MINUTES OF THE FINANCE AND HUMAN RESOURCES COMMITTEE MEETING HELD AT THE GREENFIELD CITY HALL ON WEDNESDAY, SEPTEMBER 25, 2019.

1. The meeting was called to order by Ald. Saryan at 6:03 P.M.

Roll Call:	Ald. Saryan	Present
	Ald. Bailey	Arrived at 6:10 P.M.
	Ald. Kastner	Present

Also Present: Paula Schafer, Finance Director
Tim Sowinski, Deputy Comptroller

2. Approval of the September 11, 2019 Finance and Human Resources Committee minutes. — Approve 9/11/19 Minutes

It was moved by Ald. Kastner, seconded by Ald. Saryan to approve the September 11, 2019 Finance and Human minutes as presented.

The motion carried unanimously.

3. Presentation of proposed 2020 budget and brief discussion. — N/A

Mayor Neitzke stated the budget is becoming a work of art. The State has two programs, the Expenditure Restraint Program (ERP) and the shared revenues. The ERP component, because of the referendum has had some impact on next year's budget. The way it works, the city was not eligible in 2019 for the ERP because of the referendum which added new police and fire department personnel. What that means is the payment for that non-eligibility in 2019 is being deferred in 2020 because the city does not get the ERP payment in 2020 which is $650,000 roughly from the State. However, in the 2020 budget the City does become eligible again in 2021 for the payment of $650,000 - $700,000. The ERP essentially says the City can increase the expenditures by $1,095,000 in 2020 which will be done to make sure that in 2021 the payment is received from the State at the maximum level of expenditures. The difficulty comes that under the levy restraint program, the city can only raise taxes 2.36% which is about a $700,000 tax increase which is below the ERP which is a different program of $1,095,000. There is about a $300,000 - $400,000 difference. This creates an interesting dynamic in a budget especially in a budget in which the city is not receiving the ERP payment the City is not eligible for in 2019 but does not get paid until 2020. Ald. Kastner asked if they have that money because they did not hire. Mayor Neitzke stated no, the ERP is looked at one year and then paid in the next year. This year while the City received the referendum dollars and the ERP dollars, but were not eligible for them in 2019, the City is not eligible for the payment from this year until 2020. The tax rate is $9.09 right now. Next year in the proposed budget is expected to be $9.14 which is $.05 per $1,000. On a $200,000 home it is approximately $10.25.

Mayor Neitzke stated the challenge in this budget, the two things that are the most significant drivers in this budget which is essentially flat across the board in each and every department. The health care is anticipated at 10% increase, every percent is roughly $50,000. Most of the employees are still subject to collective bargaining and it assumes a

2% cost of living increase and that is consistent with what the collective bargaining agreements the City has. If you were to add up in round numbers, the 10% health care increase along with the 2% salary increase, it is approximately $680,000. All of the levy is being directed to health care and salary increases under this budget, which is a challenge. It means essentially there is approximately $20,000 of room with the amount of taxes that can be raised. Some of the things which are most challenging is road salt, the prices historically have ranged from $30 a ton to $50 a ton. It is now ranging from $60 - $80 a ton. Things such as this has been absorbed within the department budget keeping it flat. Mayor Neitzke said the budget is like this for several reasons. Act 10, the City took a very aggressive stance with regarding to health care, sharing pension obligations, many of those benefits for us are diminishing because things cost more. There are other communities that took a different approach at that time and have been starting to feel the financial pressure earlier than Greenfield did.

You can levy four things, the general fund which is how the government is operated, capital equipment which is trucks and cars, debt and cash for capital improvements which is roads. Capital improvements for the most parts are paid with debt because you cannot raise the cash to do projects with cash and what is happening with capital equipment now is years ago you would raise the levy by $.05 but also raising it by $.01 for capital equipment to buy all the stuff. Now the capital equipment is thrown in the $.05 which is what the rate increase is. It takes about a $2 million - $1.5 million to fund capital equipment in a fiscally prudent way on the capital cash schedules and the City is at $600,000 - $700,000, which means it is short.

