you think would be...

- Yeah. And I don't think the contingency fund's ever gonna come into play if we miss revenue projections, right?

- No, it doesn't. But if your revenues projections are down, but your expenses are below budget, the two of 'em, those'll offset each other, correct.

- Right. But my point is we'll never have to make a play, or you know, to move contingency, to account for lost revenue.

- No we won't. Right. It's just-

- Or a missed revenue projection.

- Correct. It's just basically expenses not spent and if your revenue comes in under, right, that one will help determine whether or not you have a deficit or a surplus. But I-

- No the other expense though, that hasn't been talked about, when I said a couple of big things, is the lawsuit around the audio surveillance devices. Now is that, Attorney Bungert, is that expected to come out of contingency or do we have a line item for that?

- [Atty. Bungert] That would be coming out of our general liability.

- Okay. And there's sufficient funding for that right now?

- [Atty. Bungert] Correct.

- That would be a different fund.

- [Atty. Bungert] Yeah, it's a different set of funds.

- Of course and right now we don't know where that end is, right?

- Correct.

- I guess I would caution everyone that if we don't do this stuff, we stand to lose more employees going into the future because they're going other places. And I guess when they leave and they're not getting paid, then you're generating some extra revenue we can use to do the study then. But it's gonna be too late, and we're gonna have lost employees. I think we're better off getting ahead of the ball on this one, and trying to slow down the drain on our employees.

- I don't know if I asked you or Alder Galvin, one of the concerns I would have with the study is, you know, we need to pay employees what the market bears and if we're not competitive, then obviously we need increased pay. But if the study comes back and it determines that we are way under what the market requires us to be at, going into this next budget year, do we have the funds to even do it? Like our employees would say, "see this study say that you're paying us much too less". And we go into this budget year with all of the bonding and all the other requirements that we're facing, the infrastructure needs. We might not even be able to afford to pay any employees.

- Well that's a-

- You know what I'm saying? So we get this study-

- But that's a corner we paint ourselves in. We could have raised the budget even more last year, but we decided not to. That paints us into a corner. 'Cause you can never raise that money again. If you don't raise it this year, you can't make up the next year.

- Well I think the mayor's budget, the draft, we were like $144,000 below the absolute maximum that we could have increased it. And we could borrow more, I mean that's a possibility, but I don't think we have an appetite for that. But I don't know if we could have increased the budget anymore than what we did.

- No, what what we ended up though, we cut what, 1.8 million out of what the mayor had proposed?

- I see what you're saying. I got you.

- That 1.8 you can never make up again. It's gone. And that's the unfortunate system that we work with.

- That was the mill rate impact, but we also increased revenue. It wasn't a total reduction expense.

- Right, it wasn't total reduction, but we could have increased how much we were bringing in.

- And maybe just to bring the conversation back to this particular... And I appreciate it's all interrelated around contingency, but if we could stay focused on really do we want to use contingency for this and do you want to approve this item right now?

- So what the ask is from HR, and I think most departments as well, is that we have the assessment that's done this year and then we create a roadmap over one or two years to get our employees at a competitive wage. That's what they ask us. And I'm asking the council, and I'm maybe just being cautious about this. I'd be surprised if we could be up to competitive like 50th, 75th percentile with one budget. And that's what I've been telling employees what this proposal is. So I would be shocked if we could do it in one year. Like I think it'd be something like, maybe a cost of living adjustment in April like we did, and maybe another one in October, and then try and do it again in a two-year cycle. So for me, I think it's better to know where we're at so we can plan for it, versus just sitting out there and discussing or having people leave and trying to deal with that.

- In my opinion, Brian's concerns have been addressed where the money comes from for the lawsuit. Director Ellenbecker has answered the fact that we don't use contingency to make up for shortfalls within the budget. I think everything that the chief here is saying makes perfect sense. We need to be aware, we need to be ahead of this thing. He's right, you're right. We probably can't make up all for it in one year, but at least if we have a roadmap, the employees working for us now know where we're going. They know what's coming instead of, "well I don't know, maybe I'll get a raise this year, maybe I won't". And then someone else says, "well there's an opening 30 miles away, you know, with another municipality, you know, do you want to take it?" And then boom, they're gone and now we're stuck trying to fill another hole. So I think we're better off, you know, being forewarned is gonna do us a lot more good than guessing.

