MINUTES OF THE FINANCE COMMITTEE

TUESDAY, APRIL 26, 2022, 4:30 PM
Virtual Meeting. Public may join via Zoom.

A. ZOOM MEETING INFORMATION.

1. This item contains Zoom information, instructions, and a link to the Virtual Comment Form.

B. ROLL CALL.

1. Members: Ald. Bill Galvin, Ald. Brian Johnson, Ald. Jesse Brunette & Ald. Jim Hutchison.

Present: Bill Galvin, Jim Hutchison, Brian Johnson, Jesse Brunette

Also present: Ehlers Municipal Advisor Jonathan Schatz, Police Chief Chris Davis, City Attorney Joanne Bungert, Finance Director Diana Ellenbecker, Assistant Finance Director Pam Manley and others.

C. APPROVAL OF THE AGENDA.

Moved by Ald. Brian Johnson, seconded by Ald. Jesse Brunette to approve.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

D. APPROVAL OF MINUTES.

1. Approval of the Finance Committee minutes from the April 12, 2022 meeting.

Moved by Ald. Brian Johnson, seconded by Ald. Jesse Brunette to approve.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

E. REGULAR BUSINESS.

1. Consideration with possible action to appoint a Chair.

Moved by Ald. Jesse Brunette, seconded by Ald. Bill Galvin to appoint Ald. Johnson as Chair.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

2. Consideration with possible action to appoint a Vice Chair.

Moved by Ald. Brian Johnson to appoint Ald. Brunette as Vice Chair.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

3. Consideration with possible action the amortization of the 2022 borrowing schedules.

Moved by Ald. Jesse Brunette, seconded by Ald. Jim Hutchison to open the floor.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to close the floor.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette for Director Ellenbecker to work with Ehlers to create the amortization schedule for the G.O. Notes.to match the useful life of the assets.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

4. Review of the City of Green Bay's 10-33 program inventory.

Moved by Ald. Jesse Brunette, seconded by Ald. Bill Galvin to receive and place on file.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

5. To report out the acceptance of a Wisconsin Department of Justice Grant for Law Enforcement Drug Trafficking Response for $32,000 award.

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to receive and place on file.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

6. Consideration with possible action on a request by the City Treasurer to approve the resolution of financial institutions the City does business with.

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to approve.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

7. 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 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. Jesse Brunette to enter closed session at 5:31pm.
Ald. Brian Johnson read the closed session language.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

Moved by Ald. Jesse Brunette, seconded by Ald. Jim Hutchison to return to regular session at 5:40pm.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to receive and place on file.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

F. INFORMATIONAL.

1. 2022 Contingency Account: $200,000.00

2. The next Finance Committee meeting will be held on Tuesday, May 10, 2022 at 4:30 PM.

G. ADJOURNMENT.

Moved by Ald. Jesse Brunette, seconded by Ald. Bill Galvin to adjourn.
Motion Passed.
Yes- Brian Johnson, Bill Galvin, Jesse Brunette, Jim Hutchison

H. VERBATIM MINUTES.

- Finance meeting F2. All right. I'm gonna call to order the meeting of the finance committee meeting for Tuesday, April 26th, 2022. We will have a roll call.

Bill Galvin.

- Yep.

- Alder Brian Johnson.

- Here.

- Alder Jesse Brunette.

- Here.

- Alder Jim Hutchinson.

- Here.

- All right. I will take a motion to approve of the agenda.

- I moved.

- Second.

- We had a motion by Brian Johnson and a second by Alder Brunette. All in favor?

- Aye.

- Aye.

- Any nays? That passes. We'll move on to the approval of the minutes.

- Move to approve.

- Second.

- We had a motion by Brian Johnson, second by Ald. Jesse Brunette. All in favor?

- Aye.

- Aye.

- Any nays? That passes. Moving on to regular business. Item number 1; consideration with possible action to appoint a chair.

- Nominate Alderman Johnson if he would accept.

- I would.

- Second.

- We have a motion for Alder Johnson and a second. Any other nominees? I guess I, All in favor?

- Aye.

- Aye.

- Any nays? That passes. Our chair is Alder Johnson. And would you like to take over at this point?

- Number 2, thank you committee, by the way. Appreciate the support. I think we're gonna have a fun year. So item number 2; consideration with possible action to appoint a vice chair. I would accept nominations. I would not, I mean, as chair, I can make a nomination. I would nominate Alder Brunette.

- Thank you. I accept the nomination.

- Okay. Nominations do not require a second, by Robert's rules, even though we always do, but it does not require a second. So are there any other nominations? Seeing none. All those in favor, say aye.

- Aye.

- Any opposed? The motion carries. Item number 3, Congratulations, Alder Brunette. Item 3; consideration of possible action the amortization of the 2022 borrowing schedules.

