MINUTES OF THE FINANCE COMMITTEE

TUESDAY, SEPTEMBER 29, 2020, 4:30 PM

Virtual Meeting. Public may join via Zoom.
Immediately following Personnel

A. ZOOM MEETING INFORMATION

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

B. ROLL CALL.

1. Members: Ald. Barbara Dorff, Ald. Veronica Corpus-Dax, Ald. Bill Galvin & Ald. Brian Johnson.

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

Also present: Ald. Lynn Gerlach, Ald. Mark Steuer, City Attorney Vanessa Chavez, Police Chief Andrew Smith, Fire Chief David Litton, Public Works Director Steve Grenier, Finance Director Diana Ellenbecker, Assistant Finance Director Pam Manley and others.

C. APPROVAL OF THE AGENDA.

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

D. APPROVAL OF MINUTES.

1. Approval of the Finance Committee minutes from the September 8, 2020 meeting.

Moved by Ald. Veronica Corpus-Dax, seconded by Ald. Brian Johnson to approve. Motion carried.

Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, Brian Johnson

E. REGULAR BUSINESS.

1. Request by the Finance Director to review and discuss 2019 year-end financial results and management communication for the City. The City's audit firm will be present to discuss documents with the committee.

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

2. A late communication from Ald. Steuer to the Finance Committee which states: There is a projected shortfall of 550K in the City of Green Bay's 2020 Budget; One possible reduction would be to look at savings that could be realized by combining the functions of the various City garages.

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

3. Update with possible action on matters pending before the Tax Appeals Commission.

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 will thereafter reconvene in open session pursuant to Section 19.85(2), Wis. Stats., to take action on items discussed in closed session, if appropriate, and to consider the remainder of the agenda.

Moved by Ald. Brian Johnson, seconded by Ald. Veronica Corpus-Dax to go into closed session at 5:27pm. Motion carried.
Ald. Brian Johnson read the closed session language.
Yes- Barbara Dorff, Bill Galvin, Veronica Corpus-Dax, Brian Johnson
Moved by Ald. Brian Johnson, seconded by Ald. Veronica Corpus-Dax to return to regular order of business at 5:59pm. Motion carried.
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

4. Report of the Claims Committee.

The Committee may convene in closed session pursuant to Section 19.85(1) (g), Wis. Stats., for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Committee may thereafter reconvene in open session pursuant to Section 19.85(2), Wis. Stats., to report the results of the closed session and consider the balance of the agenda.

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

F. INFORMATIONAL.

1. 2020 Contingency Account $93,322.00.

2. The next Finance Committee meeting will be held on Tuesday October 13, 2020 at 4:30 PM.

G. ADJOURNMENT.

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

H. VERBATIM MINUTES.

- Now I'll call the Finance Committee for Tuesday, September 29th to order and roll call. Alder Galvin.

- Here.

- Alder Johnson.

- Here.

- Alder Corpus-Dax. And Alder Dorff is also here. First item is approval of the agenda. Entertain a motion to approve the agenda.

- So move.

- Second.

- Move by Alder Corpus-Dax, second by Alder Galvin. Any discussion of the agenda? No hearing none. All those in favor, say aye.

- Aye.

- Aye.

- Aye.

- Opposed nay, motion carries. Motion to prove of the minutes from the September 8th, 2020 meeting.

- Move.

- Move by Alder Corpus-Dax, second by Alder Johnson. Any discussion? Okay, all those in favor say aye.

- Aye.

- Aye.

- Opposed, nay, motion carries. Regular business, item one. Request by the Finance Director to review and discuss the 2019 year-end financial results and management communication for the city. The city's audit firm will be present to discuss documents with the committee. So Director Ellenbecker?

- Yes, in your packet, you will see the governance communication that we used to call the management letter in the past. So, that is included and we also have the partner from CLA on the line. So whether you have questions, I believe in the past, he has given us, he's gone through this packet. Do you want him to give his presentation, go through the package? Do you have questions? How do you wanna handle this update?

- Committee?

- I think a high level overview would be good.

- I like that, eagle's height.

- Okay, can you hear me?

- Yes.

- Yes.

- Yes.

