

**CITY OF NEENAH
FINANCE AND PERSONNEL COMMITTEE MEETING
Monday, February 18, 2019 – 6:00 p.m
Hauser Room, Neenah City Administration Building
211 Walnut Street, Neenah, Wisconsin**

MINUTES

Present: Chairman Erickson; Aldermen Kunz, Boyette, Steele (6:30 pm) and Stevenson; Mayor Kaufert; City Attorney Godlewski; Director of Finance Easker

Others Present: Aldermen Bates and Lendrum, Director of Human Resources and Safety Barber, Director of Community Development Haese, Director of Public Works Kaiser, Director of Information Systems Wenninger, Assistant Comptroller Kahl, Deputy Director of Community Development Schmidt

Public Appearances: None.

Minutes: **Motion/Second/Carried Stevenson/Kunz to approve the minutes from the January 28, 2019 Regular Meeting and the February 6, 2019 Special Meeting.** All voting aye.

Annexation Impact Report – Annexation #214 (Loren’s Auto Recycling/2405 Schultz Drive – Town of Neenah – 18.97 Acres: Committee reviewed memo from Director Easker with regard to the impact of the proposed annexation of 18.97 acres located at 2405 Schultz Drive in the Town of Neenah (Annexation 214). The annexation amends the previous Annexation 212 which had included acreage that is no longer part of the proposed annexation. The annexed area would eventually become City owned and available for development within the City’s TIF District #9. All departments that expressed an opinion recommend approval of the proposed annexation.

Motion/Second/Carried Stevenson/Boyette recommending Council approve and accept the petition for annexation of 18.97 acres located at 2405 Schultz Drive in the Town of Neenah, with the City’s TIF District #9 to finance the sanitary sewer and storm water fees. All voting aye.

Committee recessed at 6:13 p.m. for purposes of a special Common Council meeting.

Committee reconvened at 6:30 p.m.

Request to Fill Engineering Technician Position: Committee reviewed memo from Director Kaiser requesting approval to fill the Engineering Technician vacancy. Mayor Kaufert has reviewed the request and concurs with filling the position. Committee and staff discussed various aspects of filling the vacant position.

Motion/Second/Carried Stevenson/Boyette approving the filling of the Engineering Technician vacancy. All voting aye.

REPORT

RESOLUTION

Resolution 2019-06 Amending the Fee Schedule of the City of Neenah to Provide for an Automated Collection Cart Swap Fee and an Additional Cart Annual Fee:

Committee reviewed Resolution No. 2019-06 to Provide for an Automated Collection Cart Swap Fee and an Additional Cart Annual Fee. The fees would be \$185 per refuse cart, \$25 per recycling cart and \$25 per change in cart size. Committee and staff discussed various aspects of the cart fee proposal.

Motion/Second/Carried Stevenson/Kunz recommending Council approve Resolution 2019-06 Amending the Fee Schedule of the City of Neenah to Provide for an Automated Collection Cart Swap Fee and an Additional Cart Annual Fee. All voting aye.

Windows 10 and Citrix Device Purchase Request: Committee reviewed memo from Director Wenninger requesting approval of expenditures not to exceed \$38,000 to upgrade all devices on the city network to the Windows 10 Operating System (OS). Funding for this purchase will be a combination of \$35,000 that was approved in Information Systems 2019 CIP Budget and \$3,000 of unspent funds from the Door Swipe Access Control project in Information Systems 2018 CIP Budget. His memo indicated that 90% of the City's computing environment consists of Windows 7 and will need to be converted to Windows 10 in 2019. His implementation plan proposal includes the replacement or conversion of approximately 190 devices to meet the Windows 10 upgrade solution.

Committee and staff discussed various aspects of the proposal. Issues discussed included the proposed funding, how the proposal is different from the initial request in the 2019 budget and how vendors will be chosen for the various purchases being proposed. Alderman Stevenson requested the committee be provided with a report that summarizes a final purchase breakdown by vendor.