- We have a representative from Ehlers on the line, Jonathan. I was going to let him, these are his charts or his. Actually, it's his memo and he's helped pull the numbers together. So I was gonna let him jump in and explain it, and then, unless you have questions first, or do you want him to go through, explain what he came back with and then... Is that all right with the committee?

- Yeah, let's just go ahead and open the floor.

- Moved.

- Motion by Alder Brunette.

- Second. Second by Alder Hutchison. Any discussions? Seeing none. All those in favor, say aye.

- Aye.

- Aye.

- Opposed? None. The motion carries. Jonathan, welcome.

- Thank you, and congratulations. And I see a new committee. So, per your request at the last committee meeting, I put together some different amortization schedules and we thought it would be easier if I just laid it out in a memo instead of showing a bunch of charts that, necessarily, hone in on the details. But the chart on top of page two of the memo, really is the key takeaway. So we looked at it four different ways, and, really, this is just changing the GO notes issue. Everything that's being financed by the GO bonds. We looked through the list and didn't find anything in the bonds that would have an economic life cycle that would be more close to 10 years or something like that. It was more of the longer-term life cycle, so we didn't think about changing that with the notes. We looked at doing the entire notes issue, which is 3,825,000 over 10 years. And that's just the level PNI over 10 years. Over 5 years. And then, instead of just doing the full notes issue over those two durations, we looked at pulling out the squad cars and police equipment, specifically, and just because they have that shorter life cycle, and amortizing those over five years with the rest of the items in that notes issue, amortized over 10. And then, similarly, the fourth one, we looked at amortizing those police items over 3 years and the rest over 10. So just to show the difference, and you can split it a million different ways, but the key takeaway, is that with that 10 year amortization schedule, the initial schedule that we went into this process with, you're gonna pay a little bit more in interest because you're stretching out the repayment and you're gonna have annual impact to the levy. So that chart at the top of the second page of the memo shows 10 year notes, 24.9 million in total PNI, or

4.7 for just the notes, and about a $200,000 a year increase in tax levy for debt service only. The five years, you're gonna reduce the total PNI. So 4.2, so about a $500,000 decrease in the amount of interest paid. But the impact on the tax levy is more like 660,000 a year increase for the five-year planning period. And then pulling out those two, pulling out the police items and looking at those, specifically, over five years and three years, you see the five year option was 4.36, and the three year option is 4.33. So slight difference in interest cost, but the tax impact showed the five-year police option, about 600,000 a year for the first three years, and then it drops to 500,000. The three-year police option, about 700,000 a year for the first three years, and it drops to about 430,000. So, really, the decision point here, and I hope I adequately described that in the summary section, is that do you want to emphasize paying debt off quicker with the impact being to the tax levy? Or do you want to amortize things a little bit longer and have a more controllable, a little bit more stable tax levy impact? And, again, there's a million ways in between as well.

- Okay. Thank you for that explanation, Jonathan. I think, when I first requested this, I mean, this analysis is useful. My biggest concern, of course, is when you, when you have, we're picking on police vehicles, but there are other assets, of course, within the bond issue that this would apply to. But when you're looking at, if I recall correctly, three-year life cycle on police vehicles, if this is our standard practice, is to default to a 10-year note, within three years you find yourself in a downward spiral, where, not only are you paying, Are you making a payment on the vehicles that are in service, but you're also making a payment on vehicles that are out of service, and doing so for another seven years. So, to me, and please correct me if I'm wrong, Jonathan, this does not feel like a very sustainable path. And the reason I leave that door open, is to please explain to me if I'm wrong. I know, sometimes, the way you manage your personal finances and the way you manage public finances are two very different animals. So could you maybe just shed some light on that for us?

- Yeah. No, I agree. And I appreciate that. I think I state, in the first sentence of the second paragraph in the summary section, that trying to match up the repayment of debt related to an asset is a prudent fiscal decision. That is the nominal way to do it. Really trying to do that. Even in government. The challenge is, because in Wisconsin, you are constrained by so many different things, not least of which is just having the property tax being the sole repayment source for the most part, that you have to balance it a little bit more with annual impact. So I think, And I also say that because this has been the past practice, to defer principle on debt issuance. Making a change will have a significant impact, at the beginning, in terms of increasing tax rates. So, I think, if it's a direction that you wanna look at doing more of, in terms of matching life cycle, useful life with amortization schedule, I think, maybe, doing it in a phased kind of way. We can look at doing this, That's why I, The police, that was an obvious one, because that's always gonna be something that you're borrowing for every year, every couple years, is squad cars and police equipment, so it's an easy one to pick out and say, "That can be more quickly amortized.", and you'll still have an impact, but it won't be horrible. But I agree. I think the point is, yes. That if you can do the balancing maneuver and match those useful lives with amortization, that's the best way to do it.

- Well, we've talked about it in this body before, but if you know, for example, that you're replacing, I'm just doing this for simple math, if we're replacing a 30 year squad cars every three years, why don't we just budget for that and have that come out of your levy rather than, And, Director Ellenbecker, correct me if I'm wrong, but didn't we used to make some of these asset purchases using the levy in the past?

