MINUTES OF THE FINANCE COMMITTEE

TUESDAY, APRIL 28, 2020, 4:30 PM
CITY HALL, ROOM 207
IMMEDIATELY FOLLOWING PERSONNEL
Special Telephonic Meeting of the Finance Committee
To listen to the meeting go to:
https://www.youtube.com/CityOfGreenBay

A. ZOOM MEETING INFORMATION.

1. This item contains documents which provide call in information and instructions for the Zoom Meeting.

B. ELECTION OF THE FINANCE COMMITTEE CHAIR.

Ald. Bill Galvin nominated Ald. Barbara Dorff for Chair of the Finance Committee. Motion carried. Voice vote.

C. ELECTION OF THE FINANCE COMMITTEE VICE CHAIR.

Moved by Ald. Barbara Dorff to nominate Ald. Veronica Corpus-Dax for Vice Chair of the Finance Committee. Motion carried. Voice vote.

D. APPROVAL OF THE AGENDA.

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to approve. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, Brian Johnson

E. ROLL CALL.

Present: Veronica Corpus-Dax, Barbara Dorff, Bill Galvin, Brian Johnson

Also present: Ald. Kathy Lefebvre, Ald. Mark Steuer, Ald. Lynn Gerlach, Housing and Zoning Enforcement Coordinator Bill Paape, Procurement Manager Calvin Winters, Development Director Kevin Vonck, Purchasing Buyer Diane Kruse, IT Director Mike Hronek, Finance Director Diana Ellenbecker, Assistant Finance Director Pam Manley and others.

F. APPROVAL OF MINUTES.

1. Approval of the Finance Committee minutes from the April 7, 2020 meeting.

Moved by Ald. Bill Galvin, seconded by Ald. Brian Johnson to approve. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, Brian Johnson

G. REGULAR BUSINESS.

1. Resolution authorizing 2020 transfer of $6,300.00 from contingency to material supplies related to Brown County invoice for prefilled sandbags for the public.

Moved by Ald. Bill Galvin, seconded by Ald. Brian Johnson to approve the resolution as amended for a transfer of $6,300 from contingency to account 101503-54069 for sandbags. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, Brian Johnson

2. Request approval to award a 3 year contract to BEST Enterprise, Inc. for the Abatement & Demolition Contract for estimated $154,685 ($51,561 annually) with the option of one additional two-year contract upon mutual agreement by both parties.

Moved by Ald. Brian Johnson, seconded by Ald. Veronica Corpus-Dax to approve with additional scoring information to be provided for Council. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, Brian Johnson

3. As zoom has multiple security issues, the city of Green Bay should look into Cisco Webex, which Brown County is using.

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to receive and place on file. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, Brian Johnson

4. To consider and discuss establishing a budget forecast process to position the city to strategically respond to anticipated revenue shortfalls and additional expenses from the impact of COVID-19.

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to hold until the May 12th Finance Committee meeting. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, Brian Johnson

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. Brian Johnson, seconded by Ald. Veronica Corpus-Dax to receive and place on file. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, Brian Johnson

H. INFORMATIONAL.

1. 2020-2024 Capital Improvement Plan.

2. 2020 Contingency Account:
$150,000.00

3. The next Finance Committee meeting will be held on Tuesday May 12, 2020 at 4:30 PM

I. ADJOURNMENT.

Moved by Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax to adjourn. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, Brian Johnson

J. VERBATIM MINUTES.

- Meeting of Finance to order. Roll call would be Alder Galvin

- Here

- Alder Johnson

- Here

- Alder Corpus-Dax

- Here

- And Alder Dorff is here. The first item of business is election of the Finance Committee Chair. Are there any nominations?

- I have one, Alder Dorff, I would like to nominate for the Chair.

- Thank you. Any other nominations? Okay, hearing none, all those in favor of Alder Dorff being Chair, please say aye.

- [Group] Aye

- Opposed, nay.

- All right, motion carries. Thank you. Next item of business, election of the Finance Committee Vice Chair. And I would like to nominate Alder Corpus-Dax. Any other nominations? Okay, hearing none, all those in favor of Alder Corpus-Dax being the Vice Chair of the Committee, signify by saying aye.

- [Group] Aye

- Opposed? Motion carries, thank you. All right, on to approval of the agenda. I'll entertain a motion to approve the agenda.

- Move to approve, Johnson.

- Second.

- Motion approved by Johnson, seconded by Galvin, all those in favor.

- [Group] Aye

- Opposed? Motion carries. I should have asked for discussion. Any discussion on the agenda? Okay, motion carries. Then I will entertain a motion for the approval of the minutes.

- So moved.

- Second.

- It was moved by Alder Galvin, seconded by Alder Johnson. Any discussion? All those in favor.

- [Group] Aye

- Opposed? Motion carries. Okay. On to regular business. The first item on the agenda is the resolution authorizing the 2020 transfer of $6300 from contingency to material supplies related to Brown County invoice for prefilled sandbags for the public. Are there any questions on this item?

- Motion to approve.

- Okay, motion to approve by Alder Galvin.

- Just one question, Alder Dorff.

- Sure, Alder Johnson.

- I would second the motion, just to make sure we got that piece wrapped up. Director Ellenbecker, is the contingency fund our only possible source to pay for this? And what is that fund?