Mayor Neitzke stated another extraordinary expense in the budget is next year is a Presidential election. There is nothing in the levy limit law that states if there is a $100,000 - $150,000 election, you can raise your taxes to pay for it. You ultimately defer the hiring of a police officer and/or firefighter for half a year to cover the costs. It does help with ERP because the City can raise the expenditures by a million but can only raise taxes by $700,000 and that $700,000 only covers health insurance and 2% raises. The department heads are very aware this is a flat budget and have been incredibly cooperative in this budget. They have been disappointed in this budget because they want to make the City better and safer and more efficient, it typically costs money to do those things unfortunately.

Mayor Neitzke stated the health care is anticipated to be 10%, the only wild card in this budget is health care and if it were dramatically higher, this would create some significant issues with this budget. The City does not have this information completely set yet and it is being worked on. Mayor Neitzke stated he read an article that health insurance premiums are going, the shifting of the costs is being shifted to the user. The City could probably save a significant amount of money if the real deductibles that were followed without the health reimbursement arrangement. However, that is a short-term solution to a fiscal problem and what it would do is drive employees, which are difficult enough to get, to places where those things are not like that. Mayor Neitzke stated there is a community that has used true deductibles and it has created a fire storm and contention in the community. Ald. Kastner asked how much was funded for the health reimbursement arrangement. Ms. Schafer stated it is $341,000.

4. Approval of schedule of disbursements in the amount of $336,606.37.

Approve schedule of disbursements in the amount of $336,606.37
Council

It was moved by Ald. Kastner, seconded by Ald. Saryan to approve the following schedule of disbursements:

AP DISBURSEMENT SCHEDULES:			
	AP CHECKS	9/6/2019	$49,417.43
	AP CHECKS	9/13/2019	$115,349.84
	P-CARDS / AUGUST 2019 STATEMENT	8/23/2019	$171,839.10
		TOTAL:	$336,606.37

The motion carried unanimously.

5. Approval of mileage reimbursements in the amount of $377.14.

Approve mileage in the amount of $377.14
Council

It was moved by Ald. Kastner, seconded by Ald. Saryan to approve the mileage in the amount of $377.14.

The motion carried unanimously.

6. Investments and reinvestments.

Approve investments & reinvestments
Council

It was moved by Ald. Kastner, seconded by Ald. Saryan to approve the investments and reinvestments as follows:

LOCAL GOVERNMENT INVESTMENT POOL			
August 2019 Statement			
July Ending Balance			$ 27,772,521.87
0 Deposit (s) in August			-
2 Withdrawal(s) in August			3,000,000.00
August Interest Earnings @ 2.17%			49,270.77
		TOTAL	$ 24,821,792.64

Institution	Princ Amt Invested	Investment Date	Maturity Date	Yield	Interest Earned
Money Mkt/Tri-City Bank	$642,669.61	12/31/2001	variable		$81.87
Money Mkt/BMO Harris Bank	$509,706.45	6/28/2011	variable		$215.22
Ehlers Investment Partners X-2055705 GRD GEN INV	$6,422,202.59	12/9/2014	variable		
Associated Bank Investments	$6,324,611.73	12/10/2014	variable		
Totals	$13,899,190.38				$297.09

The motion carried unanimously.

7. Accept August 2019 Financial Statements. Accept August 2019 Financial Statements **Council**

It was moved by Ald. Kastner, seconded by Ald. Saryan to accept August 2019 financial statements.

The motion carried unanimously.

8. Other topics for future agendas.

County wide sales tax.
Board of Public Works contract, closed session item.

9. Adjourn. Adjourn

It was moved by Ald. Kastner, seconded by Ald. Bailey to adjourn the meeting at 6:49 p.m.

The motion carried unanimously.