

**Neenah-Menasha Fire Rescue
Joint Finance & Personnel Committee Meeting Minutes
September 30, 2014 – 5:30 p.m.
Fox Valley Technical College's Conference Room located at
1080 Breezewood Lane, Neenah**

Present: Ald. Englebert, Bates, Kunz, Ramos and Benner.

Excused: Ald. Taylor.

Also Present: Chief Auxier, Director Easker, HR Director Barber and OM Theisen.

Public: Mayor Kaufert and Director Barber.

Ald. Ramos called the meeting to order at 5:30 p.m.

Public Forum: No members of the public chose to speak.

Meeting Minutes: The Committee reviewed the meeting minutes from August 26, 2014. Ald. Bates requested one typographical error to be corrected. **MSC Bates/Kunz to approve the August 26, 2014 meeting minutes, all voting aye.**

5:33 p.m. Ald. Benner joined the meeting.

Budget Report: The Committee reviewed the August 2014 budget report. Ald. Kunz said he realizes there are some line items we are over in due to issues beyond our control. He asked if we make the effort to stay within the overall budget. Chief Auxier confirmed since merger we have been able to do this and noted this year will be a challenge due to the vehicle issues, overtime, etc. However, the intent is to stay within the overall budget.

Ald. Benner asked about staffing levels and if we looked at adding another employee to try to reduce overtime budget and if there were things that were not being done due to staffing shortages. Chief Auxier said this has not been looked at as we would have to hire three more firefighters, one on every shift, to balance the shifts. He noted there are options to add day time personnel in the future. At this time, our overtime budget equals one full-time person. We did reduce the overtime budget three years ago because we had automatic aid with AFD and both Cities were impacted by the State shared revenue decreases. If we have to reduce staffing we do so at Station 36 at night. During the day, we make sure we have four people there so we can get inspections and other things done. He felt the best option right now is to look at adding another day time person who can help with inspections, fire prevention activities, plan review, etc. He said if he is allowed to consider this he would like to do so. Ald. Benner noted this is something that should keep open to look at in the future. **MSC Ald. Benner/Benner to approve the August budget report, and place on file, all voting aye.**

Monthly Activity Reports: The Committee reviewed the August activity and automatic aid reports. Ald. Bates asked about the stall elevator calls and if this is the Library. Chief Auxier said there are a few buildings that we have issues with this. She asked if we have a procedure to re-coup time for spending repeatedly. Chief Auxier said no. Ald. Kunz discussed the monthly activity report and noted this report

doesn't reflect costs and/or the amount of time associated with the different types of calls. He asked if there is a way to capture the amount of time calls take so we can look at possibility recouping costs for the Department for things that take longer and if so, this may be something we want to look at in the future.

Discussion was held on the automatic aid calls. Chief Auxier reminded everyone when the new radio system was installed we were not able to have automatic aid as the two counties were on different installation times. It is anticipated the call volume will continue to be close as it has been in the past. Ald. Benner asked about our response times during this time and if there were major issues due to increased response times. Chief Auxier said there were no major issues with calls during that. Ald. Bates asked about the call types on the report. Chief Auxier explained the different types of response types and how they are dispatched. Ald. Ramos asked about the cancelled en route calls and asked why there is a difference in these calls. Chief Auxier said there is a difference in the way Outagamie dispatches. They do a pre-alert system and will call off engine companies once they obtain more information. Ald. Kunz asked if there would be changes so we are not called as much and then called off once more information is obtained. Chief Auxier said he didn't think there would be a change with how they dispatch calls. **MSC Benner/Kunz to approve the August activity and automatic aid report, and place on file, all voting aye.**

Station 31: Chief Auxier gave a tour of the space FVTC currently uses, the out buildings and NMFR's Station. Ald. Bates asked Mayor Kaufert to see if we contacted Neenah High School to see if they have a need for the use of the space. He said they have not but he did contact Gold Cross to see if they were interested. However, this space is larger than what they need at the time. Chief Auxier said different scenerios have been reviewed for possibilities of the use of space but nothing has been finalized.

26 vs 27 Paychecks: The Committee reviewed the memo from both Finance Directors. Director Easker said this is follow-up to the Committee's request for a suggestion on what should be done with these excess funds. Both Finance Directors feel the most equitable way to disburse the funds is taking the average of the cost distribution formula. Ald. Kunz and Ald. Ramos asked why we are distributing it and not using this for funding future paychecks. Director Easker reviewed the reason for the surplus monies and noted if the current contract language was not in place these funds would have been used for funding the 27th paycheck for the union members. Ald. Kunz asked why we would distribute these funds only to have them put back into the account if we are going to need this to fund wages and/or benefits in the future. He feels there should be a defined use on the money versus distributing this back into the general fund. Director Easker said he feels these funds are the "property" of each City as this money was used to fund NMFR's budget. It's surplus funds that have accumulated and there is a need for the Cities to use these now versus sitting for another 10 years to fund the 27th check. He said this Committee has a role to review these surplus funds and make a suggestion to both Common Councils on how to disburse these funds. Ald. Kunz said he feels like there are two different things being said. It's the City's property, and not NMFR's, each City can ultimately decide how to use the money even after a recommendation is made by this Committee. Director Easker said this Committee needs to take action and make a recommendation to both Councils and the money will remain in the current fund until a recommendation is made by this Committee.

Ald. Bates asked about the calculation and if there is an exact way to see how much money each City put into this fund and to determine where the money came from. Director Easker said there is a way but feels this would come out the same way. Ald. Englebert agreed and felt the percentages would be the same.

