



MINUTES OF A REGULARLY SCHEDULED MEETING OF THE FINANCE COMMITTEE HELD ON TUESDAY, MARCH 19, 2019, AT 7:00 P.M. IN THE NORTH CONFERENCE ROOM OF CITY HALL, 2000 NORTH CALHOUN ROAD, BROOKFIELD, WISCONSIN.

ALDERMAN SCOTT BERG PRESIDING

MEMBERS PRESENT: Alderman Scott Berg, Alderman Dan Sutton, Alderman Bob Reddin, Alderman Ron Balzer, Alderman Mark Nelson, Alderman Jerry Mellone and Alderman Renee Lowerr.

MEMBERS EXCUSED / NOT PRESENT: None.

OTHERS PRESENT: Director of Finance and Administration Robert Scott, Director of Community Development Dan Ertl and Alderman Chris Blackburn.

1. Alderman Scott Berg noted a quorum was present and called the Finance Committee meeting to order at 7:02 p.m.
2. Announcements:
 - a. The next regularly scheduled Finance Committee meeting will be held April 2, 2019.
- 3a. Minutes of the March 19, 2019 Regular Finance Committee meeting.

Motion by Alderman Bob Reddin, seconded by Alderman Ron Balzer, to approve the minutes of the March 19, 2019 regular Finance Committee meeting. Motion carried 7-0.

Council Action Items

- 4a. Vouchers exceeding \$50,000 requiring immediate action.

Motion by Alderman Mark Nelson, seconded by Alderman Bob Reddin, to approve vouchers exceeding \$50,000 requiring immediate action. Motion carried 7-0.

- 4b. Resolution approving General Fund budget amendments requested by the Director of Finance and Administration, to implement the provisions of the 2019 salary ordinance and to adjust budgeted health and other insurance costs.

Motion by Alderman Bob Reddin, seconded by Alderman Jerry Mellone, to approve the resolution approving General Fund budget amendments requested by the Director of Finance and Administration, to implement the provisions of the 2019 salary ordinance and to adjust budgeted health and other insurance costs. Motion carried 7-0.

- 4c. Resolution approving Economic Development Fund budget amendment requested by the Director of Finance and Administration, to implement the provisions of the 2019 salary ordinance and to adjust budgeted health and other insurance costs.

Motion by Alderman Bob Reddin, seconded by Alderman Jerry Mellone, to approve the resolution approving Economic Development Fund budget amendment requested by the Director of Finance and Administration, to implement the provisions of the 2019 salary ordinance and to adjust budgeted health and other insurance costs. Motion carried 7-0.

- 4d. Resolution approving Fleet Services Fund budget amendment requested by the Director of Finance and Administration, to implement the provisions of the 2019 salary ordinance and to adjust budgeted health and other insurance costs.

Motion by Alderman Bob Reddin, seconded by Alderman Jerry Mellone, to approve the resolution approving Fleet Services Fund budget amendment requested by the Director of Finance and Administration, to implement the provisions of the 2019 salary ordinance and to adjust budgeted health and other insurance costs. Motion carried 7-0.

- 4e. Resolution approving Wastewater Utility fund and Water Utility fund budget amendments requested by the Director of Finance and Administration, to implement the provisions of the 2019 salary ordinance and to adjust budgeted health and other insurance costs.

Motion by Alderman Bob Reddin, seconded by Alderman Jerry Mellone, to approve the resolution approving Wastewater Utility fund and Water Utility fund budget amendments requested by the Director of Finance and Administration, to implement the provisions of the 2019 salary ordinance and to adjust budgeted health and other insurance costs. Motion carried 7-0.

- 4f. Resolution approving Health Insurance fund budget amendment requested by the Director of Finance and Administration, to reflect employee and retiree elections for 2019 health insurance coverage.

Motion by Alderman Bob Reddin, seconded by Alderman Jerry Mellone, to approve the resolution approving Health Insurance fund budget amendment requested by the Director of Finance and Administration, to reflect employee and retiree elections for 2019 health insurance coverage. Motion carried 7-0.

- 4g. Resolution approving Employee Retirement fund budget amendment requested by the Director of Finance and Administration, to reflect expected 2019 expenditures for retiree health insurance coverage.

