MINUTES OF THE FINANCE COMMITTEE

TUESDAY, JUNE 11, 2019, 4:30 PM
CITY HALL, ROOM 207

A. ROLL CALL.

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

Also present: Ald. Mark Steuer, Police Chief Andrew Smith, Fire Chief David Litton, Public Works Director Steve Grenier, Assistant Development Director Cheryl Renier-Wigg, Parks, Recreation and Forestry Director Dan Ditscheit, City Attorney Vanessa Chavez, Purchasing Manager Rick Jensen, Police Commander Paul Ebel, IT Administrator Mike Hronek, Chief of Staff Celestine Jeffreys, Finance Director Diana Ellenbecker, Asst. Finance Director Pam Manley and others

B. APPROVAL OF THE AGENDA.

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

C. APPROVAL OF MINUTES.

1. Approval of the minutes from the May 8, 2019 meeting.

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

D. REGULAR BUSINESS.

1. Request approval to award a contract to BEST Enterprises, LLC for $26,379 for the demolition of a structure at 1286 E Mason St.

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

2. Request by Ald. Galvin that IT study the ongoing issues with the Civic Clerk Program and report

on the fixes for it.

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

3. For consideration and possible action on the five year combined Capital Improvement Plan and 2019 Bonding.

Moved by Ald. Veronica Corpus-Dax, seconded by Ald. Kathy Lefebvre to refer to staff to gather additional information for another meeting on June 18th at 3pm. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

4. Consideration with possible action on licensing the Green Bay Electronics Record Program (GERP) to Brown County.

The Committee may convene in closed session pursuant to Section 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 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 go into closed session at 5:20pm. Motion carried.
Ald. Barbara Dorff read the closed session language.
Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None
Moved by Ald. Veronica Corpus-Dax, seconded by Kathy Lefebvre to return to regular order of business at 5:36pm. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None
Moved by Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax to proceed as directed in closed session. Motion carried.

5. Report of the Claim 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, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

E. INFORMATIONAL.

1. The next Finance Committee meeting will be held on Tuesday July 9, 2019 at 4:30 PM.

Next meeting will be June 18th at 3:00pm.

2. 2019 Contingency Account:
$96,000.42

F. ADJOURNMENT.

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

G. VERBATIM MINUTES.

- [Barbara] Okay, the agenda is popping up. Okay, I'd like to call the Finance Committee meeting for Tuesday, June 11th 2019 to order. Roll call. Alder Galvin.

- [Bill] Here.

- Alder Dorff, here. Alder Corpus-Dax.

- Present. Alder Lefebvre.

- Here.

- [Barbara] Everyone is here, I'll return a motion for the approval of the agenda.

- [Bill] Motion to approve.

- Second.

- Second. Motion my Alder Galvin, second by Alder Lefebvre to put the agenda, all those in favor?

- Aye.

- Aye.

- [Barbara] Opposed? Motion carries. Couple of minutes, entertain a motion to approve the minutes from May 8th 2019.

- [Veronica] Motion to approve.

- [Barbara] Motion to approve by Alder Corpus-Dax.

- [Bill] Second.

- [Barbara] Second by Alder Galvin. All those in favor?

- Aye.

- Aye.

- Aye.

- [Barbara] Opposed? Motion carries. And regular business. Okay, and we switch over to my whack-a-mole. And we have a request approval to award a contract to BEST Enterprises LLC for $26,379 for the demolition of a structure at 1286 East Mason Street. Staff, quick.

- [Paul] We issued an RFQ for the Inspections Department. I think we had six or seven properties. This was the only one that came in over $25,000, so the other properties didn't need to come before the committee. BEST Enterprises is the low bidder at $26,379, and that's our recommended award.

- [Barbara] Oh, okay. Are there any questions?

- [Bill] Yeah, what property is this? Is it that head shop that burnt?

- [Paul] Yes.

- [Bill] Why are we tearing that down, shouldn't the owner of the property be tearing that down?

- I'm gonna defer to the deed department.

- [Bill] Bill Paape, City of Green Bay community economic development inspector. So this was started by a complaint. The owner of the property's Tim Verhan. There was a significant fire on the second-floor residential unit, which was a total loss, which caused damage on the first level. So we went through our normal inspection process, gave him orders, did not get any compliance. Property continued to further deteriorate 'cause the amount of weight from the fire that was on top. So, went through that process with Mr. Verhan, he did not comply, so we issued a raze-or-repair order. He did not reply or file an injunction with that. Got an attorney involved with Rich Maes our city attorney, into the process. He was saying that he could repair it, but there's so much damage that has occurred he needs all new plumbing, all new electrical, all roofing. There's some structural issues now. It's to the point where the amount of repairs in this is much too costly to fix. So, we gave him an opportunity to remedy that has now passed. He says that he could tear it down. The problem is, I did some asbestos testing and there's a significant amount of asbestos in the structure. Mr. Verhan had communicated to us that he does not plan to do anything with the asbestos, and he doesn't plan to do anything with the concrete that needs to be removed as well. So, it's a commercial property, there's a large section of concrete that's directly behind the structure, that when we tear it down all of that needs to come out. Mr. Verhan also owns the parcel right next to it that is a large parking lot. We can't do anything about that because they're two separate parcels. So, we communicated with Mr. Verhan that he needs to remove the concrete that's on the parcel in question, he refuses to do so. So, because of that we won't issue him a permit in order to remove it himself, so he won't comply with our order. So, we went through the bidding process with Rick in purchasing to remove the structure.

