MINUTES OF THE FINANCE COMMITTEE

TUESDAY, AUGUST 23, 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. Brian Johnson, Ald. Jesse Brunette, Ald. Bill Galvin & Ald. Jim Hutchison.

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

Also present: Ald. Jennifer Grant, Kim Shult and Amanda Mboga from Baker Tilly, Police Commander Kevin Warych, Fire Chief David Litton, Assistant Fire Chief Ryan Gibbons, Finance Director Diana Ellenbecker, Assistant Finance Director Pam Manley and others.

C. APPROVAL OF THE AGENDA.

Moved by Ald. Bill Galvin, seconded by Ald. Jim Hutchison 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 July 26, 2022 meeting.

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

E. REGULAR BUSINESS.

1. Request by the Finance Director to review and discuss 2021 year-end financial results for the City. The City's audit firm, Baker Tilly, will be present to discuss with the committee.

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

2. For consideration with possible action to transfer ownership of K9 Drago from the Green Bay Police Department to Wisconsin K9 Services LLC at no cost.

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

3. Consideration with possible action on the purchase of twelve (12) Interceptor Power Bikes for GBMFD for the sum of $65,503.40 from RECON Power Bikes.

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

4. For consideration with possible action to obligate funding for two ladder truck replacements at a cost of $1,659,356 each for a total of $3,318,712.

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

5. Report of the Claims Committee.

The Committee may convene in closed session pursuant to Section 19.85(1) (g), Wis. Stats., for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Committee 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. 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: $184,297.00; unobligated is $84,297.00.

2. The next Finance Committee meeting will be held on Tuesday, September 13, 2022 at 5:00 PM.

Next meeting is on Tuesday, September 13, 2022 at 4:30pm.

G. ADJOURNMENT.

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

H. VERBATIM MINUTES.

- 4:32 PM. Let the record reflect Alder Galvin, Alder Brunette, Alder Hutchison, Alder Johnson are all present. Call for a motion to approve the agenda.

- So moved.

- Second.

- I think that was motioned by Galvin second by Hutchison. Seeing none, all those in favor say aye.

- Aye.

- Aye.

- Pose motion carries. Approval of the minutes.

- So moved.

- Second.

- Right we have a motion by Galvin a second by Hutchison. Any discussion? Seeing none, all those in favor say aye.

- Aye.

- Opposed? Motion carries. Item E regular business number one request by the finance director review and discuss 2021 year-end financial results for the city. City's audit firm Baker Tilly will be present to discuss with the committee. Director Ellenbecker do you wanna introduce our guests?

- Sure, I would love to. Yes, Kim Shult and Amanda are on the line from Baker Tilly. And I'm just gonna turn it over to them and they can jump right into the 2021 year-end results.

- Okay thank you. I'm sharing my screen. Hope you're able to see that. Okay great.

- Yes.

- Well thank you for the opportunity to discuss the 2021 audits today. We did issue our three audit reports in June that included the annual comprehensive financial report or your financial statements. The report on federal and state awards. And our reporting and insights letter. So we'll spend most of our time, and the hand out largely addresses the financial statements. If you have any questions as we go throughout, we wanna make sure to get your questions answered 'cause we are just going to be touching very briefly on probably well an excess of 100 pages worth of information so. Okay to start off the presentation Amanda Mboga who's the senior manager does a lot of the heavy lifting on the audit. She is going to start out on the handout that we provided here.