- Okay, perfect. So the governance communication really, as Diana indicated, is our management communication. So I'll walk through at a high level, certainly if you have any questions, I'd be more than happy to go through any questions you may have. But the first four pages really talk about the audit, the fact that the audit includes certain accounting policies, meaning things that the city utilizes for how it reports its financial transactions. There was one new standard that was implemented related to fiduciary activities, so the city did implement that. The next part talks about certain estimates that are embedded in the financial statements like some of the actuarial liabilities, some of the income imported investments, et cetera. So our role is really to review those and we believe they're clear, neutral and consistent with prior years. The next goes through if we had any difficulties in completing the audit, any disagreements with management, we did not. It also talks about the federal and state single audit report that's included in the annual financial report, which we have expressed an unmodified opinion. So the annual financial report really represents the financial transaction. So what you have in front of you in this executive summary is that kind of a high level. It takes the place of almost a 200 page document that we pull out the key statistics, but the financial statements that are contained in this for unmodified, meaning to move in and make no modifications. We did have one adjustment that really related to a cruel prior or unbilled receivables related to service prior to December 31st, that was material, but that was a onetime activity. Overall, it didn't have a material impact year to year on your income statement. Then page three talks about this single audit, we're pleased to indicate we did not have any noncompliance that we're required to report or that the city is required to comply with. So from our perspective, a very clean audit, the staff, this was the audit. The week this audit was scheduled was the week we switched from onsite field work to remote field work and we are certainly from a stamp point four pages probably you realize from the perspective of the cooperation with the staff, the staff was able to get a separate thing we did need in a timely manner. So we do appreciate it, it was a little bit of a curve ball change in how the audit has gone in the past. So like I said, I do appreciate all the support we did receive from the city. And starting on page five of the management communications, we do present some summary financial information and the key fund really is your general fund, so that's on the top of page five. You did have a general fund of about 14.3 million this year compared to about 14.4 million. So, a slight decrease in the overall on the side fund balance. The funds for special revenue funds and capital project funds are on the next two pages, so I think management's response to it walks you through some of the significant areas. And I thought management's response to the overall government fund balances was a nice compliment to the numbers that you have in front of you. And if you turn to page seven, you can see overall your general fund has decreased over the last couple of years as you have used to have some fund balance going forward. So a lot of that has to do with some of the sick leave reserves and the payouts related to sick leave, going forward. Any questions on any of the governmental fund balances?

- If I made sure?

- Yup.

- No, yes.

- I may be trying to oversimplify this, so please just point me in a different direction if I'm not asking this the right way. But when we see a decrease in the general fund, would that generally reflect the equivalent of a profit loss statement that has seen a deficiency in the general fund as what's subsidizing that?

- That's correct. I mean, it's really, but it's on a current basis, which means it's really on a cash-in cash-out current basis, but a decrease in your fund balance really means that from a budgetary perspective, you have spent more than you actually received in the current year or so. A lot of that has to do with some of the sickly payout escrows, is really one of the significant areas from true general fund. So the general fund in your financial reports include the general fund transit operations and a sick leave reserve. So overall, the general fund as a whole went up 275,000 as a whole, when just what we call the general fund, when we added in the sick leave SP escrow, that actually decreased the sick leave, the spend down with the sick leave was 432,000 over revenues. So expenses exceeded revenues by 432. So the city always budgets about 900,000 for the sick leave escrow and you paid out one... Excuse me, you paid it out about 1,332,000. So when we look at that, it's primarily due as they indicate that the sick leave reserves.

- And then Director Ellenbecker, correct me if I'm wrong. Not correct me if I'm wrong, but I'm trying to recall when we passed the 2019 budget, did we include in that budget an authorization use of money from the general fund to balance the budget?

- I'm pretty confident that we have authorized about $100,000 from the use of what we call the applied surplus or from general fund. So to David Maccoux point is when we look at just our general fund and when we budget for that use of that applied surplus or the fund balance, we actually didn't need it in our general fund as our partner says, we actually were at 175,000 more revenue than expenses, but again, rolling up putting our numbers together, the sick escrow as you know, $900,000 budget, there was a $1.3 million worth of expenses. We estimate we have spreadsheets to project what the expenses are going to be, but we just do not know when our employees are going to actually retire. Some of them don't tell you well in advance. And as you know about probably 90% of that 1.3 million is police and fire, and that's all driven by contracts and they're gonna continue because they continue to be in their contracts. So again, it's an estimate on when they're going to retire. So general fund actually did okay in the 2019, we actually budgeted to use $100,000 of applied surplus and we didn't need to use that. But again, when you roll the two numbers up, we ended up being short on the sick escrow side and that is, while we were truly under budgeted for that account, but it's tough to anticipate when people are going to actually physically retire.

- Okay, thank you for that explanation, it's very helpful. And then I just have one final question. I think I know the answer to this, but I'm just looking for further clarification. So when we look at the general fund balance, we have non-spendable, committed, assigned, and unassigned. I assume unassigned is more of the liquidity reflected in the general fund, non-spend is just off limits or not liquid, would that be correct?

- That is correct, yes.

- Okay, and then assigned means that we're committed does that mean we've made some kind of obligation for that?

- It generally means you're carrying over funds for a project where it maybe didn't get it done by the end of the year. So the department asks you to carry over some funds for the next few year to spend it next year.

- Okay.

- And Dave, that typically is encumbrances, right? These are obligations that we already have. We either have a contract or we have a purchase order on the street. We don't typically just allow a department to say, hey, I have money left over, I didn't get a time to spend it. They'd have to go to a council to get that kind of approval. This is for a purchase order or a contract that has already been obligated and that we are again obligated to pay out. It just didn't get done in the current year.

