MINUTES OF THE FINANCE COMMITTEE

WEDNESDAY, MAY 8, 2019, 4:00 PM
CITY HALL, ROOM 207
(MEETING RESCHEDULED FROM MAY 14, 2019)
AMENDED

A. ROLL CALL.

Present: Veronica Corpus-Dax, Barbara Dorff, Bill Galvin, Excused: Kathy Lefebvre

Also present: Mayor Eric Genrich, Ald. John VanderLeest, Ald. Chris Wery, Ald. Brian Johnson, Purchasing Manager Rick Jensen, City Attorney Vanessa Chavez, Fire Chief David Litton, Finance Director Diana Ellenbecker and Asst. Finance Director Pam Manley

B. APPROVAL OF THE AGENDA.

Moved by Ald. Veronica Corpus-Dax, seconded by Ald. Bill Galvin to amend the agenda moving Item #6 up to after Item #1.
Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, No- None, Abstain- None

Moved by Ald. Veronica Corpus-Dax, seconded by Ald. Bill Galvin to approve the agenda as amended. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, No- None, Abstain- None

C. APPROVAL OF MINUTES.

1. Approval of the minutes from the April 9, 2019 meeting.

Moved by Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax to approve. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, No- None, Abstain- None

D. REGULAR BUSINESS.

1. Report on the designation of the Green Bay Press Gazette as the Official Newspaper for the City of Green Bay for the approximate annual amount of $51,000.

Moved by Ald. Veronica Corpus-Dax, seconded by Ald. Bill Galvin to approve. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, No- None, Abstain- None

2. Request by Ald. Wery that all departments submit time spent and resources used by any current or former employee on Mayor Schmitt's private going away (retirement) party. All time and resources used are to be billed to Mayor Schmitt. I am requesting the City of Green Bay inquire into whether City resources of any kind will be needed for Schmitt's retirement party, especially if a public fireworks display takes place.

Moved by Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax to receive and place on file. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, No- None, Abstain- None

3. For consideration with possible action on the Brown County Tax Collection Agreement for December 2019 to February 2020.

Moved by Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax to not sign the Brown County Tax Collection agreement for December 2019 to February 2020. City to pursue collecting first installment. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, No- None, Abstain- None

4. Update and discussion on the five year combined Capital Improvement Plan.

5. Report of the Claims Committee.

The Committee may convene in closed session pursuant to Section 19.85(1) (g), Wis. Stats., for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Committee 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 Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax to receive and place on file. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, No- None, Abstain- None

6. Consideration with possible action on initiating negotiations for intergovernmental agreement with the Oneida Nation, including revisiting the following Notices of Decision from the US Dept of the Interior regarding the intent to take land into trust: Kuffel, Bruss, Syndergaard, Kolb, Kelley, Howey, Duquaine, Cornelius, Kestell, Baumgart, Orlando, and Debenedetto parcels.

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Moved by Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax to go into closed session at 4:07p.m. Motion carried.
Ald. Bill Galvin read the closed session language.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, No- None, Abstain- None
Moved by Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax to return to regular order of business at 4:53p.m. Motion carried.
Moved by Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax for staff to follow the directions of the Committee from closed session. Motion carried.

E. INFORMATIONAL.

1. The next Finance Committee meeting will be held on Tuesday June 11, 2019 at 4:30 PM.

2. 2019 Contingency Account:
$96,000.42

F. ADJOURNMENT.

Moved by Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax to adjourn. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, No- None, Abstain- None

G. VERBATIM MINUTES.

- All right, I'd like to call the meeting of the Finance Committee to order. And the Finance Committee on Wednesday, May 8th, 2019. Roll call, Alder Galvin.

- Here.

- Alder Dorff.

- Hold.

- Oh, here.

- No, I'm here. You distracted me. Alder Corpus-Dax.

- Here.

- Okay.

- And Alder Lefebvre?

- What?

- Absent, Alder Lefebvre is absent.

- Oh I'm sorry, well, and excused.

- Thank you.

- And excused, yes, she contacted me. I'll entertain a motion for approval of the agenda.

- Motion to approve.

- And would you like to perhaps change the agenda though?

- Yes, I would like to--

- Would you like to do number--

- Number six, if we could move that to right after number one.

- Sound good, is there a second?

- I'm okay with that motion, yeah, second.

- Okay, now do we have to do two different motions to amend it, and then to approve the amended agenda?

- Yes.

- Okay, all right. Motion to amend the agenda, all those in favor?

- [Together] Aye.

- Opposed? Motion carries. All right, so we'll move number six up past number, right next to number one, right after number one. Now I will entertain a motion to approve the amended agenda.

- Motion to approve.

- I'll second.

- Second, okay. All those in favor?

- [Together] Aye.

- Motion carries, all right. Approval of minutes, approval of the minutes from the April 9th, 2019, meeting.

- Motion to approve.

- Second.

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

- [Together] Aye.

- Motion carries. All right, regular business. First item, report on the designation of the Green Bay Press Gazette as the official newspaper for the City of Green Bay for the approximate annual amount of $51,000.00, as is set by the state, right?

- [Rick] Right.

- That rule is nothing we can argue with, so.

- Yeah, this is just an annual formality. It's required by the state even though there's only one option in town. The state sets the rates, and the Press Gazette charges the maximum allowed by law. So, our circulation, excuse me, our costs go down, it seems like we're more efficient on what we're posting as legal notices, so we anticipate the annual cost this year to be about $51,000.00.

- All right. Any discussion on that. I'll entertain a motion.

- I'll--

- Motion to approve.

- Second.

- I'll give it to Veronica, Alder Corpus-Dax.

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

- [Together] Aye.

- Opposed?

- Thank you.

- That carries. Okay, so we just agreed to move the item number six up, and I would like to mention and welcome, we have two Alders in the room, Alder Vander Leest and Alder Wery. And Mayor Genrich is in the room. So, item six is consideration with possible action on initiating negotiations for intergovernmental agreement with the Oneida Nation, including revisiting the following Notices of Decision from the U.S. Department of the Interior regarding the intent to take land into trust, Kuffel, Bruss, Syndergaard, Kolb, Kelley, Howey, Duquaine, Cornelius, Kestell, Baumgart, Orlando, and Debenedetto parcels. And staff, would we want to convene in closed session?

- At this point I'm going to turn it over to the Mayor, and, or are we gonna start with Vanessa?

- [Vanessa] I would recommend that we convene in closed session just because we are talking about potential litigation strategies.

- Okay. Thank you. Was there a reason you were here, Chief? I didn't see anything on the agenda.

- [David] Well I'm here about the capital.

- You are, okay, and we've got a lot of different things on the agenda. But, okay, all right, I will entertain a motion to go into closed session.

- Motion to go into closed session.

- Second.

- Second, and do you want to read the language.

- Yes, the Committee may convene in closed session pursuant to Section 19.85 sub paragraph, Wisconsin Statutes, for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Committee may thereafter reconvene in open session pursuant to Section 19.85 sub, Wisconsin Statutes, to report the results of the closed session and consider the balance of the agenda.