- Alder Eck has had her hand up for a while, so it's-

- I didn't see that. Sure.

- Can I just make my-

- Alder Galvin, it's also the security. We're told security's a big crisis at City Hall. We may need to spend some money to implement security features. I don't know where the money would come from for that. And I certainly don't want to shortchange our contingency fund or reduce our contingency fund if we have a request coming a month or two from now, that's gonna be rather substantial to keep our employees safe.

- Well I would say, Diana, Director Ellenbecker, every department has employees that leave, right? And that salary and benefits is not being used. That's worked into the budget. We think we're gonna be about six. But out of all of that, if we have more employees missing than what we were planning on, that creates some revenue. And if the departments are told to set that revenue aside, then I think that we would have the monies we need to get us through implementing a new security system, at least till we could get it into the budget. I mean we could direct the departments to do that, 'cause I know that they got extra money sitting around and they've got pet projects waiting to be done. They're gonna use it too. But if they're told to hold those salaries and benefits, monies, and set it aside, pending to see if we decide to do something with City Hall security, then we can at least assure ourselves there'll be some revenue sitting there waiting.

- Adler Eck?

- Are you able to hear me?

- Yes.

- [Ald. Eck] Oh, okay. Yeah, so I know Alder Galvin mentioned that if this is something that we're supposed to do every five years, then you know, it should be thought about on the budget. So I want to say I agree with that. And I guess another question I have is, if it was done, well is it six years ago now? Is there some kind of a chart that, you know, is laid out that can just be followed each year? Or you know, how does that look?

- Yeah, that's a good question. You want me to answer that? Okay, so no, there isn't a chart unfortunately. It'd be nicer if there was. But what happens is every municipality, every public, private sector, just starts, you know, increasing wages and we just had, you know, some municipalities and private companies addressing inflation and they're probably increasing wages more to address that. So what happens is you just have competition for employees and after so many years, you kind of look at where you're at and you try to do a market assessment for that. So that is why we're asking to do a market assessment at this time. One thing that I think is really good, it's good and bad, is I think some surrounding municipalities and other municipalities have done market assessments in the past year, so now at least we can see where they're at and you're really kind of, we're lagging, but at least we now can kind of get ahead of them if we want to or just be where we want to be with the assessment.

- [Ald. Eck] Okay. So to piggyback on that, I know that the next meeting, the personnel committee, on the agenda is the reclassification of these jobs. And I know, well I guess I could talk about it then, but I feel like it does fit here as well. I look at this as, and I think somebody else said piecemealing. And I wonder why we were doing that, when some employees might feel, and I've had some people express concerns, that it's being reclassified. And there's been employees that have been employed by the city for quite a while, and then new hires come in and they're getting more. The same or more pay than what they were getting through some of these reclassifications.

- Yeah, I've heard that. Oh, go ahead.

- [Ald. Eck] I just wonder what is the protocol for figuring out which one's you're reclassifying, rather than doing all of them?

- Yeah, so I guess the quick answer to that is the market assessment is to address that concern of the piecemealing and to make sure everyone is lifted up at the same time with the same percentage. With piecemealing, with reclassifications, so there is a process outlined in our personnel policies and essentially it's when a supervisor, or maybe there's a vacant position, revisits the position and just determines that, whether it's based upon there's been a substantial change in the job responsibility. Sometimes that's based upon reorganization of a department. Sometimes it's based upon change in technology or software. There's a lot of different reasons for that. And sometimes employees don't have all the information on why certain positions are reclassed and others are not. And that's probably on me to explain that better. But also I welcome any employees to talk to me if they do have concerns on that, so I can explain it. But so for me, I think we want to avoid piecemealing as much as possible. And that's why we're asking for the market assessment.

- [Ald. Eck] Okay, thank you.

- Any other questions? Discussion?

- Motion to hold.

- Hold until?

- Hold until the budget discussion.

- I think a hold requires a time frame, right?

