



Finance Committee Agenda

March 1, 2016
5:30 p.m.

FINANCE COMMITTEE AGENDA

1. Call to order
2. Approval of the Minutes of the Finance Committee Meeting held February 2, 2016 - [Finance Minutes 02-02-2016](#)
3. Discussion and Action Items:
 - Bank Reconciliation and Investment Reports for December 2015 - [Bank Reconciliation - December 2015](#);
[Investment Report December 2015](#)
 - Post-Retirement Health Care Plan Valuation Report (OPEB) - [OPEB Report](#)
4. Correspondence:
 - Email dated 02/02/2016 from Richard Meissner re: Finance Committee Public Comments - [Meissner Email](#)
 - Memo dated 02/18/2016 from Public Health Administrator re: Changes to Chapter 362-34 and Fee Schedule - [HL Changes to Fee Schedule](#)
5. Unfinished Business:
6. Adjourn

PUBLIC NOTICE

Upon reasonable notice, a good faith effort will be made to accommodate the needs of individuals to participate in public hearings, which have qualifying disability under the Americans with Disabilities Act. Requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the St. Francis City Clerk at 481-2300. The meeting room is wheelchair accessible from the east and west entrances.

NOTE: There is a potential that a quorum of the Common Council may be present.

**MINUTES OF THE FINANCE COMMITTEE MEETING HELD
FEBRUARY 2, 2016**

Present: Alderpersons McSweeney, Bostedt and Klug

Also Present: City Administrator Rhode, City Clerk/Treasurer Uecker, Alderman Wattawa, Alderman Brickner, Alderwoman Fliss, Mayor St. Marie-Carls, Chief Lockwood, City Engineer Dejewski, Assistant City Engineer Lindhorst, Health Administrator Scott, Chief Dietrich and interested citizens

Chairman McSweeney called the meeting to order at 5:30 p.m.

Moved by Alderman Klug, seconded by Alderwoman Bostedt to place on file the minutes of the Finance Committee meeting held January 19, 2016. Motion carried.

Budget Amendment – Court Clerk:

Alderwoman Bostedt felt that an additional part time clerk would allow the City to have back-up with the current Court Clerk went on vacation, was sick, etc. She feels it is important to fund this position.

City Administrator Rhode stated that several alderpersons reached out regarding the addition of another part time clerk. He felt that an additional \$8,000 would cover that position and if the Committee and the Common Council wanted to go in that direction, he would give them options as to where out of the 2016 City of St. Francis Budget that money could come from.

Alderman McSweeney stated that the City currently has other in house staff that could assist the current part time Court Clerk, but also felt that the Municipal Judge doesn't want to do that. Police Clerks in other communities process all the parking tickets until they get to court and that could be done there. Also, stuffing and mailing of correspondence from the Court could be done by the Administrative Assistance in the General Office. City Administrator Rhode asked that clarification from the City Attorney regarding who has control over parking tickets is needed. According to City Attorney Alexy, parking tickets are a municipal citation, not a court citation, until they are deemed uncollectible and then get transferred to Municipal Court.

Moved by Alderwoman Bostedt, seconded by Alderman Klug to recommend to the Common Council the hiring of an additional part time Municipal Court Clerk for 10 hours per week not to exceed \$8000. Motion carried with Alderman McSweeney opposed.

Agreement for Maintenance Assessment Services – Associated Appraisal:

City Administrator Rhode gave a brief history of the RFP process the City undertook 5 years ago. The existing contract with Associated Appraisal expired December 31, 2015. He stated that the City could do an RFP or do a contract maintenance agreement with Associated Appraisal for one year. He stated several reasons for doing a contract extension, the main reason would be continuity with assessing firms to complete an Open Book/Board of Review after the reassessment of 2015.

Alderwoman Bostedt had no problem with extending the contract for one year. Alderman Klug asked what the City gets for the \$18,000 contract. Staff explained that the fee covers keeping assessment records up to date, answer property owner questions, handle the personal property assessments and keeping owner information up to date to name a few of the items.

Moved by Alderwoman Bostedt, seconded by Alderman Klug to recommend to the Common Council the approval of the Agreement for Maintenance Assessment Services with Associated Appraisal for one year. Motion carried.

Review of Audit Communications:

City Administrator Rhode, along with City Clerk/Treasurer Uecker reviewed the report on Internal Controls that was included in the Finance Committee packet. Several of the items have been completed, several action plans for items were presented and some items require additional work to complete.

After further discussion, it was decided that having the auditors attend an upcoming Finance meeting to address the following issues would be beneficial to the Committee:

- SEC Debt Compliance Considerations
- Future Financial Planning
- Decentralized Cash Collections
- Capitalization Policy

The Committee also received an email from Richard Meissner to be included on the next Finance Committee agenda.

Moved by Alderwoman Bostedt, seconded by Alderman Klug to adjourn. Motion carried.

Time: 6:38 p.m.