- Okay, yeah, for the 2020 budget, there was $150,000 set aside in the contingency account. So this would be the first time we would be tapping that $150,000 for the 2020 budget. You know, the other option is really a departmental expense, or it would not be COVID-related, as it's flood related, so we don't have any other emergency operation fund or reserve set aside. So that is why we went down the path of the contingency account.

- Okay, and are there any other pending requests that are gonna come for the contingency account in the near future?

- I don't know of any as of today. As of today, I don't have any requests pending for contingency.

- Okay, thank you. I just wanted to have that information.

- Okay, we have a motion and a second and we're ready for a vote. All those in favor?

- [Alder Lefebvre] This is Alder Lefebvre.

- Oh, I'm sorry, Alder Lefebvre, go ahead.

- [Alder Lefebvre] That's okay, I just wanted to say I wanna thank the city for the sandbags. We did receive our bags here for us and I appreciate the city did that and it was very easy to get sandbags and I just wanted to say that I think this is well-spent money to help, not just the people on the East River, but all of us on the Bay, with the possibility of flooding. Thank you.

- Thank you, Alder Lefebvre. Yes, Director Ellenbecker.

- Just two quick comments. The resolution that I've included in your packet, I used an account number that was for materials and supplies, however, the actual invoice was actually coded to a sandbag account. So when we approve the resolution, I would actually like to change the account number on the resolution, that's 4001 to 54069, just to follow where they actually went. Again, minor detail. And I also heard in the senior staff update today that of the 10,000 bags, it sounds like about 1800 are remaining, so I just wanted to give you that update.

- Okay, thank you. Should we amend the motion, or just make a friendly amendment?

- I think you would wanna say, the resolution, as amended, and again, in the final council packet I would just change the account number on the resolution.

- All right, I'll make a motion to include what Director Ellenbecker said.

- Thank you.

- Okay. Alder Johnson, do I still have you as the second?

- Yes.

- Okay, okay. Ready to vote? All those in favor, say aye.

- Aye

- Aye Opposed? Okay, motion carries, thank you. All right, next item. Next item is a request approval to award a three-year contract to Best Enterprise, Incorporated, for the abatement and demolition contract, for an estimated $154,685, which is $51,561 annually, with the option of one additional two-year contract upon mutual agreement by both parties. Are there any staff that wants to speak to this?

- I can tell you if you, by any chance, sat in the last RDA meeting, the same item came through the RDA. It's because they're two different funding sources, so we had to bring it through both Finance and through RDA, so it's the exact same item, just because of the two different funding sources. I do have our procurement manager online. We also have our purchasing and we also have Bill Paape, from the Community Economic Development area that could talk to this item if you have questions.

- Any of the alders have questions?

- I do.

- Alder Galvin.

- I don't remember this coming through last year and maybe that's cause it was on a three-year contract, or I mean two years ago I don't remember it. From what I'm reading, I don't see exactly what it's for. So if I could just get a quick explanation.

- I'll start on the very very high level. This is something new. Every single time that they would some kind of abatement or demolition, they would have to go for a bid. So they would individually go out for every one of these items. And so, for efficiency for our department or pricing, our Purchasing Department worked with Bill Paape to try to get a three-year contract to save some of that administrative time and just have a contract for these going forward. I see Bill Paape is online. I see we also have Calvin Winters, who's our Procurement Manager and our buyer online. I'm not sure if any of you would like to speak to exactly, if one of you would wanna talk about this three-year contract.

- Do any of the alders have any questions?

- Yeah, I would concede to them with a question of, so like when the building at Irwin and Mason was razed, that old head shop there, and I believe the city paid for that. Would this avoid us having to go through and get bids and get a contractor and then have that building razed? Is that what this money goes for?

- I think I'm gonna let Bill Paape talk to that please.

- Yeah, thanks Alder Galvin.

- It would not for a commercial property. This contract is only for residential properties. So if it's a home that needs to be razed, it would speed up the process quite a bit, but if it is a commercial property that needs to get taken down, those are a little bit more expensive to do, so we would still have to go through our normal purchasing and bidding process.

- And how many homes do we raze, would you say, on average? I'm not gonna hold you to it, but what's your gut feeling?

- Probably anywhere from 12 to 14 a year.

- Wow, and what does it usually run us per home to do that?

- Usually--

- Unless they find something odd in there, or whatever.

- There's asbestos testing that happens first, then there's asbestos removal and then the demolition, altogether, on average, probably $15,000, 12 to 15,000.

- So, are we only paying roughly 51,000 a year? What if we have 12 houses and they say, "We want more money." What happens then?

- Yeah, well that's part of this bid, that's part of this contract. So what we did is we went through and purchasing folks can jump in here too. We put it out for bid as an RFP and, in there, part of the criteria for scoring, we had in there for pricing and the individual company that was awarded it, I worked with them in the past, as well as the others that have gotten that that bid on the proposal. So we're kinda familiar with the price range, as far as what they bid on, their range for taking down these structures. So that's been kinda negotiated in a little bit to what their contract that they're getting. Each house is a little bit different. We don't know what we don't know. There could be a lot of asbestos in it. If there's a lot of concrete, that can up the charge. There's a lot of different variables that come in when we take these down. So what they're doing, is the RFP that we put together, we kinda have a base price line of what we know that they charge and then it depends on what we run into in each of these homes.

- All right, it's a possibility, say we had 20 homes, would we have to pay them more than what we're paying right now?

- It would be for the volume then, is what we'd pay more for. The price, it's hard to say; it's hard to say if it would be more. It all depends on how much like the landfill, like the tipping charges are gonna be. How much asbestos is in it. But the rate that we're paying, I believe, and Diane or somebody from Purchasing can jump in here, I believe that was all part of the scoring criteria that we used.