- I'm gonna say yes. It started back in about 2014, 15, is when they started moving more and more as we continued not to increase the mill rate, more and more items that used to be in our operating budget started getting moved to the count. To bonding. I could go back and I could follow up, and give you exact dates of when we started putting them into a bonding request but, yes. They used to be, some of these items used to be in the operating budget.

- Okay. And then just one more point, and then I would open the floor for any other questions. You know, Jonathan, you had mentioned a couple of times, talking about the impact on the levy and, of course, the need to, whether it was inferred or not, but the need to raise taxes to cover that extra payment. But of course spending reductions would be an option as well.

- Yeah, absolutely. That's why, Yeah, in this, I say, all else being equal. If the operating levy stays the same and the debt levy increases, then that's tax increases. But if you can balance it out elsewhere in the budget, then that's another way to manage it.

- I have one more question, Director Ellenbecker, because sometimes you just have so many things that fly at us, it's easy to get them confused. We did approve, at the last council meeting, the notes for this year, right?

- We did approve the $3.8 million that Jonathan mentioned, however, we have not actually approved and received, Approved the amortization schedule, typically on 10 years, pretty much straight line. So this still can be adjusted to determine how much you want and how quickly you want to pay back the notes. That still can be adjusted.

- When would the first payment be due on these notes?

- Next year.

- The principal, well, potentially. Jonathan, we would have, do we have interest in December, I mean, in October of 22? No?

- No. We would have the first payment be in 23.

- Principal would be January, April of 23,

- April.

- And then interest,

- In April.

- It would be interest and principal in April of 23. And then the second half of the interest in October of 23.

- That's correct.

- Okay. And the reason I'm asking, of course, just understanding if any decision we make today would have any fiscal impact on this year's budget but doesn't sound that way. Okay. Committee, any other questions? Alder Galvin.

- So, going forward, are we gonna be identifying these items from each department's budget requests? I think we'd have to, almost, identify those or set a policy in advance, wouldn't we? Otherwise, by the time we get the budget, and we're gonna start moving that around, it's almost too late, then, to tell a department, "We've gotta figure out $600,000 in cuts if we wanna keep the levy.", if everything mashes out that way. I've always said it's ridiculous to be, and I'm not picking on the police department, but I knew, when I was working with the police department, that we were taking out loans for cars. And it seemed ridiculous to me at the time. And I'm sure if we go through other departments, I'm not sure if that would hold true, in so much as far as vehicles are related, where we started the program of leasing them and I do know that some of vehicles that, police vehicles included, are, at times, passed down to other departments to be used as just road cars. But there's other things like that. I think we need to get the departments to get on board and identify those items, so we have an idea of what we're talking about so when the mayor puts his budget together, he knows we're looking at, if we wanna at least stay where we're at, he's gonna have to find cuts at, like right now, at least 600,000. Not sure what everything else would amount to.

- Good point.

- Go ahead, Jim.

- I mean, it just seems to me, that by going note to five-year note, overall, we're only saving, well, only $800,000 in PNI. To me, that must mean we have very low interest rate right now. Is that true? What's the interest rate we're using on these?

- Yes. Let me show the answer here. We are using an interest rate of a sale that took place, similar rated community, in March plus a cushion. It's an average interest rate of about 3%. Just over 3%.

- Go ahead.

- Just for clarification. Is that just for the 10-year note, or is that a combination of the 20 year and 10 year?

- Both. Yeah.

- Indications are, the interest rates might rise. Is that right?

- Yes.

- Okay.

- Sorry. Go ahead.

- And if they rise, won't the differences be more significant going from a 10 to a 5 year.

- Yeah. In that interest will be higher. Yeah. I mean that, yes, that's correct. If they rise, the interest will be higher in both schedules, but because you're paying less interest, or you're paying it off quicker in the five-year option, you're gonna be subject to less overall. So it will go up in both schedules, but-

- Right. Right.

- Yes. Yes.

- Okay. I think it totally makes sense to the year of the use to the year of the loan, in a sense of the note. So, yeah. I think Alder Johnson is right in following this tact.

- Alder Brunette.

- Yeah. Mr. Schatz, thanks for attending and presenting. Obviously, you consult, I'm assuming, with other municipalities, is that correct?

- Yes.

- Can you think, Is this a common practice for other municipalities, where we are borrowing on a 10-year note for items that last three to five years?

- My insight would be that the bigger the municipality, the more it becomes a concern. Smaller municipalities don't, necessarily, differentiate between the life, useful life, but a bigger municipality with a lot of diverse assets, in the borrowing request, will tend to have more of these complex structures.

- So a city, Do you consult with cities in Wisconsin-

- Yeah. Yeah.

- or regionally? Are you outside of Wisconsin?

- Not me, but the firm does, yes.