- Motion to hold for consideration fore the 2024 budget discussion.

- Okay. Would second that. Just open that up for discussion.

- Again, like I said, a worthwhile pursuit. A couple thoughts were it should have been budgeted this year, it should have been discussed this year, the budget process. It wasn't. Maybe as an oversight, I don't know, that's quite possible. And that can be forgiven of course, but I'm just more concerned about the open-ended issues that we have. The lawsuit we were told was a little separate. But, security. We were told that there's a huge security issue at City Hall and we don't have a updated report or any action or proposed financial estimate to resolve that issue. So I'd like to hold onto that contingency fund until we have some direction on what the cost would be and where the money would come from to implement security features at City Hall. It's pretty simple.

- I'm not sure how one thing has to do with the other one. You're saying let's hold off doing this assessment, possibly till next year. We'll lose more employees. "Oh yeah, yeah. We'll roll the dice. We'll see." But we've seen what history is, history is repeating itself. We continue to lose employees, continue to have a hard time to gain employees. But you're willing to hold off on that, on the idea that maybe we might have a security plan that we might have to maybe use the contingency money for.

- You want me to respond to that?

- Well, yeah, 'cause I'm having a hard time understanding how-

- First of all, there could be other reasons why people are leaving city employment. There could be other issues or other concerns that may be causing people to leave the city, that's a possibility. We have an open workplace or work culture specialist position that I saw posted. I think that will probably be filled for July. So there's some possibility there, that we'll have a better idea of how to improve other things within City Hall that don't necessarily include increasing the pay of city employees. And you had mentioned that when city employees leave that that's an opportunity for us to capture some money from our budget that could offset some things. So, you know, I don't know if you can say that definitively, 100%, that people are leaving the city simply because of the pay or lack of pay in positions.

- I would ask HR, they do exit interviews. What are we hearing?

- [Atty. Bungert] That does come up frequently. The need for more pay.

- [Chief Faulds] survey from 2022, and I think overwhelming. It was a question of why would you look for another job? And I think it was over 2/3 of respondents said paid was the reason why. And then you also get a survey, so we did two surveys and you compare both of 'em. There was increases on satisfaction with like flexibility, remote work. But the biggest concern I think from that survey was pay. And we've also met with union representatives from public works, parks, I mean all across city departments. I mean pay comes up on a frequent basis.

- You think that's unusual compared to any other employer? I mean it would seem to me that that would be something that everybody would want more of, right?

- [Chief Faulds] I do. I think that's a fair point. But I also do think we have a unique circumstance working for a municipality, where people, our employees, look at other postings and other job postings for other municipalities. And private sector, they don't always post what the wages or the salary, but you can see what other municipalities are making. You can see down the road they're doing the same job or less of a job and getting paid more. So it comes up a lot. You can say that across the board, it's a frequent complaint, but I think it's somewhat warranted, I think, in this circumstance.

- Yeah. You know what, I'm asking the question, right, because, I don't know, I like making decisions with data, right? And it's something that we're clearly lacking right now and... Yeah?

- [Chief Faulds] That's what the market assessment is for, is to gather that data.

- Yeah, I understand that. And look, I've said personnel committee before, right? Like I think we do need to right size some of our salaries. I also think consolidation of some positions ought to be contemplated as well as part of that process. And I don't know if that's something that could even be included in this or not, but. You know, I get what you're saying, Bill. I do. And this is the hard part that I'm trying to kind of wrap my brain around, is just how many folks are we really gonna lose? I just don't know the answer to that, right? Especially when it's, "Hey, we want to get the data. We may or may not be able to do anything with it the next budget cycle". In which case then, if we can't do anything with the next budget cycle, whether we do it now or whether we do it in January, it's kind of irrelevant.

- But as we go into the next budget cycle, we're gonna hear that familiar litany, everyone out there suffering. So let's cut employee wages or let's cut what we were gonna give them for increases. You know in some cases we weren't gonna give 'em any increases over here, 'cause it's the same thing. Everyone out there is suffering. It's either a bad economy, Covid, the sky's falling.

- We did increases this past year, didn't we?