- Okay, so this is based on a rate. We figured out a rate of what it would cost on average per house, and so this is the rate that we established. Am I understanding this correctly?

- Yeah, cause we kinda went based off of what we've done in the past. On average, how much these charges and how much these costs have been in the past, to kinda used that for our scoring system. Because a lot of it is the hourly charge that they're doing, their equipment usage, we kinda know all of that. What we don't know is the unknowns that they have to deal with, in regards to asbestos and whatever else that they have to deal with.

- Okay, do we ever recoup any of these costs from the homeowners or the property owners?

- At times, I don't know, Diane might be able to talk about how frequent. But what we do is we do bill it back to the homeowner, so that's why I had to-- So our part here in Finance, the funding that we used for this part is through our Inspection 101 account. So those get billed back to the owner, because if it's an inspection order that's taking down the property, the property is still owned by the individual party, so whatever those charges are, we forward that on to the owner at the time. If they don't pay it, it goes on their taxes, as a special assessment.

- And if they don't pay their taxes we never get paid.

- Yes, then it would go through the normal foreclosure process and then I believe in foreclosure, those can get wiped off. A lot of times Cheryl and our neighborhood folks will end up trying to pick up those properties, to redevelop them.

- Okay, so we pick 'em up, we redevelop 'em, obviously if we can get 'em sold to a private person we make back the tax money. And if Cheryl's company or organization resells it and that kinda stuff, that money goes into where? Back into her accounts, into the general fund, or back into your account? I mean, is it divvied up or just...

- That would be a question for Diana.

- I can try to talk to that one. Yes, so two different funding sources, as Bill was saying, that if it is through more of an inspections, where we have torn it down, we will still charge the property owner. If they don't pay, it goes on their property tax bill. Many of those are not recouped, because at that point they've let the house go into disrepair and it has to be razed. Of course, it goes through the normal foreclosure process a couple years. If and when that house is sold and Brown County can make a profit and get enough money to cover all their taxes, the city could recoup some of those special charges, which is what a demo would be called. So there is a slight chance to recoup it. And then what Bill was saying is, if then, that house goes up for sale, if Cheryl's group would use Neighborhood Enhancement money or some kind of block grant money, at that point, they're using their money and at that point they'd probably potentially go out to NeighborWorks or try to flip that home. Money they make on it then it would go back into the fund, whichever fund was used to purchase that property. And again, probably Neighborhood Enhancement or some other CBG money or probably Neighborhood Enhancement money.

- All right, so in the end result, we're probably never gonna recoup that money, but the end result is if we can get it back on the market or get a home or something else built there, we're still better off than we were.

- Correct.

- Correct, yeah. The cost for nuisance activity and our inspectors and police and everything having to deal with the structure typically ends up being more, just for the time factor that we have to spend on dealing with some of these nuisances.

- All right, thanks much. I appreciate the information.

- All right, any other questions on Item Two? Yes, Alder Johnson.

- Thank you, Alder Dorff. Bill Paape, when this went before the RDA, was additional information included, including like the scope of services, the nature of the contract, the scoring, and I see that there were four responses, but in this particular document before us there's only the one response included. Was that additional information shared with the RDA?

- I don't recall. If it wasn't, it can be. I'm not sure, I think Ken put that one together and represented it. I know we had it all together, cause it's one proposal. But I'm not 100 percent if that was included in how we wrote it up.

- Okay, and I would support the passage of this, recognizing that the RDA was also a second set of eyes, but if there's one request that I would have on the motion, if it's not out of order for me to make the motion, is that when this is submitted to the full council that it does include that detail. Otherwise I fear like we're improving $154,000 contract here with no idea, or at least no documentation, in terms of what it's doing and what the competing bids looked like.

- Okay.

- [Calvin] Yeah, we can certainly include the bid tabulation when it goes to the council so that you can see the bids, see what they came in at.

- Okay, and can that also include whether it's the RFP language, or at least the scope of services? Because in this document that we have it doesn't even really indicate what it is, other than abatement and demolition, it doesn't say what for.

- [Calvin] Sure, we can get somethin'. It may not be the full scope that was in the ARP, cause it's lengthy, but we can certainly write up at least an abbreviated scope for you guys.

- Yeah, and I think that's sufficient. I just wanna make sure that there's appropriate amount of documentation, you know, to back the decision to support this, so thank you.

- [Director Vonck] This is Director Vonck. If you want, I can forward out to the members. There was an attachment in the Redevelopment Authority packet that looked at the scoring among the particular vendors, so I'll email that off to you, so you have that. But that was included in the RDA packet.

- This is Diane Kruse, and I was the one who led the proposal. If you want any more information than what Kevin Vonck is going to offer, I have a lot of information as well.

- We'll make sure that we have more information. I'm going on to the council meeting for next week.

- Thank you.

- Thank you.

- So, Alder Johnson, I believe you made the motion. Is there a second?

- I'll second.

- Second by Alder Corpus-Dax. Any further discussion? All those in favor, aye.

- [Group] Aye.

- Opposed? Motion carries. Okay, Number Three. I believe this was a communication from Alder Lefebvre, and I see she's still here. As Zoom has multiple security issues, the City of Green Bay should look into Cisco Webex, which Brown County is using, staff.

