

**VILLAGE OF GERMANTOWN
GENERAL GOVERNMENT & FINANCE COMMITTEE
MEETING MINUTES
October 18, 2016**

CALL TO ORDER: The meeting was called to order at 6:00 p.m. by Chairperson Zabel.

ROLL CALL: Chairperson Zabel, Trustee Members Campbell, Kaminski and Warren were present. Also present: Village Administrator Schornack, Finance Director Rath and Deputy Clerk Dobratz.

APPROVAL OF MINUTES: ***MOTION (Kaminski/Warren) to approve the minutes from the September 20, 2016 meeting, motion carried. Approved.***

PUBLIC COMMENT: None

UNFINISHED BUSINESS:

Motion (Campbell/Warren) to move to Unfinished Business Item 'B' Establishing a Public Improvement Reserve Fund, carried.

Establishing a Public Improvement Reserve Fund

Finance Director Rath explained the draft ordinance from Attorney Sajdak who researched the statutes and determined the Village is able to establish a Reserve Fund with either newly taxed dollars or carry over funds from a source to hold for future public improvements. It is drafted as an ordinance but it can be a resolution and be reworded. Trustee Kaminski stated it is worded as public improvement reserve fund which can be buildings or some other type of infrastructure, it is broad enough financially to achieve. Director Rath stated it doesn't have to be specific now, it can be an amount to be established at a future board meeting. ***MOTION (Kaminski/Warren) to recommend Village Board approve an ordinance establishing a Public Improvement Reserve Fund to allow funds to be transferred in from existing reserve with a positive recommendation, motion carried. Approved.***

Update on Fee Schedule Listing

Finance Director Rath reported the Fee Schedule is prepared, inquired on if the basic concept should be published on the web-site for the public. A few fees have changed for January 1, 2017 and will add, "Current amounts only, subject to change by the Village Board." Chair Zabel stated in the future, Department Heads will be asked to attend GGF for justification of fees. Each department has to go to committee first and then to Village Board before fees can be changed. ***MOTION (Kaminski/Warren) to allow staff to publish the Fee Schedule Listing on the Village of Germantown website, motion carried. Approved.***

Discussion of Wage Increases and Adjustments for Certain Village Positions – Update

Trustee Kaminski stated this should go before the Budget Committee, recommends to put money aside for 2017 to adjust salaries of the Finance Director and Community Development Director. ***MOTION (Kaminski/Campbell) to add an additional \$7,000 to the line item for wage increases, to adjust two positions, Finance Director and Community Development Director, motion carried. Approved.*** Director Rath inquired on the motion and the next budget meeting. Chair Zabel said to add to the line item for wages/salaries for next year and it will be pointed out at the Committee of the Whole. Village Administrator Schornack stated it is a start as these two positions are over 20% away from the survey median that was done last year.

NEW BUSINESS:

Salary Resolution Amendment – FSLA Revision Defining and Delimiting Exemptions for Executive, Administrative and Professional Employees

Finance Director Rath gave information on a new overtime exemption rule going into effect December 1, 2016. Salaried employees have supervisory duties, higher elevation of responsibility, it's the nature of what the job is and how to get it done outside of normal work hours. The salary maximum has been low for a number of years. It is being changed, the minimum salary to qualify as exempt will be \$47,476.00. Currently there are three employees affected by this rule change; Children's Librarian, a Recreation Supervisor and the Senior Center Program Coordinator. The Library Board has decided the Children's Librarian does work a 40 hour week and can adjust hours during the week to keep it at 40 hours. The Senior Center Coordinator does work some overtime. She is expected to work overtime and has been working them. Suggest changing the hourly rate, incorporating an average of one hour of overtime per week per year. The Recreation Supervisor, is an exempt position, currently have two in this position. Nature of the type of work that position does is not 8:00 a.m. to 4:30 p.m., they run the Kids's Club program and have weekend and evening programs. The Recreation Director suggested elevating the wage to get at the cap, a \$2,000.00 increase. It would make a difference in the budget, not subject to any increases or bonuses in 2017. The cap the government is going to put in will be changed every three years. There is recent legislation and legal movement to challenge the ruling. If anything changes, the positions will go back to their original status. Chair Zabel requested additional language be added regarding any future legal action taken that would change the amendment, the positions will revert to their previous status. ***MOTION (Kaminski/Warren) to recommend Village Board approve amending the salary resolution for FSLA overtime rule, defining and delimiting the exemptions for executive, administrative professional, outside sales and computer employees adding a caveat to it, if deemed to be not legal that it would go back to status quo with a positive recommendation, motion carried. Approved.***