Director Easker explained how the City of Neenah and the City of Menasha calculate wages when there is a 27th paycheck every 11 years. The City of Neenah funds this for their employees so they do not have a large expense in the 11th year when there are 27 paychecks. The City of Neenah is considered the “agent” for NMFR employees. NMFR employees are under the City of Neenah’s policies, benefits, etc. and therefore, the funding was done the same as everyone assumed, and budgeted, for the way Neenah pays employees. How the current union contract language calls for union members to be done the same way the City of Menasha pays their employees. It was the union who bought the contract language to their attention which avoided a potential overpayment of wages. Chief Auxier said each City funds their wages in two different ways. The firefighters took the brunt of this and their bi-weekly wages were dramatically reduced due to the current contract language. This overfunding is due to their pay cut in 2014. He asked for consideration of the surplus money to be used for funding NMFR’s operating costs.

Ald. Benner asked Director Easker why Neenah accrues the money every year versus returning it and if the City of Neenah benefited interest from this money. Director Easker said as the agent for NMFR, they are required to fund all liabilities for NMFR and wages is considered a liability. All monies set aside to fund NMFR’s liabilities are in their own account and not with any City of Neenah money. The City of Neenah didn’t benefit from the money being in the reserved and interest earned in this account is NMFR’s money.

A lengthy discussion was held on dispersing the money back to each City and whether this money should stay with NMFR’s future budget or go back into the general fund. If the money should be dispersed back or stay within the current account to fund future wages for NMFR. The consensus of the group was the suggested distribution formula, put together by both Finance Directors, was fair and should be used when disbursing the monies back to each City. Ald. Ramos suggested each Mayor and City Council members meet and discuss how these funds would be used in their own City.

Ald. Bates and Ramos felt the money should be returned as it is levied money and if this money has a need to fund an urgent project within the City of Neenah it should be used to fund this. This is the current practice in the City of Neenah for all excess monies. Ald. Englebert said he spoke to Mayor Merkes about the surplus money and they both felt the City of Menasha would either set aside this money to fund a future vehicle replacement or use to offset NMFR’s operating budget. Ald. Benner felt the excess funds should stay with NMFR’s operating budget. Ald. Kunz noted the funds were levied to pay NMFR’s employees and surplus funds should be used to pay NMFR’s employees as this was how the money was levied and intended to be used. The intent of the money wasn’t to have all department heads start lobbying for the money to fund one of their projects.

Ald. Kunz said he has an issue with funding a future liability that doesn’t exist at this time and this should be reviewed at a future meeting.

MSC Englebert/Benner recommends the City of Neenah Common Council and City of Menasha Common Council approve distributing the unspent 27 pay period accrued wages/fringes back to each City. The City of Neenah’s share would be 60.1% for a total of \$133,703 and the City of Menasha’s share would be 39.9% for a total of \$88,765, all voting aye.

2015 Physicals: The Committee reviewed the information regarding the physical process for the firefighters. Ald. Kunz asked about the fee about \$25 and if these services could be pieced out to save money. Director Barber said the \$25 is her charge for the additional lab test the firefighters need and

the rest of the City of Neenah employees do not need and if we pieced out services this may incur extra costs. Ald. Bates asked about approving encumbering future budget expenses. Director Easker said there are times when it is advantageous to do this as it saves money. It has been done for long term software agreements and also with NMFR's physicals as the practicality of saving money overrides this. Ald. Bates asked if these services can be pushed back until after the budget has been reviewed and approved. HR Director Barber said she had to schedule the lab draw dates now as it all ties into open enrollment. If we push the firefighters back it will cost more money.

MSC Ald. Bates/Englebert recommends the City of Neenah and City of Menasha Common Councils approve Affinity Occupational Health as the vendor for NMFR's 2015 physicals and the City of Neenah's health risk assessment vendor for the lab work for a total cost not to exceed the budgeted amount of \$25,000.00, all voting aye.

Proposed 2015 Budget: Director Easker distributed an updated budget. He noted this reflects a reduction of \$13,000 as they finalized the calculations of salaries and fringes in 2015. Ald. Englebert asked when the current contract ended. Chief Auxier said at the end of 2015. Director Easker said the current contract has a wage increase in 2015 and this runs through 2016. The firefighters re-opened their contract to help out both Cities as both Cities had the impact of decreased shared revenue and higher health insurance premiums. In return, they received lower wage increases at the beginning of their contract and agreed to push funding of increases to the back end of their contract. Ald. Bates asked about FVTC's building and positives amounts were. Director Easker said it's actually revenue, not an expense and an error on the report that will be fixed. Ald. Kunz asked about the health insurance and WRS contribution and if the firefighters pay the same as non-union employees. Director Easker confirmed they do. Ald. Kunz asked how changes are made within the budget. Chief Auxier said the merger agreement calls for this Committee to review the budget. If changes are made it is communicated back to this Committee. Ald. Kunz said he has an issue with this process and doesn't feel it is appropriate that the Committee, who has financial oversight, is not allowed to make changes to the budget until the budget is presented to the Common Council. He feels this Committee should be able to look the budget and have authority to review staffing of stations, reduce potential vacation spots on each shift if this is causing a lot of overtime due to people taking off on FMLA, etc. Chief Auxier said for the last 5-6 years the Department and Local 275 firefighters have recognized the issues both Cities had due to shared revenue reductions. Local 275 voluntarily opened their contract and agreed to pay more in health insurance premiums and WRS contributions to help both Cities out and they didn't have to do this as they already had a signed contract. The Department reduced the overtime budget in an effort to help both Cities with their funding. The Department has sacrificed training for shift inspectors, fire investigators, mechanic training, etc. and it's now to the point if we don't start training again their skills be not be kept current and this is the reason for his request in increasing the overtime budget back to what it was previously.

MSC Englebert/Benner to adjourn at 7:20 p.m., all voting aye.

Respectfully Submitted,

Al Auxier
Chief

AA/tt