- Thank you, I'd like to mention that Alder Johnson is also with us, so all those in favor of going to closed session?

- [Together] Aye.

- Opposed? Motion carries. Okay, we'll go into closed session.

- [Vanessa] Let me open the door first.

- [Barb] Okay.

- [Barb] How many times do they do this--

- [Vanessa] Okay, go.

- [Barb] I just don't know if I'm doing it right.

- I'll make a motion to go back into open session.

- Second.

- [Barb] Motion by Alder Corpus-Dax, second by Alder Galvin to go back into open session, all those in favor?

- [Together] Aye.

- Opposed? Motion carries. We are back into open session. I will entertain a motion from Alder Galvin.

- I make a motion that staff follow the directions of this Committee that was made in closed session.

- Is there a second?

- Second.

- Second by Alder Corpus-Dax, all those in favor?

- Aye.

- Aye.

- Opposed?

- Opposed.

- Okay, opposed, motion carries. All right, back to item number two. Request by Alder Wery that all departments submit the time spent and resources used by any current or former employee on Mayor Schmitt's private going away retirement party. All time and resources used are to be billed to Mayor Schmitt. I am requesting the City of Green Bay inquire into whether City resources of any kind will be needed for Schmitt's retirement party, especially if a public fireworks display takes place. Alder Wery.

- [Chris] I should have wrote a longer one.

- You should have wrote a longer one, yeah.

- [Chris] Well, you know, I spoke to a few department heads, about this, and I think if our finance director is fine with it, if there's no expenses you feel are outside the norm, we just think it's wise that we turn the page and shake the dust off our feet from the Jim Schmitt era. And I think you should receive it and place it on file. Thank you. All right, well I would entertain a motion to receive and place on file.

- [Chris] Unless I'm hearing something different from finance?

- No.

- [Chris] Everything I'm hearing--

- That's correct.

- [Chris] Things were pretty much copacetic, so, okay.

- I'll make that motion that we receive and place on file.

- Motion by Alder Galvin.

- I'll second that.

- Second by Alder Corpus Dax, all those in favor?

- [Together] Aye.

- Opposed? Motion carries, thank you. Number three, consideration with possible action on the Brown County Tax Collection Agreement for December 2019 to February 2020. So there was some new information I think, that, so staff--

- We can reconvene.

- No, go ahead.

- She's getting her kid.

- I'm just gonna get, right.

- As I noted in the memo that was attached, after we had we discussed this at the last Finance Committee meeting, by that, within a couple of days, we had heard back from the County that they had gone back from instead of four payments in a year, they were back to five payments in a tax collection year, which is what they've been doing the last few years.

- All right.

- And then they also gave us the deadline, they changed from April 30th to have us a decision, they gave us 'til June 30th, and it's not just us, they gave it to all municipalities, because we weren't the only municipality that is considering whether or not they should be continuing going with the County or if they should collect themselves. So there were other municipalities that also reached out, asked for more time, asked a lot more questions, and were very concerned about that reduction in deposits. What it is is it's collections, the County collects from December 10th or so 'til really the end of January, beginning of February. And in the past they used to, basically, true up with us, settle up with us on a weekly basis. Two years ago they went back, and until then it's been about an average of eight payments, two years back they went down to five payments which means the County is holding our money longer. Same money, just the County, that they're getting the interest instead of the City. It might be easier for administration not to have to settle quite as often, but it was to all municipalities, it's not that Green Bay was picked out, or anything special. This year when the tax agreement, if their one year agreements came through, they had gone down to four payments. and they start collecting again as soon as the tax bill goes out they start collecting December 10th, 11th, early on, it's about the second week of December. They weren't going to settle up with any of the municipalities 'til at least January 4th, which is almost a three to four week time period which means they're holding in some cases, our time, sometimes we have $20 million dollars at that point by December that would be sitting money that they wouldn't true up. Our biggest issue is that that's a cash on the books at year end, and that's to every municipality, they're used to getting a chunk of money at the end of the year, and it affects your cash balance, so that's part of the reason what they did is they did put that one deposit back in that they would settle with us on December 24th.

- So are we pretty okay now with it? Or do you guys still recommend we change it?

- Do you still think there's enough lost interest that it would be worth our while to--

- We did not give you a recommendation, we gave you some information in front of you. The agreement again, every municipality gets one agreement. And the City of Green Bay's agreement, it was slightly different than all other municipalities because they're asking for some consideration for parking. To the parking utility, it's about a $5,000.00 consideration that they're asking the City of Green Bay, it, really parking utility, to give up for these collections. They're not being paid by the County, and they're not being paid by any other municipality, they're asking the City of Green Bay to pay this parking cost. This year it went up, they've asked for additional parking, and additional considerations above last year, another maybe $5,000.00 more than in the past. That is the only difference between our two agreements. So there is a paragraph in the middle, when we ran our numbers, and again, we're looking at interest rates that we're expecting in December, January, and February, December of '19, January and February of 2020, so that's why there's a range on our numbers. But if the City chose to collect the first installment, but second installment has to be, by State statute, has to be collected by the County. First one is does not, by State statute, have to be collected by the County. If the City chooses to do the first installment of the 2019 tax bill, which would start in December of this year and go to really, end of January, very early of February, the City could earn interest in anywhere from $163,000.00 to $271,000.00. However, we know there's a lot of additional costs for collections, we have a list of items that would, we will need additional staffing, we'll need equipment, we'll need the building to be open longer, we'll have, there'll be processing fees, we estimate that about $25,000.00, so the City will have incurred more labor cost if we have to collect this. So we think net revenues are about $138,000.00 to $246,000.00. Again, big range, but we're using that for both scenarios. If we continue to let the County collect our first installment as they currently are doing, with the agreement, signing the agreement by June 30th, the interest the City would earn is still about $120,000.00 to $199,000.00. We would be about out an additional $5,000.00 in parking fees or actually parking utility, out the $5,000.00. The net revenues are about $115,000.00 to $194,000.00. I guess I didn't do the calculation, but it's, let's see, it's anywhere between $23,000.00, to $51,000.00 additional interest that we feel that we would get if we took on that additional responsibility and work. Some of the other questions that Alder Galvin had asked, what the current interest rate, we're currently at 2.45 as a current rate. You asked what a breakeven point is, and that's one of the spreadsheets that we've had attached behind. We think that .75% interest rate is a breakeven where it would cost us more to collect that it would be, so, again, that's part of the reason over the last couple of years, three years ago we were at .09%, now we're at 2.5, that's why there's a much bigger advantage right now to collect. Three years ago we would not have been able to, we would have been well below the breakeven point, and it would have cost us more money to collect. But what I do believe is if we do not sign the agreement this year, I'm assuming we will not be able to go back to the County, that won't be an offering in the future. So if interest rates are great now, we make an extra up to $50,000.00, $75,000.00 more. That's a good thing. A couple of years from now, if our interest rates come back down, we may have this extra work, and we may not be able to recover the interest. There are other municipalities that are also in consideration that are taking to their boards whether or not they should sign the agreement, or if they should be leaning to collect it themselves. One other thing I would add, oh there was one other note. In the past 50 years, all but nine years were well above the breakeven point. It's just been the last nine years where, in the last, between 2008 and 2016.