- [Ellenbecker] Okay, I'll start speaking to it. I kinda thought maybe Shelby and/or Mike would be on the line, but at this point, I will speak to the email that I received and then--

- We are on the line.

- [Ellenbecker] Okay, thank you. Do you wanna speak to it right away, Director Hronek?

- I can let you finish. Sorry to interrupt you.

- [Ellenbecker] Okay. Nope, that's okay, I will read the email that I received from Shelby and she just said that they have plenty of details in the security updates that Zoom has put out in the past few weeks. The meetings are also as protected as possible, which requires password enabling and Waiting Room, which is not something that Webex and/or GoToMeeting has. It has more features than GoToMeeting and Cisco Webex. For the price, Zoom is very cost effective, and in the next couple months we would be looking to move forward and go onto Microsoft Teams. And there's another statement here. I feel that as though there's probably no 100 percent secure video conferencing, but Zoom is as secure as any other mainstream video conferencing tool. So that's the information that I have in front. Director Hronek, would you have anything to add to that?

- [Director Hronek] All I can add is we deploy all the security settings that Zoom allows us to. We take security very seriously. Is there any other questions?

- Are there any questions?

- I think I just wanna add one more thing. Again, because we do believe that we're gonna be moving off of these platforms and on to Microsoft Teams, Zoom also does not require a contract, and some of the other software platforms might require a contract, so this right now seems very cost effective, with high security.

- [Alder Lefebvre] This is Alder Lefebvre.

- And, to date we have not... Alder Lefebvre, go ahead.

- [Alder Lefebvre] Yeah, I brought this up and this was, how many weeks ago, because of all the other issues I was hearing with Zoom. It sounds like that they are working on the security. That was my big concern, was the security issue, that they were having problems at the beginning. And I think now that I hear that they're upgrading everything and everything looks fine, I just wanted to bring it up to the committee and let 'em know that I felt there was some issues before and I just wanted to make sure that they were taken care of.

- Thank you.

- Move to file?

- Thank you. Motion to receive in place and file by Alder Johnson, seconded by Alder Galvin. Any further discussion? All those in favor say aye.

- [Group] Aye

- Opposed? Motion carries. Number Four: To consider and discuss establishing a budget forecast process to position the city to strategically respond to anticipated revenue shortfalls and additional expenses from the impact of COVID-19, and I believe this was from Alder Johnson, a communication, am I correct?

- Correct. Essentially, specifically what I've laid out is, a lot of organizations that I've been a part of in the past and including the one I'm in right now. We've already done a nine-month forecast for our organization, recognizing revenue shortfalls, so this is obviously a very fluid thing. It seems like every day that goes by, something changes, but I fear that if we're not proactive about this, that we risk finding ourselves in a very unfortunate position before the end of the year. So, certainly open to having Director Ellenbecker share with us maybe some of the conversation that's occurred at city level and what type of, if you could maybe just inform us as well, what type of process, if any, that the city currently uses when doing forecasts in any other normal budget year.

- In a normal budget year, we would ask all the department heads right around July, August, really at budget time, to really go through and do a budget forecast, just look how they're going to end that year and then they start talking next year's budget. This is definitely either by the direction of the council or certainly something I can request of our department heads, to have them go through and review their budgets and put a forecast in. We have a system in place that will allow this forecasting. Like you said, very very fluid at this point. I think most of the numbers are gonna be contingent on how long this truly is gonna last, but at some point we could put a marker in the sand and start moving forward and put a forecast out there. Things that have been discussed before, we have certainly gone around the table with senior staff, talked about which items we believe revenue wise are falling short. We also talked about expenses. We are trying to track anything that's COVID-related and have a special project number so that it's easier to collate in our system. Obviously we are working on trying to submit as many grants as possible, or be able to obtain any extra money that we can for, again, COVID-related expenses. That doesn't truly answer your question, but what we certainly do is typically ask our department heads, give them about two weeks to go through their whole budget, line by line, and ask them to revise the budget. That's very detailed. We could also ask them just at a higher level, in bigger broad strokes and not write in a system to the lowest level of the object. We could ask for a type of forecast like that.

- I think that the bigger issue for me is just recognizing that we are going to see some shortages. And I just don't wanna get caught off-guard. But as a council, we obviously took action to make one significant change already, which was the elimination of liquor license fees. And when we took that action, we didn't really know at the time what the financial impact of that was going to be. I think we all agreed, it was unanimous, that that was a good decision to make. But I still think we have to be very cognizant about having the other end of that dialogue, which is where is it going to come from?

And making feel-good decisions, you know, is certainly something that can play out here, but there is a financial consequence to every decision that we make and that we have appropriate revenue streams to cover those decisions. So I don't know, Director Ellenbecker, from maybe just to get high level, are you anticipating significant revenue shortfall? Take council actions out of the equation. Any other revenue shortfalls? People not paying bills in a timely manner, or, for that matter I guess, increased expenses as well. Things that department staff has talked about.

- Are you lookin' for a list right now?

- Not necessarily, no. Let's just keep it real high level. I'm really only focused on a process right now.

- Okay.

- Partly becoming informed, but I think it's important that we at least start the dialogue.

- Yeah, and certainly we actually have emailed about two weeks ago, we reached out to every department head and asked what loss of revenues they were seeing, what they were anticipating. So I do have that information at a very high level, but again, that was a couple weeks ago now, so things have changed since then. That is certainly something at a very very high level I could ask each department head to come back in, either by, we probably won't have an answer by council next week, but potentially by the next finance meeting, which is May 12th, we could have a high level recap.

