



MINUTES OF THE FINANCE COMMITTEE

**TUESDAY, JULY 10, 2018, 4:30 PM
CITY HALL, ROOM 207**

A. ROLL CALL.

Present: Ald. Dorff, Chair; Ald. Corpus-Dax, Vice Chair; Ald. Gavin, Ald. Lefebvre

Also Present: Finance Director Diana Ellenbecker, Asst. Finance Director Pam Manley, Economic Development Director Kevin Vonck, Purchasing Manager Rick Jensen

B. APPROVAL OF THE AGENDA.

Moved by Alderperson Kathy Lefebvre, seconded by Alderperson Veronica Corpus-Dax to approve.
Motion carried.

Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

C. APPROVAL OF MINUTES.

I. Approval of the minutes from the June 12, 2018 Finance Committee Meeting.

Moved by Alderperson Veronica Corpus-Dax, seconded by Alderperson Bill Galvin to approve.
Motion carried.

Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

D. REGULAR BUSINESS.

1. Consideration with possible action on request to borrow two million dollars (\$2,000,000.00) to fund the first phase of The Shipyard (Development Agreement 18-02), including property acquisition; geotechnical and environmental testing; architectural, structural, and civil engineering and design; and preliminary site work.

The Authority may convene in closed session pursuant to Sections 19.85(1)(e), Wis. Stats., for purposes of deliberating or negotiating the sale of public properties, investing of public funds or conducting other specified public business as necessary for competitive or bargaining reasons. The Authority may thereafter reconvene in open session pursuant to Section 19.85(2), Wis. Stats., to report the results of the closed session and consider the balance of the agenda.

Moved by Alderperson Bill Galvin, seconded by Alderperson Veronica Corpus-Dax to approve borrowing two million dollars (\$2,000,000) to fund the first phase of The Shipyard. Motion carried. Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

2. Discussion with possible action on a request by the Purchasing Manager to amend the Purchasing Policy.

The Purchasing Manager is requesting a change to the following line item in Ordinance 1.79 (Finance Department/Purchasing Division, Section 5 Purchase Award, final sentence:

“Except where specifically authorized in the Wisconsin Statutes, all single expenditures exceeding \$10,000 and all yearly supply/service agreements over \$10,000 require Finance Committee and Council approval prior to award.”

The Purchasing Manager is requesting a change from the \$10,000 approval threshold, to \$25,000.

Moved by Alderperson Kathy Lefebvre, seconded by Alderperson Bill Galvin to approve as amended changing Purchasing Policy from a \$10,000 threshold to \$25,000 and including a quarterly report to the Committee or Commission for all purchases between \$10,000 and \$25,000. Motion carried. Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

E. REPORT OF THE PURCHASING MANAGER.

1. Purchasing Report

2. Request approval to purchase a Respirator Fit Testing System from Jefferson Fire & Safety, Inc. for \$13,267.

Moved by Alderperson Bill Galvin, seconded by Alderperson Veronica Corpus-Dax to approve the purchase of a Respirator Fit Testing System from Jefferson Fire & Safety, Inc. for \$13,267. Motion carried.

Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

3. Request approval to purchase a Gravely UTV with Kimtek Slide in Transport Cot from Ambrosius Sales & Service for \$19,200.

Moved by Alderperson Bill Galvin, seconded by Alderperson Veronica Corpus-Dax to approve the purchase of a Gravely UTV with Kimtek Slide in Transport Cot from Ambrosius Sales & Service for \$19,200. Motion carried.

Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

4. Request approval to issue a 2 year contract for Voice Over Internet Protocol Service through the Wisconsin State Contract to AT&T for \$55,512 (\$27,756 per year).

Moved by Alderperson Kathy Lefebvre, seconded by Alderperson Veronica Corpus-Dax to approve a 2 year contract for Voice Over Internet Protocol Service through the Wisconsin state Contract to AT&T for \$55,512. Motion carried.

Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

5. Request approval to issue a contract to furnish and install a commercial grade gas water heater at Fire Station #2 to the low responsive and responsible bidder.

Item withdrawn by Purchasing as the bids came in under the \$10,000 limit requiring Committee approval.

