



MINUTES OF AN OFFICIAL MEETING

Regular Meeting of: Finance Committee

Date and Time: Tuesday, July 18, 2023, at 6:30 pm

Location: North Conference Room, 2000 North Calhoun Road, Brookfield, WI

Members Present: Alderman Dave Christianson (Chair), Alderman Bob Reddin, Alderman Jason Anderson, Alderman Mike Hallquist, Alderman Scott Berg, Alderman Jerry Mellone, Alderman Kathryn Wilson

Others Present: Director of Finance and Administration Robert Scott, Police Chief Jim Adlam, Director of Human Resources James Zwerlein, Fire Chief David Mason, Director of Public Works Tom Grisa, Director of Parks and Recreation John Kelliher, Director of Community Development Dan Ertl, Assistant Police Chief Chris Garcia, Alderman Chris Blackburn, Dana Investment Advisors Representative Matt Slowinski

Members Absent/Excused: None

7/18/2023 - Minutes

1. Roll Call

Alderman Dave Christianson noted a quorum was present and called the Finance Committee meeting to order at 6:30 pm.

2. Announcements

- a. The next regularly scheduled Finance Committee meeting is Tuesday, August 15, 2023.

3. Approval of Minutes

- a. Minutes of the June 20, 2023, regular Finance Committee meeting.

Motion by Alderman Scott Berg, second by Alderman Kathryn Wilson to approve the minutes of the June 20, 2023, regular Finance Committee meeting. Motion carried 7-0.

- b. Minutes of the June 14, 2023, special Finance Committee meeting.

Motion by Alderman Jerry Mellone, second by Alderman Jason Anderson to approve the minutes of the June 14, 2023, special Finance Committee meeting. Motion carried 7-0.

4. Unfinished Business

(Item 4a taken out of order and presented after 5f)

- a. Finance Committee only item – potential uses for balance of American Rescue Plan Act funds allocated to the City of Brookfield

Director Scott presented an overview of the updated staff report regarding the status of the City's allocation under the American Rescue Plan Act (ARPA) and parameters for use of the monies (written report available for review in the Finance department offices). He noted that funds remaining after allocation to the 2022, 2023 and (projected) 2024 budgets, plus the Committee's previous action to earmark \$300,000 for the Wirth Park playground, totals approximately \$900,000.

Director Scott indicated that the department heads had developed an additional list of potential uses of the remaining monies as outlined in the staff report. The Committee began to review the list, with the primary discussion being allocation of monies for facilities assessments, including the Police department, overall Civic Center campus, and the library.

Following discussion by the Committee, it was moved by Alderman Scott Berg, seconded by Alderman Bob Reddin, to earmark \$200,000 of the remaining ARPA funds towards applicable facilities studies and assessments. Motion carried 7-0.

Alderman Kathryn Wilson then presented an expanded version of her previously noted proposal to utilize a portion of the ARPA funding to address certain mental health education and support efforts in the community. The Committee discussed the proposal and requested that Alderman Wilson provide additional details at a future meeting.

Due to the length of the meeting, discussion of the remaining items on the department head list was deferred to the August 15 meeting.

5. New Business

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

Motion by Alderman Mike Hallquist, second by Alderman Scott Berg to approve vouchers exceeding \$50,000 requiring immediate action. Motion carried 7-0.

- b. Resolution approving 2023 Water Utility budget amendment requested by the Director of Public Works: appropriate \$22,750 to expenditure account 50198009-601000-W2302 for purposes of funding replacement of SCADA computer equipment.

Motion by Alderman Kathryn Wilson, second by Alderman Jerry Mellone to approve the resolution approving 2023 Water Utility budget amendment requested by the Director of Public Works: appropriate \$22,750 to expenditure account 50198009-601000-W2302 for purposes of funding replacement of SCADA computer equipment. Motion carried 7-0.

- c. Resolution accepting Assistance to Firefighters grant from the Federal Emergency Management Agency.

Motion by Alderman Mike Hallquist, second by Alderman Kathryn Wilson to approve the resolution accepting Assistance to Firefighters grant from the Federal Emergency Management Agency. Motion carried 7-0.

- d. Resolution approving license agreements with AT&T (New Cingular Wireless PCS, LLC) for wireless communications facilities throughout the City.

Motion by Aldermen Bob Reddin, second by Alderman Scott Berg, to approve the resolution approving license agreements with AT&T (New Cingular Wireless PCS, LLC) for wireless communications facilities throughout the city. Motion carried 7-0.

- e. Finance Committee only item – consideration of wireless lease renewal proposals from US Cellular and T-Mobile.

Finance Director Scott presented an overview of the staff report regarding the proposals from US Cellular and T-Mobile to extend the terms on their leases for wireless communications equipment located on City facilities (copy of written report available in the Finance department offices). He noted that the two carriers have proposed lease amounts comparable to the payments of annual rent from Verizon Wireless that the Committee previously reviewed and approved for staff to finalize extended leases with Verizon. Most importantly, the proposed extensions would be for up to a total of 25 years at each site (initial five-year term and four five-year renewal terms).

Following discussion by the Committee, there was a motion by Alderman Mike Hallquist, second by Alderman Bob Reddin, to direct staff to negotiate final lease terms with US Cellular and T-Mobile using the proposed annual lease payments and applicable escalator clauses, and maximum number of five-year lease term extensions. Motion carried 7-0.

- f. Finance Committee only item - review of City financial policies regarding budget development and risk management.

Finance Director Scott indicated that these two financial policies were due for review in 2023, and that staff's review did not identify any suggested changes to the policies which have worked well in practice. Alderman Wilson noted two suggestions for additions to the budget development policy, to include (a) identification of key performance indicators by departments in their budget requests, and (b) a provision for new initiatives or programs that would require metrics as to progress/outcomes of the new programs for the ensuing 3-5 years. Staff will work with Alderman Wilson to develop appropriate language. The consensus of the Committee was to postpone action on the policies until the August 15 meeting.

- g. Finance Committee only item – presentation by Dana Investment Advisors regarding City investments under management.

(Item 5g taken out of order and presented after 3b)

Matt Slowinski from Dana Investment Advisors presented an overview of the City's investments under Dana's management (copy of written report available for review in the Finance department offices). He noted that as the impact of the Federal Reserve adjustments to Fed funds rates over the past 18 months have worked through the fixed income markets, the City's portfolio has normalized, and the year-to-date 2023 positive return on the portfolio of 1.7% compares favorably to the benchmark (1-year U.S. Treasury index) and other bond portfolio indices including the LGIP. The unrealized losses on the City's portfolio that resulted from the substantial increases in interest rates have largely been recovered, particularly as the adjustable-rate securities within the City's portfolio have reset to higher coupon rates.

The average annual return on the portfolio since inception in 2003 of 2.2% continues to exceed the benchmark and the Wisconsin LGIP. Mr. Slowinski noted the portfolio, consisting of primarily adjustable-rate mortgage and SBA securities, with yields to maturity over 6%, is well positioned to capture additional investment income as the Federal Reserve winds down its program to raise short-term interest rates. Questions from the aldermen ensued. The report was for information only – no action required.

6. Adjournment

Motion by Alderman Bob Reddin, second by Alderman Scott Berg to adjourn the meeting at 7:51 pm. Motion carried 7-0.

Respectfully submitted: Robert W. Scott - Finance Department - Director of Finance and Administration