- It was the recession.

- Yes, correct. But in most cases we've been above the breakeven point, where we would say we would take on this additional work, but we would have more interest to offset it. The only other thing that even--

- [Brian] In how many of those years were we above that mark too, where we could have potentially profited.

- All but the nine.

- All but the nine.

- [Brian] But my point is, even though you had some losses, it's more or less it's profits.

- Right, correct.

- Out of 50 years--

- Right, we had 41 years of profit, potentially.

- Right, only nine of them were lower.

- [Brian] I mean, isn't Nicolet offering like 3% right now, on your checking, I mean.

- Yeah, 2-1/2 we're getting there right now. The only other thing I wanted to add, and again, we have a list of how we came up with our estimated costs, we have a list of the breakeven points, and what percentage rates. The City, as you probably know, is going to arrange a software for our tax collection. And so there's just a lot of nuances right now, we don't even know what the system is, we're working with, actually we're working with the vendor, we've seen the demo. That really has nothing to do with this discussion, it's just those are extra things that we are making sure that there are no surprises, that we are gonna be able to collect. Again, that's only different, it just happens to be this year we're going to a new system, so there are some unknowns, but we have been working with the treasurer, and we have been working with the vendor who has the new software to make sure that we have all our bases covered. So we're not giving a recommendation. We would go either way. And again, we are not the only municipality that is potentially leaning toward collections. What, again, one advantage is the last time, a month ago when we brought it to you, it was a much bigger difference because they were not gonna true up, settle up with us for almost a month, and we were gonna have, it would really have been a big hit on our end of the year cash balance, so coming to you brought on some additional changes that were more beneficial to the City. Now the increase is more minimized, but there are still, there's still an advantage, there could be $50,000.00 for us to take on the additional work.

- Or more if interest--

- Or more if interest rates go up.

- Right.

- I'd love what you guys have to say on that.

- [Brian] Diana, is there, governments seem to be very, very slow to adapt to the digital age. And I don't know if there are reasons for that, but why can't I pay my property taxes online? I understand the transaction fee, but is there, there's gotta be a system out there where we can negotiate those transaction fees down to cut out, I mean if half your people paid digitally, you could cut out those manual transaction expenses.

- All I can say at this point is the County system, all the information to load a tax bill is still gonna go into the County system. By State statute they print the tax bill, I just want to confirm the information, they create the tax bill, it's their software, we still have to collect with it. Whether or not there's options in which we could get a merchant--

- Do you want me to?

- Yes, please Pam, take over.

- We don't know enough about the new software yet.

- Thank you.

- For all I know, this may be a possibility. Usually you have to integrate with the merchant services to be able to match it to an invoice in the software, right, to be able to know exactly what you're paying for. It may be an option, we can certainly look into that, for the future, I agree.

- [Brian] And it doesn't necessarily influence what I'm saying now, but if we were to take this on, it seems to me that ought to be a path we ought to at least consider down the road.

- How cool would that be to offer the residents the ability to pay online.

- Right.

- Instead of having to go find a credit union that's in cahoots with the County to pay it, or come down in and sit in line.

- Cahoots?

- [Brian] But you get the money right away, it's in your account right away collecting interest, you don't have to manually handle a check.

- Right.

- [Brian] You eliminate errors, no staffing time, and it's just--

- Points on my Discover card.

- Well, I don't mean cahoots, but they have an agreement.

- So in summary, we don't know the new system, and it's Brown County system, so whether or not it's setting up, we haven't had a lot of communication, and then gone to the new system yet, as they're still moving forward with it and still trying to figure out all the details. So that's where we have, there's some unknowns at this point. But the things we know and that we know that we can collect, we've been able to confirm that portion of it, working with the treasurer and then also the vendor.

- [Brian] Okay, so the other comment I would make is, I tend to favor bringing it in house based on those numbers. But the other thing I wanted to point out is I think if they want us to forgive the parking fees, I think that just needs to be handled completely separate from this agreement, and it should be a separate request because if we're the only municipality that is covering that expense, that doesn't feel just to me.

- Well we feel that, if we don't sign the contract, we don't have to give them the parking.

- [Brian] No, but my point is, is if we do sign the contract, I think that needs to be pulled out, and the County can be told that you need to make that request separately. I mean, if they're profiting right now, on sort of this process, they can cover that.

- I do, I will defer to our Attorney Chavez, we, last year she spent a lot of time on that parking paragraph of the agreement.

- [Vanessa] When they first brought this to my attention it was because they had added in this provision for parking. And we were the only ones who were being asked for it, and they said that they City is being asked for it because we are the only ones who are able to provide it, and it was something they were going to negotiate on. They basically said either we provide the parking or we don't, and so--

- [Brian] But they're also profiting the most off of our interest.

- [Vanessa] And so what we ultimately did was come up with an arrangement where the parking, so the issue with the parking is that when it's on Adams Street, it's taking away from businesses. We proposed having it on Jefferson Street which worked for a little bit, and then last year they came back and said, no, we need parking on Adams because Adams is closer for our patrons, and the disabled need to park there, disabled, anyone who has a handicapped sticker can park anywhere for free. So we have been trying to hold firm on yielding it to be on Jefferson, it's not taking away from any businesses, and we've been getting a lot of pushback, as you can see.

- Because last year, we did actually give in, we gave two spots on Adams, and six over here. Now, again, they're asking for three on Adams, five on Jefferson, and now they've asked for an additional 10 passes for their limited term employees free in our ramp. And again, so every year, it's just growing a little.

- [Vanessa] Yeah, it went from, started with four, so we offered four here, and they're like, no, we want the entire block if it's over here. So we gave them the entire block, and then the next year, it was we want the entire block, and we want two on Adams. And then this year it's, we want parking passes and Adams parking.

- So yes, if we do not sign the agreement, we would not expect to give out, and we don't need to give them those parking spots. Now at any point the County can still come to the parking utility and want those spots, then they would just pay for the hoods, like any other customer would do to have them blocked off. But right now they're asking the parking utility to give that up at a no cost to the County.

- [John] I've just got a quick comment.

- Sure.

- Yes.

- [John] I'm on the Administrative Committee, and the request for those parking spots, it's not that the County is, it's for the citizens of both Green Bay--

- So they can park.