6. Discussion with possible action regarding entering into a 2 year agreement with Associated Bank for Banking Services, with options for four 2 year extensions by mutual agreement.

Moved by Alderperson Bill Galvin, seconded by Alderperson Veronica Corpus-Dax to approve entering into a 2 year agreement with Associated Bank for Banking Services, with options for four 2 year extensions by mutual agreement. Motion carried.

Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

F. REPORT OF THE FINANCE DIRECTOR.

Finance Department recently completed the 2017 financial audit. Schenck will be at our next meeting to review this with the Committee.

G. INFORMATIONAL.

I. 2018 Contingency Fund:
\$124,817.99

2. The next Finance Committee meeting will be held on Tuesday August 14, 2018 at 4:30 PM.

H. ADJOURNMENT.

Moved by Alderperson Veronica Corpus-Dax, seconded by Alderperson Kathy Lefebvre to adjourn.
Motion carried.

Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

VERBATIM MINUTES

- I'd like to call the Tuesday, July 10th meeting of the Finance Committee to order, roll call, Alder Galvin.
- Here.
- Alder Corpus-Dax.
- Present.
- Alder Lefebvre.
- Here.
- And Alder Dorff's here. I would entertain a motion for approval of the agenda.
- So moved.
- Second.
- We've got Alder Lefebvre, second by Alder Corpus-Dax. All in favor?
- Aye.
- Opposed? Motion carries. I'll entertain a motion for approval of the minutes.
- Motion to approve.
- Motion to approve by Alder Corpus-Dax.
- Second.
- Second.
- Second by Alder Galvin. All those in favor?

- Aye.

- Opposed? Motion carries unanimously. Regular business. Consideration with possible action on request to borrow \$2,000,000 to fund the first phase of The Shipyard, Development Agreement 18-02, including property acquisition; geotechnical and environmental testing; architectural, structural, and civil engineering and design; and preliminary site work. We just worked on this at RDA, I was there this afternoon.

- I will start this one. If you remember, actually, there was a development agreement that was approved back in June. Actually at the Council meeting on 6/19 which gave them permission to move forward with the Shipyard Project. Now we are coming back for asking for phase one of borrowing money for this project. We're asking for \$2,000,000 and at this point we are going to be comparing all of our different options of which is the best, lowest cost borrowing option for the City. We're just looking for approval at this point to move forward to borrow \$2,000,000 for phase one.

- Okay, I have a question.

- Yes.

- On this two million, will this mean that design that was presented is part of this?

- No, this is to develop the design.

- Okay, got it. So it's design and then.

- Right.

- Because I have a question. I will not approve the design that was presented. But I believe in going ahead with the acquisition.

- Yep, this request about 1.2 million will actually be for property acquisition and the other \$800,000, part of that will be for geotechnical and environmental testing, some architectural, structural and its civil engineer and design. At that point they're gonna go for an RFP to create the design and so that may even come back to the Committees before it goes out. But that was just a proposal, a recommendation, but they're gonna go out and get a actual company to do the design work.

- Okay, when they're doing the design does it go to another committee first to look at?

- It will go to RDA.

- It will go to RDA.

- RDA, okay.

- There also could be grant money available, there are some things we're not sure of yet. We discussed that in RDA this afternoon.

- Right, I think that's further reason why I think the whole project could be as high as \$9.5 million but we're at phase one at this point. To move forward figure out, what's the cost, do the design and figure out a more comprehensive price for the project, and at that point there could be other funding opportunities. So we wouldn't be requesting the second phase of the borrowing until we have more information.

- You have a breakdown of these one, two, three, four, five, six things that they're thinking about spending?

- Yes.

- I mean, I'm not asking for exact figures.

- \$1,160,000 is going to be for acquisition and I guess the remainder, I do not have a breakdown. Kevin is here or Director Vonck is here, I guess. I don't know, if you have any more specifics on that remaining 800,000?