- Yeah, cause I think it's obviously very difficult for us at this point to forecast when this is gonna slow down, change, pivot. This is gonna be a moving target, likely, for us throughout the balance of the year and so I do think it's important that the Finance Committee continue to talk about this on a monthly basis, so we're in a good position to respond and react, to be sure that we're adequately supporting staff with the resources that they need and that we don't end up too upside down at the end of the year, cause that comes with a consequence as well.

- Yes, so at the May 12th then we can come in with a very high level at that point and then if it's the committee's direction at that point they can discussion whether or not they wanted to cut back on certain expenses that were originally in the budget. I think Director Faulds has already said that there is definitely a review of any new hires at this point, to make sure that if a position could stay open for a period of time, we are trying to leave that open, so that we can have some of the savings on the salary side.

- Anything else, Alder Johnson?

- Yeah, I'm comfortable, unless anyone else has questions, but I'm comfortable just--

- Yes, I'm gonna ask for that.

- Okay, but I would make a motion to hold until the next meeting and to provide the Finance team an opportunity to come back with some of that information.

- Okay.

- We'll still continue discussion, but someone can second that if they want to.

- I'll second it.

- Alder Galvin seconded. Okay, Alder Galvin, continue.

- Director Ellenbecker, me and maybe everyone else, when do you start planning the budget for next year?

- June, July time period is when we typically will start pulling in employees, so that we can have employee head count. At that point we are also asking the department heads if they think they want any change in their organization structure, they should be working with HR. Usually by August, the departments have already put in what they believe are their operational costs. So July, August is usually the start of the next year's budget, for most of the department heads. Internally in Finance, we start that in June, July and HR and Finance is already starting that in June.

- Okay, and I agree fully with what Brian's asking. I mean and I realize it puts, not a little bit more, maybe a lot more work on you folks, but I think to better serve the city we have to be prepared. So I think we need to be doing what we're doing and it just kinda gets the ball rolling for you that much faster. As to holding positions open, again that's been my grind with the Police Department for years. Obviously, I'm sure every other department does that, it's just probably gonna be more pronounced, potentially, this year. Again, we don't know how this thing could turn around on us from day to day. So all right, thank you very much.

- For clarification, I think we're talking really more reviewing the 2020 budget, correct, Alder Johnson? How we're gonna end this year?

- Yes, yes.

- Okay.

- Alder Corpus-Dax, do you have any questions?

- Not at the moment.

- Okay, I have one. Director Ellenbecker, if we need to make some significant changes that might be quite costly with elections, can elections apply to COVID-related expenses?

- Yes, at this point we're making an assumption that some of the additional costs and supplies, potentially labor that was related and maybe posted that was related to the election. We're hoping to code them for some kind of relief for the COVID expenses. We're hoping that they're gonna be reimbursable expenses. Until we try to submit them, we won't know for sure, but we are going to attempt to submit them.

- And there may be more for future elections. Do any of the other alders that are present wish to say anything? Alder Steuer.

- [Alder Lefebvre] Alder Lefebvre.

- Okay, I called on Alder Steuer first,

- Okay, all right.

- but you have to unmute yourself.

- I have to unmute myself, yes. Okay, thank you, Chair. I think that this is a good policy that we're looking at to move forward, so I agree with Alder Johnson and Alder Dorff and Alder Galvin on this. Yeah, I think it's very important that we look at this. Also, there might be some other revenue sources that we can peek at as well, but during this pandemic, that might not be an option either. But it would be nice to at least have options out there that we can look at all the way around, so I'm all for it and I appreciate the effort here. Thank you.

- Thank you, Alder Steuer. Alder Lefebvre?

- [Alder Lefebvre] I also concur this is a good time to be talking about this, but I just have a question. There are people who make two payments on their taxes, and they're not due until June, I believe. So this is something that you might not know until that comes about. If people are unemployed, I wonder if this is going to affect them on their tax payments, so that's something, too, I think we can thing about.

- The second installments are due on July 31st and there is a proposal--

- [Alder Lefebvre] July 31st, okay.

- Yep, and there is a proposal by Governor Evers to delay the second installment, as long as you're current with the first installment, your second installment they're looking to push out until October first, but that would be with a waiver started by the county and then the municipality would have to also approve it. I have talked to the Finance Director at the County. They are considering it, but I don't believe they've taken any action on it at this point. What that would mean is a delay in our cash received in the door. I think the goal is and the hope is that we'll give the people who will need a little more time to pay their second half that that will hopefully give them time to get that payment for October first, and then no penalties and interest.

- And then you're also losing your interest on that money, if you're waiting 'til October.

- Correct. The City of Green Bay, the difference would be, we typically would get all of our money that was paid through Brown County we would get it on an August settlement. In this case we wouldn't get it until either end of September or early October. So it's about a month, month and a half delay on the cash coming in the door, so we would not get the interest sitting in our bank for that cash. All interest and penalty for second installments real estate taxes, which is the majority of these outstanding taxes, are actually the county. County receives all interest and penalties for late payments, so they actually would be the ones who would actually be out on, not only their portion of their cash, but they also would be out on penalty and interest.

- [Alder Lefebvre] Right. Okay, thank you.

- So that really doesn't affect the city, is what you're saying. It affects the county?