- Okay. Because there aren't many cities in Wisconsin in that $100,000 or 100,000 population range. I would assume anywhere from 80 to a 100,000 in population, which is where Green Bay fits. You say that that practice is, we're not like an outlier, is what I'm getting at. There are other municipalities that have done this.

- Oh, yeah. Yeah. I would say it's, and it depends completely on the overall levy profile, debt levy profile, but I think that, yes, for larger municipalities, and I do mean like the city of Green Bay, it would not be unusual to want this more complex structure to achieve some balance and not pay more interest than you need to.

- Yeah. I think this isn't a question, but more of a comment to wrap up my questions to you, but as a city, according to Director Ellenbecker, we, maybe, went off the rails 2013 to 2015 and now, every year since then, it's gotten much easier for the council or the administration to push items into bonding that otherwise we should be putting on the tax levy. So I think we understand that now, and, Well, we've always understood it, but at some point, the city needs to correct the action so that we're not continually borrowing money for long term borrowing if items only last three to five years. Thank you for your presentation.

- Of course.

- So I just, I think, maybe, I'm gonna leave the floor open right now in case there is a question that comes up. Of course then to think, Director Ellenbecker, you're looking for a recommendation tonight as well, right? On what to do here.

- Yes, I was gonna, yes. I would be looking for recommendation. Couple things is, You're right. This is not the first year, probably second or third year in a row we've talked about putting squad cars back into the budget. The budget gets tight, we put them back into bonding. This year, just the squad cars and the helmets that had three to, well, roughly, three to five year life. We are borrowing $589,000 or roughly 600,000. If, next year, we decide to put the squads back into the operating budget, that would already take up an additional $600,000. So we definitely, I would definitely be looking for some direction on, We could do both, I mean, but we're already looking at roughly, instead of $200,000 on the levy for debt, if we decide to shorten it up, we'd be looking at 600. We'd be looking at about a plus $400,000 increase to the debt levy if we make a change this time. And then, if we make another change and start getting squads now, really focus in interest or putting the squads back into the operating budget. That's another half a million dollars in expenses. So I'm just, yes, looking for. I am looking for direction right now. If we did not have this discussion we would've gone with Willie Collum, one of the 10-year notes as Jonathan has presented. So it would've been the longest one, which, of course, was allocated over 10 years.

- Alder Galvin.

- I'm pretty sure we covered this already. I just want to get it clarified in my head. What have we said today? We're not taking out a loan. We'd out of this year's budget that we're currently in, or...

- Well, I think that's already been approved. What we need to figure out is, what amortization schedule do we want on the promissory notes that we've already authorized?

- I mean, my personal opinion is, if it's a three-year car, you go with a three-year note. Like you said before, Brian, this isn't sustainable. We keep doing this, we keep burying ourselves deeper and deeper into debt. At what point, how many cars are we gonna be paying on that we no longer have? I mean, it's just something where that debt just, and I can understand why it was done back in 2013 or whenever it was done. It's a, in a way, a sneaky, easy way of getting out of a tight budget or getting something in that you really wanted to pay for by saying, "Well, let's just take out the loan for these cars.", but then, like anything, once you get used to eating a lot of cookies, it's kind of hard to give them up and getting off that sugar high is thing that we're gonna have to look, figure out a way of doing it. But my opinion would be to go with, A three-year car go with a three-year note.

- I think the one thing we've been, again, we keep picking on the police vehicles, is one example. And I think the helmets were another example that were pulled out, but I'm gonna, maybe, defer to Director Ellenbecker, what other items were on that bonding request that typically have a shorter useful life that could be lumped in with this discussion?

- I will.

- And I wanna be clear, too. This has nothing to do with the police department. This is a council decision. So I just wanna be sure that, If they don't feel like they're taking punches here, because they're definitely not. This is our responsibility.

- Yeah, absolutely not, but it's just, I'm trying to think hard on items that we've bought. I mean, the fire trucks last a lot longer, pretty much all the other city, heavy-duty vehicles we get have a lot longer lifespan. And I'm trying to think of any other. Infrastructure usually is gonna last 20, 30 years or more, that we bond for normally. I can't think of anything unless the director can come up with some items.

- It would be okay with Jonathan if I would share the second page of your presentation, that was in the packet from two weeks ago.

- Sure.

- [Diana] Are you able to see the screen?

- [Brian] Yep.