Report Criteria:

Print Outstanding Checks and Deposits and Bank and Book Adjustments

ASSOCIATED BANK (GENERAL/PAYROLL CHECKING) (1)
December 31, 2015

Account: 9911101

Bank Account Number:

Bank Statement Balance:	6,986,604.98	Book Balance Previous Month:	814,370.70
Outstanding Deposits:	.00	Total Receipts:	7,408,790.24
Outstanding Checks:	412,266.82	Total Disbursements:	1,679,069.06
Bank Adjustments:	32,759.12-	Book Adjustments:	2,512.84-
Bank Balance:	6,541,579.04	Book Balance:	6,541,579.04

Outstanding Deposits

Deposit Number	Deposit Amount							
56	.00							
							Total:	.00

Deposits cleared: 51 items Deposits Outstanding: 1 items

Outstanding Checks

Check Number	Check Amount						
6	114,418.03	53293	68.00	62147	80.00	66579	178.49
9	1,011.51	53393	2.00	62238	32.97	67171	200.00
23550	25.00	53625	2.00	62244	295.68	67228	75.00
24088	54.95	53799	2.00	62248	10.00	67289	35.00
24107	25.63	53864	40.00	62249	83.80	67365	120.00
25465	215.61	53979	3.20	62261	367.68	67432	262.37
27170	4.78	54640	1.00	62277	8.00	67480	450.00
27273	34.57	54653	100.00	62295	1.00	67508	7.50
28183	4.78	54859	1.19	62299	10.31	67544	10.00
28761	4.78	56558	125.00	62315	10.31	67560	180.00
29570	4.78	57509	48.00	62339	10.31	67581	95.00
30117	4.86	57716	234.75	62359	10.31	67608	200.00
30553	10.30	57867	48.00	62635	19.95	67635	150.00
32833	36.86	58164	69.48	63561	75.00	67678	753.25
34840	211.69	58166	895.55	64114	77.84	67692	13.00
37249	200.00	58216	114.00	64927	80.00	67693	27.69
37420	241.31	58245	200.00	64996	33.32	67701	150.00
37771	27.20	58398	27.20	65425	462.85	67703	91.20
40110	45.80	58877	62.67	65457	33.73	67720	125.94
40816	545.80	60120	14.82	65725	105.98	67724	840.00
49802	2.28	60952	7.20	66203	32.55	67725	39.50
51451	1.27	60972	24.00	66232	6.00	67726	585.50
52402	441.16	61193	75.00	66310	143.94	67727	140.00
52440	272.20	61318	30.00	66310	143.94-	67740	50.00
52502	161.64	61398	54.58	66478	10.00	67743	300.00
52508	9.80	61439	750.00	66544	3.50	67748	3,974.02
53235	143.00	61540	184.00	66561	15.00	67749	124.00

Check Number	Check Amount						
67753	520.45	67844	452.34	67889	248.79	67934	257.50
67770	910.74	67845	453.29	67890	909.72	67935	75.00
67774	183.64	67846	808.60	67891	494.05	67936	4,038.15
67775	773.47	67847	632.57	67892	606.83	67937	1,888.08
67785	434.16	67848	235.26	67893	316.31	67938	100.00
67786	287.02	67849	331.10	67894	807.40	67939	11.94
67789	730.75	67850	579.17	67895	1,019.62	67940	1,422.00
67791	297.95	67851	706.91	67896	1,067.53	67941	1,465.80
67793	131.07	67852	1,059.57	67897	148.06	67942	304.07
67795	498.37	67853	175.28	67898	641.94	67943	40.18
67800	726.62	67854	86.37	67899	71.24	67944	21.00
67801	1,001.29	67855	1,009.91	67900	727.03	67945	185.00
67810	775.08	67856	619.82	67901	194.00	67946	147.50
67812	688.80	67857	851.60	67902	1,181.11	67947	14,506.91
67813	229.15	67858	449.48	67903	193.99	67948	117,505.00
67814	538.51	67859	14.78	67904	23.37	67949	738.50
67815	743.80	67860	1,107.31	67905	316.00	67950	27.83
67816	639.81	67861	789.45	67906	495.00	67951	134.90
67817	121.27	67862	590.07	67907	25.50	67952	378.27
67818	447.53	67863	2,183.76	67908	173.62	67953	2,511.24
67819	874.17	67864	239.34	67909	333.00	67954	109.35
67820	159.60	67865	259.21	67910	687.85	67955	4,584.33
67821	1,036.36	67866	5,498.35	67911	4,435.86	67956	871.35
67822	536.74	67867	709.09	67912	1,260.00	67957	36.28
67823	548.07	67868	503.04	67913	225.80	67958	4,155.59
67824	800.62	67869	605.11	67914	158.23	67959	886.83
67825	823.73	67870	1,147.27	67915	36.53	67960	119.64
67826	69.95	67871	866.25	67916	934.92	67961	69.98
67827	1,125.32	67872	955.60	67917	100.00	67962	2,900.00
67828	1,008.18	67873	1,070.77	67918	342.03	67963	360.66
67829	623.51	67874	247.37	67919	113.57	67964	113.51
67830	1,115.25	67875	202.96	67920	583.70	67965	1,227.50
67831	1,396.88	67876	376.08	67921	223.34	67966	64.80
67832	472.63	67877	841.43	67922	17,071.58	67967	648.01
67833	345.98	67878	1,037.10	67923	56.90	67968	434.56
67834	132.81	67879	1,047.96	67924	2,527.68	67969	1,152.23
67835	265.01	67880	197.08	67925	330.00	67970	722.49
67836	903.44	67881	348.20	67926	620.96	67971	1,310.54
67837	686.85	67882	1,359.42	67927	58.95	67972	1,845.41
67838	423.77	67883	813.75	67928	49.58	67973	750.00
67839	169.34	67884	770.47	67929	845.00	67974	3,806.82
67840	223.45	67885	788.98	67930	19.32	67975	167.61
67841	1,094.30	67886	712.63	67931	1,721.63	67976	87.00
67842	708.15	67887	850.33	67932	1,115.60	67977	1,086.97
67843	556.00	67888	892.09	67933	610.57	67978	219.89
Total:							<u>412,266.82</u>

