



MINUTES OF THE FINANCE COMMITTEE

TUESDAY, SEPTEMBER 14, 2021, 4:30 PM

Virtual Meeting. Public may join via Zoom.

AMENDED

A. ZOOM MEETING INFORMATION.

I. This item contains documents which provide call in information and instructions for the Zoom meeting.

B. ROLL CALL.

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

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

Also present: Ald. Lynn Gerlach, City Assessor Russ Schwandt, Finance Director Diana Ellenbecker, Assistant Finance Director Pam Manley, Todd Taves-Ehlers and others.

C. APPROVAL OF THE AGENDA.

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to Approve.

Motion Passed.

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

D. APPROVAL OF MINUTES.

I. Approval of the Finance Committee minutes from the August 24, 2021 meeting.

Moved by Ald. Brian Johnson, seconded by Ald. Veronica Corpus-Dax to Approve.

Motion .

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

E. REGULAR BUSINESS.

1. A request by Ald. Lefebvre to the Finance Committee which states: "Consideration with possible action on a review of the latest decision on the "Dark Store" law, recently considered in the case Lowes Home Center v City of Wauwatosa. The judge ruled against Lowes Homes Center. This review would include an understanding of current litigation, in light of this decision."

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to Receive and Place on File.

Motion Passed.

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

2. For consideration and possible action to approve the Amendment No. 1 to Second Amended and Restated Pledge and Security Agreement in reference to the KI Expansion bonds.

Moved by Ald. Brian Johnson, seconded by Ald. Veronica Corpus-Dax to Approve.

Motion Passed.

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

3. Discussion and possible action on the award of the Animal Shelter Services Agreement with the Wisconsin Humane Society, Inc. Total three year cost is \$309,090. Contract is a 1-year agreement with two 1-year renewal options. Contract attached.

Moved by Ald. Veronica Corpus-Dax, seconded by Ald. Brian Johnson to Approve.

Motion Passed.

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

F. INFORMATIONAL.

1. 2021 Contingency Account: \$104,650.00.

2. The next Finance Committee meeting will be held on Tuesday September 28, 2021 at 4:30 PM.

G. ADJOURNMENT.

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to Adjourn.

Motion Passed.

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

H. VERBATIM MINUTES.

- Oh, gosh. What day is it? The 14th?

- Yup.

- September 14th to order um, at 4:32. and um role call Alder Galvin?

- Here.

- Alder Corpus-Dax?

- Here.

- Here.

- And Alder Dorf is also here. Um, approval of the agenda I'll entertain a motion to approve the agenda.

- So, moved.

- Moved.

- Moved by Alder Johnson. Second by Alder Galvin. Um, any discussion? Seeing none, all those in favor, say aye.

- Aye.

- Aye.

- Motion carries. Approval of the finance committee minutes from the August 24th, 2021 meeting.

- So moved.

- Second.

- Second

- Moved by Alder Johnson second by Alder Corpus-Dax. Seeing no discussion. All those in favor, say aye.

- Aye.

- Aye.

- Aye.

- Opposed? Nay. Motion carries. So for regular business, the first item Alder LaFave contacted me and asked me to just have us like receive and place on file. Just not discuss it. So, cause she got some further information. So I'll just read the first item. I request by Alder Lefebvre to finance committee which states consideration with possible action on a review of the latest decision when the dark store law recently considered in the case Lowe's Home Center versus city of Wauwatosa. Big Lowe's Homes Center. This review would include an understanding of current litigation in light of this decision. I will entertain a motion to receive and place on file.

- So moved. Thanks for coming Russ.

- Second. Um, was moved by Alder Johnson. Second by Alder Galvin. Have any further discussion? Apparently this, we don't have any dark stores and this doesn't apply to us. So, that's what she told me. Okay. All those in favor, say aye.

- Aye.

- Oppose, nay? Motion carries. We've dispatched with item one. Item two. Goodbye. Consideration possible action to approve amendment number one to second amended and restated pledge insecurity agreement in reference to AI expansion bonds. Diana, you want to talk about that?