- [Kevin] Sure. So, we put 800,000 or as Ms. Ellenbecker had mentioned, the 1.1 is for the property acquisition, that's based on the agreed upon contracts. Those are all been negotiated and then they're contingent upon RDA City Council approval to get the funding for those. So, those prices, that's what it'll be at. We looked at 800,000 in terms of having enough money, and this is based on discussions with Public Works, and with Parks, but we went through basically our last big designs with Coburn Pool in terms of the amount that was needed for that. We felt that this will probably fall five to \$600,000 range for all the design. But it does allow for some additional funds for geotechnical testing, environmental testing. We're dealing with 13 and once we add in Badger Sheet Metal I mean, 20-plus acres that we need to look at. So, just having enough funding available to do additional testing if needed. And to answer Alderperson Lefebvre's question, in terms of the design, one of the things that we'll be doing, and the RDA discussed, is request for proposals for design services. Go back, get that approved by RDA, hire a consultant that would also be approved by RDA. Then part of that design process, the goal would be to look at, okay, what are all the things you could potentially build and have a cost breakdown so that, depending on the cost, you could look at, what, I approve of these things, but I wouldn't support these things. To have that process go through both Council and the public involvement. But that's roughly about the breakdown that we're looking at. It's enough to get us, I think, what we need with a margin of error. But I think it also restrains that we're not gonna have money that's being borrowed and not just sitting there not being used. We can put this money to work in the next three months.

- So, the geo testing, environmental would be for the properties we're buying. I mean, I would imagine by now, we've already done that testing on that site?

- [Kevin] We've already done that testing on that site, we've actually done it on the properties that we're buying, but I think in terms of once we look at doing the design, okay, we wanna put these specific structures there, we wanna do these types of things here, we might need a little more specific testing for some exact locations where those things are going to go. So, like I said, we've done some already but this is to allow for, okay, if we need some additional or specifically, now we know in this building, we'd like to put this building here. We'd like to put these piers here. We'd like to do this stuff in the water. It allows for some additional testing beyond what we've done.

- Okay, and preliminary site work?

- [Kevin] Preliminary site work, we'll probably be looking at moving earth and that is, our research found, that generally the environmental contamination there. Both the sites are closed, they have a cap on top of them. But because they're in a floodplain we'd like to put additional fill in that area. Probably what we're looking at is moving additional fill into the area to raise it up, potentially as high as four feet in some places.

- Four more feet?

- Mm-hmm.

- Okay, all right, thank you.

- Sure.

- Any other questions? I would entertain a motion.

- Motion to approve.

- Second. Motion to approve by Alder Galvin, second by Alder Corpus-Dax. All those in favor?

- Aye.

- Opposed? Motion carries unanimously. All right, item two. Discussion with possible action on a request by the Purchasing Manager to amend the Purchasing Policy. The Purchasing Manager is requesting a change to the following line item in Ordinance 1.79 Finance Department/Purchasing Division, Section 5 Purchase Award, final

sentence: "Except where specifically authorized "in the Wisconsin Statutes, all single expenditures "exceeding \$10,000 and all yearly supply/service agreements "over \$10,000 require Finance Committee and Council approval "prior to award." The Purchasing Manager is requesting a change from the \$10,000 approval threshold, to \$25,000.

- [Rick] In looking at the the history, the \$10,000 threshold has been on the books since 1996 or earlier. I did a survey, which I included here, of other municipalities larger and smaller than the City, several counties, school districts, the water utility, et cetera and the majority of those agencies are not required to bring purchases less than 25 thousand back to their boards for approval. I'm asking to raise our threshold to that \$25,000 level. I included some documentation and support of that, but I think the most compelling argument is that still 60% of what I'm bringing forward now would still come to you, and it's over that \$25,000 threshold and that represents 92% of the dollars. So, you would be, I'm asking you to relinquish 8% of the control that you have over the dollars that are being spent today. But the trade-off is that it will save a lot of time for staff, it will expedite the process of getting small purchase orders issued, et cetera. Kris can attest to the fact that she's sending people over at our office a couple times a week to open sealed quotes for lawn mowers that are 10, \$12,000.

- Makes a lot of sense to me, any discussion?

- So, typically you're talking about lawn mowers?

- [Rick] Anything under \$25,000. I mean, obviously, a lot of commodities beyond lawn mowers, but that's an example where we'd like 10, 15, \$20,000 pieces of equipment that are budgeted, yet we still bring it back to the Finance Committee. It's not only the Finance Committee now. Over the years we started taking Public Works equipment to INS some Parks equipment to Parks, so it's really committee as opposed to just Finance Committee that I'm replying to here.