Checks cleared: 251 items Checks Outstanding: 288 items

Bank Adjustments

Description

Amount

Description

Amount

NSF not in A/r

3,489.52

Description	Amount	Description	Amount
Withholding Taxes in Transit	44,786.55-	Elan in Transit	5,484.30
		Deposit in Transit	3,053.61
		Total:	<u>32,759.12-</u>

Book Adjustments

Description	Amount	Description	Amount
NSF Checks	5,257.26-	Utility Lockbox	2,744.42
		Total:	<u>2,512.84-</u>

Report Criteria:
Print Outstanding Checks and Deposits and Bank and Book Adjustments



Investment Account Balancing

For the month ending December 31, 2015

Associated Bank - Buy A Stone	\$20,608.09
Associated Bank - MM Advantage	\$3,640,906.88
Associated Bank - HRA Account	\$7,216.51
BMO Harris - Money Market	\$685.47
BMO Harris - Money Market	\$196,902.18
BMO Harris - Business Savings	\$13,245.58
Tri City Bank - Public Funds Super Now	\$274,387.77
PNC Bank - Premium Money Market	\$988,904.25
Hometown Bank	\$18,047.09
Wisconsin Investment Pool	\$1,820,714.55
Wisconsin Investment Pool #2 (TID #3)	\$306.39

\$6,981,924.76

Monthly Transactions:

Associated Bank:	
Deposits	\$277,166.92
Interest	\$727.50
Bank Charges	-\$54.68
HRA Claims	-\$25,082.41
Bond Payment	
Buy A Stone	
Land Purchase	
BMO Harris Bank:	
Deposits	\$164,827.12
Interest	\$5.99
PSN Charges	-\$31.60
Bank Charges	
Deposits - CC Payments	
Tri City Bank:	
Deposits	\$144,665.07
Interest	\$20.58
Bank Charges	
PNC Bank:	
Deposits	\$493,668.12
Interest	\$117.77
Bank Charges	
Hometown Bank:	
Deposits	\$17,558.19
Checks Issued	-\$291.74
Collection % Fee	-\$1,436.16
Investment Pool:	
Interest - General	\$299.62
Interest - TIF #3	\$0.05
Highway Aids	
Shared Revenues	
	\$1,072,160.34

J. RICHARD HOGUE, F.S.A.
Actuarial Consulting

October 3, 2013

Mr. Tim Rhode
City Administrator
4235 South Nicholson Avenue
City of St. Francis, WI 53235

Dear Tim:

I have attached a copy of the GASB 45 valuation report for the fiscal year ending 12/31/12.

The only difference between this report and the draft I sent you yesterday is the cap described in paragraph 7.a(1) of Exhibit E being applied on a per family rather than a per individual basis.

Please call me if you or the auditors have any questions.

Thank you.

Sincerely,



J. Richard Hogue, F.S.A.

JRH:wp

Attachment

CITY OF ST. FRANCIS

POST RETIREMENT HEALTHCARE PLAN

ACTUARIAL VALUATION

Prepared By

J. RICHARD HOGUE, F.S.A.

As of January 1, 2012

J. RICHARD HOGUE, F.S.A.
Actuarial Consulting

October 3, 2013

Mr. Tim Rhode
City Administrator
4235 South Nicholson Avenue
City of St. Francis, WI 53235

Dear Tim:

I have attached a copy of my actuarial valuation report relating to the post retirement healthcare plan sponsored by the City of St. Francis.

The purpose of this valuation was to determine the Unfunded Actuarial Accrued Liability as of January 1, 2012 and the Annual Required Contribution of the employer (ARC) and OPEB Cost for the fiscal year ending December 31, 2012. Such values were determined according to the Government Accounting Standards Board Statement Number 45.

In preparing this report, I relied on the staff of the City of St. Francis for the following information:

- Current plan provisions
- Healthcare premium rates
- Employee and retiree census data

The census data was examined for completeness and reasonableness. To the extent that it was not perfect, the data imperfections have not materially affected the valuation results.

The valuation was performed using the actuarial assumptions and cost method shown in paragraph D of the report. It is my opinion that they are appropriate for the purpose of the valuation.

Please call me if you have any questions on this report.

Sincerely,



J. Richard Hogue, F.S.A.

JRH:wp

Attachment

GASB 45 VALUATION RESULTS

CITY OF ST. FRANCIS

As of January 1, 2012

A. Introduction

The City of St. Francis provides healthcare benefits to retired employees who meet the requirements described in Exhibit D. The Government Accounting Standards Board's (GASB) standard entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (GASB 45) requires the cost of these benefits to be accrued generally over the average working career of the employees.

The purpose of this valuation is to determine the Unfunded Actuarial Accrued Liability and Annual Required Contribution of the employer (ARC) and Other Postemployment Benefits (OPEB) Cost for the plan on the basis of GASB 45.

Please note that there is a glossary of GASB 45 terms in Exhibit E.