- Where it would affect the city is in August we would've received our second installment. Last year it was around 16 million dollars. Now we won't be getting it until end of September, early October, so it's about a month and a half that we would not be having that extra, in this case, using last year as a reference, 16 million dollars sitting in our banks, so we wouldn't be collecting interest on that money sitting in our bank. But interest rates, as you know, have dropped pretty drastically, so we're not talking interest rates at this point, but that is how it would affect the city. We would have less in the bank for about a month, month and a half.

- Thank you.

- [Alder Lefebvre] Okay, thank you. That's all I have.

- Thank you, Alder Lefebvre. Anyone else wishing to comment? Okay, I think we have a motion on the floor by Alder Johnson and seconded by Alder Galvin, to hold until the next Finance Committee meeting. All those in favor say aye.

- Aye

- Opposed? Sometimes you can unmute if you wanna say aye, so we can hear you.

- Aye

- Thank you.

- Aye

- Motion carries. All right, then report of the Claims Committee. Are there any questions on the claims?

- No.

- No?

- I didn't have any.

- I don't have any.

- Place on file.

- Okay, motion by Alder Johnson to receive and place on file.

- Second.

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

- Aye

- Aye

- Aye

- Opposed? Motion carries. And then, Informational? Whoa, big Informational! 300 pages of Informational. All right, go ahead.

- So what I would refer to you in the beginning of the packet is a memo and it's a long memo and I'm not gonna read the whole memo to you, but I just wanted to give you some additional background, some of the questions that have come in last year, some questions that came in this year already. I wanted to kind of give you a high level. And talking the mayor, we intentionally put this on as Informational. We didn't want in any way that it would get rushed through. We wanted to open up the topic, get the document out there, give all the Alders a chance, maybe a two-week period, to take a look at it, look at the information, start pulling your questions together. If you see something, if you have questions between now and the next Finance meeting, which is May 12th, please make sure, if you want, you certainly can send them to me ahead of time, so I can try to answer some of the questions ahead of time. But I wanted to give it to you. Again, this is a very high level, it's an overview. We're looking really, as the council members review the document, help us prioritize the projects. If you feel they all need to be done in the years that have been put in the draft in front of you, that is your choice. Otherwise, you can help prioritize and question some of the items that's in it. What I wanna just say, the document that you have in front of you is a five-year plan, from 2020 through 2024. And again, it includes everything, the expenses for requests for our general levy, parking, utilities, storm, sanitary and then TIFs. And then we also have a potential or a recommended funding source included in the document. So kinda the first page of the packet, the document once you get to the CIP, it has an overall summary. It really rolls up everything, all the expenses. Then there's three categories in which we classify our capital needs, which is usually typically over $5000 and a useful life of over several years. So then we break them down to a major category, equipment or a fleet. So what happens, you have an overall summary that rolls those three groupings up, then behind that you're gonna have a summary page for each of those categories. And then you can get into the very detailed, there should be a page for every one of the items that has now rolled up into these summary pages. Again, what the goal for this meeting was, just to start the conversation, so you can see what the cities needs were, that were submitted mostly by the department heads. But right now, what has been proposed that we may need to borrow for, if it stays in the plan. We are really looking for getting some staff direction, for you if you have a chance to look at it and come back if you had any directions or questions for the staff. And then that will give us some more time to look through the details on the May 12th meeting. I also included, but don't have really all the answers for it, there were two communications that we received earlier this year that we really put on hold til we got to the CIP section. We really didn't address them at the time. So back in January, we received one from Alder Vander Leest, where his communication was to create a resolution to pay off more general obligations than new debt created. So what I have done is, the information that he's asking is in the document on the first summary page, so when we get to that page I can talk to his questions and then also Alder Johnson had a communication from March third. He talked about revitalization on policy and recommended some changes. The full debt policy was included in our March packet. Certainly can add it again. But I just took a couple highlights out of it and some of it, one long-term fixed assets need to outlive the debt in which they're issued for. Again, limit issuance of bonds and notes, and these are the things in which you can borrow for. Acquisition, planning, design, construction, development, extension, enlargement, renovation, building, repair or improvement of land, waters, properties, streets, buildings, equipment and facilities when it can be determined that future citizens will receive a benefit from this improvement and the assets will outlive the length of the debt in which it's issued for. And then two other things that I found highlighted in our debt policy. All debt issued should be shovel-ready projects, so that they're ready to be spent down in the appropriate time period from the time we borrow the money. And then again, as we said this before, proceeds for long-term debt should not be used to fund current operational costs. So that is just, I mean obviously--

- Well done!

- The policy itself is like 13 pages, but these are some of things I think go back to some of the questions that Alder Johnson and other people have asked. What is the goal of our debt policy? Certainly we can make some revisions to our document, at any point, but these are the highlights I've pulled out of the current document that we have. There was discussion about leasing equipment. Back in January and February the Finance Department was working with the Fire Department and we were looking at some leasing options. We met, actually, with a vendor online and then COVID kinda got involved and we kinda put that on hold. But we are looking to bring the leasing option back on the table, hopefully maybe in the next couple days, next couple weeks, maybe we can get some additional information on leasing. We saw some different vendors that have leasing, you can lease equipment, not limited, but these are some of the items. You could do police vehicles, ambulances, large equipment, emergency response vehicles, and fire trucks. But at this point I don't have a lot more to share with you, but we are doing some research. Again, we started it, it kind of got put on pause. And actually all the information on the next page and a half or two pages, is really just additional information. These are questions, including Alder Galvin, and other people have asked in the past. What was our levy? How much do you think we'll be able to go up? How much was our expenditure restraint? What's our payment if we don't meet the expenditure restraint? When do we think the TIDs are gonna close? That information is in the second half of this memo. I'm not gonna go through it. If any questions, wanna understand what it means, please give me a call. Just on the top of the very last page of the memo, just one more note and I think this question comes up every time. How can we get more equipment into our operational budget? I think they're probably common sense, but I just wanna put 'em out there. You either have to increase your mill rate, you have to control our operating expenses, which includes, of course, salaries. Of course we have contracts that come around every couple years. We have to limit the increases that go in the contracts, or you have a reduction of services. You either have to charge for current services, find additional brands or new funding, or just find some other tools from the state to try to be able to afford more into our current budget. Again, probably common sense, but I just wanted to put it out there. I mean there's a lot of big combination of different things that we could potentially do to get more equipment back into our operational budget and not into our borrowing. Any questions on the memo so far?