- I know that many, many districts, or cities, school districts are a lot higher than 25 thousand. We haven't raised that. I read it, how many years was it?

- [Rick] Well, the ordinance was updated in 1996.

- 22 years.

- [Rick] And it could have been on the books before that. I did include, as attachment A, these are agencies and they're all at \$25,000 and higher.

- Yeah, it makes a lot of sense to me. Anyone else have any?

- So, like, even some of these items that I'm looking at on some of the next report of the Purchasing Manager, some of these items would fall under that.

- [Rick] Yes.

- Then I would entertain a motion.

- I was gonna say something. I'm kinda, I don't know on this one. Makes sense in a way, but yet. There has to be some report. Maybe what we would need then, if we can change it to this, then I would like to have a monthly report on what was spent on these items. So that we can justify the.

- Is that something that you're doing already? If you're not.

- I think she's asking, anything that fell between the 10 and the \$25,000 if you could give them some kind of recap either on a monthly or quarterly basis. To see what.

- To see that we're I'd like to see some accounting.

- [Rick] Yeah, we record, we keep what we call it a key performance indicator, we record all of our spend, even that that's under \$10,000, so we capture that.

- If that could come to the Committee each month.
- How about quarterly.
- Quarterly?
- Yeah, because I don't think we need to add something.
- Okay, then we can look at the expenditures and see that it was justified.
- [Rick] Yeah, that's an easy, I mean, that report exists so I would just have to forward it to you.
- I'd be good with that. So, I can make that as a motion, to?
- You'd have to probably amend the motion. Right?
- Right. You could say, I wanna amend this item, to include a quarterly report on any purchases under \$25,000.
- Between 10,000.
- Between 10 and 25,000.
- Okay, that's my amended motion. All right, so the motion it is, as I understand it, that the motion is to change the line item in Ordinance 1.79 from a 10,000 to 25,000 and in addition, on a quarterly basis, provide a report on items purchased between the 10,000 and \$25,000 limit.
- I'll second that.
- I was restating that for Kathy. So, okay, let's just be clear. Motion by Alder Lefebvre and Alder Galvin seconded it. Did you capture that?
- Yes, I did.
- All right. All those in favor?
- Aye.
- Opposed? Motion carries. All right, now on to the next thing. I think we're.
- Purchasing.
- Oh, the purchasing manager, okay.
- [Rick] We'll take these in order. I'm starting with item E2 to request approval to purchase a Respirator Fit Testing System from Jefferson Fire & Safety, Inc. for \$13,267. We put that out for bid, they did tell me the bid tabulation is in your packet and we're recommending an award to the low bidder.
- Do you need separate motions then for all of these things?
- [Rick] Well, yeah because I don't have all the information, so I think we should take. I didn't include all the information the packet.
- Got it.
- I do have one question on one thing, on one of the other ones here.

- Okay, well just wait till we get there. So are there any question discussion on getting the Respirator Fit Testing System?

- Motion to approve.

- Motion to approve by Alder Galvin.

- Second.

- Second by Alder Corpus-Dax. All those in favor?

- Aye.

- Opposed? Motion carries. Item three.

- [Rick] Item E3 is a request to approve the purchase of a Gravelly UTV with a Slide in Transport Cot from Ambrosius Sales & Service for \$19,200. Again, this was a bid, the results are included in your packet, we're recommending the purchase from the low bidder which was Ambrosius sales for \$19,200.

- What is that?

- [Rick] It is a all terrain vehicle that has a cot. So, it can transport a patient on the back and is this used at the stadium or?

- [Man] It's used at Lambeau Field, all special events.

- Okay, I was just wondering, what the heck is that. I'm sorry.

- Any further discussion?

- Nope.

- I'll entertain a motion.

- Motion to approve.

- Motion to approve by Alder Galvin.

- Second.

- Second by Alder Corpus-Dax. All those in favor?

- Aye.

- Motion carries, next.