B. Executive Summary

The total Unfunded Actuarial Accrued Liability and Annual Required Contribution of the employer and OPEB Cost are shown below and in Exhibit A:

Unfunded Actuarial Accrued Liability:	\$	9,458,988
Annual Required Contribution of the employer:		1,011,300
Annual OPEB Cost:		958,819

These calculations are based on actuarial assumptions and the actuarial cost method described in Section D below.

C. Financial Information

Exhibit A shows the development of the Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2012 and the ARC and OPEB Cost for the fiscal year ending December 31, 2012 as defined by GASB 45. Please note that the ARC is used for determining the OPEB Cost and balance sheet liability of the plan sponsor but is not a funding requirement.

D. Actuarial Assumptions and Cost Method

1. Healthcare Cost Assumptions

a. Annual cost - per individual annual cost factors used in the valuation are as follows:

(1) Below age 65 - \$12,538 per year

(2) Age 65 and above - \$0

b. Annual Healthcare Cost Trend Rates

(1) Initial rate - 9.0%

(2) Ultimate rate - 4.7%

(3) Grading period - 9 years

2. Other Economic Assumptions

a. Discount rate - 4.0%

b. Expenses - Included in the above healthcare cost factors

3. Demographic Assumptions

- a. Mortality – RP 2000 Mortality Table projected to 2015 with Scale AA.
- b. Termination – Employees are assumed to terminate from the City of St. Francis according to rates shown in the following table:

Age	Percent terminating
20	7.79%
25	6.78%
30	4.66%
35	3.19%
40	2.21%
45	1.59%
50	1.00%
55	0.80%
60	0.00%

- c. Disability - None
- d. Retirement – All employees are assumed to retire at the following ages:
 - (1) Protective employees – 52
 - (2) All other employees – 58
- e. Percent married at retirement
 - (1) Males - 80%
 - (2) Females - 80%
- f. Spousal age difference - Husbands 3 years older than wives
- g. Percent electing healthcare coverage – 100%

4. Actuarial Cost Method and other parameters

a. Actuarial Cost Method - Attained Age

b. Amortization of Unfunded Actuarial Accrued Liability

(1) Method – level dollar on a closed amortization basis

(2) Period – 27 years

E. Plan Assets - None

F. Summary of Census Data

Active and retired participant census data is summarized in the following exhibits:

Exhibit	Description
B	Number of Active Participants Categorized by Age, Service and Sex
C	Number of Retired Participants Categorized by Age, Sex and Marital Status

This report assumes no other participants will become eligible for benefits under the plan.

G. Benefits Valued

The valuation was based on the provisions of the substantive plan, as summarized in Exhibit D. Except for the dollar limit amounts shown in the last paragraph of paragraphs 5.a(1), 5.b and 7.a(1), the retiree dollar cost sharing provisions of the plan were expected to be increased in the future according to the healthcare cost trend rates shown in paragraph D.1.b. The dollar amounts shown in these three paragraphs are not expected to increase in the future

H. Exhibits

Exhibits A through E are shown on the following pages.

Exhibit A
Development of Annual Required Contribution and OPEB Cost

Actuarial present values of benefits and assets:

Total projected benefits:	
Active employees -----	11,353,359
Retirees -----	1,844,480
Total (APVTPB) -----	13,197,839
Benefits accrued to valuation date (i.e. Actuarial Accrued Liability):	
Active employees -----	7,614,508
Retirees -----	1,844,480
Total (AAL) -----	9,458,988
Actuarial Value of Assets -----	0
Unfunded Actuarial Accrued Liability (UAAL) -----	9,458,988

Annual required contribution of employer (ARC):

Actuarial Present Value of Future Normal Costs (APVFNC) = APVTPB - AAL -----	3,738,851
Normal Cost (NC) -----	415,428
Amortization of Unfunded Actuarial Accrued Liability (AUAAL) -----	556,976
ARC = (NC + AUAAL) x (1 + Discount Rate)-----	1,011,300

OPEB cost:

Net OPEB Obligation (NOO) on valuation date-----	2,779,239
Interest on NOO (NOOI)-----	111,170
ARC adjustment (ARCA) -----	163,651
OPEB Cost = ARC + NOOI - ARCA -----	958,819

Statistics			
Group	Number	Expected annual benefits	Annual compensation
Actives	63	\$154,791	\$4,005,510
Retirees & spouses	27	247,952	N/A
Total	90	402,743	4,005,510

Exhibit B
 Number of Active Participants
 Categorized by Age, Service and Sex

		YEARS OF SERVICE							
	AGE	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total
M A L E	0-19	0	0	0	0	0	0	0	0
	20-24	2	0	0	0	0	0	0	2
	25-29	5	2	0	0	0	0	0	7
	30-34	0	5	0	0	0	0	0	5
	35-39	1	1	4	1	0	0	0	7
	40-44	0	0	1	2	0	0	0	3
	45-49	1	0	1	2	5	0	0	9
	50-54	0	2	2	1	2	2	1	10
	55-59	0	0	1	1	2	1	1	6
	60-64	0	0	0	0	0	1	0	1
65+	0	0	0	0	0	0	0	0	
	TOTAL	9	10	9	7	9	4	2	50
F E M A L E	0-19	0	0	0	0	0	0	0	0
	20-24	0	0	0	0	0	0	0	0
	25-29	1	0	0	0	0	0	0	1
	30-34	0	0	2	0	0	0	0	2
	35-39	0	0	1	0	0	0	0	1
	40-44	0	0	0	1	0	0	0	1
	45-49	0	1	1	0	1	0	0	3
	50-54	3	0	0	0	0	0	0	3
	55-59	0	1	0	0	0	1	0	2
	60-64	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	
	TOTAL	4	2	4	1	1	1	0	13
T O T A L	0-19	0	0	0	0	0	0	0	0
	20-24	2	0	0	0	0	0	0	2
	25-29	6	2	0	0	0	0	0	8
	30-34	0	5	2	0	0	0	0	7
	35-39	1	1	5	1	0	0	0	8
	40-44	0	0	1	3	0	0	0	4
	45-49	1	1	2	2	6	0	0	12
	50-54	3	2	2	1	2	2	1	13
	55-59	0	1	1	1	2	2	1	8
	60-64	0	0	0	0	0	1	0	1
65+	0	0	0	0	0	0	0	0	
	TOTAL	13	12	13	8	10	5	2	63