- So, does that become our property then, is it condemned? I mean, why would we do that?

- Because it's a nuisance.

- It's a nuisance?

- It's a blighted structure.

- And then do we own it?

- No, no. The property--

- We just do it, have to.

- Do we charge?

- Well, do we bill them?

- Yes, construction is a special assessment and because

- Got it.

- The property is a significant commercial property. As far as I know he does not have any insurance on the property, which is why the situation that we're in with the fire. So, there is a risk, because we're tearing it down and we're covering that cost and then that cost gets sent to the, on his taxes and stuff. But because the property's a commercial property in a very high traffic area, odds are he may just walk from it and then the county would get that property. But I would imagine at some point, Sheryl over here rate from our departments here that that would be a significant property of interest for developers.

- So, you just said the county would get the property.

- Yep, if it goes in the tax--

- But do they have to pay then? Would they pay the 26,000 that we?

- The property...

- I can help add a little about that. Like you mentioned special assessment. So, what happens is because it's a raze order, it becomes a special assessment. So, on this year's tax bill this $26,000 will be added to that parcel's tax bill.

- Got that.

- So, before and when your tax payment is done, all special assessments are paid before the property taxes. So, if they do try to pay their bill next year, all of the values would be applied towards this special assessment first. Your point is if he decides to not pay his real estate taxes, roughly after three years the county then potentially would take the property over. Anything they could sell it for, they would take care of it, pay up all of our back taxes. And if there's any dollars leftover after the sale then the city would get some of the special assessments back if there's leftover after they did the sale.

- So, sometimes we just have to do things as a city. If it's a nuisance, if it's something dangerous, we just have to do it.

- There's a chance that Mr. Verhan will tear down part of the structure. And in that instance, 'cause he's got the equipment there, he said no, he's still just gonna tear it down. If he does that, I talked to Rick and I don't know if BEST will adjust their bid or not. If by the time I get the contractor out there to remove it, if he has already removed part of the structure, I don't know what that's gonna do to the bid.

- But is it dangerous with the asbestos, if he does remove it?

- There could be some fines with the DNR and things like that if he just goes about and does it on his own and then doesn't report that properly. So, there's a lot of moving pieces to it.

- Are we going to--

- Kathy. Kathy was first. Oh, I'm sorry.

- I started the whole thing and never got a chance to finish. But all right, let's go.

- Okay, Alder Galvin.

- Go ahead, Kathy.

- No I was just wondering, this seems like a movable price. Unless the top part is down so much that there's not a lot for them to move. Because asbestos, isn't that expensive?

- The asbestos is separate. The majority of the cost I think is going to be in the amount of concrete and the amount tipping fees and the amount of labor it's gonna take to be able to remove the structure. The structure is so close to the right of way that there's things of how they remove it, that they need to be careful with not disturbing, underpinning the concrete. And Steve could probably talk more about that, I don't wanna screw up Steve's right of way.

- Alder Galvin.

- Let Kathy go.

- The asbestos though, and this is part of the cost here or is that gonna be another cost?

- No, that's a separate cost that it all gets to build on.

- In this cost, this whole total?

- No, it's not, no.

- No, not in the 20. I put another in the 26.

- It's not.

- [Paul] We did a separate RFQ for asbestos abatement for all these properties, and those contracts have been awarded. So, the asbestos will be abated in the next couple of weeks.

- Okay, thank you. Alder Galvin.

- Can we, should we take steps to prevent him from trying to remove the asbestos from that property, if he's not gonna do it properly? Or do we let him just start doing the work and let the chips fall where they may?

- I can try, I have the property secured and I've been monitoring it. So the sooner the bid gets approved the sooner I can get BEST out there to. 'Cause this is the only one that they're gonna have with this run, I have another contractor. But I just wanted to communicate to you guys that there is a risk that, as Diana spelled out, that if he walks from it. But I feel comfortable that it's a commercial property, that's a large development happening right across the street that I think it would.

- Good location.

- I think it's a good location.

- We have to do the right thing for the community. But my dealings with the county in the past has been that when a property sits and the taxes aren't paid, and I've seen properties sit for as long as eight years where taxes were not collected. And when the city attempted to take possession they were told that the county would get first dibs, and that when the taxes are doled out there's a pecking order, and the city ends up kinda low on that pecking order. So, we may not even get our tax money out of that, much less a special assessment. On another note, isn't Mr. Verhan one of our better known landlords?

- We've had some incidents with Mr. Verhan, yes.

- And he doesn't normally pay his citations?

- Well, maybe we're going down the wrong track--

- Well, I guess what I'm getting at here is, has he been cited at all for anything yet on this property, or are we gonna defer special assessments?

- Not for this one. In my professional opinion that would just be a waste of time.

- To cite him?

- Yeah.

- Because he doesn't pay it?

- Yeah, all that's gonna do is just tie up our municipal court and our city attorney and things like that, that's not gonna have the necessary effect.

- But then, are we documented? I guess my concern is, moving forward we've had problems with certain landlords within this community, and he's skating on this one again at the cost of taxpayers, and yet we allow him to continue to have rental property that continues to cost the city and the taxpayer’s money. And as this continues and goes on and on, he makes money, we lose money. And at some point either special assessments or the inspection fees or citations, and even putting him in jail costs the taxpayer’s money. But something has to be done with individuals like this that do nothing but tear our community down and cost the taxpayers money, and this is another perfect example of it.