Motion by Alderman Bob Reddin, seconded by Alderman Jerry Mellone, to approve the resolution approving Employee Retirement fund budget amendment requested by the Director of Finance and Administration, to reflect expected 2019 expenditures for retiree health insurance coverage. Motion carried 7-0.

Finance Committee Only Items

- 5a. Review of 2018 year end unaudited financial report.

Finance Director Scott presented an overview of the 2018 year-end financial report (copy of report is available for review in the Finance department offices). He highlighted the executive summary section, including the upward trend in building permit revenues (not expected to

continue at same pace as the economic cycle changes). Comments on other areas of the report included:

- a) Total cash/investments for governmental/fiduciary activities is down approximately \$13 million compared to 12/31/17 due mainly to the closure of TID No. 3.
- b) The general fund shows a surplus of revenues over expenditures of \$700,000, primarily due to revenues (permits, investment income and other sources) being 102% of budgeted amounts. General fund expenditures including all departments and a transfer to the capital improvement fund for 2019 projects totaled 99.8% of budget. Director Scott highlighted variances vs. budget for various departments including City Hall/Facilities, Police, Fire, Highway, and Parks/Recreation.
- c) The debt service fund presentation includes the separate fund for the Brookfield Conference Center debt. General City debt service is shown as over budget due to the current refunding that was undertaken in fall 2018 – repayment of the refunded debt was funded by the issuance of refunding bonds.
- d) The capital improvement fund schedule shows the status of the various projects. Staff will analyze project balances for potential re-allocation of monies to 2019 projects.
- e) The tax incremental district fund schedule reflects the closure of TID No. 3 and the expenditure of project funding for all outstanding TIDs except for TID No. 4 which still has project funding available. TID No. 4 project funds were transferred to fund the related debt service, as development increment has not materialized to date.
- f) The non-major funds schedule reflects monies from the CDA fund to fund the escrow related to the CBL development agreement; payments to Visit Brookfield for tourism promotion from the Economic Development fund budget; Vehicle/Equipment Replacement funding towards fire ladder truck replacement, ambulance replacement, Highway equipment; and Police squads; and Computer Outlay was primarily for city-wide desktop computer replacement.
- g) Internal Service funds include positive results for the Health Insurance fund from improved claims experience, and a surplus in the Risk Management fund due to a \$240,000 workers compensation dividend reflecting positive claims history over the past few years.
- h) The Water and Sewer utilities reflect typical expectations for their financial results. Director Scott noted that the negative cash flow for the Water utility is part of the reason for the rate case that has been filed with the Public Service Commission, as rates were last adjusted in 2016.
- i) Director Scott noted the changes in investment balances (particularly the reduction in TID No. 3), as well as changes in investment types (e.g., increase in certificates of deposit) based on the relative yield and program offered.

Report was for information purposes only – no action required.

- 5b. Legislative referral from Alderman Jerry Mellone regarding direction of hotel room tax dollars to American Legion Post 449 and for improvements at the Elmbrook Historical Society building (Dousman Stagecoach Inn) on City parkland.

Alderman Mellone summarized the nature of his referral (copy of written referral and related staff report are available for review in the Finance department offices). He noted that he believes there may be hotel room taxes available that are not needed for debt service that could be directed to support the American Legion Post 449 and/or to support the construction of a

pavilion building with restroom facilities at the Dousman Stagecoach Inn park site, as he believes these are tourism entities. Alderman Mellone also indicated a separate issue relative to the American Legion Post property with regard to its partial property tax assessment and that he believes the entire property should be exempted from property taxes.

Discussion ensued among the committee members on various elements of Alderman Mellone's referral. Following the discussion, the consensus of the committee was to continue the discussion of the referral at a future meeting, and staff was directed to prepare a report regarding the property tax assessment status of the American Legion Post property, including how the statutory exemption is determined and applied.

6. Adjournment.

Motion by Alderman Dan Sutton, seconded by Alderman Mark Nelson, to adjourn the Finance Committee meeting. Motion carried 7-0. Meeting adjourned at 7:54 p.m.

Minutes respectfully submitted by Robert Scott, Director of Finance.