- [Diana] Okay. So I don't know if I could, Let me try to make it a little bigger, but to read it, again, this is Jonathan, It's recapping mine, We had an Excel spreadsheet. He just put in his format. His is, maybe, a little bit easier to see. Anything you're gonna see in the GO Bonds the total is a $14 million, but of that, five point, let me get my, $5.9 million is streets. And then we have 3.7 million of sanitary and storm. $700,000 of parking repairs. We have fire, We have fire engines and remounting of engines for fire department of 1.6 million. And then we have improvements to parks. And that's really, The list of them are over here. If you cannot see them, let me know. So that's about $1.3 million. I'm sorry, that is 980,000. And then we have the DPW garage repairs. And that is 1.3 million. All those together are, right now, are in the GO Bonds of 20 years. And so our bond filter goes through them, looks at items that, typically, would have, that are longer, that are even, Can be put in a 20-year and, typically, have a useful life of at least 20 years. The last column is our GO notes. So as we went down 517,000 with the police squads, which we know have a three to four-year life. Then we went into the mobile radios. I believe they have about a 10-year life. And that would be another item. That's 24,000. We have some handheld radios of 76,000. So those are questionable. I could ask more information on how long those typically last. The officer's helmets, I believe, a three to five years of useful life. Next item is roof repair of 240,000. So at that point, that should have, at least, a 10-year useful life. As we jump down a little lower, we have a dump truck body. We have a 72-inch deck mower. We have a Skidster, and then we also have snow blowers, Toolcat, snowblower item. And I believe all of them, at least, have a 10-year, If we put them in our fixed assets, they would all have, at least, a 10-year useful life on it. We continue on. And fire also has $468,000 of portable radios. They have ambulances that have a 12-year life, including, they're already in reserve by 12 years, but it does have a 12-year life. Huge garbage trucks. Those are-

- [Jesse] If I could, I'm sorry. Alderman Johnson, could I just make a quick comment?

- [Brian] Yes.

- [Jesse] Yeah. Director Ellenbecker, on the original bonding for capital items request form, it said that ambulance are four years frontline and then five to six years as a reserve ambulance. So, typically, you're correct. A10 year. So I just want to let the committee know that on some of these explanations, there is, under the description and justification, on the bond request, some departments do put the life expectancy.

- And I apologize. The 12-year is what we use for fixed assets. And that's what they, typically, are supposed to last is 12 years. Our fire department may change them out a little faster than, maybe, than what their useful life is per our capital asset policy. Correct. All those items there should have been some useful life on the detail sheets back when we did the CIP. Would you like me to continue? So we have our refuse trucks. We have two of them for a total of 670. And those, I believe, they swap them out right around eight to nine years. We have 16 of them, so they try to replace them, roughly, every eight years. Sometimes it's nine years. Depends upon timing. So that is anywhere around a eight or nine-year useful life. We have a loader of 210,000, a dump truck for 235,000, a asphalt repair, 20,000 and a sidewalk tractor of 70,000. Going down one more is one more a dump truck body. And I believe all of them have over a 10 year life. So when we did pull out what, The only things that really jumped off the page that were well under five years was, probably, the squad cars and the helmets. The radios I don't actually have an answer for. I would have to go back and look at some emails, but, at that point, we must have decided that they would be closer to the 10 year. So that's the items that make up are $3.8 million.

- [Brian] So when we, Jonathan, just a question for you then, I mean, is there a minimum amount that we can borrow using these notes?

- [Jonathan] No.

- [Brian] Okay. So we could pull out any amount here and say, "We're gonna put this on a three-year note.", and, "We're gonna put this on a 10-year note." That's possible?

- Yes. Because we're ultimately issuing just one, It's one debt issue. We're just creating different amortization schedules within that.

- [Brian] So when I pulled out squad cars and helmets, because, again, those two seem to be the two items that emerge, it's 589,500. Now we talked about, obviously, impact to the levy, reduced expenses or raised taxes, but we have this unique third option and perhaps, Direct Ellenbecker, you could weigh in on this a little bit, but that's leveraging one-time ARPA funds to help get us back on track. The one thing I'm not fully aware of, and I don't wanna speak for other. We've approved a small amount of ARPA funds. Small amount relative to the overall amount that's been allocated to us. What's the plan there? Is it an option? When we think about the lost revenue category in particular that perhaps be an option to help start this transition back to shorter notes?

- [Diana] Yes. Yes. That would be a qualified expense.

- [Brian] And so, of course, in the piece where I was saying I don't have a lot of knowledge, what's staff's plan in terms of the rollout of making requests for the deployment of some of that funding?

- We had left it, really, up to the department heads as they had requests and then as they had needs that they would submit it to. Really, they start with the mayor and they start with our grant administrator, make sure that it qualifies, and then she starts the paperwork.

- [Brian] Okay. So, there isn't, necessarily, a plan to say, "We wanna make these requests, but we just haven't made them yet."?

- [Diana] No, that was not. That was not part of the plan. To ask for equipment or any bonded items using ARPA's money. That was a decision back when, I think, When the bonding, I mean, this same question really came up when we approved the bonding of 18 million a couple meetings ago. The discussion of ARPA was discussed. There was decision not to use it and we moved forward with it. So I haven't attempted to use ARPA money at this point because that was, The council made the decision not to go down that path.

- Okay.