- I would just have one.

- Alder Johnson?

- Thank you. Director Ellenbecker, I had also submitted a communication about annually reviewing fees associated with everything and anything in the city. It seems to me that this might be a place to address that as well. Wondering, I guess, what your thoughts are on that.

- Okay, actually it's still in my pending folder. I kinda had separated it, knowing that that was something that was gonna be tackled by the Law Department, but we certainly can include that. I would actually probably have to refer back to Attorney Chavez, a document together. I don't remember all the terms, but annually they were gonna be reviewing all fees at the same time, so that then they could prove the fee levels on an annual basis. But we certainly could include that if there is consideration that we're gonna increase a fee, that would be something that, yeah, we would wanna build into the next year's budget. I don't know if Attorney Chavez wants to speak to that or Alder Johnson, if you're looking for more information about this item.

- More so just wanna put it on your radar that I think it would be an appropriate discussion as part of this process, especially if we're looking at proper cost accounting, which was a component of that communication. Because I know that there were a couple of fees two years, where we said, gee, it's been years since we've raised this, you know, we're not even covering our costs. So, of course, that means if we're not covering our costs, we're spending more to do that service than what we're taking in and that means we've lost money in that period. So, it just seems to me that the Finance Department is probably in the best position to address that, and it makes sense to have it part of this five-year plan.

- Okay, I would agree and then the formal process of getting the new fees approved, would be probably where what Attorney Chavez would be bringing forward.

- Yeah, and I think the process could be addressed separately, but the financial aspect could be part of this.

- Okay.

- Thank you.

- Any other questions or comments? We'll be looking at this in great detail on May 12th. Okay.

- If you don't mind--

- [Alder Lefebvre] Alder Lefebvre.

- Go ahead Alder Lefebvre.

- [Alder Lefebvre] I just wanted to bring up, I went through this completely, I mean I really read it, cause I was looking for anything put in for the dike maintenance repair, and I didn't find it, so I called Director Ellenbecker and she told me it's underneath the storm water, so if you see that silver six million, part of that is for the dike. They're putting 2.5 million on the dike here in Green Bay and it's a lot of money, but the dike is really in such bad shape, that nothing's been done to it for over 20 years, so that's why that's a large amount.

- Okay.

- [Alder Lefebvre] But I just wanted to let everybody know when you look at that account right there, okay?

- Thank you for bringing that to our attention. And Director Ellenbecker you were...

- I was just gonna explain a little more what the document entails, especially the summary pages, so you understand how the document was pulled together. It's very similar, almost the same document that was pulled together last year, but I wanna go through it again. If you go through the first page, that's 2020 to 2024 expenses and revenues by funding sources. I wanna kinda explain how the document works. As you can see, there's a five-year on top. Not only are we looking at 2020 as probably either things that were either put in the 2020 budget, or things that we are being asked for to probably borrow for in 2020. But I think we also, obviously we should look at all five years, but we should also be taking a very close look at the 2021, as we've talked about incorporating the CIP with our budget process. And we just talked about it, in two months from now, we're gonna start the 2021 budget and really by September or October we are looking to approve a budget for 21 that would include these items in 21. Do you feel that they're necessary, are they a priority in 21? And then if we can't get it into our budget, then we are potentially making an assumption that we're gonna borrow for it. So on top of it, we have our major capital projects, and you're gonna see the category by general levy, which means that it is being supported. Anything we borrow for these departments is gonna be supported by your constituents' tax bills. The next section, when I call it “other funding sources” that is just a term that these are not supported in any way by your tax bill. That is TIFs, through increment that's built up through those TID districts. You have parking, utility, sanitary and storm. So they do not rely on any general levy dollars. So those are your major items. Heavy equipment, for again, general levy. These are supported by tax bills by department. Then you also have fleet by a department that is supported by general levy. The middle of the page it says, Grand Total for the CIP Expense for 2020, it's about 31 million dollars, is what the request is. Subtotal is about 17 million for the general levy, 13 million again is your TIFs, your parking, your sanitary and storm is 13 million and then we have some issuance costs. So about 31 million is the request. And then the next section is just that one box, where it says Funding. The first two lines, I have an asterisk there, that's really what right now is probably, if we made no changes, this is the amount of money that we would have to borrow to meet what's in the 2020 column. So its 20-year bonds, this is just an estimate. Our Bond Council will make the final determination if it even qualifies for a 20-year and then the items below it could be anywhere between a one to a 10-year note. If we were to approve the Neighborhood Enhancement, which is a taxable borrowing of 250,000, that would go to a state trust fund loan. Out of the items that are in the 2020 capital items, we did have about $420,000 that did go in the 2020 operating budget, so I wanted to include that in here. And the items below are also items that are other funding sources that are paying for. The remaining are items that offset some of the Department of Public Works pavement projects, which includes a vehicle registration, some money to offset from a TIF to pay for some pavement, local road improvement program and then some carryover funds from last year's projects. So, as you can see, this 17,435 is everything needed for the general levy borrowing. Up on top it subtotaled to 17 million. Here are the funding sources. What that means is your first two lines, your 20-year borrowing in the notes is what's being asked for right now. So if you go to the next line, Proposed General Levy Borrowing is at $11,921,000. Again, 13 million of other funding sources that are 100 percent off a levy, paid by other funding sources, brings you to 25 million. And then what happens, the question that kind of goes along with what Alder Vander Leest had asked. This is GO, which is General Obligation borrowing. As you can see, it's 25 million for general obligation borrowing, is what the request is. But what we are going to pay off, we're gonna pay off some general obligation debt for a general levy of 7.2 million. We have general obligation debt for other funding sources of 5.7 million and then we will also pay off some RDA debt, which is not general obligation, of one million. So the request for today of general obligation is 25 million, but we are paying off 14 million.