- And in my opinion, we're giving him a $26,000 citation that if he doesn't take care of it or he doesn't pay it, he's losing his property then we get somebody in there that's gonna improve the City of Green Bay not hurt it.

- Kathy.

- What would you say, once it's cleared, the property, because this is commercial, do you have a price that you know that it could be sold for?

- I don't.

- I'm saying maybe the county would get a nice chunk of money for this property, that we would get ours.

- You just never know.

- 'Cause this is a low price I would think for that piece of property.

- Remember now, that's one thing, and then there's other things that we need to do.

- If we don't do anything there's gonna be more costs in services, that police/fire inspections that are gonna be having to be going over there and dealing with things, potentially a structure that we're gonna have code violations where half gets done and half doesn't, and it's not a safe structure.

- I agree, we have to do it. 'Cause he has a track record, he won't do it or he won't.

- It's unfortunate that.

- Then I would entertain a motion.

- Motion to approve.

- Motion to approve by Alder Galvin.

- Second.

- Second by Alder Lefebvre. Any more discussion? All those in favor?

- Aye.

- Aye. Opposed? Motion carries. Number two, requests by Alder Galvin that IT study the ongoing issues with the Civic Clerk Program and report on the fixes for it. Here we have employee of the year.

- [Man] Not anymore he isn't.

- Aw, it's a new year, new employee.

- I was just gonna say, Mike did put in quite a bit of information to back up his position.

- He did, he put a lot in.

- Do you have any additional questions for him based on?

- Do you have additional questions?

- No, it's just Mike, it's frustrating, and I understand sometimes it's operator error. And even you said that you've been working with the alders that have issues and you're working with the staff so that they're more at ease with addressing the problems that don't always come up, and that obviously the Mayor's brand new, so. But I guess, this last one especially where we had an alder trying to use the fact that it wasn't working correctly to abstain for what, 50 or 60/70 percent of the voting that day?

- Oh, one could read there. I think it's higher.

- Well, I'm certainly, yes. But I'm just saying that these are the things that... And this is supposed to make it faster, better, easier. And so, I just get frustrated when this stuff doesn't work. And so, I just wanted to make sure that we're on it and that we're gonna see less and less problems going forward.

- We will.

- Alder Lefebvre.

- There are times when it will not save these committee meetings.

- She might have already exited you out of the meeting before that, so that.

- Yeah, okay.

- So, that always happens.

- Because you know, where I'm supposed to log out, I always log out and and turn it off. But I don't need to turn it off every day.

- We gotta reboot our computers periodically, clear the history out of your browsers, things like that. Just a little maintenance goes a long way.

- Keeps things faster too though, right?

- Well, thank you for your comprehensive answers, you did a really good job.

- Motion to receive a pricing file.

- Okay.

- Second.

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

- Aye.

- Aye.

- Opposed?

- I also wanna say Mike has been very helpful. I've had a lot of issues and he's really been very helpful.

- He is very great.

- Yes, he is.

- All right, number three. For consideration and possible action on the five year Combined Capital Improvement Plan and 2019 Bonding. Will staff, this one should take them both a little while.

- All right, yes. We gave you a lot of information. Our last meeting we had talked about just the framework of how many dollars have been requested. And through some recommendation from our financial advisor they said that, for the general levy to try to keep your mill rate at a somewhat level mill rate or slightly increased, we should try to bring the recommended general levy borrowing down to about eight million. And what you're seeing is, for the next five years we have anywhere from nine to about 10 and a half million dollars is what the general levy borrowing is. So, that is one portion of the request. Then you also have all the other funding sources that also have requests in this packet.

- Can we go over how this is laid out?

- Absolutely.

- Good, 'cause there's so much.

- Okay, yep. When we have pulled this together, we actually used another municipality's format. And so, we have either major projects, we have equipment and then we have fleet. So, what you're seeing is a very summarized page on top, and then behind it you have a packet that is really your major projects, then you have a packet that's your equipment and then you have your packet that is fleet.

- Where's the part where you say it's limited to eight to 10 million?

- On the very first page, this was what we had discussed--

- Where it says general levy impact, that part.

- Yep, on the very bottom, correct. So, currently for 2019. The reason why that's the only portion that affects constituents' tax, their tax bill. All the other requests for 2019 where it says $13,304,000 of borrowing, 13 million 304, that has 100% other funding sources that does not affect your tax bill. So, it does affect our overall outstanding borrowing, but it does not affect the tax bill.

- So, when we're looking at what we might have to reduce, we're looking at the difference between 9,313,000

- To roughly eight million.

- into eight million. So, that is what we have to focus on?

- Correct, if you wanted to look at the other funding sources, you can. But again, those departments are fully paying a 100% of all their borrowing classes. That would be your sanitary, your storm, your sewer, your parking, possibly may beat your tips. They are paying for those expenses and then it does not go on a tax bill.

- Okay, so that first page, that is the most important part?

- That's a summary portion, correct. Yeah, correct.

- Okay, thank you. Continue.

- And again, I'm not sure exactly where you all wanna take this information today. The last meeting we had was, we gave it at a very high summarized level, and at that point you had no detail by departments. So the request was, what if people requested it? So now we have gotten down to a lower level. Still summarized, some of the pages we had behind are still very summarized when you got to the fleet. But I guess what I'm looking for in this recommendation is, what additional information are you looking for to help make some decisions maybe to get us down to that eight million? Are you looking for useful life, are you looking for which departments are on track for the replacement schedule and which departments are far behind on replacement schedules, that they're not replacing them according to the the normal schedule. Are you looking for needs versus wants? But I guess everybody has their own opinion on that. But a lot of detail here, wondering what else information you want to help take this to the next level of potentially still borrowing for 2019 for needs becoming part of the 2020-budget and 20-borrowing, as we are getting close to budget time?