- If I could, I'm not wild about using ARPA money for the, I understand it's a way to get back on track in a way, but it's, what, one year, two years? Can we extend it out three years? But at some point you gotta pay the piper. I feel I made a mistake when I was first on and we used stadium tax money, $1 million, to offset increasing the budget, when we should have just increased the levy and we didn't. And then the next year, we used $800,000 out of our savings, so at the end of two years, we're in the hole 1.8 million, and we suddenly had to find a way of doing that. And I think this is how we end up taking out loans for squad cars for 10 or 20 years. I wouldn't be comfortable doing it again like that. I think those ARPA funds, we should be trying to use them for one-time things that we're not gonna be dependent on every year that comes, cyclically, through our budget.

- [Brian] Yeah. And I'll admit, Bill, I'm a little reluctant to do it without having a little bit more knowledge and information in front of us. I just wanna make sure, though, that as a committee, we're evaluating every option that is available to us. And so, to that point, Direct Ellenbecker, any other options that you think we ought to be thinking about discussing?

- We've talked about whether or not you could go lease police cars, and we've gone, and I think they talked to one, if not two, vendors, and it just, financially, doesn't make sense when you're going through them that fast. So that was an option. We looked at it. One other thing I wanted to add, and I'm sure you remember, but we did use $655,000 of ARPA in the 2022 operating budget. And that did cover some one-time equipment and some needs and some other things that came up, and we used that in our operating budget. So we did use it on some pieces equipment. Back to your original question. I don't have any other funding sources at this point. Like I said, certainly operating budget makes the most sense, to get it back into the operating budget for these items that have a shorter useful life.

- Okay. Well, committee, do we have any other questions for Ehlers here?

- Just, real quick. As Director Ellenbecker was naming off some of these items, they had 8 years, 9-year, 10-year, 5-year, 3-year. We can arrange loans for all those items with those kind of time parameters on it. It's not locked in. It's gotta be 3, 5, 10, 15, 20, 30, like that. We can ask for, if it's an eight-year vehicle, get an eight-year loan on it.

- Yes, absolutely.

- Okay.

- Can I just clarify? It's one, like Jonathan said, it's one loan, but then every item would have its own amortization. So the police car doesn't have amortization for the first three years, so you're very heavy on the front end, and then something that's eight years, nine years, Yes. We're just moving up the payment of those. It's all in the same loan, we're just moving up the squads to be paid off first. Then we pay off the helmets next. And then we pay off the radios, and then we'll pay off the garbage trucks. So it's still one issue.

- And that would be my recommendation. I mean, I know the helmets are five years. Kevlar's warranted for five years. I mean, you can use them longer, but if something happens and there's no warranty, I mean, the city faces a libelous situation there, but, I mean, again, if we decide that's worth the risk, that's up to us. But I would prefer that, my recommendation would be that we get loans for the life the item. Radios, everything.

- I think there was a discussion. I mean, there was a time we went to, and I don't wanna put Chief Davis on the spot, but there was a time that we had talked about going to hybrids. They were slightly more expensive. And there was a time that, at the time, I think the chief or, He was given information that the hybrids, the SUVs were gonna last, maybe, closer to four years. But, I think, since then, there's been some more analysis done, and I'm not sure if that is still current. Again, I'm not sure of these newer pieces of equipment and maybe they have a longer useful life than three years, but...

- No. It has to do with, and the battery for the hybrid car goes out of warranty at 100,000 miles. And we're getting to 100,000 miles in about three years with our patrol cars. And then it's a risk after that, because if that battery goes bad, it's a colossal expense to replace it. We're looking at savings in hybrid cars is, probably, in fuel costs. And especially as gas prices go up, we'll be glad we had those. But, yeah. The problem is that just with the number of vehicles that we have in our marked fleet. A lot of other places, they have more vehicles and so they aren't driven 24 hours a day, all the time, and you can get patrol cars to last five or six years that way. You just have to have more of them. And so we're getting to that mileage limit too fast.

- Okay. So to usher this along, perhaps, maybe, what I would suggest is if we, of course, recognizing the floor is still open, but I just wanna make sure if there are any other questions that we don't have to be redundant there in that process. But if Alder Galvin, if I'm, it would be to identify the life of each asset, and that's what we would do the note for. And perhaps, then, what I would ask of Director Ellenbecker, is that, prior to counsel, we could be given those numbers so that we can actually review those before a council meeting because I feel a little bit at a disadvantage here, by not seeing those scenarios, and understanding what that fiscal impact is, so if we could have that for council, I think that would be useful. And then, of course, my one wish or hope is that every asset doesn't, all of a sudden, have a 10 year lifespan. So if we could be very sincere, I guess, with what we expect those to be. Did I capture that properly, Alder Galvin?

- Yep. Exactly. Exactly. You're not on.

- Okay. So maybe, unless there's further questions for Ehlers, I would entertain a motion to close the floor.

- Can I just make sure I, Unfortunately, Jonathan would be the one who would be running these numbers for me. I would like him to verbally say whether or not he thinks he can get us something potentially by Monday at the latest.