- [Rick] Okay, the next item is E4, which is a request approval to issue a two-year contract for Voice Over Internet Protocol Service through the Wisconsin State Contract to AT&T for \$55,512 which is \$27,756 per year. The IT Manager, Mike Ryan, could not be here tonight so I'm a little sketchy on the details. We participated in the state contract for many years. The voice over IP allows all of our landlines to use our internet to capture voice messages and recordings, voicemail, et cetera. AT&T he has been awarded the state contract, that's quite cost-effective and it's just a contract renewal for the next two years.

- I know that they've been useful too in security situations where you can use them to make announcements over the phone, is that what we would be able to do.

- I have one, yeah.

- [Rick] Yeah, there is that functionality, yes.
- That functionality is needed.
- And alarms.
- Alarms, yeah, alerts.
- And I believe Rick, this is just a replacement of our long distance, right. This is not additional service.
- [Rick] No, this is an existing service. and it's on an annual basis, it's a savings of up about \$2,000 per year over the current contract.
- That's good. Any other discussion?
- I'll make a motion to approve.
- Motion by Alder Lefebvre to approve.
- Second.
- Second by Alder Corpus-Dax. All those in favor?
- Aye.
- Opposed? Motion carries. Item E5.
- [Rick] Item E5, I am gonna withdraw that item. When the bids came in they were less than \$10,000 so they do not require Committee approval. So we were able to issue that purchase order without bringing it to the committee. Which brings us to item number E6 which is a discussion with possible action regarding entering into a two year agreement with Associated Bank for Banking Services, with options for two one year renewals.
- It says four two year. It says four two year.
- [Rick] I'm sorry, four two year renewals. This is just a little bit of a recap giving you some background on this because I didn't have it before the agenda was due last week. Director Ellenbecker can address our relationship with Associated over the years.
- I don't know the exact number of years, but it's been 20 plus years that we've been working with the Associated Bank and I know there was an RFP that was done, I'm gonna say seven, 10 years ago and at that point, Associated Bank also won the RFP. We also did some research this summer and reached out this spring and reached out some other banks and did some comparable pricing and there was no other vendor that could come as close to our pricing that we have and the services that we're already receiving with Associated Bank.
- So, we get a higher interest rate from them, it looks like, or?
- Their interest rate is based off of what the Fed rate is. So, as the Fed rate increases our interest rate will increase, and that earnings credit that we get because the interest rate is much higher than what other banks are currently offering.
- That's what it looks like.
- I have a concern about that, about extending it another four years. I would like to see it do the two years, and I think we should check around because Associated might be buying another bank. Then it gets bigger.
- It says with options though.
- With options, yes, so they have to come back here then.

- Yeah.
- As long as they come back.
- [Rick] It's a mutual consent, so we could withdraw anytime during those options periods. If the interest rate was not favorable or if the service deteriorated. I should have prefaced this by saying, Brown County did the RFP this year, back in 2017. We're piggybacking off their work. I included a summary of the vendors that responded to their RFP and to show that currently Associated earned their award recommendation and then we brought Associated in and they customized our proposal. It's actually a net income situation, rather than an expense, I still put it on the agenda for your approval, but it's a revenue generator rather than an expense item.
- Okay.
- All right. Do you want to make a motion?
- Motion to approve.
- Motion to approve by Alder Galvin.
- Second.
- Second by Alder Corpus-Dax. All those in favor?
- Aye.
- Opposed? Motion carries.
- Thank you.
- Thank you.
- Report of the Finance Director.
- I don't have any details and all the departments are just busy, the normal work. The Finance Department has just recently ended our 2017 audit and the final financial results will be coming to our next meeting. So, Schenck will be bringing their presentation and their management letters to our next meeting.
- Okay, thank you.
- So, that is all I have.
- Informational, contingency fund.
- Contingency, is just again, it's just more informational saying what's the balance of the fund.
- Okay. And the next Finance Committee meeting will be held on Tuesday, August 14, 2018 at 4:30 p.m. I will entertain a motion to adjourn.
- Motion to adjourn.
- Second.
- Motion to adjourn by Alder Corpus-Dax, second by Alder Lefebvre. All those in favor?
- Aye.
- Opposed? Motion carries, we're adjourned.

- Please make sure you log out or sign out of your meeting.
- Yes, that's right, signing out.