- I will. Um, if as you remember in August, um, August 17th, I think we approved the initial resolutions to um, move forward with the refunding um, as all of our attorneys and our bond counsel was reviewing documentation. They found that one of our, this, this restated, this amended restated pledge and security agreement needed to be amended to add not only the original bonding, but also any refunding. It's really adding a few words to make sure that it includes this refunding. So it is a kind of a small change word wise, um, but has big impacts. So we have to word the, add the word refunding in all nine municipalities. Brown county and, or all the municipality from county and um, the bam, excuse me, room tax commission has to sign it, but it, a couple of the municipalities have already signed it Brown County will be taking it up tomorrow. Um, so we do have our, um financial advisor from Todd Taves from Ehlers on the line in case you have any questions specific to this, but it really is the wording to add the really add refunding to this document.

- Are there any questions Alders?

- Yeah.

- Okay, Galvin. Oh, and then Alder Johnson.

- Uh, Diana, um, I've had, uh, some discussions, uh, with some county officials recently and I think about this. Um, could you explain to me what would happen or what won't happen if we stayed with the old wording and how will the new wording change that.

- I will start, and then I can always let Todd step in Um, without that wording um, potentially we would fall out of what they call the waterfall or we would fall out of the, the room tax are collected. They pay for the KII, um, pay for the Resch Center, um, pays for the municipalities, uh, CVB gets their portion. That next comes to expansion. And if we don't put the word refunding in, it specifically says it's our original bonding. We would actually fall out and the money would no longer pay for our debt. It would go right to the Expo Hall. And all of the sudden the city would be on the hook for the remaining 20 some million dollars. All of the sudden we would fall completely out of and we, they would no longer be using any room tax to pay this debt service. So even though it's only adding a few words, it's a huge impact. Um, we wouldn't, we would recommend not to move forward with refunding if for some reason any of the other municipalities or someone decided not to want to approve this um, we wouldn't want to move forward with it because we would now all of a sudden we not only all of a sudden the city would be on the hook for all of it, there'll be no room tax that we would be coming in to pay our debt.

- Okay.

- Good catch. Wow, go ahead.

- Um, So if any one of the nine municipalities or the county ops out of this, does this mean the whole thing is done?

- For some reason we couldn't get at the end? No. Yeah, there's not. There's a total of nine people signing it, but like six other municipalities Brown County room tax and the City of Green Bay. If for some reason somebody doesn't sign it. I think we need all the signatures at that point. I think we would put the refunding on hold and try to really work with them to try to get them to sign it. The benefit to all the municipalities, the county, um, is that there is a potential of over, right now, estimated \$7 million of long-term savings to do this refunding. What that means is that's less money than a room tax that would need to be taken to pay off our debt that eventually the money goes to the Expo Hall. And once that's paid for years down the line, eventually that money will start going back to the municipalities. So one would say, if we do the savings, the municipalities and Brown County will get their money sooner. And so they're really right now as a benefit to everyone to do this refunding and overall say, save the um, estimated \$7 million. And it also relieves us of a, a larger debt liability. We still have the debt liability. It would just be a huge advantage to the city of Green Bay, but it really is a benefit to all municipalities.

- Alright, thank you. And then Chair, I'd like to just, ask a question or make a comment when all the other questions have been taken care of.

- All right. I'll do Johnson.

- Well, I'm, I'm looking forward to all over Alder Galvin's statement next, but I just at least wanted to broach the topic. Cause I brought it up at the RDA today and they had an email exchange with director Ellenbecker here. And I also had a conversation with development, assistant director, Cheryl Renier-Wigg. So I basically approached the, the concept of the escalator. I mean, that's something that's been talked about by a lot of people that perhaps was one of those misses in the installation of this. And while it sounds like, you know, the Hyatt who manages the facility has indicated that it hasn't really been an issue in terms of them losing business. I think there's a difference between losing businesses business and having it being directly correlated or identified to a lack of an escalator as well as creating a very positive user experience that quite frankly, we're competing against other facilities to, to be able to do that. So what I had suggested already eight and subsequent email to director, Stechschulte and director Ellenbecker was, you know, or at least the concept that I, the idea that I had posed, could we, rather than doing the debt reduction, you know, kind of maintain the same payment if you will, but use the savings for the installation of an escalator. And so director Ellenbecker had explained to me via email that for a lot of reasons, it doesn't make a lot of sense with this particular deal because you'd have to get all of the other municipalities on board. So I just at least wanted to provide that, that clarity publicly. I do still think that it's something we ought to be considering and looking for. That's a different discussion probably with RDA, you know, but at least from, from the perspective of leveraging this particular bond and the redoing of this bond, it just, it doesn't align with that. So thank you director for, for at least giving that explanation via email. And if you want to share more. Yeah.