- Thank you.

- Any guess, Alder Galvin?

- You care older, I mean, correct Ellenbecker, you should run for office at some point. In escrow account, Act 10 negated that from the contracts, was that in 2010?

- It negated it from yes, 2010 is when it ended for any new non-represented employees. Police and fire, it continues to be in their contracts, it's a rich plan, it allows them to still get their five-year payout at their current rate, not the rate they started accruing in five years ago. So it is still in their contracts, this number, these million dollars will continue until there's a change to a contract that will continue to grow, it's probably, I did put 1.1 million in the 2021 budget, and I think we're gonna need, well over a million, it's gonna continue to grow until there's a change for police and fire contract. It's gonna grow over a million dollars every year. I mean, it's gonna continue to be over a million each year needed.

- Okay. I guess I missed, I thought all new officers of environment hired after 2010 no longer have that benefit. So they do.

- It does not apply to police and fire, it only applies to non-represented employees.

- Okay. And as much as, I'll be honest with everyone here, I took advantage of that benefit and I continue to benefit from it, but that is a unfunded stone around our neck, so to speak, which is a perfect... And personally, I can't see that ever being negotiated out without some huge give on the city's part. And I know we're not in a position now, but do you think it would ever make sense to start trying to build up a fund to cover some of those costs in the future? I mean, even a little bit here and there where maybe we can use the interest much like the employee retirement system is pretty well self-sufficient at this time where it's because of investments and things like that, it does cover some of the costs. And so it would be less of a strain on our budget. Do you think that makes sense? Do you think that's feasible even, or is it just keep going with it until we're tracked?

- I do wanna address the comment you said on budgeted or unfunded. We do budget in our levy, every year we do budget roughly 900,000, years ago were only at 700,000, and we were spending a million. So we got ourselves at a negative fund balance. Last year again, we had budgeted, we upped it to 900,000 and we ended up spending 1.3. This year, we're running a little bit favorable unless we have some surprise retirements, this year, I think we may end up falling a little bit short from the 900,000. So it's not unfunded, it's just we haven't funded it enough. So to your point, I'm not sure how we would start building up a fund balance other than it would be levy more and tried to build that fund balance up again. So next year, I did increase for the 2021 budget, I did slightly increase it to try to cover on the high end, up to 1.1 million. I'm not sure how else you would fund it, I don't know what your revenue source otherwise your funding source would be other than just to increase your levy.

- Well obviously that said, and we would need some unbelievable years and some new taxes coming in and things like that. But much like the retirement system, there's money going into an investment portion of that, which helps offset some of those costs. But is that legal, and is it feasible?

- What happens is we use a pooled cash approach at the city. So any of our funds that have a positive fund balance, they get a share of the interest 'cause we really take whatever money is sitting in our fund balances, we put them all into investments and we earn interest on them. As you know, our market has tanked in spring, so we aren't getting a lot of interest in the second half of the year, but anything that has a positive fund balance is earning interest on that money that's sitting in the account. So the bigger the fund balance would be sitting for the sick escrow, the more money that would go back into that fund to help increase it. Unfortunately, we're in a negative fund balance in this account, so we are trying to build it back up. So it is not earning any interest 'cause it's actually costing us money right now 'cause you're right, we are unfunded on a couple about... We're at roughly, I can't remember, about a half a million dollars unfunded. So we are needed to get ourselves back out of that negative situation over the next couple of years and bring it back to a positive fund balance.

- And it is that... And I know we're still in the budgeting process, but is that being addressed?

- Other than slowly, incrementally, I'm bringing up the general levy requests, that would be, is how we're handling it. This year again was a big hit. We took about $400,000, we really spent more than what we budgeted. So we really took the biggest hit here. And so now we have to start getting ourselves back into a more positive situation.

- Okay. And are we still asking officers that are in that bracket or they could retire officers and fire personnel if they're planning on leaving, they give us a forecasting idea?

- I would have to refer to the chiefs, but we certainly finance does work with both police and fire management to ask when they think they're going to retire, and that is how we do a forecast. Some of them know a year in advance when they're gonna be retiring, and I can see Chief Smith is on the line and I see also Chief Linton's on the line. I think some of them, they get the surprise two weeks before somebody retires, they give the information and then some know well a year in advance. So we focus-

- And not to interrupt you, but when I was on an apartment, I had it declared five years in advance that I was starting to save that time. And so with a five year window, obviously some guys use up all their sick time and it's okay, it's not there. But if someone declares five years on, that gives us a five year window idea of what's gonna be happening in five years granted, some guys can just pull the pin at the last second. It happens, I understand that, but with that, they help us forecast, because who can look at a crystal ball and see, but when we actually have a process where the person will have to tell us in advance that they're starting to save these days, I think that if we're looking at that, that should give us an idea.