- Yes, thank you Kim. All right we'll dive right into some fund balance information then for the general fund. I'm not gonna go into what makes up each of these categories but there is detail on that in the footnotes to the financials on page 62 if you're interested in that detail. I will talk about kind of generally what they represent. So non spendable fund balance would be a fund balance that is either not in spendable form, something like inventory that's going to be used but it won't be converted into cash at any point. Or it will eventually be converted into cash but not for so long into the future that you don't wanna count it as spendable right now. An example of that would be a long-term advance to another fund, it's gonna be paid years in the future. So that represents about 15% of the general fund balance. Restricted is next, that's just 1% the smallest category. And that would be something that's designated by an outside party or a contract that you have with an outside party. For the use of that. Committed and assigned are both internal designations. So committed would require action by the city council, assigned can be designated by the finance director per the city's policy. So committed represents about 7%, assigned is about 37%. And then you have unassigned which is basically just everything that's left over available for general operations. That's about 40 largest category and it is important to have unassigned fund balance for both cash flow and contingency purposes. Fund balance did go up this year. You can see in the table that follows the graph here, kind of summarized budget to actual information. So the net change in fund balance was a positive 1.4 almost 1.5 million, that's compared to the final budget with all amendments that had a planned use of a fund balance of about 413,000. So overall you were about 1.9 million in the positive for our budget to actual variance. Revenues were very comparable. It was really that expenditure category that did it. Public works was the largest category with about a 1.6 million. Under budget. All right we can go onto page three with some more general fund balance information. This is one of the most important financial measurements for a government. So we do have a number of different ways we're looking at it here. The city does have a fund balance policy, and that is to maintain an unassigned general fund balance of between nine and 16% of expenditures. And actual at the end of 2021 was 14% of expenditures. So it is within that range and that's also the same percentage that it was last year, so it's unchanged. The graph that follows that is looking at unrestricted fund balance now compared to expenditures. So that would include not just the unassigned but also the assigned and committed since those are also under the city's control. So you can see for 2021 here the red column, 29.37 is the actual at the end of 2021 that corresponds to about 3.5 months and fund balance. That's pretty comparable to last year and it's also well above the minimum that GFOA recommends. GFOA is the Government Finance Officers Association, and they recommend a minimum of no less than two months of expenditures and fund balance. So that's the 16.67 there on the graph. We've also pulled in a median reference which comes from other Baker Tilly client data. With a population range of 30,000 to 150,000, 2020 is the most recent year we have available for that information. And that was 33.59% for 2020 so a little bit higher than where the City is at. All right page four, switching gears a little bit here now to some debt information. The city's general obligation debt does have a limit which is calculated as 5% of the equalized value for the city. And so that's what the top line on the graph here is showing. The bottom line is your actual general obligation outstanding at the end of each year which has been fairly consistent. It did drop a little bit for 2021, but really the important thing here is the gap between the two lines, so you can see that you have plenty of capacity available should you need to issue general obligation debt in the future. Currently only using 43% of the total allowed. That's not a full picture of the city's debt because revenue debt is not subject to that limit. So in the table below we have kind of a summary of your general obligation debt plus the revenue debt and the premiums associated with those to come up with the total debt for the city of about 228 million. Wisconsin policy forum has kind of a nice website with some comparative data that you can customize. So we did pull some information from that here as well. The first one is the general obligation debt per capita. As of 2019 which is the most recent information they have available. And that brings the City of Green Bay as

202 out of 602 in terms of debt per capita. One would be the highest there and 602 would be the lowest. We've also narrowed it down to look at the 10 largest cities in Wisconsin. So when we do that Green Bay ranks eighth out of tenth and highest debt per capita. And seventh out of 10 in the highest percentage of your debt limit used. And that did drop one, the seventh ranking was actually sixth place last year. All right and I'll turn it back over to Kim to continue on.