- Yeah. I would like to share it a little more again, at some point, unfortunately, this really does not have the say in it. This is really room tax money that all these parties have decided how it's going to be spent. And really ultimately the county has this ultimate say in how this money is being spent. They have a lot more, this really, we don't get to say how we could spend based on the documents based on how they were approved over the years. So even if we wanted to, I don't think we, we don't have a say in saying, Hey, let's pull out a billion dollars over the \$7 million savings and put an escalator. And it's not our money to really reallocate unfortunately, in this situation. And that is our

facility to maintain the room tax money is not one. I, I don't, we can't pull that money in to put toward improvements on our, on our, our facility.

- Yeah. And that was something at the RDA. I wasn't, I wasn't aware of, you know, that this was the room tax funded bonds. So obviously once I had an opportunity to review this document and in your explanation it definitely made that clearer. So.

- Okay. Any other comments before Alder Galvin gives his final comment? Alder Galvin.

- Okay. All right. And Brian, that's a very good point though. That escalator has been, I think, a Thornton at the sites cipher ever since of that place was added on. And also your, your comments Diane, about the tax and who actually is in charge of it is probably just made mayor Schmidt do a back flip somewhere wherever he is right now, because that really bugged the heck out of him back then, when this became, it was done. I, after I had some conversations, well, obviously with when this whole thing came to a head back this past spring, and then after some recent, like I said, some conversations I've had with some county officials. I, I know this agreement is long, it's a bunch of binders thick, but it, it seems like with what we found out here, it kind of at the last second again about this closet has to be changed where everything falls apart. Is there any thought to having staff or someone or some entity go through that contract and maybe kind of just remind everybody that's involved, what's all involved so that there aren't any missteps or mistakes that could end up sticking the city in the future with some unpleasant business, you know, just, I would hate to see something get missed or something because, you know, it's buried some paragraph buried in the middle of binder, three of 700 pages of legal ease and, you know, contractual language and things like that. And so I'm, I'm concerned about it.

- Um, we, I can certainly have, you know, we can have attorneys on the line to have them look at it, but, you know, until there's a will by the county or anyone else, anyone else even open up these documents, I don't see any changes of changes happening to it.

- I'm not asking for changes. And actually I'm more looking at Green Bay staff being up to speed on this entire contract. And I know this is just one small part of everything, all these puzzle pieces that are going on in the city, but, you know, it's kind of, it's kind of worrisome that if we hadn't had this financial crisis that we're facing looking to reduce any of these bonds and save all the taxpayers, including Green Bay residents, there's a year for the life of this, this bond. I mean, is anyone looking at the other bonds or any of the other loans that are out there either through the county that we're involved with or, or the city? I mean, I know the city is doing a pretty good job and you're constantly coming back to us with ways of refinancing and reducing our debt. And I'm wondering, you know, if, if this hadn't happened, would this opportunity of just kind of pass us by.

- We've had, we've looked at the refunding. We've looked at the refunding of this, this bond for a couple of years now, and we've been working with the county. And at some point we just haven't been able to join our forces and had enough support to move forward with this refunding. Now that the rates are extremely low, it was worth us exploring. And again and again, we also had a funding gap that we really were trying to fix. So this has, has been on the surface of looking to be refunded over the last couple of years. And I would agree that I believe that this is the only about that bond that we would have that would be, would be within the county with the county or anybody else. And every other bond that we have between our previous financial advisors and now our new ones, they bet they review them on an annual basis to make sure that there's any, if there's any refunding,

possibilities. So, you know, they are reviewing that.

- Okay, thank you.

- All right.

- That's it?

- No it's not, I'm not a big news guy, you know, I mean, there's no fireworks or sparklers or maybe a small smoke bomb. If my wife lets me, but that's about it.

- I thought you were all fired up about something.

- Oh, heck no, no, no. I just got done watching grandchildren for 36 hours. I'm soft.

- You're tired.

- Yeah.

- Move to approve by Alder Johnson there a second, any further discussion? seeing none, all those in favor, say aye.

- Aye.