2017 Health & Dental Coverage Renewal w/Stop Loss Premium

Finance Director Rath stated the Village is self-insured with health and dental coverage. A Third Party Administrator is hired to process the claims. A reinsurer is hired to protect the Village. The reinsurer goes out for quotes every year. The insurance broker, R & R Insurance, processed this out to other reinsurer groups. Gerber Life/Auxiant is going down about 18%, the third party administrators fee is going up 25 cents per person. It reduces the administrative costs by approximately \$40,000.00. Normally what isn't paid, stays in the fund to pay for claims, suggests to keep that budget. Recommends to sign with Gerber Life for renewal option. ***MOTION (Warren/Campbell) to recommend to Village Board to renew the contract with Gerber Life for 2017 at the current level for medical and RX at \$45,000.00 specific with a positive recommendation, motion carried. Approved***

The dental plan is also self-funded, covers employees and dependents a maximum of \$1,000.00 per year, covered entirely by the Village of Germantown's budget. Delta Dental savings illustration shows by partnering with Delta Dental, we are able to capture the discounts they have with their providers. Difference is only \$2,000.00 to \$3,000.00, they will guarantee the rate for 36 months. No real risk, if not satisfied it can be cancelled next year. Suggests keeping the budget the same, which would allow the \$1,000.00 maximum to stretch further for employees without making changes to the plan. Every dentist that employee currently use are in the network. ***MOTION (Warren/Campbell) to recommend to Village Board to partner with Delta Dental as an overlay network to our Self Insured Dental Plan with a positive recommendation, motion carried. Approved.***

NEW BUSINESS CONT.:

Software Maintenance Agreement – Transcendent Technologies, Tax Receipting Program:

Finance Director Rath explained this is a software program in the Finance Department that is used to pay taxes, same program Washington County uses. Transcendent Technologies has purchased the original software company, J. Mauel Software. Agreement with Transcendent Technologies that we will use them in 2017. Charging \$150.00 for a pet licensing program but not for the 2016 tax bill season, will be in the budget for 2017. Chair Zabel stated the fee went up \$100.00 a year and the next year will be \$250.00, no software changes this year. Working on an on-line process to look up if taxes are paid, they are doing this. ***MOTION (Kaminski /Warren) to recommend Village Board approve Transcendent Technologies Software Maintenance Agreement for a tax receipting and pet licensing program total not to exceed \$750.00 for 2017, motion carried. Approved.***

Discussion of 2017 Assessment Services:

Village Administrator Schornack reported this morning there was a meeting with high level staff from the Department of Revenue (DOR) and he will be writing a memo to Village Board. There are about 20 specific things that were not done, losing money on the assessment side. Assessments are not done properly, property records are not being kept up. An Annual Assessment Report (AAR) is supposed to be presented to the Village every year by Accurate Appraisals, it's a summary of everything. Stated the AAR could be received from other assessment firms to see how complete their work is. Our records from this last year are not to the point that Accurate Appraisals can be paid. Have not paid them anything, they have not done the work that they were hired to do. The contract is for \$44,500.00, paying them as things are completed throughout the year. They are not into compliance with the DOR. Because it's a profession service, an RFP is not required. Can take some of the firms that have given proposals in the past that have the proper AAR. Would like to get a list of cities and get there AAR's. Trustee Kaminski stated the next assessor would take a look at things and make adjustments. Stated to make the contacts, come up three to four firms and get the AAR. ***MOTION (Kaminski/Warren) to proceed with staff recommendation to pursue finding a new assessment firm, minimum of three firms by the next meeting.*** Discussion of assessment records being in compliance. Trustee Warren inquired about legal recourse with Accurate Appraisal and what is the downside for the Village, any lawsuits against the Village with the inaccuracies. Chair Zabel stated when looking for other firms, he would like to look at other municipalities combining to share assessors, or possibly hire an assessor to have them on staff to answer questions, what is the cost of an assessor. ***Motion carried. Approved.***