- Well, some of the information I'm wondering with fleet and equipment. There's a lot of stuff that's listed as being worn out, it's old, it's not repairable anymore. I know that the PD, they auction off the squads, they get very little for 'em. But there is money generated from all those old pieces of equipment even if we're selling it for scrap. Does that money? Where does that bundle of money end up?

- Okay, for the majority of the capital equipment that is purchased for the general levy goes into one of our 400 accounts. So, police or fire, when they borrow the money, when they ask for their request for fleet, replacement equipment, it goes into a fund. And in many cases, not that they always want that, but we'll ask what their traded salvage value is. So, if they're asking for a vehicle that's maybe 28 or 30,000, in many cases we'll say, well, what's your salvage value then we'll make them reduce their bonding request by that. But it all goes in the same fund, so when they do have we just have an auction so when the dollars do come back in it goes back into that same fund, so they have a 400 fund or a capital equipment fund.

- So it's used to offset?

- It's offset, so if they have money left in that fund balance they can just use that money then toward additional equipment, maybe reduce their bonding for the next year, if they didn't take that into consideration when they originally borrowed. Some of the smaller squads we don't always ask 'em for trade in value, but on some of your larger pieces of equipped when we know there's gonna be a sizeable trade in, we'll make 'em reduce their bonding upfront with an estimate of traded. But it all goes through the same fund, so everything they borrow goes in that fund, any revenues that come in goes in that fund and all expenditures then go out of that fund.

- And is that reflected here? And I know it's hard to do, I mean you can only guesstimate what you're gonna get at auction.

- Our fleet is at a very high level yet in this document, I'd have to go by each lineup. Some departments put their salvage value and some do not. So, we could get to a lower level and make sure that we have the salvage value.

- Well, shouldn't there be a policy if this document is gonna be functional and usable and understandable for the alders, who let's face it, we don't have the financial background that you do with this stuff. Shouldn't there be a policy that every department has to do that reduction, estimate what they're gonna get and then take it out of that?

- It's gonna be a large estimation, 'cause right now if they're asking to replace in 2020 but then only actually can replace it by 2022, it gets becomes two years older and then the value would go down.

- Oh, absolutely.

- But yeah, it certainly would be an estimate and we certainly can make that a requirement that the salvage value is an estimate and reduction in their borrowing request.

- And I guess if we're looking to hit this $8 million thing, I guess the best thing to do would be to ask the department heads to break down their requests into must have, would really like to have and I guess if I don't need it I can put it off for a while. And I understand when things are broken down and you can't repair 'em anymore, you can't repair it. I mean the juice isn't worth the squeeze. But you know, obviously look, first year, 9,300,000.

- We have to lose 1.3 million of that, gear it up.

- And I don't wanna leave it up to us. I mean, we have some understanding. But I hate that when we do that at budget time and we just kind of haphazardly and almost sometimes it seems like there's some kind of an agenda other than just saving money when some of these cuts are made, and I would prefer that the department heads try to do that, spread it out more if there's a way of doing that. Or, to find different ways or different kinds of equipment they could buy. Maybe it's not as cool or as neat as. And just let's say PD, Ford Explorers, I don't know what they cost but is there something out there that's less expensive that can do the job as well as? So, I mean things like that.

- So there are some items of course, if and when we can get our budget in a slightly better state, there might be some of this equipment or some of the fleet that potentially years down the line can start going back into their operational and not into the long-term borrowing.

- I think that's ridiculous and I hope we're not doing that anymore, taking on a loan for like vehicles and that that have what, a three or five years still.

- They are, they're in there.

- That's in there.

- We're still doing that?

- Well, yeah.

- Yes.

- And how many years is that loan for, to take out a loan for a vehicle?

- Right now we are currently borrowing, it's a 10-year note on equipment.

- You see, and I have a very hard. I don't think there's anybody in the United States who would take out a 10-year loan to buy a car, it makes no sense.

- But we got ourself into that.

- Right, the equipment started moving into the borrowing.

- But this is the idea of getting us down to eight million.

- That's how we're trying. We're trying to be owed it though, right?

- But it's gonna be a gradual process because we're so far the other way.

- Right, and this is why this is spelled out here in this five-year plan that eventually we can get to that point.

- And you're right, like Alder Galvin's saying, that we need the departments to know what is your top thing that you really really need and work it down and see what we can do. Because yeah, we don't want to have like the ambulance like last year, I mean that was terrible. But then we didn't have for the police, because we're trying to find something for that. So, we have to know what is your main thing that you really really need, and we gotta do that first, those gotta be in our budget and then we work our way down.

- So, everything in here is things that are asking to be bonded for, other than if it came from another source, not that stuff.

- Correct, everything that was in here was exactly how the department heads had submitted it. There's been no changes to the requests.

- And so we're over by 1.3 million?

- Of what we were recommending, 'cause that will still take our mill rate up for the debt portion of the 2020 budget.

- Or over two and a half million the next year, 2.6 the next year.

- Yeah, so um, okay. So, there's the debt ratio, is that as high as we can be?

- It is not.