- Those columns are included in our spreadsheet. So we know it, you're right, many times it's pretty obvious when they're going into the fourth and fifth year after they've been banking hours, the assumption is they're going to retire, but we'll have just as many people that will have banked maybe one or two years and then also retire. So then at that point, you think that there's a chance they're gonna be here for three more years. And then by year two, after they started banking, they'll retire. So that is right on that same column that we use for forecasting, it's got all five years of how many hours that they have banked and set aside.

- All right, thank you very much.

- Mm-hmm.

- Any other questions? Did you have more to finish on the report?

- There's just a couple more pages I'll quickly go through, page eight just gives you a percentage of your general fund as a percentage of expenditures. The city's policy is currently 17 to 25 and you can see overall you're at 16.2. So you're slightly below your policy, but you can see it stabilized in to the prior year. Then if you turn to page nine, page 10, health insurance, page 10 looks at work, there's kind of insurance and page 11, look at liability. These are important because these are internal service funds that rely on charges from the department to substantiate the expenditures that are incurred. So if you look at the first one, obviously health insurance is an important fund. You see your revenues are about 15 million compared to about 15.3, your expenses ticked up a little bit in 2019 as a result, you did have a change in net position of a decrease of about 600,000. So from a standpoint, the ambient fund balance is currently about 10.6% of your health insurance claims. Now there is a net incurred, but not reported as part of that. But benchmarking net fund to make sure there's sufficient amounts in that fund for future health insurance. Page 10 goes to the workers' compensation. If you remember last year, you almost got down to a net position of zero. You did have a slightly better year in the current year, plus you put additional property taxes in, which is probably the main reason. So you did end with a net position within that fund of about 134,000. And then the next one is really your liability insurance, liability insurance did have a decrease and you're currently in a deficit in that position. All these, management is responded what the current position is and has provided some narrative with respect to each. Then the final comment is just a new standard related to leases that will be in future years, they got deferred in the current year due to COVID, but it's more of informational comment. With that, I'll entertain any questions. Like I said, certainly appreciate all the support the city and the city department staff had. In this year's audit, it was obviously with the change in the current year with COVID, it was very much appreciated of how they work and get us all the information we needed for the audit.

- Thank you Chief Galvin and thank David you for this very nice report. Are there any other questions? No. Oh, yes. Alder Johnson.

- And this one would be not necessarily to the audit itself, but just maybe more of an inquiry for Director Ellenbecker 'cause I wanna go back to that general fund for just a moment before we totally wrap up this discussion in recognizing that we are falling below, we're falling below that recommended threshold. From your experience, would it be a practice where you would actually try to budget money to go back into that general fund? Or do you just wait until the end of the year and try to catch it up?

- I am actually going to defer actually to our partner at CLA and see if he has seen that with other municipalities. As you know, our budgets are so tight and I think over years we have made the budget so, I don't wanna say unrealistic, but we have stretched the numbers, the revenues as much as possible, we've shrunk the expenses as much as possible, and that's why every year we are very, very close and we're not really able to build back up on our fund balance. Or as you remember this past year where we planned to use 100,000 of fund balance and if I remember, the year before was either six or 800,000 planned to use fund balance. So if we continue, I may stop using the planned use of fund balance and as we have a budget that is not stretched on our revenues and our expenses shrunk, there's a better chance that we could grow our fund balance. But I'm gonna see, as Dave has seen at other municipalities, if they build in to try to grow a fund balance.

- I would say it's very difficult. I think you've nailed, Diana's mailed the number one thing is the tightness of the budgets. Most Wisconsin governments have a strong balance sheet, but it's using fund balance and trying to avoid that as part of the budget process, because if you use fund balance, it's very seldom. I mean, you have a good budget year 'cause you were able to return some from the general fund operating budget. So even though as Diana indicated you had reduced a budget or anticipate you actually have a stronger year. So from a budget perspective, this is the first year probably in the last couple where you actually turned it and actually maintained the fund balance. So that's what that chart on page eight, you can see decrease from 17 to 18 as you applied that 600,000. So the key thing is not applying fund balance, if you can help, I mean, I realize budgets are tight, but the reality is the revenue sources are very, very, very difficult now. Revenues are the thing that controls the budget 'cause expenses are what inflationary increase on what you have. So from our perspective, not a lot of people can levy additional funds to build fund balance, they do it through managing costs and as budgets get tighter, it's more difficult to get budget surpluses.

- Okay, any other questions? So what kind of motion receiving place on file? What would you like?

- Yes, that would be-

- don't move.

- Okay.

- Okay.

- That's the one okay moved by Alder Galvin, receiving place on file, is there a second?

- Second.

- Okay. Alder Corpus-Dax lips moved, but Brian Johnson, Alder Johnson's verbal response makes him the second. Okay, thank you. Next, sorry, I want a favor.

- Aye.

- Aye.

- Aye.