- I think the challenge, the bigger challenge here, is that we need to have a preliminary, official statement for this sale, which will have a structure in it by the end of, By the end of this week. And that can be changed up until the sale date, so that's not a concern, but I wanna make sure that I, at least, said that. That we have to put something into a formal document this week that's gonna go to Moody's, that's gonna have a structure in it prior to this council meeting. And the council can still make changes to the structure and we can still be flexible with it up until sale date, but just so you know that there is gonna be a structure out there that, maybe, doesn't have this feedback on it. And yes. To that question, yes. I can get this built by the end of the week.

- Just to add to his note, we do have the Moody's rating call on next Wednesday. And, again, so that's where Jonathan is saying we have to get them a preliminary document for them to review prior to our meeting on Wednesday morning, first thing Wednesday morning. I just wanted to let you know when the date of that call is.

- Okay. So, Jonathan, Diana, I mean, from your perspective, if this ends up being the motion in the direction perspective, that would draw red flags. That would make you say, "This isn't a good decision because of X."

- No. I think that as long as there's a bit of an understanding that time is not on our side for this particular year's borrowing, but I think if we can maybe broaden it out in saying that we're working on guidance for, maybe, next year and going forward, that would be helpful. Because, ultimately, if there's a decision made that, or if they need to go back to committee and council, sale data, unfortunately, at that point, we won't be able to make changes, but otherwise, no. I think it's good. I was hoping this was gonna go in this direction, and you wanted to start looking at this in terms of making a policy decision.

- Okay. So with that then, I guess I would entertain a motion to close the floor.

- Motion to close the floor.

- Second.

- Any other discussion? Seeing none. All those in favor, say aye.

- Aye.

- Aye.

- Posed. Motion carries. Alder Galvin, do you wanna capture this in a motion?

- Sure. I make a motion that Director Ellenbecker put together a list, so to speak, of items that have been identified, that we're bonding for, but that the bond for that be set at the lifespan of the item that we're bonding for.

- The only clarification, I would say, is that these are gonna be the GO notes, which are the ones that are currently amortized over 10 years.

- Yes.

- Okay.

- Okay. So that's the motion. Is there a second?

- I'll second that.

- Okay. Is there any? Seeing none. All of those in favor, say aye.

- Aye.

- Aye.

- Any opposed? Motion carries. Thank you, Jonathan. Much appreciated. Okay. Moving on to item number 4; review the city of Green Bay's 1033 program inventory. Chief Davis, we have a new member of the committee, so if you could also just give a brief background on what this is.

- Sure. So the 1033 program is a federal program by which military surplus equipment is available to local and county law enforcement agencies for free. Usually we just have to go pick it up somewhere. I know that there can be, in some places, concerning to militarization of police. My policy on this for the time that I've been here is I'm not interested in military equipment, but if they have a piece of equipment, for example, this last item on here, item 99, this truck, carry all, all of these things have military descriptions that sound, maybe, different than what they are. That is a 2002 Chevy Tahoe that we got for free. We just had to go down to Columbus, Ohio and drive it back. So we used this a lot for vehicles these days. There are a number of rifles on here. There's 5.56 millimeter rifles, these are all M4 type. The civilian version of this would be an AR 15 platform, that mostly for patrol rifles and the tactical team. These are things that we would buy as police equipment from a vendor, but if we can get them for free, it saves us a lot of money. You'll also see some things on here like sites and those kind of things. These range finders, these are things that tend to be used by the special weapons and tactics team. We have a couple of diver suits on here for the dive team. Night vision equipment, that we don't, That's, strictly, a SWAT team item. There is one thing I'll just point because it catches my eye every time I look at this list, item 94, this unmanned vehicle, ground, that says it's worth $475,000. That, apparently, is this big truck thing that has wheels that, I think, are five or six feet high, that we got to use in helping in flood rescues because it sits really high up off the ground. But it's, in a nutshell, it's that program. It's just that we, all of this is subject to council oversight, and that's why we have these regular report outs to the committee. Just so you all are aware of what we're getting with this program so that you can see that we're not getting tanks or aircraft or things like that, that we really don't need.

- If I recall correctly, Chief Davis, we have you come here quarterly with this report.

- Yes.

- Okay. Okay. Any questions on the inventory?

- Nope.

- Entertain a motion to receive and place and file.

- Moved.

- So moved.

- Second.

- We have the motion by Alder Brunette, second by Alder Galvin. Any discussion? Seeing none. All those in favor, say aye.

- Aye.

- Aye.

- Posed. Motion carries. Item number 5; to report out the acceptance of Wisconsin department of justice grant for law enforcement drug trafficking response for a $32,000 award. Staff?

- Yeah, I can jump in. We have a grant policy and we have a grant program that we, typically, should come to the committee first and ask for accepting of a grant. This grant we happen to have accepted before we brought it to you, so that's why I showed as a report out. But all the details of the grant is in the, Is in the document or in the packet.

- So do you need us to actually accept the grant or to just receive and place and file the report?