- So, where did that number come from, why did we just pick that?

- The eight million?

- Yeah, why did we just pick the eight million?

- Because we are currently paying about, this is equalized level, but we are paying about a $1.48 of your $9 and 16 cents toward debt. This change, even at eight million, 'cause we're only paying off about seven million in general levy, you're borrowing eight million and then it continues to compile or stack on top of each other. That will take your $1.48 up to about a $1.55. You are gonna add seven cents in even 2020 budget by borrowing up to $8 million dollars. And then the year after, if you go up to eight million, that's gonna take your mill rate up from 1.48 to 1.55 up to about 1.64.

- Okay, but just one second. If you look at the chart, if we borrow the whole 9.3, it goes from 1.55 to 1.58, that's three cents.

- Nope.

- No no no. No, sorry, look at right before where it says current mill rate is 1.48.

- 1.48, so it's gonna be 10 cents.

- It's gonna go up 10 cents on the--

- Right, right. But the difference between funding almost everything and funding eight

- Is about three/four cents.

- is three cents.

- Correct. But it still is 10 cents over your current mill rate. Last year we took a 14 cents mill rate increase, most of it in this case would be driven by debt.

- So, this mill rate increase, there will be other areas we also need to increase the budget, right?

- All of your salaries and if you wanna put any--

- Well, everything else. So this isn't the end of it, this is just one small piece?

- This is one small piece of your budget.

- So we're trying to be fiscally responsible and keep it to maybe about seven cents.

- Correct, and again, as you continue to borrow, so if next year you borrow 9.3 instead of eight, you're going up 1.3. The year after, if you go up to 10.5 from eight, now you have the extra money you borrowed in '19, and then you have the extra money that you borrowed it '20 that continues to take your mill rate up.

- I don't see how this is gonna ever work. I mean, so they take out some things this year, but then they'll break maybe by the next year. But I mean, I guess I know we don't fund, we can't find everything. This just seems like it's out of control.

- Well, this is the same challenge that we have every year. And that's why things didn't go into the operational budget, and then it went into a bonding request.

- I like how it's laid out. I mean, it sure makes it easier to understand.

- And the idea too is, as we continue to develop and increase taxes, the property value increases. But as we increase and develop more taxable property, that the whole biz--

- We'd have that.

- That would help.

- You have a bigger base that you're allocating the same dollars over, so that your mill rate comes down.

- And we might not have to borrow that much in the future.

- Correct, this is--

- I mean, right now it looks like we'd have to borrow that much, we might have it other ways.

- Right, if we can somehow generate money so some of this vehicles and that aren't bonded for.

- So, when is the next tiff coming due, what we would be getting? That's not for a while, right?

- We are expecting to open a new tiff this later this year.

- Or when the close.

- No, I meant close, 'cause that's when we get the money. Open is different.

- There's none that are up to their termination date. However, we're looking to potentially close some ones early, but we have a few that are negative tins that we have would probably do a positive and a negative to do more of an offset in the first year.

- So we can't really count on that right now?

- Not at this point.

- Okay.

- We would be a few years out before you start seeing some positive assessed value added back to your general levy.

- I know what I want to ask. Isn't there something where if you don't borrow a certain amount, or is it just the whole taxes, where you get money, you can use money.

- You can make up levy unit raising.

- Any kind of levy limit or something?

- Right, your levy limit allows you to take your mill rate up a certain percentage based on your net new construction.

- But there's money you're supposed to be able to get from past years if you don't do a certain thing.

- Correct, we do have that capacity. Last year our limit was exactly the 14 cents we took out, we basically maxed out our levy limits. Our levy limit without taking the additional allowed us to go up 14 cents. Yes, it does allow us to take up our levy limit. Based on the calculation I showed you earlier from our financial advisor we can take it up higher. But remember, we did increase our mill rate by that one and a half percent or 14 cents last year. We do have the capacity to take it higher.

- And that's not even still what I'm talking about. I guess I'm not being real clear. There's something where you get to use an unused portion if you don't.

- It just allows you to take your mill rate up, your total borrowing.

- But that's all it allows you to do.

- It just to make sure that you're not

- Maybe I was missing things.

- overcharging or having this huge increase in your taxes one year over another to your constituents. This just gives you a limit. So yes, that does allow you to use some previous unused levy limits.

- That's what I'm talking, previous unused levies.

- It just allows you to take up your mill rate a little bit higher. But again, you still have to as a council decide how much do you want to allow everybody's tax bill--

- But is there a limit on bonding that we have to stay under in order to do that?

- Yeah, wasn't there?

- No.

- I thought so. I thought there was something.

- Yes, now I know what you're talking about. There's a couple different options within your levy limit worksheet that says that if you have your outstanding debt at the end of one year versus a year before,

- Yes.

- if it is lower you are allowed to use a portion of a unused levy limit. We would not qualify for that.

- We would not, okay.

- But there is another portion that our financials had come back and said that there is a provision or an allowance for debt. It was on that one long spreadsheet that we showed you two meetings ago. And they said that we have a capacity of using a different allowance, not the one that we had talked about where outstanding being lower this year at the end of the year than the previous.

- So, when do we need to do our bonding? I mean we're late already, right?

- We are later than normal, correct.

- So we have to decide on getting this down to eight million by what day? Today?

- All the departments that have any requests in 2019 they're holding off at this point, other than we do have an exception.

- [Steve] Hmm-mm, I'm spending.