- We have, but every year it's been a struggle. Every year it's a struggle. And every year we never end up giving 'em everything that we had always been intending to give 'em. 'Cause we always pull some back or we try and extend it out to the end of the year or the first of next year and things like that. These are the things that the employees see and then they go and they look at other municipalities around here. They look at what they're making. I can name five people that I saw go, that went to do the same job, except there wasn't as much work involved with it, for more money. And it was within 30 to 40 miles of this city. Now we can say, "Well, you know, we don't have any data". Well this is one way of getting data and it would be nice if we did get the data from these surveys that they do or if they could take data from the exit interviews and compile that so we could see why, you know, out of the 50 employees that left last year, what were the reasons given? And then that can help us make our decision. But I think holding this, which let's face it, this is gonna turn into this big thing about, well now it's all gonna be balancing on this security position for City Hall. And so we're gonna tie up this whole thing about whether there's gonna be a security position or security improvements or nothing done at all here. And I don't see that one little key thing is gonna hold up this whole process here of what we're trying to do for all city employees. Which is what, how many we got now?

- [Chief Faulds] Let's say 860, about 900.

- About 900. So 900 employees are waiting to see what's gonna happen with maybe one or two. Maybe. We don't even know that. I mean-

- Yeah, and I think-

- it might be an x-ray thing that they put in to have people walk through.

- Well can I... And I think Alder Brunette obviously shared just one example of something. I wanna make sure like, I don't think any of us are making a decision of it's this or security. At least I hope that's not the discussion right now. I think that was just an example of something to contemplate. I will say though, for me the bigger issue is for things that are predictable and we have the ability to budget, we need to do that. And we can't always have this be the fallback, and the scapegoat for missing things when they really should be contemplated. So...

- Right. And I get that. And I don't like these last second, it seems like, things, especially when we've discussed it earlier in the year. But if this weight's still in the budget, then it's probably gonna end up being budgeted, which means we're not gonna be able to do anything till 2024. And how long does it take to do an assessment, Chief?

- [Chief Faulds] Said about three to four months. But then we gotta prepare for it for the next budget cycle.

- Right. So 2025 is when we'll actually be able to implement that. Now we're looking at eight years. And again, I'm thinking for $50,000 now, we're shaving a year and a half off of things and we're doing it that much faster.

- That's partially making an assumption that we're way undervalued, right?

- Sure.

- It's possible we're not.

- Sure. Well, okay.

- Unlikely, but it's possible.

- Yeah, yeah.

- Chief Faulds. We have some payment terms in here, right? That show basically, I think it's, you know, a quarter payment over four months, right? At the beginning of each month. Any flexibility to negotiate some of that?

- Not really, but we could try.

- It'd make me feel better if we could at least try. And could you get half allocated this year, half next year, but still get the report in a timely manner that allows you to act on it for this budget cycle?

- Is there a different funding source we could use? I mean-

- Yeah. Do you have another line item that has been budgeted?

- I mean, maybe there's salary savings, maybe there's ARPA funds. I mean if we do, you know, 15 or 20 from contingency, or 25 from contingency, 25 from ARPA, 25 from salary savings. I mean I can meet with Director Ellenbecker and see if there's other accounts we could use.

- Tell you what. If you do this. It's notwithstanding you know, knowing what anybody else thinks about anything, you know. But I would make a motion to amend the date of the hold just to the next council meeting. And I would make that and also with the contingency of the writer that staff come back with the proposal of maybe alternative sources of funding that could include, you know, partial contingency, partial other sources of funding. So that would be my amendment is just to change that hold to the next council meeting.

- And one thing too I'd like to add is, the price is 35,000. And we know there's gonna be some additional cost to it with reclassification, so that's why we asked for 50. And the thought was don't ask for 35 and then come back again and ask for 15. So do you want us to bring that down to 35 or ask for like 40? Or do you think just keep it at 50?

- Keep it at 50 and find some other sources. And again, this is all subject to how the vote goes. But what I like about, because like I said, I've been a little bit torn on this obviously, because it's really to me about making sure we budget for things that should be budgeted. But I've also asked for this, right? And so like, I don't want to deny it when I want to see this done. So I guess I made that motion, there's an amendment-

- When you say council, do you mean committee meeting?