- Director Ellenbecker, is that about a normal amount of what we pay off? Are we low on that?

- The last couple years this number has been dropping, cause there was a period in time when every year there was that intention of borrowing less than you were paying off. You're seeing some of the benefits of this. It's been as high as eight, nine million for general levy. Now it's dropping to 7.2. As you can see, next year the projection is about 7.5. The year after that about 7.8 for general levy. It could be slightly higher if you borrowed more now, that it might get the first year's payments. The number bounces around a little bit and our financial advisor also has some play in it. They can also make our debt service pretty level for the next couple years, by really putting some of the principle payments toward the end of the debt. So there is a little movement in that number, but our goal of our financial advisor though is to try to keep our general debt relatively flat year over year in our budgets.

- Okay, thank you.

- Just the second document on the next page. This was a request that came out last year. We had it broke out this way in different categories. But then I had a request from an alder last year who wanted to see it by departments. So, again, as of today, in this document we're looking for general levy borrowing of about 11.9 million. And so then if we subtotal it by different departments, you will see by department how much each department is requesting of that general levy borrowing. Again, just a different way of looking at the general levy borrowing. And then as you go into the next couple pages, those subtotals, and I was actually gonna touch on them as Alder Lefebvre had said. The first two pages on the major capital line, as you're seeing the pavement projects of 8.4 million, that does include a 2.5 million dollars for the dike. And there's also, the next line item talks about main street bridge repairs. But what I wanna tell you about those first two lines is, I did not put all the detail in here that the Department of Public Works had built into their capital improvement plan. So to find the detail that breaks down the 8.4 million and the 1.5 and sanitary and storm, those are actually driven into the capital improvement plan that was taken through INS earlier this year. We can certainly get you a copy of that if you're interested. Other than that, once you get behind the subtotal page for major, you will find all the detail pages that there should be a page that relates to every one of these items. Then you will get to equipment and then you will also get to fleet. If you pay attention, each one of these groupings has a slightly different color scheme, so you can kinda tell if you're in one of the categories or the other, as you’re flipping through the doc. But this has been a group effort by all the department heads and Finance to pull the document together, so you have hopefully a comprehensive document in front of you and we assume you're gonna want some time to review it and to look at it.

- Well, I appreciate that. Are there any comments or questions right now that any of you may have? We have some work to do in the next two weeks.

- I just said, this is fantastic. This is, I think, the kind of information that'll really help us, as we start to chart some new direction here with how we manage our finances. So, thank you to your team.

- Lots of work in there, thank you.

- I can give--

- Go ahead.

- A temporary timeline, except it's not in my hands right now. What would happen is, again, first time we could look at it again would be May 12th. If there was a recommendation for the 2020 borrowing, at that point it could go on to the next council agenda. If and when that was approved, it could eventually be approved, there's two approvals at council level before we actually can go out for sale of these bonds. At this point, even if it was approved in May, depending upon timing of council meetings, this money would probably be into the city hall, probably be the end of June or early July. And that's for 2020 borrowing. But again, as we work through this document, I think we're gonna have to continue to look at it as we're already looking at the 21 budget column.

- Okay. Well, do you need a receiving place on file motion or it's just informational, do you even need anything? What would you like?

- I don't believe we need a receive and place on file.

- Okay, I don't either.

- I don't think so.

- Usually for Informational we don't. Any other questions, otherwise we'll go on to Number Two under Informational. Okay, Number Two is the contingency account. It's probably not still, well maybe it is 150,000, I don't know. Is it still that? We just approved some money.

- We just approved $6300, so at this point we would be taking the 2020 contingency account down to 143,700.

- All right, thank you. And the next Finance Committee meeting will be held Tuesday, May 12th, 2020, at 4:30 p.m. Do you think we'll still be using Zoom at that point? Or you mentioned that we're gonna be on a different platform. Okay.

- We will certainly be still on Zoom at that point, yes. And I would assume we will still be staying and doing it off site, yes.

- Okay, all right. In that case, I'll entertain a motion for adjournment.

- Motion to adjourn.

- Motion to adjourn by Alder Galvin. Second by Alder Corpus-Dax. All those in favor.

- [Group] Aye.

- Opposed? Motion carries.