- With the exception of the DPW who got approval to move forward with their pavement, sanitary and storm. And we also moved forward with the elevators. So that is a large chunk of the dollars that are within the 2019, that by exception they have moved forward. But any other equipment and fleet that is within the 2019, they have not spent those dollars. Some of the equipment have long lead times, so even if we get approval at the end of this year that equipment won't be here till potential next year anyways.

- And that's the problem with our bonding. It comes ahead of the budget, and so we kinda get the cart in front of the horse, and we should've been having these discussions months ago. But it's always been this last minute, put out the fire, let's do it now real quick, and I mean you have no options.

- No matter when we had it it would rain before the budget.

- Well, we would like to make this document as part of the budget process.

- I see.

- So, as we work on the '20 budget this year, you're gonna also know what you would wanna borrow for 2020 borrowing. And if there's anything in your 2020 borrowing that you can move into your '20 budget, you would know that. And by the time you're done with your budget at the end of this year, you will already basically have approved what they're going to borrow in 2020, which allows the January/February processes and then your departments can start moving forward.

- I just still, I'm concerned about all the cuts that it looks like we have to make, when these are things that obviously they didn't put them in there for bad reasons. So, we really have to think about every single request, I believe, and go through every single request. So, we need to have kind of a long meeting at some point, would you say, kinda like a budget meeting?

- Then at that point we would have, I mean you can ask any of the department heads now questions or that would be a meeting that would get scheduled really to go through all the details and the line items that are within this packet.

- Yeah, it would not be good to do it tonight because I haven't had. You're giving us an explanations and that's not fair.

- You've also already come back and you've already asked us to, I'm sorry. You've also asked us to come back with a little more additional information, like did we include salvage values in the fleet. And that's something we can update before then if you've asked the alder department heads to help prioritize it. Some of the backup sheets had priorities, not sure they were all filled in. So we could ask them to do more of the priority items that you've talked about. You asked about if there's anything that they could potentially find a cheaper or a reduced-cost option, if there was an alternative option that was not as costly. That's something we could ask the department heads to look at. And then of course, not bonding for the equipment for the next three to five years, in some situations, a police fleet, they didn't really get any police vehicles last year, you may still need to do it in the 2019 borrowing. But again, is there any chance that we can get some of that into the budget for the following year?

- So, when must we have this meeting? I mean, we need to get to this. So, is it in July that we must do this? Or when would you say we should schedule something like this?

- I will take any feedback that I have from the department heads.

- Department heads right there.

- [Steve] Well, from Public Works' perspective, we have been tasked with getting infrastructure projects done. We are moving forward.

- So really, the money there, you might be spending more money, we may have to take more away from these guys, 'cause you might've spent it all already.

- I have been given a directive to get infrastructure projects completed. So, we're out there, we are encumbering funds.

- So, we better do this quickly before you.

- When the bills come due I need to pay contractors. Now, one of the things that I also wanna add, just something to keep in mind. Historically, what Director Ellenbecker's talking about as far as getting your equipment into your budget, that's where our equipment is. I have under the DPW budget in operations, there is a city equipment usage fund. And in 2018's budget we took the equipment out of there and we bonded for it.

- I remember that.

- [Steve] In 2019's budget that was removed from our budget line out, and it's not bonded for. So, this year we are going without entirely $1.2 million worth of equipment that's necessary for snow plowing, for garbage. Garbage collection vehicles are $275,000 apiece, and they don't come any cheaper. I didn't include it in the bond request because I am counting on getting it back into my budget.

- Back to the question, other chiefs.

- [Steve] So, my answer is I need that money yesterday.

- Right, other chiefs?

- Yeah, for us the big thing is vehicles. Once our vehicles reach a 100,000 miles the warranty's gone, they are significantly more prone to breaking down. A police car is driven a lot harder than your family cars. And once they start breaking down we have a choice of either having our mechanics work overtime on 'em or sending 'em over to one of the big dealerships to have them repaired there. It just starts becoming more and more inefficient to do that because it costs a lot more money for us. So, as Diana said, we got zero cars last year, we got six cars I think the year before. We need 12 per year to keep on that replacement cycle. We've already expanded our replacement cycle from a three-year cycle to a four-year cycle and we went with the SUVs 'cause it's a more rugged car and we think it's gonna last longer, but right now we're pushing five years on many of our vehicles. So they've already blown through the three years, through the four year and there's a five year right now just because we haven't got any new ones.

- So you'd liked it done fairly soon?

- Soon as possible would be great.

- Chief, other Chief.

- Just to answer the question about the value in vehicles. We just auctioned off two ambulances and a fire engine, two ambulances and a fire engine, we got $17,000. I think that's great. So, what happens is our vehicle and our ambulances are frontline for four to five years, depending on where they're at. 'Cause the ones downtown run harder than the ones out on the outlying areas. And then we roll 'em into reserve status, which means they get put into frontline use when one breaks down or when we have maintenance, which is an ongoing all day, everyday thing. Same thing with the fire engine. So, by the time we get 'em to auction they are basically useless. So, there's not gonna be any big amount of money there that's gonna be coming from. I don't know about Public Works but I can tell you from our department, by the time we get done with something it's wore out. And as far as when we didn't get it done. We schedule our apparatus, our fleet equipment, much like the police, based on use and experience. Our mechanics review every apparatus every single year during their preventive maintenance that they do. And sometimes we'll jockey things down, we'll push things down, something we have to push things up. But what we're talking about here by not filling the request is, we're deferring once again, and this problem will just continue to get bigger and bigger and bigger. So, in five years, instead of seeing 12 million there you're gonna see 16 million because we've deferred, we've kept pushing things back. And then you're gonna be looking at us asking for way more money in our maintenance budgets and you're gonna be facing a lot of, basically downtime. In the public safety realm, if the vehicles aren't available that's just unacceptable to us.