- Symbolized by aye. Motion carries, all right. Here we go. This is a late communication from Alder Steuer who's with us this evening to the finance committee, which states, there is a projected shortfall of $550,000, in the City of Green Bay's 2020 budget. One possible reduction would be to look at savings that could be realized by combining the functions of the various city garages. And I just wanted, Director Ellenbecker, is it true, is that the projected shortfall? I didn't think we knew what it was for sure.

- Nope, the projection from last meeting was we showed from what was budgeted for revenues and budgeted for expenses, we did show in the middle, I did show the word budgeted shortfall of 550,000, but on the bottom I showed you additional revenue sources and additional things that are coming in more favorable than we had planned. And that was estimated, now we had also included a little bit of custom dollars for contingency, but that additional dollars were slightly over 600,000. So that said that we were not concerned, we do believe that we were going to be ending very close to our budgeted number, that we would not have a shortfall because we have other revenue sources and other positive things that has happened. And again in that document that did not include any grants related to COVID. So any expenses that were related PPE, any additional expenditures for overtime, anything related to COVID or anything, we also got election grants to help take us through the August and the November election. None of those were included because that extra additional money was really meant to offset either additional purchases or meant to offset any additional labor. So that was left out of the mix 'cause we believe it's gonna be a one for one on the grant side. So yes, as of last time I pulled the projection together three, four weeks ago, we do believe that we are gonna be coming in right at or slightly above budget. That was our projection again a couple of weeks ago.

- Now, does it mean that we still shouldn't look at this? We still should look at this because I know that Alder Steuer has put a lot of work into some of these ideas. So we still might be able to save money using this. But I just wanted to make it clear that I understood that we were gonna be okay. It was a short fall, but then we're had some revenue coming in. So I wanted to make sure that that was explained. So Alder Steuer, this was your communication, I will let you speak. But you are muted, you need to unmute yourself.

- Let's try that. Thank you, Chair. I'm glad to hear that 550,000 and I probably should have read all the way down to the bottom, but regardless, we still have opportunities I think to consolidate or save money in that. And I did send a couple of items to you folks, and I've been on council now for a few years, about eight years and I worked for the city for 25 years. So over time, I've had an opportunity to talk with various folks in different departments and just offhand and just find out what's sufficient or what isn't. And I'm not saying I know everything, there is no way, but over time, you get to get a sense of how things are working and look at possibilities for efficiencies, new efficiencies. One of the points I brought out, we have numerous garages, we have public works, we have fire and we have police, we have parked metro bus, the water department. And I'm not sure if they're all under the same auspices of the city, but there are numerous garages that are out there. Different buildings, different expenses. So one of the thoughts I had, and like I said, some of this may have been visited before, but I had been looking at a possible cost benefit analysis for shop labor. And that can be for all of the garages. And I realized that each garage probably has their dynamics, their setups that they have figured some of that out. But I think over time, there's always a possibility of repetition or duplication of tools or diagnostics parts at each other garages. There might be inconsistencies there, we might look at ways to save. So that's one of the issues, I keep thinking too that the cross training of mechanics might be helpful too or you could have a more that could work all the way across the line and you wanna have just specialized folks in each department. And like I said, there's probably a cost there as well. Many jobs and food, oil changes, brake jobs, lights, things like that that are consistent with each of the garages and should be performed in house. I'd like to know what percentage of jobs in the city garages are jobbed out, and for what reason. I would think that the purchasing department would have a handle on that, and it would be interesting because some garages are I think more self-sufficient, they do things in house, but I have a feeling that some jobs are jobbed out and this is it a matter of not having enough people or not having the right equipment, et cetera. So I think that's something that could be looked at as well. I know in the past that we've, I've talked about it and maybe others have too, the fire department has a mechanic shop that's about maybe 75 feet square, I'll just put this on the east side. And my thought is that, excuse me, my throat that might be realized by selling this fire department garage, sell that building and get it back on the tax rolls and bring some of these mechanics into either DPW or one of the other garages. And I realized that there are specialty positions and jobs on some of these large fire rigs and that, but I'm thinking that there's quite a few jobs that could be done in house. We're in the process where we have Allouez under our wing, we're also doing work for the Village of Bellevue. I think we still might be farming out jobs and I'd like to know why that is. What are the reasons for that? I think transparency is needed here so that employees can share their ideas for efficiency without fear of retribution. I think there's always the case like well don't, make sure you don't say anything. And that's not the way I think we should be doing things. I think if we're looking to balance the budget and its savings, especially in this tough time, I think we need to look at everything. There might be a couple more items here. There's a vacant WPS garage downtown, and I'm not sure where the city is at as far as what's going on with that structure. I know that there's talk about another firm going on, but they have a very, very large garage that could be a central focus for another garage. So that's just the thought of, I think we should always look for new revenue streams. This is one way I think that could be done. I realized that each of the departments have had their garages for many years, it becomes somewhat institutionalized and I think that folks often will protect their turf and it's just the natural case for things. But I think that we need to think outside of the box and think of all ways to really save. So we need some vision and the ability to embrace change. I have done to work on and off over the last number of years, just gathering data. There's more I probably could share in the future, but I would like to at least... I wanted to bring these points across just to begin the discussion and to keep it open ended so that we might have some ideas here. So that's about all I have right at this moment, I'll stick around and we'll see what we can talk about.