REPORT

Motion/Second/Carried Stevenson/Steele recommending Council approve expenditures not to exceed \$38,000 to upgrade all devices on the city network to the Windows 10 Operating System (OS). Funding for this purchase will be a combination of \$35,000 that was approved in Information Systems 2019 CIP Budget and \$3,000 of unspent funds from the Door Swipe Access Control project in Information Systems 2018 CIP Budget. All voting aye.

IS Service Fee Discussion: Committee reviewed Budget Allocation Formulas handout presented by Director Wenninger. The formula has been developed and refined over the past ten years to identify and account for the true cost of I/S services incurred by department. Director Wenninger lead the committee through all aspects of the formula, including network utilization (30%), number of devices (30%), number of users (30%) and department specific services (10%). Since the item was for discussion only, no committee action is required.

ERP Funding and Implementation Timeline Plan: Committee reviewed memo and attachments from Director Wenninger with regard to ERP Fund and Implementation Timeline Plan. The plan includes the implementation timeline and cost allocation through 2020 for the Central Square modules of Land/Parcel Management, Customer Information System (Utility Billing), Cognos Budget Management, Business Licenses, Fleet Management and Purchasing/Inventory.

Committee and staff discussed various aspects of the proposed implementation timeline and cost allocation. Director Wenninger said he would try to provide the committee quarterly updates on the progress of the ERP implementation. Since the item was for discussion only, no committee action is required.

Off Network Backup Solution Purchase Request: Committee reviewed memo from Director Wenninger requesting approval to purchase a Spectra Logic Storage solution from Heartland Business Systems at a cost not to exceed \$20,000. Funding for this purchase will be a combination of \$15,000 that was approved in Information Systems 2019 CIP Budget and \$5,000 of unspent funds from the Expanded Citrix Disaster Recovery Capabilities project in Information Systems 2018 CIP Budget. His memo indicated that the increased sophistication of system breach exploits and the ability for both production and redundant environments to be corrupted simultaneously has lead staff to propose and implement this additional layer of security. Committee and staff discussed various aspects of the proposed purchase.

Motion/Second/Carried Steele/Stevenson recommending Council's approval to purchase a Spectra Logic Storage solution from Heartland Business Systems at a cost not to exceed \$20,000. Funding for this purchase will be a combination of \$15,000 that was approved in Information Systems 2019 CIP Budget and \$5,000 of unspent funds from the Expanded Citrix Disaster Recovery Capabilities project in Information Systems 2018 CIP Budget. All voting aye.

Special Assessments Interest Rate: Committee reviewed memo from Director Easker with regard to the special assessment interest rate for 2019. As directed by the Common Council in 2015, the committee shall review in March of each year the interest rate for Special Assessments paid in installments. For the past four years the committee has established the rate based upon the Prime Rate as of the first business day of March plus a factor as determined by the committee, which ultimately lead to a 5.00% rate in each of those years. Director Easker's memo outlined the history of the rate calculation and indicated his belief that the prime rate plus factor had become outdated for public policy purposes. The memo also summarized the recent Common Council decisions to reduce or eliminate special assessments for street reconstruction and sanitary sewer replacement for 2019 and beyond, thereby reducing the financial impact of the rate on the City finances. Also, the City's cost of money is still well below 3%.

Committee and staff discussed various aspects of the proposed 2019 special assessment interest rate. Issues discussed included the option to simply maintain the rate at 5.00% for 2019 projects to maintain stability for those citizens that will have special assessments in

REPORT

2019. Director Easker said that the City's 2019 Total Interest Cost (TIC) borrowing rate was well less than 3.00%, and that maintaining the 5.00% rate would still provide an appropriate balance for the both the City and property owners with special assessments.

Motion/Second/Carried Stevenson/Steele recommend Council approve Resolution 2019- 08 Establishing the Interest Rate for Special Assessments Paid in Installments Under Wis.Stat. §66.0715 at 5.00% for 2019 projects. All voting aye.

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

Respectfully submitted,



Michael K. Easker, CPA
Director of Finance

RESOLUTION