- So, when can you guys be ready? Maybe that's a better way to do this.

- I'm ready today.

- Okay, well I'm not.

- Just to put it in perspective, we have 82 vehicles, 27 of them are already beyond their scheduled replacement. We're just gonna keep on using 'em as much as we can and cobbling them together as best we can. It's about one third of our vehicles are beyond already their schedule replacement.

- All right, so is there a better week in July? I mean, I know you guys should take some vacation time.

- I can only do the end of June. Where are we?

- I just wanted to give people enough time. No, the 18th is the council meeting. But what time of day are we talking about? I mean, are we talking about more of starting a little earlier than 4:30?

- I think in most case it works for staff.

- To start earlier.

- Yeah.

- Correct.

- Plus I think I can see it lasting longer. I mean how do you guys feel about it? I mean it's only two weeks away, June 25th.

- I think most of the departments have most of their information pooled together. They might be looking for some additional details yet to supply, but they haven't submitted it. And we know what makes up the $9,3 million. I just wanna follow up one thing, out of the 9,3 3.9, basically four million of that 9.3 is what we've been obligated already, when we talked. Steve has $3.4 million of pavement and we have been obligated $570,000 for elevator. He also was able to move forward with the sanitary and storm. But that is what's in the other funding-sources line. So to that 9.3, when you say, did we were to obligate most of it?

- Yes, that's what I wanted.

- We've obligated 3,980,000 of that 9.3.

- Three million nine hundred and, could we just kinda round off to four million?

- Yeah.

- I would say. So, out of the five million left we are supposed to cut 1.3.

- That's a recommendation.

- This will take some talking. I want definitely input from the department heads, from you guys rather than us going, here, yeah, let's choose that.

- I'm just gonna add, there was some assumptions, or it seemed like the council wanted more say in how we spent our money. And that's part of the reason why it has been submitted this way. In the past, the previous mayor had much more say in what would come to you as a bonding request. I got the impression that council wanted to have more say in what got bonded, when it got bonded, who's your priority. And so, that is why it's been brought to you without, I don't wanna say without recommendation, but it's been unaltered and submitted as is.

- There were some alders did wanna add.

- Correct, so that's why it's brought to you and we're looking for some feedback from you, do you want more information or how do you want us to present it? So, you've given us the department heads some information on additional things that you're looking for from them.

- Okay, so how about. I mean, is the last week in June convenient, at least for the three of you?

- Not for the police. That is unfortunately an NFL weekend, we're sending two of our commanders down to, NFL is sending them down to that, and I'll be out of town myself.

- Okay, so we can't do that week. What about if we back it up?

- Next week, yeah. Like next Thursday.

- Back it up to... No, I'll be out of town on that all day, and I'll be out of town all day. So, the 18th is council, but. Monday? Don't we have already have meetings on Monday?

- Yep.

- Well, if the council's on the 18th there probably are not too many meetings on the 17th.

- Say that again.

- What?

- I said, because council's on the 18th there probably aren't too many committee meetings on the 17th.

- Oh there are. Yeah, I know we have board of appeals and we have traffic. But we still could do it.

- We can meet early Tuesday, the day of council.

- What about the day of council? Because you know everybody's gonna be around anyway. What if we did.

- At three?

- Well, that's not early. Is three early enough?

- Three, just make sure that we take a break at 5:30 or so, so people have a chance to get ready for the six o'clock meeting.

- How do you guys feel about that? No?

- [David] I'm going out of town, but I'll make my--

- On the next council meeting?

- Yes, ma'am.

- I want the chief to be here.

- [David] Well, that's okay,

- Okay well, Chief.

- we'll have good guys here.

- I mean the 4th of July would.

- Highly qualified people will be here.

- If he's fine with it

- If you're fine with it.

- Then we can schedule that sooner rather than later.

- Okay.

- And they've been doing the discussions with us as we built up to this so they're up to speed on everything.

- Are you gonna be gone on the day of council too?

- [David] I am, yes sir. I'll be here on the 17th which is Monday, I'm leaving that Monday morning on the 18th.

- What about that Monday then?

- I could do a 3:30 Monday, I could do a 3:30 Monday the 17th. But you're leaving Monday evening you said?

- Tuesday morning.

- Tuesday morning? Do you want us to do that? We don't have to, Chief.

- I'm happy to do it whenever and I'm happy to have my guys do it.

- If your guys can do it let's keep it on Tuesday. If his guys can do it that's just fine Tuesday. All right, so we're saying three o'clock, right? Tuesday? And we need to let the other alders know. That's another reason I wanted it out a little bit further, because I want them to know.

- So they can maybe be here?

- Yeah, 'cause they're gonna probably wanna be here. So it's kind of like the bonding, I don't know what we're gonna call it. Elimination maybe? I don't know.

- So then we will actually have the June 18th meeting, then we would also have the July 9th meeting. So we'd actually have two additional finance meetings before you would get then to the following council on the 16th. So, that would give us a chance to have some review and then we can discuss it again at the following finance meeting if you wanted.