- [John] It's handicapped, people that aren't, in other words, if they have to walk from over here, all the way around, it's a long distance. It's more of a convenience, it's kind of like, Brown County and the City of Green Bay are in a partnership, like it or not. But I think these spaces are really more a convenience for older people, that they have a little problem maybe getting around, whatever, so they can just get out by the car. So if they gave them three spots there, they could probably extend the, on the right hand side, some of those buildings are empty now, they could extend those parking down just a little bit farther on the right hand side of the road temporarily for those couple of months, and I think that's more why they want those parking spots. A lot of older people come in and they say, boy, that's a long way to come around and walk. And it's people from the City of Green Bay, it's not just people from Brown County. We're all Brown County, let's face it. And we're also a Green Bay native if you live in the city. And then, it's a mutual agreement, it's not like they're asking something really out of line.

- So it's not for their employees to park.

- It's not for their employees, it is for--

- It's for the taxpayers.

- It's for the citizens.

- It's for taxpayers, that is correct.

- The parking pass.

- [Vanessa] The new requirement is parking passes, they have applied parking passes for their employees.

- So it's both, its' six of it's eight parking spots for the taxpayer and now they're asked for additional for parking passes for their limited employees.

- But if we don't give them the--

- Passes.

- The hoods. Then they'll just pay, they'll end up paying for them. They'll go with the Parking Department and pay for them. Or they just won't provide them at all.

- They don't provide them at all, and then people--

- [John] I might add one other thing, the County did spend $750,000.00 to upgrade their computer system for the tax bills, and they've been working on it for a couple of years, and hopefully they're gonna have it ready to go for this next tax season.

- They kind of started this, though, by.

- [John] I know, I know that it's a contentious thing between the City and the County, I think there's been some, whatever, the treasurer is set in his ways, and he has some jurisdiction as far as how they go about things. And I think that, you know what, if you think that you could collect it, and you want to eliminate the County, that would be strictly and then in other words, if you can feel you can pull it altogether, that would be great.

- I don't think the contention, the contention between the County and the City has nothing to do with this. This is strictly dollars and cents.

- [Brian] It's just math.

- And actually, I do believe that the treasurer would be happy if he didn't have to collect additional municipality taxes.

- [John] He's gonna collect it once, you're just collecting it one time.

- We collect the January 31st collection.

- [John] So they'll be collecting the other part of the--

- But by State statute, they're required to do the second installment.

- [John] Yeah, so, okay.

- All right.

- On the computer program.

- Mm hm.

- We agree to do this deal, we have to be up and ready to go by when?

- The County needs to be up and ready to have their tax bill ready, and printed by early December. This would be 100% the County. We would get a software, we would get access to their software, it's gonna cost us $680.00 for unlimited licenses, which we haven't paid for before, and we haven't budgeted for, but either way that was, whether we'd collect it or not, we need it for delinquent personal property. So we are just getting access to a system that Brown County is paying for, and so there's nothing that the City needs to do. Our IT is working with their IT to make sure that there's nothing that we need to do.

- So, don't take this the wrong way, but I've seen the way our civic whatever works, meaning the meeting, we've had the recent CAD dispatch debacle. And I think we should move forward with this, collecting this money, but I also think we better make sure we've checked, double checked, and then quadruple checked, to make sure that this thing is gonna go off without a hitch, on time. Okay, because, and I know that's not your issue, that's IT. But I think if we're gonna get into this, I still think, to me, it seems almost like a no-brainer. But I think we have to make absolutely sure that this is gonna work well ahead of time because the time to find out it doesn't work is the first time someone tries to make a payment.

- Correct, and of course that is something we would not want.

- Can I just--

- Yeah, please.

- If I can just comment, we did have a little demo, and I forget exactly how many counties within the state use this software, but it is about half the counties in the state use this software, so this software is--

- I'm not so much worried about the software, I'm talking about the connection and everything else. I'm sure how many demonstrations of the Cat system did you see?

- [David] Not too many.

- Yep, and you see where we are now. So I just want to make sure that it's up, and it's running, and it's supported, and short of a catastrophic power failure, everything works. And I think we should do like Brian said, for once it would be neat to see a municipality at the forefront of the technical age. I understand that there are people that still want to come in with a hand-written check and hand it in to the people down here. I, myself, avoid downtown. I go to one of the outlying banks or something like that because it's easy in, easy out, instead of what happens down here. But to go online and do it would be really cool.

- [Brian] Get down here, eat some lunch.

- All right, guys, let's wrap this one up--

- Especially On Broadway.

- Because some of us have to leave. So, how about a motion.

- I'll make a motion that the City pursue collecting the first taxes, or collect the taxes as proposed by staff.

- Do I hear a second?

- So, is that the appropriate--

- Well, really I, it--

- Or is it to not sign the agreement.

- Yeah, I guess you're right. The motion would be to not sign the agreement, and that the City would collect it.

- Okay, yeah, I make a motion to not sign the agreement and that the City pursue collecting the tax itself.

- I will second that.

- Seconded by Alder Corpus-Dax. Any more discussion? All those in favor?

- [Together] Aye.

- Opposed? Motion carries unanimously, all right. We are on update and discussion on the five year combined Capital Improvement Plan. And Diana, how long--

- How much time do we have?

- Yeah, how long, and we're certainly gonna start it because we're not gonna have Chief Litton leave in a frustration.

- I'm fine, I'm good.

- She's fine, I'll be fine.

- I will try to go through it fast.

- All right.

- We did not, this has been requested by Alders, it's been something that we know we've needed to do, is pull together a five year Capital Improvement Plan. But we've asked for the department heads to put in a request for what they are looking for for the next five years. This includes infrastructure, and this includes also capital equipment, anything basically over $5,000.00 that should have a useful life that will advance the borrowing time period. We also not that long ago engaged Ehlers to help us pull some of these financial numbers together. So I have given you what's in the packet, I have given you another copy of it just on a larger print. And I will start with the very first page, and I'll try to go through this fast and then slow me down if you have questions. This has been unaltered as the department heads had turned it in. The very top line is levy supported, that was about $11.4 million of request for the 2019, yeah, there's another copy right there.

- [Chris] Cool, thanks.

- And so when we broke it down by levy supported, because that's truly the only one that affects our mil rate, all the other ones have a funding source. They'll affect our overall levy capacity, but that is sort of our levy mil rate. So this is unaltered as the department heads turned it in. And then we have it separated by 20 year, the bonds are 20 years and the notes are 10 years, and there are some things, by State statute, which column, there are some things you can only have in one column or the other. So right now, the request estimated we have $25 million is what has been submitted for the 2019 borrowing. The last two years we borrowed about $17 million, so there's been an increase in that, but we also have the TIF borrowing. And then you'll see '20, '21, '22, '23, and this is how it has been turned in.

- So we have an $8 million increase, $8 million?

- Over the last two years, worth of borrowing, correct.

- But then, in contra balance we had a, or is that the TIF thing?

- On the TIF, there is a $5 million TIF borrowing in here, where last year I think we had about $2 million borrowing. Oh, I'm sorry, that was a State Trust Fund loan, so there was no TIF borrowing in last year. So really the difference is, oh, but we have Bay Beach of $5 million.

- But we're not paying it.

- No.

- Yeah, but okay.

- It's just--

- But it counts, okay.