- No, I'd like to actually have it come to the next council meeting with those options.

- Can I put an amendment to it? Can you get us the data? The data we've been talking about. The surveys, the exit interviews.

- Okay.

- Let me just ask, and not to cut you off, but now we're really getting into committee work if we're gonna include some of that, in which case then I would look at you Joe and say if we bring it back to the next committee meeting, which would be in what, two weeks? Right? Does that still give you enough time for us to maybe look at some of that and give you enough time to still hire these guys for, what is it, July?

- Yeah. Well it would've been for May. I guess I'd prefer to bring it to the next common council meeting. We do have the information that's been sent to the common council with the survey results from our employees that would show pay was the reason. But the exit surveys, we have conducted exit surveys here and there. But that's one of the responsibilities of our workplace culture specialist, that we haven't been doing as many. But we do have some information that we could compile and provide for next council meeting.

- So we don't interview every employee that leaves as to why they left?

- No, we were at some point. We've been down some positions and that was one of the areas we decided that we could just target some positions to do an actual face-to-face interview. But we'd like to have more of an electronic survey for all the employees that leave. But right now we're doing more in-person when we can.

- Is that because the positions we removed or because you have positions you can't fill?

- Because positions that's been held open. We're just short staffed. So when we have two generalists recruiting for 50 to 60 positions every week, you know, you have to cut some responsibility somewhere. That's one of 'em that we did. But we still conduct exit interviews on certain positions that we deem pretty important. Not that all positions aren't important, but we do what we can.

- So to your point, Bill, like I'm willing to just add that on it. My motion is to also send whatever data you have. The one thing I just, and of course this motion still needs a second, but the-

- I'll second.

- Okay, we got a second by Galvin. The one thing I just wanna make sure of is that council's not getting into, you know, this deep tunnel of doing committee work on this particular item.

- I get that. But to me, if you're gonna sell something, you gotta sell it, you know? Anytime staff brings something to us, I think they do themselves a better service if they have data available that they give it to us.

Now if a council member doesn't want to read it, okay, that's on them. But I think a lot of times, the more information you can give about why you want something, and we've asked in the past, you know, about some of the green projects and that kind of stuff, what data do we have and that kind of stuff. And when it's not there, it's hard to make up your mind. And so I believe what staff is telling us, that there's a need for this, but it helps to bolster it. If I got constituents that are calling me, "Why you doing this?" Well here's why I'm doing it. This is why employees are leaving. Or this is why we're not retaining. Or this is why it's harder to do it. So, you know, I like having that kind of information available. Shame on me if I didn't see that survey or if I don't recall. I don't recall it.

- No, I can send it again.

- But I just like to have that kind of stuff.

- Okay.

- So the motion on the floor right now is regarding the amendment to hold until the next council meeting and include this additional data. Alder Grant, you have your hand raised, but I wanna make sure that the discussion is on the amendment itself right now.

- [Ald. Grant] Yes, it is in relation to some of the questions about the survey, I apologize.

- Okay, so let's just hold on that for a second and we'll focus on the amendment right now.

- Yep, that's fine.

- Okay.

- So the vote will move this forward to council-

- Not yet, nope.

- Not yet.

- The vote we're taking right now is purely to amend it. And then the motion, if it passes, the motion is back on the floor, but just to bring it to the next council meeting. We're only voting right now on the amendment that would change the hold from budget time to the next council meeting.

- I see. So the original-

- So in theory the hold is the same as just taking action on the item, but there was a motion on the floor. So parliamentary procedure, that's the way you change it.

- Right. So we amended it, the hold goes to the next-

- Correct.

- council meeting.

- Well, the next one after the next one? Or the next one after the upcoming.

- This would go to the next council meeting. That's the motion. So. But with that extra data. Okay. So that's the motion we're gonna take. We'll vote on the amendment, okay? All those in favor say aye.

- Aye.

- Opposed?

- No.

- Okay, that motion passes three to one. So now we're back to the motion, which is still to hold to the next council meeting with that additional data. So Alder Grant, if you wanna go ahead.