- Opposed may. Motion carries. Number three, the discussion and possible action on the ward of the animal shelter services agreement with the Wisconsin humane society incorporated. Total three-year class is \$309,090. Contract is a one-year agreement with two, one year renewal options. Contract is attached. Any comments staff on this? Any questions? Alders?

- I just have one question to attorney Chavez.

- Okay. Go ahead. Alder Johnson.

- Believe it or not. I did read all of this boiler plate information. And one of the things that seemed, that was obvious that was missing. And I don't know if it needs to be in, there is language about how disputes are handled, you know, whether it's through arbitration or some other type of process.

- So this one was actually reviewed by attorney bunker, but she's pretty good about contracts. That's really kind of her bread and butter. I can take a look at it before the council meeting, but generally if there's something, unless we're going to stipulate that there's going to be arbitration or mediation, it, it really would just be governed by breach of contract laws.

- Okay. And if it doesn't need to be in there, I'm good with that. I just, I mean, that's usually something that I do see in contracts. And so when I didn't, when it wasn't there, I just thought I'd ask.

- Sure.

- All right. Any other questions? I feel they've been doing a good job with that. And Diana or director Ellenbecker. Do you think this is a good price? It's like a hundred thousand a year.

- Right. That's the contractual, you know, that's, that's the agreement that came up with between the two parties.

- Okay.

- Is that,

- I have no problem with that.

- Is that an alignment with what we've paid in the past to Bay Area.

- I can check some history. I apologize. I'm not sure why our procurement managers not on the line. So I apologize for not being more prepared for this call.

- I mean, I just noticed that, I mean, it looks like, I mean, this is a new agreement and I didn't realize this, that Wisconsin humane society is taking over, but.

- Yeah, they get a while ago.

- I didn't know that.

- They did. So, you know, there was the one year back, boy, maybe four years ago where there was a very low bid, but we knew it was going to go up. It was like, I think that, that must've been like 2018?

- Was it that? I was on? So that was 2018. Yeah. And you know, it was going to go up.

- Well, being at history back in 15, we're paying 100,000 and then back to exactly what all the Dorf has just mentioned back in 17 and 18, we paid about 60,000. And since then it's been growing it, moved back. It got moved to another party for a year, little bit came in, we moved back to the humane society. And since then it's been a number has been continuing to grow.

- And so it used to be 140,000 a year. So this still is, is pretty good.

- Yeah. Are there amounts that we have to pay above and beyond? I noticed that there's some language in there if you know, animals are held for, you know, beyond a certain period of time, but, and this is the piece where I didn't fully understand when I read the contract. I mean, do they, does the humane society then dispose of the animals and by disposal, I mean, you know, put them up for adoption or, or whatnot or, or do we actually have to pay additional fees for that type of holding? And I didn't fully understand that.

- All I can tell you from history, I can see we paid seven months bill so far in 2021. And they've been all flat, even Mon six, you know, across the board. So for the last seven months, we haven't been built for any additional services. And I looked back at last year and we also did not have any additional, they were even flat bills for 12 months. So it appears that they're not billing us if they are doing additional service, that they have not been billing us for any additional services.

- Generally. So most of this is covered or governed by state statutes, but generally are obligated to hold them for a certain period of time. Once that time period expired. And they're up for adoption the time when we would have to ask them to hold them is usually in the context of a seizure. And so when we're holding them as evidence, then we have to pay for those, those impound fees. Oftentimes.

- I got it. And I assume that's probably a pretty rare circumstance or.

- A little more frequent than we would prefer, but it, yes, it's, it's the vast minority.

- Okay, perfect. Thank you for the explanation.

- I mean, don't let your keen emotion on this.

- Everybody gets the motion and who wants to second? Everybody gets it. All right. So let's go with all the purpose decks and Walter Johnson. All right. The next item, which I think is just going to be informational. Contingency is at 104, 650. And the next finance meeting will be Tuesday, September 28th at 4:30 PM director. Is there anything else you'd like to tell us?

- Did we actually vote on that last item?

- Did we vote? Oh, sorry. I apologize. You Garrett. Okay.

- Nope. Nothing else at this point. Okay.

- We'll have to do your belly Johnson back about the Galvin. All those in favor. Say aye. Aye. Opposed. Motion carries. See you in personnel, like right away, right? Yup. Yup. All right. Okay.