- We could to discuss it on the ninth at finance. So if anybody couldn't make it, or if there's any questions left over. Chief, will you be back by the ninth?

- [David] Yes, ma'am.

- Then we could make final final decisions and bring it to council on the 16th. I think that's a good plan.

- So we're still gonna have the 18th then?

- We'll have the 18th and then we'll have the ninth.

- And then moving forward, Diana, we won't be in this kind of position 'cause we'll be doing the bonding with the budget for the next year.

- Correct, correct. That is a goal then to be looking at that simultaneously that is a big portion of your budget then. If it's capable in your budget, then it should go into bonding, then you've already basically approved that. 'Cause that borrowing for '20 has a financial impact on your '20 budget. So, right now if we take a guess on how much we're gonna borrow the following year and I take a guess on how much my additional debt service is gonna be, so it's a guess also. So, this way help me for budgeting for debt also.

- Would be good.

- And on a positive side we can actually find savings more that we could take on as part of the regular budget, and it would alleviate maybe some of this cutting in the bonding. So, I think we have a better grasp.

- I'm wondering, so I ran a copy of it. But God, it's just all super small prints and everything. Is there any way to get like a more readable?

- I have it on just on eight and a half by 11, I have it reprinted.

- Maybe it turned out better. Mine just didn't turn out real well from the printer downstairs. It's just really hard to read.

- Okay, I can try to give you a copy of this and see if that's better.

- 'Cause it smooshed some of it. So, what do you need us to do for action today?

- Recommendation I would guess to come back with additional details and additional information as stated earlier by Alder Galvin, and then that we should schedule, well, I guess an additional meeting on June 18th at three p.m.

- Does that sound like a good motion for you to make?

- Yes.

- I'll make that motion by Alder Corpus-Dax, is there a second?

- And I guess I would just encourage all the department heads to have a plan.

- One second.

- A good plan of how you can try and mix if we have to of how we can make these cuts and how we can make it best so it hurts as little as possible. I mean we wish there was the money to give everybody what they need plus.

- We do, Kathy seconded that motion. Okay, do you guys have any more discussion on this? Anything from the directors or chiefs?

- [Steve] As far as Public Works is concerned, the only money that we're asking for under bonding is for capital programs. So, if you guys wanna do less capital programs that's where our cuts are gonna come from.

- Yeah, so we'll have to see, we'll have to look at that, and we hope we don't. Okay, all right, all those in favor?

- Aye.

- Aye.

- Opposed? Motion carries. Here's something on GERP. Consideration with possible action on licensing the Green Bay Electronics Record Program, GERP to Brown County. Do we need to go into closed session for this?

- I think I would ask Commander Ebel to give you a little bit of an update on what this item is, and then decide whether or not that if you wanna go to closed session at that point.

- So we developed our own records management system, started back in 2006. Let me go back to 2003. We started or attempted to do a countywide records management system and it failed miserably. In 2006 we developed our own, it's known as GERP in the county. The pieces are in place right now that'll allow us to have rest of the county join us. And we wanna enter into discussions with the county, they approached us, enter into discussions with them to provide it countywide.

- And that would bring in some money?

- It would bring in potentially some revenue, yes. But that's what the closed session will be for, to discuss what those options would be and what we would do with it.

- And so, that would be a recommendation then to go into closed session?

- If you wanna discuss the money aspect of it I think that would be appropriate.

- Yes, is think we probably should.

- I make a motion to ignore the closed session.

- Second.

- And should I read the words? The committee meeting in closed session pursuant to section 19.85 Wisconsin Statutes for purposes of deliberating or negotiating the sale of public properties, investing in public funds or conducting other specified public business as necessary for competitive or bargaining reasons. The committee be thereafter reconvened in in open session pursuant to section 19.252 Wisconsin Statutes to report the results of the closed session and consider the balance of the agenda. All those in favor of going to closed session.

- Aye.

- Aye.

- Opposed? Motion carries unanimously.

- We're gonna have Rick and Michael.

- Okay, I'll entertain a motion to go back into open session.

- So moved.

- Second.

- Okay, motion being seconded. All those in favor?

- Aye.

- Aye. Opposed? Motion carries, we're back in open session. At this time I would entertain a motion for staff to proceed as directed in closed session. So moved.

- Yeah, I'll make that motion.

- So moved by Alder Galvin, seconded by Alder Corpus-Dax. Any discussion? All those in favor?

- Aye.

- Aye. Opposed? The motion carries. All right, next item, it's the report of the Claims Committee. I don't have any questions, does anyone have any questions on?

- I didn't have any questions, no.

- Or concerns.

- No?

- We wanna receive and place on file?

- I make a motion to receive and place on file.

- All right, a motion by Alder Galvin

- Second.

- To receive and place on file, second by Alder Corpus-Dax. All those in favor?

- Aye.

- Aye.

- Opposed? Motion carries. Then we are at informational. The next Finance Committee will be held on Tuesday July 9th at 4:30 p.m.

- With the exception we're gonna now have, we're gonna have a June 18th meeting.

- Yes, the next Finance Committee will be held on June 18th at three p.m.

- At three p.m.

- Okay, thank you for saying that. And then the Contingency Fund is at 96,000.42, but not really, right?

- Correct, we've obligated dollars for legal expenses but we have not seen any expenses actually be paid out yet, and that is why it is still at 96.

- All right, I will entertain a motion to adjourn then.

- Motion to adjourn.

- Second.

- All those in favor?

- Aye.

- Aye.

- Motion carries.