- [Ald. Grant] Oops, I'm sorry. Okay. Dr. Faulds, just a really quick question. I know I viewed the last survey. Can you remind us what year was that survey sent out? Was that 2021?

- [Chief Faulds] That was 2022.

- [Ald. Grant] 2022. And you said we do not have like a routine annual survey signed out, right? It's kind of when it's needed?

- No, that question wasn't asked. That question was more about exit interviews. We do have the survey that we can send out on an annual basis and the hope was to do that. The last survey we did was in 2019, but then with Covid and some other things that occurred, we did not get one out until 2022. So we anticipate that almost, either an annual or biannual basis, we'll send out a survey.

- [Ald. Grant] And what does it cost us to send these surveys out?

- Zero dollars, because we create the survey in-house.

- [Ald. Grant] Okay. I guess I don't know, you know, I have had staff reach out to me, and I did view the comments from the last survey. I would prefer, I think it's wise to see, if that's free to send out a survey, and maybe in the beginning of the survey we know that, you know, council is interested in your feedback. I do think there's more to a job than just pay. Things matter, like atmosphere, advancements, flexibility, things like that. And actually the comments I saw, pay was very rarely even mentioned. So we can sit and spend this money, but if we're not accurately creating a work environment that people are seeking, we're gonna keep failing as an employer as well. So to me, I think these surveys are very useful, especially if it's noted that council's very interested in your feedback. We have a budget coming up, we need to make adjustments to things, we wanna know that what matters to you. And I don't see the harm in kind of sending that out since there's no cost to us.

- So do you want to send out the same survey we sent out last year? Or do you want to send out a targeted question about if pay makes a difference for staying here? Because I think 100% of the people, maybe 90, will say pay is gonna make a difference between staying here and leaving.

- Again, I go back. I think that every-

- That's why I said that. Absolutely, so. And I think the comments in the survey were about a variety of things, but there's one question that said, what would make you look for another job? And pay, I believe was like 2/3 of the response. If not more. So, I mean-

- [Ald. Grant] Yeah and I understand. I just know some things were, you know, certain positions, people weren't thrilled with certain things, you know, kind of being thrown at them. So it's just something to consider. I know Alder Stevens and I were the only two to view those. It might be beneficial for the entire council, I guess, if I could review the questions that were sent out to see if there's more beneficial questions that could be asked. But I think, yeah, definitely reviewing those and the exit interviews are very important.

- So Alder Grant, if I can make a suggestion, if that's something you want council to get involved in, I would just suggest that you submit a communication. If it's just something where you wanna maybe work directly with Chief Faulds, I would just encourage you to reach out to him and, you know, lend some perspective.

- [Ald. Grant] Yeah, and I mean I have met with Dr. Faulds. I think that's why I think it's important for the entire council to view it. It doesn't help if only 2 out of the 12 are viewing these things. So yes, I can submit a communication. That's fine.

- Okay. Alder Brunette, you had your hand raised?

- No, I was gonna elaborate on that, but-

- Okay. Did you? It must be the angle.

- My hands are always going like this.

- Yeah, it's always like this. Yeah. So, okay, so the motion on the floor is to hold until the next council meeting, which again is the same as take your vote on it. But with the contingency of bringing survey data and what was the other thing?

- Funding.

- Yeah, and staff to provide some recommended alternative funding sources. That is the motion on the floor. Any further discussion? Seeing none, all those in favor say aye.

- Aye.

- Opposed?

- No.

- That motion carries three to one.

- Did we get a second on that motion? Do we need a second for that?

- There was-

- That was for the amendment.

- Oh, you're right.

- The original motion was Brunette and me.

- Yep.

- Yeah. And then the amendment passed. So then Nate brought us back to that original motion, right, to hold. And that's what passed just now.

- All right. Thank you.

- Yeah. Okay. Informational. 2023 contingency account is at $244,643.36. The next finance committee meeting will be held on May 9th, 2023 at 4:30 PM. Is there a motion to adjourn?

- So moved.

- Second.

- A motion by Galvin, a second by Brunette. All those in favor say aye.

- Aye.

- Opposed, the motion carries.