- Okay, I know, it's kind of confusing, that part, but I separated it by levy supported. I want to go to this next page, what they did, Ehlers then took the five years that had been submitted and they layered it over the top of our current debt. And the column that I'm gonna probably say is the most important is, they then separated it, the dotted line is, there's a dotted line, and then that's saying what the five years borrowing has been added on. After that, you're gonna see the numbers, overall, drop because there's no new added borrowing after five years. The second last column, that says Net Rate for Total Debt Service, is the column that we're probably the most interested in. And that is the mil rate. So right now, on a equalized basis, debt service for the 2019 budget costs us $1.48 of the mil rate. Based on the information the way it was submitted, it shows you that in 2020 it will go up to about $1.60, by 2021, it will go up to $1.73, $1.85, $1.77, $1.82. So that's some large increases on the mil rate based on the way the borrowing has been requested. Any questions on that before I move forward.

- No.

- Then the next page, the columns that I would probably bring to your attention, again, this is separated by the different kind of obligation, about the fourth column in, it says Percentage of Limit, this is our existing, so we currently are at 48.07% of the State levy limit. You can go up to 5% of your equalized, so we're at 48% of that, or we're really at about 2-1/2% of the 5% that you're allowed to borrow. You go then 3/4 of the way across, there's another Percent of Debt Limit, and that would show after we have now added what has been requested in the next five years, it tells you what percentage we're at. And so we're at 48% and then this would take us to like a 51%, 52%, 53%, up to 55% of the State limit. Internally we do have a goal, the internal debt policy is that we're gonna try to stay below 50%, but that's an internal goal.

- Who's establishing that internal goal.

- That was something that was--

- It's an internal policy.

- It's just a City policy, established by a Council probably many, many years ago, saying our goal is to stay around 50% of the capacity, so we're still really within that, close to that policy.

- [Brian] Is that kind of just like an arbitrary number.

- It's an arbitrary number, just saying that's--

- [Brian] There's really no significant fiscal impact?

- It probably had a reason back then, but who knows what it was.

- But maybe there was a time when they were above, but then they decided they wanted to try to get down farther.

- [Brian] Because 50 just feels good.

- I like 50.

- So I just want to bring that up because that is our current debt policy.

- [Brian] But I think it's an important discussion, right?

- Right. Well, as we look to try and control our budget, we need to set some parameters, and it has to be based on something. A bond rating, and then how does it affect bond rating, how does it affect people.

- [Brian] Exactly, and that's my point. I want to base that on facts, not on what feels warm and fuzzy.

- Yeah.

- Well maybe, it is on, a little bit, is it on bond rating?

- If you go to the second last column that says Assessment, on that same column, that is what Ehlers would consider how Moody's would look at us, as either a moderate, strong, or very strong.

- So what's a drop level of 50%?

- Can I ask a question, why, when it looks like from that page, before the last 2024, we'd be at 49%, yet it's considered strong?

- Our CIP was only five years, so it was only '19 through '23.

- Ah.

- So '24, we don't have have any debt built in there.

- There's no new borrowing in there.

- Because we haven't borrowed anything.

- Oh.

- Ah.

- Correct, so that's why you're strong in there.

- We didn't build anything in, so that's what the dotted line is, it really comes out of the bottom line, potentially--

- To get it to line up.

- Yeah.

- Okay.

- The second last column where it says Assessments, this is how Ehlers, based on the calculations, the way they believe Moody's, the bond rating, would look at our numbers, they're gonna say, not really strong, we're kind of in the moderate range, which means we are potentially one level lower than the rating that we're at, the double A2, they're saying we're probably getting on the edge of being on the lower side.

- Okay.

- So again, based on the borrowing that we have in our CIP that we're not going to improve our Moody's rating at this point. So, the next page was, this is an arbitrary number, but it was just thrown out there, for 2019, we were looking at $11.4 million in general levy borrowing. And most years after that was closer to $9 million.

- Where is this?

- Yeah, where is that?

- It just says, no it's not, you're not really seeing, this is an average, the page is a comparison of City based to a reduced CIP option.

- Oh, so like $9--

- Base reduced, okay.

- So if you see the base CIP is about $7.7 million, is the average over those five years, and the 10 year borrowing is two point, so the average is $10,207,000.00.

- Okay.

- Oh, over there.

- Yep, on the middle, in the middle section. So that's what we have been averaging over the five year request. They just ran some numbers, what if we were able to cap it at $8 million, do we have to do some prioritizing, either find ways of getting some of this information, some of these requests either out of the borrowing, get it back into operational, move it back out, set priorities.

- Sure.

- So the next few pages are the exact same numbers, saying what if we did it at an $8 million level instead of an average of a $10 million level. So the next page kind of takes the same information, just now at a reduced level of borrowing. And so then if you look on the page, on the second last column, two pages back, where it says Net Rate for Total Debt Service,

- Yep.

- Wait, where.

- So I went back two, one more page probably.

- In the base plan or the reduced plan?

- The reduced.

- Net levy for debt service?

- There it is.

- Net levy?

- Yes, where it says 148.

- Direct debt burden?

- Yes.

- No, no, you're on the wrong page. Net rate for total debt service.

- Sorry, I apologize, I jumped too fast.

- Oh okay. I went too many pages.

- Oh, okay, okay.

- So what this does, again, the 148 is where we're currently at. The last plan said we would have been at 1.60. This reduced down to $8 million for general levy for the next five years, instead of 1.60 it would take it to 1.55, so it would save us a nickel on the mil rate. So this is just kind of putting a framework on the thing. If we do everything that we're asking for, our mil rate's gonna go up, and how many cents it's gonna go up, this would give you a framework for what if we capped it at $8 million on the general levy side for the next five years.

- Okay.

- Alder Johnson?

- [Brian] Oh, I'm sorry.

- I just had one quick question.

- Alder Galvin.

- You gave us some information a while back, kind of showing the projected, I think the last meeting. There was one year that was really high and was that because of the police and fire headquarters building?

- I think so.

- Yes, the headquarters have not been layered into this at all in the next five years.

- So that one, it was this one, it's not--

- Correct, it is not. Ehlers has pulled it out, and they were gonna put another layer in, but they have not returned that information, 'cause they were trying to see a better spacing of, you won't spend $50 million all in the first year, first year you might have to do some land acquisition, you might have to do engineering and architect, and we don't have that spacing out right now, so right now there's not, on top of that, if we don't build a public safety building in, let's say, the next five years, there's probably repairs that are needed to the police station, and that is not layered in this either.

- Okay, all right, thank you.