Exhibit C
Number of Retired Participants
Categorized by Age, Sex and Marital Status (1)

Age	Male		Female		Total	
	Total	Married	Total	Married	Total	Married
Under 55	1	1	0	0	1	1
55	1	1	0	0	1	1
56	1	1	0	0	1	1
57	1	1	0	0	1	1
58	1	1	0	0	1	1
59	0	0	0	0	0	0
60	2	2	0	0	2	2
61	1	0	1	0	2	0
62	3	3	0	0	3	3
63	0	0	0	0	0	0
64	1	0	0	0	1	0
65	0	0	0	0	0	0
66	0	0	0	0	0	0
67	0	0	0	0	0	0
68	1	1	0	0	1	1
69	0	0	0	0	0	0
70	0	0	0	0	0	0
71	0	0	0	0	0	0
72	0	0	0	0	0	0
73	0	0	0	0	0	0
74	0	0	0	0	0	0
75	0	0	0	0	0	0
76	1	0	0	0	1	0
77	0	0	0	0	0	0
78	0	0	0	0	0	0
79	1	0	0	0	1	0
80	0	0	0	0	0	0
81	0	0	0	0	0	0
82	0	0	0	0	0	0
83	0	0	0	0	0	0
84	0	0	0	0	0	0
85	0	0	0	0	0	0
86+	0	0	0	0	0	0
Total	15	11	1	0	16	11

Note 1 - "Married" columns include only spouses with healthcare coverage.

Exhibit D
Summary of Plan Provisions

1. Eligibility for benefits
 - a. Employee
 - (1) Classification – all full time employees of the City of St. Francis (City)
 - (2) Requirements
 - (a) Age
 - i. Retirees hired prior to or on 1/1/12:
 - (i) Protective employees – age 50
 - (ii) All other employees – age 55
 - ii. Retirees hired after 1/1/12 – age 59^{1/2}
 - (b) Service - 15 years
 - b. Spouse - covered for benefits
2. Eligibility for deferred vested benefits upon termination before retirement - not applicable since deferred vested benefits are not provided for participants who have not met both age and service requirements at termination
3. Termination of medical benefits - earlier of the following:
 - a. Retiree
 - (1) 65th birthday of retiree
 - (2) date retiree becomes eligible for Medicare
 - (3) 12th anniversary of date of retirement
 - (4) death of retiree
 - b. Spouse
 - (1) 65th birthday of spouse
 - (2) date spouse becomes eligible for Medicare
 - (3) 12th anniversary of retiree's date of retirement
 - (4) death of spouse
 - (5) 5th anniversary of retiree's death

4. Termination of dental benefits - death of participant
5. Description of medical and prescription drug benefits
 - a. Coverage provided under UnitedHealthcare group insurance policy - the same package of benefits that the active employees are covered by which has the following general cost sharing and special termination provisions:

- (1) Annual deductible

- (a) Network

- i. Single - \$3,500
 - ii. Family - \$7,000

- (b) Non - network

- i. Single - \$7,500
 - ii. Family - \$15,000

The City reimburses retirees for the deductible up to \$3,000 per year per family for retirees who retired on or after 1/1/10.

- (2) Coinsurance

- (a) Network – 0%
 - (b) Non - network – 20%

- (3) Annual out-of-pocket limit

- (a) Network

- i. Single - \$5,500
 - ii. Family - \$11,000

- (b) Non-network

- i. Single - \$10,000
 - ii. Family - \$30,000

- (4) Lifetime maximum – none

- (5) Prescription drugs
 - (a) Annual deductible – none
 - (b) Co-pay – varies depending on:
 - i. Drug tier
 - ii. Supply amount
 - iii. Type of pharmacy (i.e., Network or mail order)
- (6) Special termination provision – The election to opt out of coverage provided by United Healthcare is irrevocable.

b. Cash benefit – As an alternative to coverage provided under the UnitedHealthcare group insurance policy, a retiree may opt to receive a cash payment which will be determined as the following percent of their healthcare insurance premium:

- (1) Retirees who were hired prior to or on 1/1/12 – 80%
- (2) All other retirees – 60%

In all cases, the above defined payment is fixed at date of retirement and limited to \$1,300 per month per family.