- Thank you, Alder Steuer. Brian Johnson, Alder Johnson.

- Thank you, Alder Steuer. I'm looking at this and I think just given that, we've only got a couple of years in the budget and I think Alder Dorff was hinting at this prior in that it seems like finance departments already identified some ways to hold up some of those gaps. And given how long it would take to implement anything that's recommended here, it's probably not an eye fix if you will, for anything really 'cause of this year. However, I think looking at whether or not these ideas have merit as cost saving measures into the future is certainly always worthwhile to look at, how would you recommend that? 'Cause there's a list here, right? Do you wanna tackle these individually?

- These are... Well, thank you, Alder Johnson. I think a lot of these are just talking points and I'm fully aware that short term might not be the case. In fact, there might be some possibility that there'll be a lot of pushback on something like this and we may die right now. But I feel that these are important points and it could take a year, two years, three years I think, now with our five year capital improvement program, I think we'll have a little better opportunity to maybe look at some of these things rather than year by year. And I think if we set some goals and look at possibilities, other communities have done this around the country. And I talked to a fire chief in California today, and he's talking about many, many savings that they've had over time by combining and being efficient that way. And I have some notes on that, I'm gonna have to write them up and type them up, I should say. And I'll be more than willing to share them as time moves on, but my thought was I'm not gonna belabor this much more if the committee doesn't feel like this is important to move forward. I guess to answer your question, then I would be looking at, it could be a couple of years. It just be something that we could look at over time. So I'm moving to that. Does that answer your question?

- A little bit. What do you like to see out of us today?

- Well, I think the first thing, I noticed, one of my first things I mentioned was a cost benefit analysis for shop labor. So, I didn't make this, obviously I don't think I made this an action item. So I thought refer to staff for like I said, I don't know what the cost would be to look at a third party consultant. I realize our budgets are very tight right now, but I think many times when you have a garage or a department or something where you internally look at some of these issues or items, it might be too close to it. And that's why I'm thinking that if there was a third party consultant, that that might be the way to go to see where the efficiency slide. So I didn't ask for action on this, I wanted to really get the discussion ongoing, and if this means that we need to send it back to whatever committees that need to look at it or departments, I'm all for that. So I realized this is something that won't happen overnight, but I also realized that each of the departments has a bit of their silo there that they're taking care of and if there's any threat of change, there's always a fear of the unknown, so to speak. So does that help a little bit? I'm more or less looking initially for a cost benefit analysis for shop labor. I think that would be the first thing I'd be looking for to see what the possibility for having something like that done.

- So if there's one perhaps I'll just start that I would make, because it seems this is directly targeted at creating a saving, secure budget shortfall. And we really don't, it seems like we don't need that now. So if I could make a recommendation-

- Yes, go ahead.

- The events we have listed here are very independently complex. And there's a little bit of a danger in combining them. And so one thing I might suggest is if we took or I placed on file, give you an opportunity to tighten up, you've already achieved I think what you want to do achieve, let's start a conversation. If we tighten up some of those items in a way that you could submit a communication that requests a specific action, I think it might help us hone in, it'll be a little bit more efficient and effective with the way that we approach these items.

- Yeah, I had thought about looking for action at this time, but I thought what maybe we got the conversation going at this time to see if there's any validity to keep it moving forward. I'm fine with that. I just wanted to get the conversation going.

- Okay, thank you.

- Thank you. Alder Galvin has his hand up.

- Alder Galvin, go ahead.

- Brian, I think you bring up some very good points. There isn't a hole in the dam that we need to plug right now, but this certainly is excellent food for thought moving forward 'cause we should always be looking beyond just the current budget coming up, but we should be looking down the road five, 10 years. And as we look at the needs of the city, the police department's been looking for a building for four or five years now, if not more, and they are squeezed tight there. And the fire department is looking for new buildings potentially in the future to cover some of their needs and as the city continues to grow. And there's opportunities opening up as some companies are leaving the downtown area and things like that. And I think good points that maybe if we were to ask the city to look at it, maybe we're too close to the problem really to be able to do a job. And I'm just wondering if there's, maybe like Brian's talking about, receiving place on file for now, but is there a way for the city to investigate? Are there companies out there that could come in and look at what our mechanical needs are for maintenancing and upkeep? I mean, let's face it, we're looking at leasing vehicles, which there was discussion there could be a lot less need for maintenance, upkeep and things like that. So I think that dovetails, if we do move forward with the leasing project that we start looking at both, maybe we don't need as many mechanics or as many sites or having one centralized area, I think is something we really shouldn't be thinking about. The police department is going to be moving or the fire department in the future, would that be the time to start saying maybe we don't need a full science garage like the PD has with all the costs involved with that? And I don't know if there are companies that do those kinds of analysis or if that's something that we have to look for, or if we try and do it ourselves, I think it's gonna tie up too much employee staff time, but I agree. We need to start this process and get it going.