- So if we turn one more page, again, very similar, of the same information. Third last, about fifth last column, it just says our percentage of the State limit. In that case we won't hit up to 55% of our capacity, we would hit more like 52%, so a little bit lower. And then the second last column, it just says maybe a year earlier we might look a little bit better to Moody's if obviously we borrowing a little bit less on an annual basis. A lot of information, and then I have just one more page that pertains to this, and that is our projection. This is something Alder Galvin has been asking about, our Levy Limit Analysis. So what Ehlers was able to do is go back and look at, really, the last five year's worth of our levy limits, how we've utilized it, or under-utilized it, make sure that we've calculated correct, everything has been done right, and what capacity and what additional adjustments we can make in the future. So 2015 to 2019 is exactly how it was submitted. I kind of will it to your attention, right in the middle, where it says unused and un-exceeded levy, as you see, in '15, '16, '17, those were the years that we didn't take a mil rate increase, and really we left the levy unused. So we knew there was more capacity that we didn't use, but we didn't take a mil rate increase at that rate. So then in '18 and '19 we basically maxed it out.

- What?

- All right, right here. So these, we didn't take that, that was the unused levy on--

- Yeah, that's the $396,596.00, that row.

- Yeah.

- Wait, which one?

- 300, right here, $396,000.

- Okay, so essentially it would be line three, right?

- Yes.

- Essentially it would be line three.

- That's, that's a good way to put it, that's exactly what it is, all right.

- Nope, I'm going to go actually section A, after line 10, where it's the unused and exceeded, unused levy.

- Okay, that one.

- That one, okay.

- That one, $396.

- $396, okay.

- Then on the bottom you could use different, it just talks about different adjustments we could use, that was all done correctly and then you have more adjustments you can put on the bottom. So again, 2015 to 2019, it recaps what had been done. And the very last column explains what our projection for 2020 budget would be. So what is it's saying is we did, row one of 2020, our levy right now is $54,004,908.00. They're projecting a net new construction average of 1%, so it allows us to go up 1% on the previous levy. And then there was, last year we had an adjustment for the personal property adjustment. We don't have to take that this year. This is saying that we can go up to about $54,544,000.00, which is just, so like $540,000.00 we can go up. The next line is the question that, where I want to bring some more information in, they are saying we have allowable adjustments of over $9 million we could take on our levy. And what that is is, and then it goes down, on the bottom, it shows, it's section D, line E, we have the right to take an adjustment for general obligation debt authorized after July 1st, 2005. And I knew that option was there in the past, but anything you take in as an adjustment one year is a subtraction for the following year. So I was concerned if we only went up $275,000.00, if we had a similar levy limit the following year, if I took a $200,000.00 adjustment to make it closer to a half a million, if the following year I only had a half a million, we had to subtract another $200,000.00, we'd be down to zero. And so that's why I did not make that adjustment. And we also thought we were going to have to adjust for the personal property again next year. So what this is projecting, saying there's a good chance we have about $540,000.00, which is twice the amount of levy that we went up last year, in the projection, and we had more adjustments we can take that do not require referendum, and actually are not requiring, it needs Council approval, but doesn't even take a 3/4 majority vote. We are allowed to use that adjustment. So that is an option, the big question is we can already go up a half a million dollars, that was going to involve a mil rate increase, it's just whether or not how much does the Mayor and the Council have a will to take a mil rate increase up. And so we have capacity.

- Okay.

- Okay.

- So I rambled a lot.

- No, you did, but overall, I like that you've done the projections on the $10 million versus $8 million, and that you've spelled out what we could possibly raise our levy. I'm not a fan of this guy, so are we better off, bonding for 10, or bonding for 8 and raising the levy. I mean, I hate having debt, personally I hate having debt. And I do everything I can to reduce all, or eliminate all my debt personally. As a community, are we better off having some debt. But I just feel like our hands, look at the corner we got painted into last year, I do not ever want to see a repeat of that. And I'm not about raising money all the time, but obviously, not raising money for eight years hurt us, and it hurt us bad. And I don't want to see that either.

- Just my opinion is, I think it will take a couple of years, but if you were able to take your mil rate up, and allow some of the items that they're asking for in the next couple of years of equipment, which are some of the things, or maintenance on buildings, which is really operational, if we could get some of those operational items back into the operational side and not have to borrow for it, you're not gonna pay for that additional interest. That could either reduce the long, in the future it's gonna reduce the amount that you're paying out of your mil rate on debt service, or it's gonna give you more capacity to spend more money on infrastructure. There are many things, over half of the amount that's in the levy for 2019 is really what I would consider ongoing maintenance of buildings, repairs, or it's equipment, and it's not necessarily, we have $3.4 million in there for pavement, that's what I would consider infrastructure.

- Right, right.

- So it can't all happen in one year. But if we can take a little more mil rate increase each year, and get some equipment, some operational items slowly out of that CIP, get it back into operations, could bring your levy borrowing down.

- Okay, here's a quick ask for you, I'm sorry.

- That's okay.

- Before I lose it.

- Okay.

- Is it possible to put some projections together, where you spell out, if we were to raise the levy to take care of some of these issues, can you actually put a face to some of these issues that we currently have been, or are planning on bonding for, but instead we'd pay for with the levy.

- And we wouldn't pay the interest.

- And we wouldn't pay the interest.

- It's the better--

- I mean it's like when the police department took on a loan to pay for squad cars that don't even last five years.

- Right.

- Right.

- So if you could put a face to some of these things, so it gives us something to consider when we're coming to budget time, we're like, well, do you really want to bond for X when you could really do the levy and save the interest money and everything else, and it's smarter to do it this way. Whereas no, it's smarter to actually bond for this thing because this thing's gonna last for 50 years. And so it just helps me, when it comes to trying to make some of these decisions about how we're spending our money. Because like you said, there's bonds, there's the shorter term loans, there's levy, and it all impacts us, but we want roads repaired, we've got storm sewer issues, we've got flooding issues, and those aren't things we can all do by totally bonding, where some of this stuff can be do by levy. And the taxpayers have to understand we're actually saving them money even though we're raising these levy limits.

- What I'm thinking, and other Alders, weigh in, is this is gonna be a long discussion at Council. It can't go this fast, it's gonna have to, we should all have it in writing, not just in the printout, because it is so little bitty on the computer, so I think we should all be ready to have a long explanation and go through this all at Council.

- Right.

- But what I wanted to do is give you more of the frameworks and this is what was submitted, unaltered, exactly how the department heads had put it in as their request, say that maybe that's something for the long term, and say maybe we'll always borrow up to a certain dollar amount, and then once that dollar amount, that dollar threshold's been set, then through the Council, through the Mayor, help put some priorities on the items that have been submitted, can we get some more back into our budget. And again, we would also like to, by the time the 2019 budget comes around this fall, we would like to have basically approved the '19 borrowing, and really approve the '20 borrowing, because what you put in the budget has a direct impact on what you want to allow to go into your 2020 borrowing. Once your budget is set, you already know what the next year borrowing is because we've already had those requests in, with minor changes. That will allow GRDPW and your other departments to start going out and getting their contracts early in the year, we wouldn't be doing bonding requests like now, halfway through the year, where it could be done really, it's already done by October, November, December, the budget is done, we know what the next year's borrowing's going to be, it's already set, we already know that's how it's going to affect our next year's levy. And then we can move forward faster, so it becomes the budget process and not another process in the middle of the year.

- We're more reactive and more responsive.