6. Description of dental benefits – provided by an Anthem Blue Cross Blue Shield policy

7. Retiree contributions for coverage under the United Healthcare and Anthem Blue Cross Blue Shield policies
 - a. Medical/prescription drugs
 - (1) Retirees and spouses of covered retirees – 100% of the total insurance premium less the City’s contribution where such contribution is expressed as a percent of the total insurance premium and defined as follows:
 - (a) Retirees who were hired prior to or on 1/1/12 – 80%
 - (b) All other retirees – 60%

In all cases, the City’s contribution is fixed at date of retirement and limited to \$1,300 per month per family.
 - (2) Spouses of retirees who are no longer covered by the City’s plan – 100% of the premium
 - b. Dental – 100% of the current insurance premium
8. City’s policy regarding dollar limits – It is the City’s policy not to increase the dollar limits stated in paragraphs 5.a(1), 5.b and 7.a(1) of this plan summary.
9. Exceptions – The following individuals have OPEB provisions that are different, in some respects, to the above:
 1. Andrew Neargarder – His coverage extends for 144 months from his date of retirement.
 2. Jack Schultz - His coverage extends for 144 months from his date of retirement.

Exhibit E

Glossary of GASB 43 and 45 Terms

Actuarial Accrued Liability, Actuarial Liability, Accrued Liability, or Actuarial Reserve

That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

Actuarial Cost Method or Funding Method

A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability. An Actuarial Cost Method is understood to be a Closed Group Actuarial Cost Method unless otherwise stated.

Actuarial Gain (Loss) or Experience Gain (Loss)

A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with a particular Actuarial Cost Method. The manner in which the Actuarial Gain (Loss) affects future Normal Cost and Actuarial Accrued Liability allocations depends upon the particular Actuarial Cost Method Used.

Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions. For purposes of the OPEB standard, each such amount or series of amounts is:

- a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.),
- b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and
- c. discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Actuarial Value of Assets or Valuation Assets

The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an actuarial valuation.

Annual required contributions of the employer (ARC)

The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.

Attained Age Actuarial Cost Method

A method under which the excess of the Actuarial Present Value of projected benefits over the Actuarial Accrued Liability is allocated on a level basis over the earnings or service of the individuals between the valuation date and their assumed exit date. The portion of the Actuarial Present Value which is allocated to a valuation year is called the Normal Cost. The Actuarial Accrued Liability is determined using the Unit Credit Actuarial Cost method.

Healthcare cost trend rate

The rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Investment return assumption (discount rate)

The rate used to adjust a series of future payments to reflect the time value of money.

Market-related value of plan assets

A term used with reference to the actuarial value of assets. A market-related value may be fair value, market value (or estimated market value), or a calculated value that recognizes changes in fair value or market value over a period of, for example, three to five years.

Net OPEB obligation (GASB 45 only)

The cumulative difference since the effective date of GASB 45 between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

Normal Cost or Normal Actuarial Cost

That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

OPEB Cost (GASB 45 only)

The amount recognized by an employer in each accounting period for contributions to an OPEB plan on the accrual basis of accounting.

Open Group/Closed Group

Terms used to distinguish between two classes of Actuarial Cost Methods. Under an Open Group Actuarial Cost Method, Actuarial Present Values associated with expected future entrants are considered; under a Closed Group Actuarial Cost Method, Actuarial Present Values associated with future entrants are not considered.

Postretirement benefit increase

An increase in the OPEB benefits of retirees or beneficiaries granted to compensate for the effects of inflation (cost-of-living adjustment) or for other reasons. *Ad hoc* increases may be granted periodically by a decision of the board of trustees, legislature, or other authoritative body; both the decision to grant an increase and the amount of the increase are discretionary. *Automatic* increases are periodic increases specified in the terms of the plan; they are nondiscretionary except to the extent that the plan terms can be changed.

Projected salary increase assumption

An actuarial assumption with respect to future increases in the individual salaries and wages of active plan members; used in determining the actuarial present value of total projected benefits. The expected increases commonly include amounts for inflation, enhanced productivity, and employee merit and seniority.

Substantive plan

The terms of an OPEB plan as understood by the employer(s) and plan members.

Unfunded Actuarial Accrued Liability, Unfunded Actuarial Liability, Unfunded Accrued Liability, or Unfunded Actuarial Reserve

The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Anne Uecker

From: Ricki@execpc.com
Sent: Tuesday, February 2, 2016 8:53 AM
To: Anne Uecker
Subject: Finance Committe Public Comments

Finance Committee and Council to the City Clerk Anne Uecker,

Due to work priorities, I am unable to attend the February 2nd Finance Meeting so I am putting my comments in writing.

Yes, it was a shame to hear that the “deficiency in internal control” paragraphs were used as a tool during the January 19th public meeting to dis-credit the council while discussing the large real estate tax dis-parity. But, I have to say, it was effective and the mere mention of this matter caused the public to lose a great deal of trust. The weaknesses in the internal control environment must be strengthened or resolved over time.

I do agree with Mayor CoryAnn that cost containment is very important if the City of St. Francis is facing financial hardships now and into the future, and, I personally can’t see why the hiring or not hiring of a Clerk II person is causing a stalemate among the Mayor and the council. Just two weeks ago, I attended the January 19th public meeting where the City is/was considering the gift of a \$10 million incentive to Bear Development for a \$28.5 mil project. From a financial standpoint, am I missing something?

The postponement of the decision to hire a Clerk II person until after the April election appears to be reasonable. And after reading some of the environmental control weaknesses listed by Baker Tilly, it may also be wise to plan ahead and prepare a detailed job description for the new hire in order to use that person’s time efficiently and to begin the process of restructuring other job responsibilities.