Discussion of Possible Request for Proposals for Legal Services:

Chair Zabel stated we received a notice from our legal firm, they are increasing the rate to \$120.00 per hour. Village Administrator Schornack explained bids went out in 2011 for legal services and firms were in the \$150.00 an hour range. Savings now with shorter weekly Thursday meetings. Trustee Kaminski stated \$120.00 isn't a big increase and there isn't a contract. Chair Zabel said the attorney does not charge for mileage or travel time. Trustee Kaminski said the attorney has been here for 5 years, he knows the Village, does a good job and this is the first increase in 5 years. Trustee Warren would like a check on what other firms are charging. Village Administrator Schornack will contact other South Eastern Wisconsin municipalities to find out the legal rates and send the committee an email. Chair Zabel said we are having some issues in some cases of getting things done.

REPORTS:

Monthly Year to Date Financials: The committee reviewed and placed them on file.

Revenue and Expense Report – All Funds: Finance Director Rath reported the General Fund is through September 30, expenses are running true and revenues are down. Other areas of the budget are trending well. Utilities are billed quarterly.

Health and Dental Plans: Finance Director Rath stated the health plan has a reserve, healthy balance. The year will end in a positive. Dental plan increased last year, running smooth.

TIF 6 Summary: Finance Director Rath explained TIF 6 is not a lot different. Contracts are not finished yet. Part of the interest on the loan will be owing in 2017.

Impact Fees Financial Reports: Finance Director Rath reported they have gone up. Units are being added in Brookside and Hilltop mobile home parks. Discussion at budget level of using Police and Recreation fees. Recreation Department has two projects starting next year, impact fees balance will be taken care. Water impact fees is paying for the debt that is owed on Well #11. Fire impact fees are paying off Fire Station #2. Library impact fees are paying back the debt for the Library.

Accounts Payable: Items on the Accounts Payable report placed on file.

Monthly Code Violation Reports: Building Inspection Department and Planning Department: Trustee Kaminski commented on Patrick Josten, Rockfield Short Pour, if not complying by the end of the year then it should go back to Village Board. Chair Zabel inquired on School Road property. Waiting on probate part, if ownership has been resolved someone needs to take responsibility. Village Administrator Schornack stated the Village is now done with the retaining wall issue and the owner is in compliance.

C.I.P. PROJECTS: Finance Director Rath stated the listing will be brought up at the Committee of the Whole budget meeting. Some moneys in the account, not accounted for/non-allocated for is about \$125,000.00 which is interest, projects coming in under budget and carry over funds. Some of the funds could be used to offset the debt or extend road project monies instead of adding to it. It needs to stay in the Capital Budget or pay for another capital project.

Letter of Credit Summaries: Building Inspection Department, Public Works Department and Planning Department: The Letter of Credit summaries were reviewed and placed on file. All under control and almost done.

Summary of all Village Contracts: Village Administrator Schornack stated everything is up to date. A lot of contracts will be due at the end of the year.

NEXT MEETING: Tuesday, November 22, 2016 at 6:00 p.m.

ADJOURNMENT: There being no further business, the meeting adjourned at 7:26 p.m.

Respectfully Submitted,

Jilline Dobratz
Deputy Clerk