

**CITY OF NEENAH
FINANCE AND PERSONNEL COMMITTEE MEETING
Monday, December 10, 2018 – 6:30 p.m
Hauser Room, Neenah City Administration Building
211 Walnut Street, Neenah, Wisconsin**

MINUTES

Present: Chairman Erickson; Aldermen Kunz, Boyette, Steele and Stevenson; Mayor Kaufert; City Attorney Godlewski; Director of Finance Easker

Others Present: Director of Human Resources and Safety Barber; Director of Public Works Kaiser; Deputy Director of Community Development Schmidt, Civil Engineer Kummerow.

Public Appearances: None.

Minutes: Motion/Second/Carried Boyette/Stevenson to approve the minutes from the November 26, 2018 Regular Meeting. All voting aye.

2019 Salary Plan: Committee reviewed memo from Director Barber recommending Council approve the 2019 Salary Plan as follows:

1. January 1st cost of living adjustment of 1% for all non-union employees covered by the salary plan (excludes employees on the step plan);
2. April Exemplary Performance Awards - .5% of pay, not added to base for a small group of employees;
3. July 1st merit increase with an average increase of 1.25% (excludes employees on step plan);
4. October midpoint adjustments with an average increase of 1% for employees below midpoint and not on the step plan.

Committee and staff discussed various aspects of the proposed 2019 Salary Plan.

Motion/Second/Carried Stevenson/Boyette recommending Council approve the 2019 Salary Plan as follows:

1. **January 1st cost of living adjustment of 1% for all non-union employees covered by the salary plan (excludes employees on the step plan);**
2. **April Exemplary Performance Awards - .5% of pay, not added to base for a small group of employees;**
3. **July 1st merit increase with an average increase of 1.25% (excludes employees on step plan);**

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4. October midpoint adjustments with an average increase of 1% for employees below midpoint and not on the step plan.

All voting aye.

Excess Public Land at North Western Avenue: Committee reviewed memo from Deputy Director Schmidt recommending Council authorize the sale of public land as described in Exhibit A to Wisconsin Electric Power Company for \$1.00. The land will be used by WE Energies to bury wires west of their proposed new electric substation at 181 N. Western Avenue. The proposed sale is in addition to City-owned land sold to WE Energies for the new substation in late 2017.

Committee and staff discussed various aspects of the proposed land sale, and an overhead picture of the area was reviewed. Issues addressed included the question of why this land was not included in the first sale in late 2017, a discussion of cooperative land transactions over the years between the City and WE Energies that have benefitted both parties, and the fact that substations will pay the new Transportation Assessment Replacement Fee (TARF).

Motion/Second/Carried Stevenson/Kunz recommending Council authorize the sale of public land to Wisconsin Electric Power Company for \$1.00. All voting aye.

Woodenshoe Road Annexation: Committee reviewed memo from Director Easker with regard to the impact of the proposed annexation of 7.5 acres located along Woodenshoe Road in the Town of Vinland (Annexation 210). The purpose of the annexation is to develop the property as a single-family residential subdivision with approximately 12 parcels.

Committee and staff discussed various aspects of the proposed annexation, and an overhead picture of the area was reviewed. Items discussed included the location of existing sewer and water infrastructure that will connect to the new utility extensions and a summary of a recent meeting between City and Town of Vinland officials.

Motion/Second/Carried Boyette/Stevenson recommending Council approve and accept the petition for annexation of 7.5 acres located along Woodenshoe Road in the Town of Vinland. All voting aye.

Sanitary Sewer Lateral Assessments: Committee reviewed memo from Director Kaiser and City Attorney Godlewski with regard to the impact of having the sanitary sewer utility cover the cost of lateral replacements. The discussion continues the next step in the process to meet the Common Council's goal of reducing or eliminating large special assessments to property owners for street and utility capital projects. The first step was settled with the establishment of the Transportation Assessment Replacement Fee (TARF) on all City properties, which eliminates special assessments for street reconstruction and sidewalk/trail construction starting in 2019. The memo addresses questions raised at the previous committee meeting regarding the general age of all sewer laterals in the City, the

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estimated cost to sewer rate payers of infiltration/inflow (I/I), the estimated cost increase of the proposed program to the sanitary sewer rates, including options for charges within the rate structure, and the legal implications of such a program with regard to state laws governing equity among property owners.

Committee and staff discussed various aspects of the responses as well as the potential options to reduce or eliminate large special assessments to property owners for sanitary sewer lateral replacement. Discussion centered around the best way to determine the costs to the City of I & I and how the type of material that is used to make sewer laterals affects I & I. Discussion also took place on how cities such as Appleton and Marshfield are using new policies to encourage property owners to replace the sewer lateral all the way to the property's structure.

Continued discussion took place, including a review of the timeframe necessary to make a final decision on this issue in time to impact special assessment notices for 2019 projects. Staff was instructed to prepare the following items for discussion at the next committee meeting. Items to be prepared include:

1. An analysis of the new policies being implemented by the Cities of Appleton and Marshfield;
2. A more thorough analysis to determine the estimated cost to sewer rate payers of infiltration/inflow (I/I);

Motion/Second/Carried Stevenson/Boyette to adjourn the meeting at 8:10 p.m. All voting aye.

Respectfully submitted,

A handwritten signature in green ink, appearing to read "M.K. Easker".

Michael K. Easker, CPA
Director of Finance