The addition of the “deficiency in internal control” paragraphs are not mission critical to the day-to-day operations and the decision making capabilities of the City today, since the paragraph merely suggests that a problem, such as, theft, fraud, or errors, could occur. These paragraphs are common to many smaller organizations and this matter should not rise to the level of a stalemate between the Mayor and the council. Fraud, ID theft, and embezzlement have been on the rise in the recent years and auditors have been required and are trained to make this area a part of their work product while preparing audited financial statements. I am sure this is the result of professional liability claims against accounting firms. The potential for theft, fraud, or material errors to occur will always be there.

The hiring of an additional person will not guarantee that the environmental control issues will be removed. Environmental control issues are more a problem that one person is wearing too many hats, or your physical and computer systems are not cross-checking and integrating adequately. The internal control system itself may need to provide for a reassignment of job responsibilities in order to provide for a segregation of duties, detailed job descriptions, frequent account reconciliations, crosschecks of work performance, supervisory reviews, computer system checks, software updates, etc. In the end you must be able to convince the auditor that your system of internal control is working and you have control over your own systems. This can be as simple as handing your auditor a list of accounts payables whereby the total actually matches the general ledger or financial statement amount.

As a practical matter, all work product that is being mailed to someone outside of your office should be reviewed. This should also include the review of the assessor’s work product and real estate tax bills. I realize that the assessor may not be obligated by his profession to look at the prior year’s assessment, but look at the

time savings which a quick internal review would have generated in comparison to the reactive blow back damage control that is now taking place.

I do realize that the deficiency in internal control issue and the real estate tax disparity issue may have caused some dis-credit to the council and the Mayor, which in turn may be causing some finger pointing among the members. However, I think that it would be wise of the council and the Mayor to regroup and move forward. The City of St. Francis needs you as a cohesive group more than ever.

Sincerely,

Richard K. Meissner, CPA

Richard K. Meissner, CPA, MBA

E-mail: Rmeissner@execpc.com, Rico2x@gmail.com, Rmeissner3@wi.rr.com

Tele: 262-538-1247 Fax: 262-538-1248

I always appreciate your referrals. Thank you.

This message is being sent by Richard K. Meissner, CPA. It is intended exclusively for the individuals and entities to which it is addressed. This message, including any attachments, may contain information that is proprietary, confidential, including information that is protected under the HIPAA privacy rules, or otherwise legally exempt from disclosure. If you are not the named addressee, you are not authorized to read, print, retain, copy or disseminate this message or any part of it. If you received this message in error, please notify the sender immediately by email and delete all copies of this message. This message is protected by applicable legal privileges and is confidential.



City of St. Francis

HEALTH DEPARTMENT

February 18, 2016

Honorable Mayor and Members of the Common Council:

RE: Changes to Chapter 262-34 of the St. Francis code and Fee Schedule

The Environmental Health Consortium Began licensing food stores and restaurants in 2003 and 2004 respectively. The program consists of the Cities of South Milwaukee, St. Francis and Cudahy. The program is administrated from the South Milwaukee Health Department, this includes all billing.

February 28, 2006 the council was requested to change our local ordinance to include a 5% increase on license fees every other year during the even years. This was approved and has kept our fee for licensing in line with South Milwaukee and Cudahy.

To simplify billing I am requesting to have our Municipal code reflect that we adopt the South Milwaukee fee schedule. This has already been accepted by the City of Cudahy.

Attached is a copy of the local ordinance from the City of Cudahy adopting the Environmental Health fee schedule from the City of South Milwaukee as well as the current Consortium Fee Schedule.

I appreciate your support of this valuable program and also the support of the Health Department. If you have any questions or concerns, please feel free to contact me.

Sincerely,

Kathy Scott RN

Health Officer/Public Health Administrator

20.28 - FEES. (Rep. & recr. #2359)

- (1) [DETERMINATION OF FEES.] The fees for services and activities performed by the Department in carrying out its responsibilities under this code shall be published in the City of South Milwaukee Administrative Fee Schedule.
- (2) FEES TO ACCOMPANY APPLICATION. License fees imposed under this chapter shall accompany the license application. If a license is granted, the Department shall issue the applicant a receipt for his license fee.
- (3) NO PRORATION. There will be no proration for license fees.
- (4) REFUNDS. No license fee paid shall be refunded, unless a refund is requested prior to an inspection.
- (5) LOCAL PREINSPECTION FEES.
 - (a) Preinspection fees shall be charged as enumerated in City of South Milwaukee Administrative Fee Schedule.
 - (b) Preinspection fees shall include all consultation prior to the establishment doing business.
 - (c) Preinspection fees may be applicable for all new operations and changes in operation.
 - (d) Preinspection fees are not refundable.
- (6) LATE FEES. A late fee, as enumerated in the City of South Milwaukee Administrative Fee Schedule, shall be charged for all licenses issued under provisions of this chapter.
 - (a) This shall apply when an application is not renewed before the expiration date, unless waived by the Department.
 - (b) A late fee shall also apply to a new establishment or any establishment with a new operator who does business before obtaining the required licenses, as provided for in this chapter.
- (7) DUPLICATE LICENSE FEE. A duplicate license fee as enumerated in the City of South Milwaukee Administrative Fee Schedule shall be charged to duplicate any license provided for in this chapter.
- (8) LICENSE FEES. License fees, as enumerated in the City of South Milwaukee Administrative Fee Schedule.
- (9) [APPLICATION OF FEES.] All fees shall be accounted for separately and applied to the expenses under Chapter 20.
- (10) REINSPECTION. A reinspection fee shall be charged as enumerated in the City of South Milwaukee Administrative Fee Schedule.