- I'd like to hear from a department, the only one that's here, other than.

- There were two other department heads, the Director of Public Works and Director of Parks, asked if they should be here, and I just said we're really not talking, and I certainly want to hear from the Chief, but there were other ones that I had said they didn't need to be here because we weren't tracking their line items in any detail, so I wanted you to know that's why--

- Oh, I didn't want to talk about line item details with the Chief, I just wanted to get his general, you know, as a department head.

- But that's why the other ones aren't here, because I said they didn't need to be here.

- Okay, yes, oh I wasn't trying to be critical on that, it's just, you're here, what do you think about the five year plan idea?

- [David] We've always had a, I think we're projected out to 2028 on our capital stuff, we've always been, and I think the planning phase has always had that, at least since I've been here anyway. I would encourage, I guess my only comment here is that I would encourage the Finance Committee and the Mayor and the Council to start working on the budget now rather than in--

- November.

- [David] October, November.

- Yeah.

- Yeah.

- [David] What happened at last years joint meeting was nothing short of--

- Fiasco.

- Well it was very sad, pretty hard feelings.

- [David] It left a lot of gaps in a lot of places, gaps that if you want, quote, a fire department to operate, you can't have those gaps. So it's not only the E S and police department, it's several of the other departments, and I just think that we understand how difficult the City's finances are. But the Council has to decide, be it a policy in setting the budget, what's important. And I'm a tax paying resident of this city and have been, and for me it's always gonna be public safety, the best they have anywhere. But I think we have to have strong police and strong fire, that's where it starts at, a strong educational system, and then everything else, that's good to have, that's my personal opinion. So, you asked.

- Thank you, thank you. So what we might want to do with this is really, I mean, it's not really receive it and place on file.

- No, we actually did not set it up so it could not take an action item, it was meant for discussion.

- It's not an action, got it, right, so we don't have to do anything.

- For review, certainly, if you have any recommendations, any suggestions, additional information you want.

- I just think you need to come to Council, and at 1/10th the speed.

- Yes, I know.

- It's a six--

- I was trying to read.

- I know--

- Mindful of your time.

- I know, we're supposed to be outta here.

- But if you can have some of that other information I just talked about, I mean, liked I'd like to see all the department heads so we can flesh this thing out.

- Well maybe not, yeah, but, I mean examples.

- Well not at Council.

- Just get a few examples.

- Yep, like equipment purchases.

- Yeah, a few examples.

- Right, but when it actually comes to budget time.

- When it actually comes to budget time, yeah.

- I'd like to have all of the department heads there so they can say, well, that's great to hear that you've got it out to 2028, I'd like to see all of the departments do that. And that way we can sit and decide how to divvy this up and do it.

- But things can change.

- Oh absolutely, it's understood that every year something could happen.

- But you kind of know what your operational costs are every year.

- Okay.

- [David] Basically what we did is we take, our apparatus is the biggest cost for us. And we've taken a look at just history. Like how long does everything last, and where's the breakpoint on repairing versus replacement.

- That relationship.

- Yeah, yes.

- That part you can do up.

- [David] So through that analysis we can say that, for instance, a fire engine at station four is gonna last us 12, 13, 14 years. A fire engine at station two is gonna last about eight, just because of the difference in the number of responses, and the terrain of the area, so to speak, so we build that into that projection. and we project it out with 3% or 4% cost of business in there, because that's what apparatus' will cost, so that's what we've looked at forecasting. We look at how long the things have lasted, and when does it start to cost us more money to fix it than it is to buy a new one, and that's what our projection looks like.

- I just like that. All of the departments need to be doing this. And as councilmen we need to get this information sooner than later so that when we're doing it, we're not doing these $200 from the Law Department for periodicals, you know, sorry, not to pick on you, but I'm just like, you know. Because that's, to me, that was shocking the first time I went through that, I thought what an absolute waste of our time to nitpick, or pick and, anyway. It's just, if we're going to be more substantial and more effective, we need to be more on board and knowledgeable about what's going on moving into each of these budget cycles. And I really like what you've done, you guys are doing a good job, and I really appreciate it.

- So this one's really designed a little more--

- Oh, sorry.

- This one's more as a framework to say that, okay, if we know maybe for the next time we're willing to take $8 million of levy, it looks like the financials kind of support it if you're willing to take a mil rate increase to help cover that borrowing. Then eventually, sooner than later, we'll have to go back and find out what will we allow for 2019 for $8 million, because now there's a request for $11 million of general levy borrowing. So there would be some prioritizing there. But that would help get us into that, and then we can start looking into the next year, and so are things being moved out or are they getting put into budget. So this was more of a framework, I mean, if we want to, if we just do exactly as all the department heads said they wanted, you know how it affects our financials. But if we reduce it a little bit, that way we can kind of have a dollar amount to move forward before we look at the line item items by the departments.

- Right.

- Okay. Alder Johnson.

- [Brian] Just a couple of things. I really appreciate this, Diana. I mean, to me this is something that I was really advocating for because I think it puts us in a better position to be talking about what our strategic priorities are as a community, because at least since I've been on council, I haven't heard that discussion. I mean, we all say that we want roads, we want this, we want that, but what are our strategic priorities, and that's what our budget ought to be based on. And so I think this puts us in a better position to start having a dialogue. But I just have maybe a couple of other, three other questions, and then a request. One is, can you send this out electronically, because I don't know if it's just my device, but it is completely granulated, and I cannot see a single number on this thing.

- No, you can't see it on any of them, that's why we printed it.

- Yes, I have them as PDFs, clear PDFs. And I can certainly send them out, I'll send them out to all the Alders.

- [Brian] Thank you. So just a couple of quick questions. One is, in light of the discussion we had earlier today, I mean, I think the Oneida Tribe has made it clear about their intentions over the next however many years, to reacquire their properties. Has this taken into account a reduction in our tax base?

- No.

- [Brian] So I think that's something that ought to be considered. I don't know if it's substantive enough because I can't see the numbers here, but.

- Correct, there was an assumption built in there, what we're taking is our equalized value. And there is an assumption based on history, 15 years worth of history, an average in there. So at this point, this is a--

- [Brian] But that history might be skewed.

- At this point the assumption is the same history, what was historically will move forward, and again, actually we took it then, we'd reduce it by 50%. So, I mean there was assumptions, but very conservative assumptions on our increased equalized value in the projections that we gave you. But not taking anything like items going into trust, we haven't taken any of those into consideration.

- [Brian] And I think that it's an important consideration, assuming that it's going to be substantive, I mean, knowing what the geographic percentage is, I don't know what the property value percentage is, but. So the second question I have is, again, because I can't see it, is this taking into account TIF incentives that are gonna come back on line?

- Nope, at this point there is no TIFs, because our first TIF that is expected to terminate is 2025, unless we intentionally close one early.

- [Brian] Okay, so that's not coming within the five years, which is why it's not on there.

