

CITY OF NEENAH
FINANCE AND PERSONNEL COMMITTEE MEETING
Monday, October 23, 2023 – 6:00 pm
Hauser Conference Room, Neenah City Administration Building
211 Walnut Street, Neenah, Wisconsin

MINUTES

The meeting was called to order by Chairman Erickson at 6:00 pm.

Present: Chairman Erickson; Aldermen Boyette, Skyrms and Steiner; Mayor Lang, Director of Finance Rasmussen, Director of Public Works Kaiser, Clerk Nagel, and Paralegal DeWitt. Ald. Lendrum was there to collect information.

Absent/Excused: Council President Borchardt and City Attorney Rashid.

Public Appearances: None.

Minutes: Motion/Second/Carried Skyrms/ Boyette to approve the minutes from the October 9, 2023, Regular meeting. All voting aye, Steiner abstained.

Resolution 2023-28 Transportation Assessment Replacement Fee (TARF) for 2024 and Providing for a Cap on the Fee.

Motion/Second/Carried Steiner/Boyette to recommend Council to approve Resolution 2023-28 Transportation Assessment Replacement Fee (TARF) for 2024 and Providing for a Cap on the Fee, and to exempt any properties that have been issued special assessments for street construction in 2023 for five years. All voting aye.

Discussion: The Transportation Assessment Replacement Fee (TARF) was implemented in 2019 as a replacement to special assessments for street reconstruction, street resurfacing, and sidewalk/trail in-fill projects. TARF utilizes impervious area of a parcel, called impervious area unit (IAU), as a measurement of the impact on the street system. Due to the established timeline, the current TARF rate of \$23/unit is set to expire December 31, 2023. Therefore, the TARF is up for review.

At its inception, the TARF was established to collect 37% of project construction costs and current cost index pricing, as created by the city, measured over a three-year period. Due to the construction industry cost increase and the current cost index, staff recommends the IAU rate be adjusted to \$40/IAU rounding up. A residential property owner would see a quarterly rate of \$10 on the utility bill, an increase of \$4.25, for an overall cost of \$40/IAU annually. Residential properties are charged one IAU, while commercial properties are capped at 90. Commercial property owners capped at 90 will see an annual increase of \$1,530, or \$382.50 quarterly, which brings the overall quarterly charge to \$900. Due to the uncertainty of the construction industry costs, staff also recommends an annual review of TARF IAU unit to stay current with fluctuating prices.

There was discussion regarding residents who were specially assessed for road construction work this year (2023). The committee felt it appropriate to exempt properties who were specially assessed for road construction this year for the next five years. The new TARF IAU pricing of \$40/IAU will go into effect January 1, 2024.

REPORT

Council Directive 2023-03 re: Service Animals and Dog Licensing

Motion/Second/Carried Boyette/Steiner to table Council Directive 2023-03 until a legal opinion can be rendered by the City Attorney. All voting aye.

Discussion: Paralegal DeWitt advised that Atty. Rashid issued a memo recommending repealing and replacement of language for city ordinance section 3-14(d)(3). This particular section of the ordinance contradicts state statute as it exempts service dogs from the licensing requirement. The amended language would require the licensing of service dogs. Atty. Rashid also recommends the current ordinance definition of a service dog remain as is because it is an exact mirror of state statute. Unless or until state law changes its definition of a service dog, the city cannot change the ordinance because state law is the governing body over municipalities, therefore, municipal ordinances cannot be more restrictive than state statute.

Ald. Boyette discussed an e-mail she received from Representative Cabral-Guevara's legislative counsel. The e-mail advises of conflicting state statutes regarding the licensing requirement of a service dog. The e-mail advised that the Department of Justice (DOJ) recommends a temporary waiver be utilized until the state can amend the law for licensing fees exemptions for service dogs. If a temporary waiver is used, then city can amend the ordinance once the new statute is adopted.

Director Rasmussen talked about the current practice for issuing licenses for service dogs. Current practice is that there is a checkbox on the license application which an applicant can check indicating their dog is a service dog. The license fee is then waived without any questions being asked. Therefore, the recommendation from the DOJ is already in practice. Director Rasmussen clarified that all dogs must be vaccinated and licensed, however, the city waives the fee for a service dog. There are currently four service dogs licensed in the city.

Ald. Boyette insisted the practice be put in writing and asked Paralegal DeWitt for a legal opinion. Since a legal opinion is not within the professional scope of Paralegal DeWitt, Ald. Boyette wished to table the item until a legal opinion could be rendered.

Fiscal Matter: August 2023 Vouchers

Motion/Second/Carried Boyette/Skyrms to accept the August 2023 Vouchers and place them on file.

Director Rasmussen included the reports in the committee packet and answered any questions.

Fiscal Matter: September 2023 Vouchers

Motion/Second/Carried Skyrms/Boyette to accept the September 2023 Vouchers and place them on file.

Director Rasmussen included the reports in the committee packet and answered any questions. The purchase card (P-Card) policy was explained to the committee.

2nd Quarter Financials

Motion/Second/Carried Skyrms/Steiner to approve and place on file the Second Quarter Financial Statements as presented. All voting aye.

Director Rasmussen went through the 2nd Quarter Financial Report to provide a status update for the committee. The 2nd Quarter Financial Report is through June 30, 2023. Financially, the city budget is tracking at 72.77% which is on par for being three-quarters of the way through the fiscal year.

Working through the budget process, the city is tracking for an anticipated surplus in the general fund. Suggestions for the use of the anticipated surplus will be brought to the budget workshops. However, application of any surplus will come after the first quarter 2024 financials to see where the final 2023 finances land.

There was discussion on the carry forwards. Through the budget process, staff spent time working through capital projects that were budgeted but not complete, and where to apply the carry forwards of such projects. With the increasing interest rates, the city does not want to borrow money if it can be avoided. The goal is to get control of the borrowing by using the carry forwards as needed.

A change to the budget this year is the GIS Department will be consolidated under the Community Development general fund instead of split amongst all departments. IS will continue to be split amongst all departments and will remain an internal service fund.

Another change in this year's budget is the closing of TIFs 5 and 6. Staff has been going through the audit process of seven different TIFs; TIFs are required to have audits at certain times during their life cycle. Both TIF 5 and 6 had some money designated to affordable housing.

Municipal Court and Fire Department are custodial funds. Currently the Fire Department is tracking on par with the budget. The overtime expenditure is stabilizing.

Expendable Trust Funds are funds that can only be spend on designated areas. The report shows the balance.

The Investments Report is the total cash investments including water and library. The Local Government Investment Pool (LGIP), specific to Wisconsin, is showing a strong rate and is fully collateralized. The portfolio shows all the city investments and their balance.

Director Rasmussen answered questions regarding the General Fund expenditures.

Motion/Second/Carried Skyrms/Boyette to adjourn the meeting 7:05 pm. All voting aye.

Respectfully submitted,



Charlotte Nagel
City Clerk