**CITY OF SOUTH MILWAUKEE
ADMINISTRATIVE SERVICES AND FEES
(Applicable Items Include Sales Tax)
January 1, 2016**

CONSORTIUM FEE SCHEDULE

Restaurant License Fees

Prepackaged	\$188.00
Full Service – Simple	\$309.00
– Moderate	\$531.00
– Complex	\$744.00
– Additional Prep Area	\$145.00
Restaurant Pre-inspection Fees	
Prepackage	\$161.00
Full Service – Simple	\$202.00
– Moderate	\$337.00
– Complex	\$470.00
Restaurant Re-inspection Fee	\$96.00-\$365.00
Restaurant Late Fee	See below
Restaurant Duplicate Permit Fee	\$15.00
Temporary Restaurant Fee	\$133.00
Temporary Food Store Fee	\$70.00
Special Event Groups Restaurant Fee (Serving 4-12 days a year)	\$107.00
Meal Service Permit	\$35.00

School DPI License Fees

Simple	\$294.00
Moderate	\$505.00
Complex	\$707.00
School Re-inspection Fees	\$96.00-\$365.00
School Late Fee	See below
School Duplicate Permit Fee	\$15.00

Lodging Licensing Fees

Hotel/Motel (5-30 rooms)	\$184.00
Hotel/Motel (31-99 rooms)	\$267.00
Hotel/Motel (100 or more rooms)	\$351.00
Bed & Breakfast	\$91.00
Rooming House (>2<9 roomers)	\$175.00
Rooming House (>8 roomers)	\$300.00
Lodging Pre-inspection Fees	
Hotel/Motel (5-30 rooms)	\$161.00
Hotel/Motel (31-99 rooms)	\$256.00
Hotel/Motel (100 or more rooms)	\$352.00
Bed & Breakfast	\$161.00
Rooming House (>2<9 roomers)	\$161.00
Rooming House (>8 roomers)	\$161.00
Lodging Late Fee	See below
Lodging Duplicate Permit Fee	\$15.00
Lodging Re-inspection Fee	\$96.00-\$365.00

Retail Food Establishments License Fees

Food Sales of at Least \$1,000,000	\$1013.00
Food Sales >25,000 & <1,000,000 Processes Food	\$482.00
Food Sales >25,000 & <1,000,000 No Processing of Food	\$222.00
Food Sales < \$25,000	\$107.00
Retail Food Inspection Fee	\$107.00
Retail Food Establishments Preinspection Fees	
Food Sales of at Least \$1,000,000	\$447.00
Food Sales >25,000 & <1,000,000 Processes Food	\$321.00
Food Sales >25,000 & <1,000,000 No Processing of Food	\$192.00
Food Sales < \$25,000	\$129.00
Retail Food Establishment Reinspection Fee	\$96.00-\$365.00
Retail Food Establishment Late Fee	See below
Retail Food Establishment Duplicate License Fee	\$15.00
Market Food Vendor Permit (July 1 – June 30) – Retail	\$46.00
Market Food Vendor (July 1 – June 30) – Restaurant	\$66.00
Market Food Vendor Insp. Fee – Retail	\$46.00
Market Food Vendor Insp. Fee – Restaurant	\$66.00

Swimming Pool Fees

Swimming Pool License Fee	\$222.00
Swimming Pool Reinspection Fee	\$96.00-\$365.00
Swimming Pool Duplicate License Fee	\$15.00
Swimming Pool Late Fee	See below

Vending Machines Fees

Vending Commissary License Fee	\$247.00
Vending Operator	\$140.00
Vending Unit License Fee	\$11.00/unit
Vending Commissary Preinspection Fee	\$192.00
Vending Re-inspection Fee	\$96.00-\$365.00
Vending Late Fee	See below
Vending Duplicate License Fee	\$15.00

Recreational/Educational Camps

Recreational/Education Camps	\$281.00
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Campgrounds

Campground (1-25 sites)	\$151.00
Campground (26-50 sites)	\$207.00
Campground (51-100 sites)	\$248.00
Campground (101-199 sites)	\$261.00
Campground (over 200 sites)	\$316.00

WEIGHTS & MEASURES LICENSE FEES

a) Petroleum pumps (fee is per pump, per grade of gas)	\$19.00/pump
b) Weighing or measuring device (0-30#)	\$32.00/each
c) Weighing or measuring device (31-1,000#)	\$50.00/each
d) Timing device	\$14.00/each
e) Linear meters	\$14.00/each
f) Register Scanners (without scales)	\$7.00/each

Weights and Measures Late Fee	See below
Weights and Measures Reinspection Fee	\$88.00
Weights and Measures Duplicate License Fee	\$13.00

Tattoo Establishment	\$243.00
Body Piercing Establishment	\$243.00
Tattoo & Body Piercing Establishment (combined)	\$322.00
Pre-Inspection fee	\$116.00

Late Fees: In addition to the original permit fee, a late fee will be added based on the number of days late.

10-30 days late 25% of annual permit fee

31-45 days late 50% of annual permit fee

Over 45 days late 100% of annual permit fee