- No, there is probably between five and seven of them that are expected to term in 2025 to about 2030, again, unless we term them early, but we have still some negative ones that I think next year if we decide to term one or two that are still in a negative state to get them off the books, we would offset it with another positive one so they pretty much offset. So at this point I do not see any large ones terminating that would bring additional tax base, it could be '23-'24, but that's not layered in here at this point.

- [Brian] Okay, so six to 10 years is our sweet spot.

- Correct.

- Okay.

- So again, that's something we talked about whether or not a public safety building, maybe five years from now, you can start the process going, maybe it's three or four years from now you start taking your debt out, you don't pay principal for one or two years, but then two years you might have some additional, by then, you're six years from now, and by then you might have some additional tax capacity based on a TIF that was now termed and is now added back to your levy. So that's another way of layering in your public safety building.

- [Brian] Okay, and then the last question that I have, at least off the top of my head, and I'm sure I'll have more that I can speak with you afterwards. But how much do we currently, now that the personal property tax has been adjusted, how much do we now take in with personal property tax, do you know that number roughly?

- I don't have it in my folder, I don't.

- [Brian] That's all right, I don't need it, let me get to the point.

- Yeah, absolutely.

- [Brian] The State said they were going to make us whole in the last round, and they didn't exactly do that. And so I think at the State level they've also been talking about completely eliminating personal property taxes, and you're already seeing some people adjusting maybe how certain assets are classified.

- Correct, which line items they're putting in.

- [Brian] And so, personal property tax is not something that I personally would want to count on moving forward. But it's also difficult, I understand, until the policy change is actually made. But I think if that's a significant number, I just think it's something Council ought to be thinking about.

- I saw the number either a week or two ago, on the one of '19, numbers are in for the locally assessed, and again, Board of Review was completed. I think real estate has gone up about 1.2%, personal property dropped enough that it would bring the average for locally assessed down to about 1.1%, so we still show an assessed value going up 1%, manufacturing typically goes down, personal and property typically goes down. I had the numbers in front of me, I just don't--

- [Brian] But I'm thinking specifically about the loss of that personal property tax altogether.

- Right, I know for at least for 2020 budget, there is no expectation of any changes to the personal property. You're right, they've talked about completely eliminating it, I don't believe there's any change between now and the 2020 budget.

- [Brian] Okay.

- [John] Quick question. Of the $107 million that we take in, how much are we over budget, in other words, not living within our budget. Do we spend over the $107 million?

- Do you mean for the 2019 budget?

- [John] Yes.

- At this point we're still within budget. Last year we ended the 2018 budget at 100.6%, just under 101%. And some of those were additional claims that the police department had on some of their law suits, that was one of the largest drivers, because when it comes to salaries, we were within our salaries, what was budgeted. At this point I would say we are certainly, we work very hard and we can even nod to the Chief, we work very hard to make sure people stay within their budgets. If they didn't budget for it they have to come ask for additional money. So the expectation is that we would be within, within that $107.6 that we had budgeted, and we would be there or less.

- [John] On our debt service we pay roughly what, $7 million on the interest payment.

- On interest payment, I don't have that breakdown in front of me, I don't know, yes, our debt service on the total $107 million is 8.6% is our general levy on the $107.

- [John] So it would be like--

- But that's total principle and interest, I don't have the breakdown with me on what the--

- [John] But is our interest over $7 million a year? Your interest cost?

- I don't have that number with me on how much--

- Maybe you can get back to him with the amount.

- Absolutely, absolutely.

- [John] Thank you.

- You bet.

- Alder Wery.

- Thanks, I like what I see, you're doing a great job. I do have to say you probably win the fastest speaker award.

- She does get that.

- But she told me we had to have the meeting done by 5:15, so I hurried up.

- I know, I may have to ask Theodore to come up here and take my spot in a few minutes if we're still going.

- [Chris] I just had two.

- We have daycare that people have to pick up by 6:00, so we're gonna be out in a minute.

- Yep, we have to be out.

- [Chris] Real quick question. This will be rolled out to maybe to like DPW and Parks, and we can see what their individual line items are for the next five years.

- Yes.

- [Chris] I would want to see that before I reviewed the whole, because I know we've been hounding on, trying to get increased roads.

- And that's why I was asking, look at what each of them, what they're looking to fund, but then, so we can kind of put a face to it, what could we get away without having to bond and actually use levy to pay for, thus saving that interest.

- It has all been submitted, we just have not, we didn't bring that today because we didn't really want people to focus on the line items yet, we wanted to see what can we support financially, and what can we cover in our levy before we start looking at the line items. It's here, I just didn't share it with Committee at this point, I was looking to our Committee to see some next steps. I would think the next step would be for you to see that detailed information.

- [Chris] Yeah, because if we can find a way to increase some of those line items.

- Yes, Chief go ahead.

- [David] I'm coming on point that police and fire do not have a committee to review our capital requests. So Parks goes to Parks, DPW goes to I&S, guess what. Police and fire sits out there, we don't have a committee to report to, so I don't know how you're going to deal with that, but I wanted to make sure that--

- You can report it to us.

- [David] I just wanted to make sure that we don't get lost in the shuffle.

- Right, my recommendation would be send it to Finance then.

- [David] You have it already, so.

- When we have it.

- Right. But I mean, you guys can make a presentation, and I would like to actually see that, so.

- That would be interesting, would that be okay, legal?

- [Vanessa] Oh yeah.

- Would that be legal legal?

- [Vanessa] To send it to Finance, Yes. That is the direction the go right now.

- Okay.

- We have got, yeah, all right, one more.

- [Chris] Last, have there been any preliminary talks on the Packer lease, that's a little wild card here too.

- On the what?

- Packer lease.

- [Vanessa] I know that it is something that has been brought up as a priority, no actual discussions have been brought up.

- [Chris] 'Cause that's getting to be quite a lot actually, it should be.

- All right, so. Just move on to the next item then.

- Motion to just move?

- No, no motions.

- Not even a--

- I don't think you have to.

- Okay, no, okay.

- Okay, the last item is the report of the Claims Committee, but are there any questions by any of the Alders on the claims?

- I would have to say I read through it, and I have no questions. And I would make a motion to--

- I would say the same.

- Receive and place on file.

- Oh, that sounds like a great idea.

- It's fine by me.

- Alder Corpus-Dax?

- Unless there's a problem, apparently, but yes, that is fine by me.

- Okay.

- But it's closed now, so.

- Yeah.

- All right, all those in favor of receive and place on file, the report of the Claims Committee, or do we just accept it, what would you like us to do?

- [Vanessa] You can receive and place on file, this one's just a report out, there's nothing that requires a motion at this point.

- All right, all those in favor?

- [Together] Aye.

- Opposed? Motion carries, all right. Next Finance Committee meeting will be held on Tuesday, June 11th, at 4:30 p.m., and the Contingency Account is at $96,000.42. Not for long. I'll entertain a motion to adjourn.

- Motion to adjourn.

- Second.

- Okay, all in favor?

- [Together] Aye.

- We are adjourned.

- [John] Nice job.

- Thank you.