- You could, probably, just receive and place and file the report, but we just wanna make sure that the finance committee, and then the council knows that we did move forward with a grant and that we did accept this $32,000 award.

- Okay. Committee?

- I have no questions.

- Someone like to make a motion?

- Motion to receive and place and file.

- Second.

- All right. We have a motion by Alder Galvin, a second by Alder Brunette. Any discussion? Seeing none. All those in favor, say aye.

- Aye.

- Aye.

- Pose. Motion carries. Item number 6; consideration with possible action on a request by the city treasurer to approve the resolution of financial institutions the city does business with. Director Ellenbecker?

- I'm gonna turn this right over to our treasury. Treasurer Manley.

- Ah.

- Thanks. So, as part of my investment policy, I say that, annually, I will bring you a list of the banks that we do business with. So I've just updated this from what we had last year with the addition of the TD Ameritrade account. So that is the account that, we actually are using Ehlers for our investments now, too. And so all those investments are run through the TD Ameritrade account. It would be my goal to actually start to eliminate some of these smaller accounts as our investments are all being housed with the TD Ameritrade one now.

- Okay. Any questions?

- No.

- All right. I guess we would entertain a motion to approve.

- So move.

- Approve.

- Second.

- Second. All right. I have a motion by Galvin, second by Brunette. Any discussion? Seeing none. All those in favor, say aye.

- Aye.

- Aye.

- Pose motion carries. Item number 7; report of the claims committee. Alder Hutchison, are you familiar with this?

- I went through the claims. First time I've ever seen anything like that. That was very interesting.

- Okay. So, obviously, that is a confidential report right now until after it's approved, but I just wanted to make sure, because it's not part of the typical meeting packet. You actually have to go in through civic clerk to see it. And I know I missed it first couple times.

- Okay. No, I read each one with interest, and who actually determines yay or nay? I guess that's-

- Let me defer to Attorney Bungert to provide a brief explanation on that process.

- Yes, sure. Good evening, committee members. Essentially, the claims process is laid out through our ordinance. So our ordinance organizes the claims committee, which is made up of myself, the deputy city attorney, our paralegal, Assistant Director, Pam Manley, and our risk manager, Nate Froemming and our claims administrator and legal assistant, Becky DeWitt, handles all the intake and all the correspondence between us and the claimants. And chapters 60, or state statutes, basically, govern the process for filing of municipal claims. They lay out the statute of limitations and the procedural aspects with respect to handling of claims brought against municipalities for property damage and personal injury. So, essentially, what the claims committee does is, they receive the claim from the claimant, our claims administrator reaches out to the various departments to gather evidence, gets statements from employees involved in the incident, pictures, police reports, and then the claims committee reviews all of that information that's provided by the claimant and what we've gathered from departments and other city officials, and then makes an analysis as to whether the city is negligent and whether we have any contribution or exposure. And then, ultimately, makes a recommendation and a decision and a vote as to whether a claim should be denied and for what reasoning, and if it should be settled, for what reasoning. And we have a threshold of up to $25,000 to settle claims. Anything over that threshold, we have to come to finance and to be able to get approval.

- Good. Thank you.

- Yep.

- I actually did have a question about one of the items on there. So, with that said, I guess, as the chair, I can do it. I would make a motion that we go into closed session so that I can ask a question about it.

- Second.

- Okay. Just read the language here. The committee may convene a closed session pursuant to section 19.85 subsection 1, subsection G, Wisconsin statute for the purpose of conferring with legal counsel for the governmental body, who is rendering oral or written advice concerning strategy being adopted by the body with respect to litigation, which it is likely, In which it is or is likely to become involved. The committee will, thereafter, reconvene an open session pursuant to section 19.85, subsection 2, Wisconsin statute, to take action on items discussed in closed session, if appropriate, and to consider the remainder of the agenda. So is there any discussion about going into closed session? All right. Seeing none. All those in favor, say aye.

- Aye.

- Posed motion carries. All right, committee. I would entertain a motion to return to closed session, or open session, sorry.

- Motion to return to open session.

- I'll second.

- All right. We have a motion by Brunette, a second by Hutchison. Any discussion? Seeing none. All those in favor, say aye.

- Aye.

- Aye.

- Posed motion carries. Committee, what's your pleasure?

- Receive and place and file.

- Motion. Second.

- All right. We have a motion by Galvin, second by Brunette. Any discussion? Seeing none. All of those in favor, say aye.

- Aye.

- Posed motion carries. Item F, informational. $200,000 remains in the contingency account. Any additional information?

- Nope.

- Item 2; the next finance committee meeting will be held on Tuesday, May 10th at 4:30 PM. Entertain a motion to adjourn.

- So move.

- So move.

- Second.

- A motion by Brunette, a second by Galvin. Any discussions? Seeing none. All those in favor, say aye.

- Aye.

- Aye.

- Posed motion carries. Jim, we log back in with the personnel committee Zoom information.

- Oh, boy.

- You should've been the first.