

**FINANCE COMMITTEE  
JANUARY 09, 2012 AT 6:20 P.M.  
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Alderpersons Moore, Molski, Stroik, Brooks and Suomi

ALSO

PRESENT: C/T Schlice; Mayor Halverson; Clerk Moe; Ald. Slowinski, O'Meara, M. Stroik, Beveridge; Directors Lemke, Halverson, Schrader, Ostrowski, McGinty; Human Resource Manager Jakusz; Police Chief Ruder; Asst. to the Mayor Pazdernik; Matthew Brown; Brian Kowalski; Ray Nenpert; Cathy Dugan; Barb Jacob; Nick Schmitt; Don Smith; Chris Spranger

**ITEM #1 – REQUEST FOR ADDITIONAL FUNDING – 2012 CROSSING GUARD PROGRAM.**

Police Chief Ruder stated due to the budget situation the amount they had to work with was \$26,600. Some of the Alderpersons had concerns over the crossing guards have a suitable wage along with retaining all the crossings and crossing guards. The crossing guards wage was the reason that privatizing the program was eliminated. He stated they came up with \$16 an hour, which comes out to \$8 per crossing. In a regular year, it will come out to \$30,000, but with the postponement, it comes out to \$32,000 this year. He is requesting that the \$5,400 be taken from contingency.

Motion made by Ald. R. Stroik, seconded by Ald. Molski to approve the request for additional funding to come from contingency in the amount of \$5,400 for the 2012 crossing guard program, contingent upon approval from the Personnel Committee.

Barb Jacob, 1616 Depot Street, stated she is disappointed to see a 15% pay cut for the crossing guards. She would like to see them making what they are now or give them an increase.

Ald. R. Stroik questioned what we would have to put back in addition to the \$5,400 to bring them back up to where they were.

C/T Schlice stated approximately another \$8,000 to \$9,000.

Ald. Suomi stated she is disappointed in the timing of this as she requested it be finalized before the end of the budget cycle.

Ayes: Alderpersons Moore, Molski, R. Stroik and Brooks      Nays: Ald. Suomi  
Motion carried.

**ITEM #2 – WRITE OFF BAD DEBTS.**

C/T Schlice stated we do this every so often to write off the debts that are uncollectible.

Ald. Molski questioned Muzzy Broadcasting LLC.

C/T Schlice replied he had a verbal agreement with Rick, but his attorney called and stated the 2003 is statutorily uncollectible. Although, we did collect a good portion of it.

Ald. Molski questioned what the statutory limits that you can go back on.

City Attorney Molepske replied it is six years on property damage and six years on taxes. He stated that the problem is with the LLC's where they are here today and gone tomorrow, so it is extremely hard to collect. The fee to file small claims is \$98.50 and in some cases we have to hire a process server to find them and when they only owe a small amount, it is just not worth the extra expense.

Motion made by Ald. Molski, seconded by Ald. Brooks to write off the bad debt list as shown.

Ayes: All

Nays: None

Motion carried.

### **ITEM #3 – LEAN SIX SIGMA PRESENTATION – CHRIS SPRANGER.**

Chris Spranger and Don Smith gave a presentation on the Lean Six Sigma Application, the PowerPoint presentation is attached.

Ald. Suomi questioned the \$277,000 grant money allocation.

Mayor Halverson replied that the \$277,000 was grant money that was accumulated from a COPS grant from the 1990's. It was a matching fund grant that was to be used towards officer wages. This highlighted a deficiency within the payroll process where the tracking of the overtime for officers working a grant was not being documented correctly. The grant money is still there and has accumulated interest so now the Police Department needs to decide how those grant monies are going to be used. It has been determined through the process that the Police and Fire Departments are the most unique in terms of how the overtime and general salaries are booked. If we do receive grant funds, we have to be sure that the documentation process we have is clear. He stated that within the process, we are looking for time saving opportunities more so than money saving opportunities. He asked Mr. Spranger and Mr. Smith to explain the difference between Lean and Six Sigma.

Don Smith replied the processes and tools involved go back to the post WWII years when the whole world was trying to regroup and recover from a major drain of resources. Lean and Six Sigma were developed separately with Lean meaning to make things flow more smoothly, the work that we do have less interruptions, be more consistent and more efficient. It started in the automotive industry, then flowed to the manufacturing, then in the late 90's it flowed into the service industries and then in the last 5-10 years, it has really penetrated healthcare, insurance and government sectors. The Six Sigma had a package put together in the 1980's with radio manufacturers where there was so many small components in transistor radios that one defect, one problem in those could take the whole radio down. They worked together to find a solution which drove the idea of Six Sigma quality level where you look at reducing defects and making things very consistent so that things are the same today as it was yesterday and so on.

Ald. Brooks questioned why we can't just do this in house, rather than hire outside, what more are we getting by hiring outside.

Mayor Halverson replied he feels that we are incapable of doing it at the level of precision that these tools will give us. We need the appropriate tools to analyze the situation. No one, with the exception of Sally McGinty, on the management team has any exposure to the Lean Six Sigma to be able to analyze the efficiency of the organization. Currently, we do not have the skills to do the process properly. The goal is to have everyone trained that is in a decision making level within the organization.

Ald. Brooks questioned if training the staff will help reduce new inefficiencies as we move on.

Mayor Halvorsen stated no one has ever challenged them to think outside the box and there has never been an aggressive focus on truly pushing the envelope of what has been accepted within these departments. There has been management in the same position for a long time so things have been done the same way for a long time. The comfort level has to be pushed to make them look at the process objectively.

Ald. R. Stroik stated to get a process to the "lean" phase, they say you have to look at the process seven times and each time you shave a little bit more off the process. By the seventh time, it is said to be truly lean. The foundation of Lean Six Sigma is to continually improve.

Ald. O'Meara mentioned that maybe we need to look at what we want for an outcome rather than what the procedure is.

**ITEM #4 – SUBMISSION OF A COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION FOR HOUSING REHABILITATION AND RELATED ACTIVITIES.**

C/T Schlice stated all grants are to come through the Finance Committee so that the Committee can make the decision to move forward with the grant and see what strings are attached. What we would like is approval and to reference the approval of federal procedure practices as part of the grant application. There is no cost associated with it other than in-house staff time.

Motion made by Ald. Molski, seconded by Ald. Brooks to approve the submission of a Community Development Block Grant application for Housing Rehabilitation and related activities and note that the federal procedure practices are being adopted by reference.

Ayes: All

Nays: None

Motion carried.

**ITEM #5 – APPROVAL OF PAYMENT OF CLAIMS.**

The claims were attached.

Motion made by Ald. Molski, seconded by Ald. Brooks to accept the payment of claims in the amount of \$394,823.97.

Ayes: All

Nays: None

Motion carried.

Adjournment at 7:13 p.m.