

Personnel and Finance Committee Meeting Minutes
March 27, 2024
10:30 A.M.

Item 1. Call Meeting to Order

Ald. Gehl called the meeting to order at 10:35 A.M.

Item 2. Roll Call

Committee members present: Ald. Gehl, Kurkowski, and Ruetz present.

Also Present:

- Deputy City Administrator / Finance Officer (DCA) Max Gagin
- Human Resources (HR) Director Toni Vanderboom

Item 3. Approval of minutes from 3/13/2024

Ald. Kurkowski made a motion to approve the minutes of 3/13/2024, seconded by Ald. Ruetz. All aye; motion carried.

Item 4. Consider a *motion* to recommend the Common Council amend Personnel Policy 6.13 (Tuition Reimbursement) for non-represented employees.

In 2022, the Committee asked staff to modify the City's Tuition Reimbursement process to remove the requirement that each reimbursement course be approved by the Personnel and Finance Committee. Instead, the City Administrator approves the degree program and the Department Director approves individual courses. The Personnel Policy Manual was not updated accordingly, and staff is bringing forth a revised version of Personnel Policy 6.13 (Tuition Reimbursement) to implement these changes.

Ald. Kurkowski made a motion to recommend the Common Council amend Personnel Policy 6.13 (Tuition Reimbursement) for non-represented employees. seconded by Ald. Ruetz. All aye; motion carried.

Item 5. Review of the City's financial performance as of December 31, 2023 (pre-audit).

DCA Gagin shared the City's financial performance as of December 31, 2023 (unaudited) with the Committee. Overall, we had a great year financially.

DCA Gagin noted the General Fund's surplus is approximately \$2.5 million for 2023, largely due to interest earnings being \$1.1 million over budget and expenditures being \$1 million under budget. Additionally, the General Fund balance analysis shows that unassigned fund balance as a percentage of revenues is 37.5% (above the policy limit of 25%) and we have approximately \$4.1 million in surplus funds that can be allocated to other uses such as capital projects while remaining in compliance with the General Fund Balance policy. If the City changed its General Fund Balance policy to align with many peer municipalities best practices (unrestricted General Fund balance as a percentage of budgeted expenditures), we would be at 45.3% and have nearly \$6.3 million in surplus funds to allocate to one-time expenditures like capital projects.

Further, the Solid Waste Fund and EMS Fund ended the fiscal year with net income and are in a great financial position. The EMS Fund's 2023 Budget was designed to spend \$380,000 in fund balance for the purchase of a new ambulance, and the fund still realized net income after attempting to strategically spend down the fund balance due to over realizing revenues by about \$625,000.

The Consolidated Dispatch Fund realized about a \$23,000 loss for the fiscal year, however, the 2023 Budget was designed to spend down \$100,000 in fund balance to phase in the levy support for compensation adjustments approved in mid-2022.

The Tourism Commission Fund received record room tax revenues of \$454,440 and under realized expenditures, resulting in a surplus of about \$206,00 for 2023. The Tourism Commission Fund balance is projected to be \$570,235 as of the end of the fiscal year, which is 143% of actual expenditures. This is well above best practices and the Tourism Commission should develop a plan to spend down its fund balance in the next few years.

DCA Gagin also provided an update on impact fee balances, which are relatively high given strong development activity (i.e., new construction and service additions). The Debt Service Fund will end the fiscal year with a positive fund balance close to \$54,000, which is the goal of the multi-year GO debt and levy strategy.

Lastly, the Insurance Fund is the City's most volatile fund and employee/retiree medical and prescription claim costs trended significantly higher than the 2023 Budget, leading to about a \$800,000 loss for the fiscal year. DCA Gagin informed the Committee that HR and Finance staff are working with the City's broker Gallagher to explore options to better contain medical and prescription costs in the future. Additionally, information will be brought to the Committee in the coming months regarding contemplated changes for 2025.

Item 6. Adjournment

Ald. Gehl made a motion to adjourn at 11:11 A.M., seconded by Ald. Ruetz. All aye; motion carried.

Public Notice

Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aid at no cost to the individual to participate in public meetings. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the Oak Creek City Clerk at 766-7000, fax at 766-7976, or write to the ADA Coordinator at the Oak Creek Health Department, 8040 S. 6th Street, Oak Creek, Wisconsin 53154.

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.