- Alder Galvin, thank you. When I talked to this California fire chief, he said that they have a JPA, a joint powers authority and basically power in numbers. So what they did is they combined this Calaveras county of California and they've combined 10 fire departments throughout the county. Now I realize we're a city, only might be a little bit different, but he said that what they did is they negotiated and they looked in California, the cigarette tax and the room tax, they got a small percentage of that because many times they would go to a hotel and somebody was sick or hurt, they would be there to help with that. So they were doing work along with that. So there's different, he came up with about seven or eight different ideas, just him and I wrote a number of them down and I really haven't had a chance to go over it, and I just talked to him about an hour and a half ago. But he said that even if you get a small portion of that tax money, you can utilize that accordingly. And they've combined the departments and they got a whole thing on the ambulance services, talking about how they got the RFP for that and how private companies will charge $850 for an ambulance call, but on negotiated rates with Medicare, many times it's $200 for a call. So they're losing $650 on each call. So they figured out ways to avoid that. I don't know it's just very interesting. I think there's a lot of different ways out there that we can look at efficiencies. And the reason I brought this up was I'm glad that the 550,000 is okay, but regardless, as time moves on, we're still in tight time periods, tight financial straits, that's fine. So I think any way that we can look at it for efficiency, I think we should really take that look. So I'm fine as far as waiting, but I still think we should take a look at this.

- Alright.

- Alder Johnson, did you wanna make the motion? Could you hear that? Was there a weird noise or is that just my computer?

- There's a one more cutting outside by me.

- Oh, it was really loud. Okay, never mind. Go ahead, Alder Johnson.

- I would love that way of receiving a place on file however, with the understanding all your story or that independently, you can work on ways to tighten up the communication and bring it back.

- And is this something that I can ask the Chair on this as far as doing research on this? I mean, if there are other Alders that would care to work along this way, I would appreciate that. I mean, it takes a village so to speak. So I don't know how you feel about that, if you're looking for me and a few others to work on this, or is this something that's up to us? What are you thinking?

- I don't really have thoughts on that, I mean it's your idea. So if you want someone, I'm sure you . 'Cause you seem to have more knowledge and background and connections than maybe some of us do.

- Well, do you remember when we tried to get that 10, remember I asked about getting a task force for the budget, and I had asked you some time ago that I was looking at ways to save? Well, this is just one of the ideas I had and there might be a one or two others that I have over time that we can talk about. But I think this is the first one that cropped up.

- Thank you though for the work. Thank you for the work you've put into it so far.

- Yes, all aright. Well, good, I'll accept that and I'll accept the challenge. Thank you.

- Okay, so we have a motion by Alder Johnson. Did I get a second on that?

- Second.

- A second by Alder Galvin? Any further discussion?

- No?

- Hearing none, all those in favor, say aye.

- Aye.

- Aye.

- Aye.

- Opposed? Okay, thank you. It's received and placed in file and thank you again, Alder Steuer, for your work.

- You're welcome, thank you. Good bye.

- All right. Now number three, update with possible action on matters pending before the tax appeals commission. And would you like us to convenient close session for this? Director Ellenbecker?

- Yep, I'm really for this.

- [Vanessa] I have my recommendation, yes.

- Okay, all right. So then I'll entertain a motion. Did somebody say something?

- The move to go into closed session.

- Okay, move by Alder Johnson, second by Alder Corpus-Dax. Alder Johnson, do you wanna read the language?

- Yeah, the committee making be in closed session pursuant to Section 19.5, Subsection one, Subsection two, but the purpose of conferring with legal counsel from governmental body was rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation, which it is likely to become the fall the committee. Thereafter, we conveniently open session pursuant to Section 19.85 Subsection two, Wisconsin Statutes to report the results of the closed session and consider the balance of the agenda.

- All those in favor of going into closed session, say aye.

- Aye.

- Aye.

- Aye.

- We're in closed session.

- Just a moment, let's make sure.

- [Johnson] Are we gonna proceed or receive in place-

- [Dorff] Okay, wait.

- [Diana] Okay, good.

- [Dorff] Okay, open session. Alder Johnson, do you have a-

- [Johnson] Receive and place in file item number three.

- [Dorff] Do we first have to move to go into open?

- [Johnson] I move that we-

- [Dorff] Okay, is there a second?

- Second.

- Second by... It looks like Alder Corpus-Dax is seconding it. All those in favor of going back in open session, say aye.

- [Diana] Aye.

- Aye.

- Aye.

- [Dorff] Opposed, motion carries. Okay, Alder Johnson, what is your motion?

- [Johnson] I would move that we receive in place on file item number three.

- Second.

- Is there a second? Second by Alder Corpus-Dax. Any further discussion? See, not all those in favor, say aye.

- Aye.

- Aye.

- [Dorff] Opposed nay, motion carries. Item number four, report of the claims committee. Is there going to be some discussion about this, Alders? Are there some questions about this?

- I have no questions.

- I don't have any questions.

- [Dorff] Then we don't really have to go into closed session, do we?

- [Diana] Nope.

- [Galvin] Make a motion that we receive in place in file.

- [Dorff] Okay.

- [Vanessa] Second.

- [Dorff] Okay, any further discussion? I guess I'm sorry, Chief Smith, you've been waiting around because Alder Galvin asked you too, and now off you will go 'cause we don't need ya. All those in favor of receiving placement by the aye.

- Aye.

- Aye.

- [Dorff] Aye, opposed, motion carries. We're on to informational. The contingency account is at... Oh, I went to attachments, no attachments. So I'll go back to agenda, go down. And it is at $93,322.

- [Diana] However, we have taken some additional motions. We just do not have the final numbers yet. We also approved asylum by Lambeau Field estimated at about 17, 18,000. And we also are litigation for some of the property that our attorney has just talked about. We have been taking from contingency, we have requested up-to-date invoice. We will be bringing that to you as soon as we get that invoice.

- [Dorff] Right. Now, I wanted to talk about the next Finance Committee meeting because I communicated with Alder Corpus-Dax today and she had brought up that last year we met twice before we brought the budget to the full council. We had an October 30th already, and if not, then we need to set up a couple other dates, probably.

- [Diana] We typically have just brought the budget to the joint personnel and finance committee meeting. However, we did have a couple of meetings last year on the capital improvement plan. But now-

- [Dorff] Was that what it was? Alder Corpus-Dax, why don't you speak to that?

- [Corpus-Dax] I thought it was the budget meeting.

- [Diana] Well, we have to be-

- [Corpus-Dax] When we met twice, you brought it and then I think we met one more time prior to bringing it to council, having that joint meeting.

- [Dorff] So you think it was capital improvement?

- [Diana] I would have to go back and double check our calendar. Typically, we just have the joint personnel and finance meeting and then we take it to the council. I could certainly check into the schedule last year and see if we had any special meetings that were scheduled.

- [Dorff] Because I remember working on it and taking it to council and saying, look, it has already has eliminated, because we had met. Do you guys remember that part at all?

- [Johnson] That was for the-

- [Dorff] Well yeah, we did there for the bonding too. I remember it for the bonding as well, but I think that's where I got the idea. In any case, are there two meetings of us in October? I mean, are we meeting twice for finance in October? Do we meet on the 27th, for example?

- We are meeting-

- 13th, 27th?

- [Diana] I'm looking at my calendar as we speak here. So October 13th, it would be our next scheduled normal finance committee meeting, and then on October 20, sorry, November 2nd, you're right, at this point, there is not one scheduled other than October 13th.

- [Dorff] But I certainly believe that finance saw the budget before we went to the joint committee last year.

- [Diana] I do believe that the mayor did go ahead and meet with all the Alders and discussed the budget prior to bringing it to joint personnel and finance. And I know in some cases, he brought one or two Alders in at a time, but of course he did not have more than just a couple of Alders at a time. I know the mayor, and he still has that in his calendar to meet with the Alders prior to bringing it to joint personnel and finance. At that point, I think we went through a full hour long discussion on all the highlights and the changes that were included in the budget.

- [Dorff] I remember that. Do we wanna just keep the 27th as a placeholder just in case? 'Cause you're gonna look back in your calendar and see.

- Yes-

- You're currently doing that.

- [Diana] Yeah, October 29th was our joint meeting last year, so that would have been our second meeting.

- Was early.

- [Diana] Correct, it was a few days earlier last year. So that showed two in the month of October.

- [Dorff] Okay, so we only had two in October. Maybe it was bonding, we're thinking of. Maybe it was bonding, could have been, it could have been. Okay, all right. So you don't think there will be a need for us to meet on October 27th right now?

- [Diana] Well that would only be six days prior to the next meeting, prior to the joint personnel and finance committee meeting. We won't have another council in between, unless there is items that you want to discuss and allowing, knowing we would meet on Tuesday, the 27th and then we would also have to have our packet ready within two days to bring another meeting around again-

- [Dorff] So if we had finance and personnel things to do, we can do what at that joint meeting, not just the budget, right?

- Yes.

- Yes, okay. That's fine with me then. Committee, you guys okay with that?

- [Corpus-Dax] That's fine.

- [Dorff] Okay, all right then. All right then, our next finance meeting will be Tuesday, October 13th. And if there's nothing else, I'll entertain a motion for adjournment.

- [Corpus-Dax] Motion to adjourn.

- [Dorff] Move by Alder Corpus-Dax. Second by Alder Galvin. All those in favor of adjourning, say aye.

- [All] Aye.

- [Dorff] Opposed. Goodbye, everybody.

- [Vanessa] Bye.