- Okay so the last okay the last had a financial metric that we have today is a different look at debt and how that kinda compares to expectations and other communities. So this graph looks at your debt service expenditures for your governmental funds as a percentage of your non capital expenditures. So we pull out your capital expenditures 'cause those can vary greatly from year to year. So this is it was really more trying to just compare year to year. So in this chart we have the green line which this is the City of Green Bay's information. We have the black line here which is 20%. Bond rating agencies generally like to see this percentage at 20% or less. So 20% or less of your total budget should be principal and interest expenditures. And then the red dots are kind of a median of Baker Tilly clients of your size your population range. So you have consistently been under that 20% line, which is excellent. It did go down to 16% for 2021. So this really is very good telling me that the debt service you have as a percentage of your whole budget is right in line with I think what bond rating agencies would like. This is metric here, you can see our median is kinda hovering a little bit over that 20%. So that also gives you a little more perspective kind of on how your number compares to other governments. So then. After that so we've spent most of the time so far talking about the general fund and then some kind of citywide metrics. But you have so much activity in other funds of the city. So I thought it was worth spending a little bit of time here just running down some of the other significant funds of the city. So your financial statements do show three major funds. So these three funds in addition to the general fund are your largest funds in terms of assets, in terms of revenues and expenditures. So the sanitary sewer special revenue fund, your COVID grant special revenue fund, and your debt service fund. So starting with your sanitary sewer special revenue fund, you have 14.6 million in unrestricted fund balance. That works out to be 69% or just slightly over eight months worth of expenditures. So that I would consider that a very healthy balance. If we're thinking about having five months or something like that is fairly typical for a recommendation. I think the unrestricted funds you have in there are sufficient. Your COVID grants, this 10,000 dollars that you have in fund balance at the end of the year really consists of your accumulated interest earnings. The rest of the funds that you have received are deferred until they're spent. So as of December 31st '21 the city had 11.8 million dollars of deferred revenue waiting to be spent. And then finally in your debt service fund that fund balance went up to 4 point almost 4.6 million in 2021. Part of that increase was related to transferring some resources from the closed TIF districts into the debt service fund. So looking at, oops sorry, went too far ahead. So all of the other funds, the smaller funds of the city, you have total fund balance of 63 million. Up a bit from 58 million. I'll just highlight some of the changes here. So all of the fund balance here is either restricted by an outside source, or its' been otherwise committed or designated for these purposes. So some of the biggest changes I guess year over year, storm sewer construction. You did use about 2.6 million dollars of your accumulated resources there for out lay this year. A few of the TIF districts changed pretty significantly. Number 12 and number 13. In those cases the increment that you're getting in '21 far exceeded the expenditures you had either for debt service transfers or other projects in those TIF's. So in TIF's 12 case you increase the fund balance, and TIF 13 you did decrease the deficit position for that TIF. The other one is a big change. District 22 went up here pretty significantly. You did have some unspent loan proceeds or bond proceeds at the end of the year, so that increase in fund balances is temporary. And then last one I wanted to mention, the KI convention center, that one went down by about 2.3 million dollars. That was due to the transfer of the debt service reserve money to the RDA as part of the refinancing of that underlying bond. And then finally the net position in your internal service funds. These are funds that you have set aside for health, workers compensation, and your liability self insurance fund. You did increase your fund balance there about one million dollars. And so about 2.5 million dollars of reserves, that's about two months worth of your charges for service. So I think internal service funds you wanna have enough in your fund balance or in your net position to help with cash flow and to cover those year that you have unexpected expenditures. But in no way do I think that that's excessive or too much fund balance, I think that's a good level for the city to maintain. So then finally just a couple of other comments here. The annual comprehensive financial report does include our auditors opinion. As you're used to in the past we are issuing an unmodified or clean opinion on your financial statements saying that they're presented fairly and in accordance with generally accepted accounting principles. The opinion does outline managements responsibility and the auditors responsibility for the financial statements. And then just a reminder that the audit is planned and performed to obtain a reasonable level of assurance that's are free of material misstatement. We are testing transactions, we're looking for unusual items, sampling certainly large transactions, but we're not testing every transaction that goes through the city's general ledger. Also just I don't have it on the mention. The two other reports that we issued. The reporting and insights letter, that includes all of the required disclosures we need to make to the governing body as well as internal control matters. That document is very similar to what you would've seen last year. Nothing new or unusual to discuss there. And then the report on federal and state awards. We tested for compliance, both your federal and your state transit operating aids. And we had findings for that compliance audit. So also just of course want to thank everyone at the city, Diana and Pam for all the cooperation. Very well prepared, receptive to suggestions that we have and just really easy to work with. So really wanna thank them for their cooperation. Okay. And I guess at this point are there any questions? Or Diana do you have anything to add on the financial highlights?

- No I think you hit all the highlights. As our second year, first year was more work. And I say will but we certainly had to work through some new issues and new situations I think that even Baker Tilly had maybe hadn't seen before. So it was certainly was a little more challenged last year. This year was much smoother. But I do wanna also thank Kim and Amanda for making it a very easy process and a pretty successful audit.

- Thank you.

- Yeah and I would, Kim and Amanda thank you as well. And kudos as well to Diana and Pamela, we appreciate obviously all the work that you guys do in behalf the residents. One question. I had an opportunity to talk to Diana, so I earlier today so I had a lot of my questions answered already. On the one slide though it did talk about, and I just wanna understand what that categorization means. I'm gonna bring it up on my screen here but. It was related to the total debt outstanding by type, general obligation. Can you explain to me real quickly revenue debt and premiums? I think I know but I just wanna verify.

- Yeah revenue debt is really connected to a specific revenue source. So it's very common in utility funds for example. Be using that specific revenue to secure the debt. Premiums are not debt, they don't have to be repaid, but they are associated with the debt, so when you go out for bid you could either have a premium or a discount and end up getting more or less than the actual par value of the debt. So it shows up as part of the debt but it is not part of the principle that you need to pay on that.

- Okay.

- So that would be, they would be connected to the general obligation on the revenue debt, it doesn't stand on its own really.

- So in the case of the City of Green Bay would it be accurate to assume under revenue debt we're probably talking about storm water utility, parking, water, bay beach maybe?

- Let me just check quick.

- Nope because those are considered general obligation. I know part of the revenue debt would be our 35 million outstanding for the KI Convention center 'cause of the revenue coming in is from room tax.

- Okay so the rest of those fall under general obligation though?

- Yes because it still is the obligation of the city out of the 172 it's still sanitary storm, bay beach, parking, those still fall under the general obligation. Yeah.

- Okay. I think it just helps us as a committee understand kind of where certain things are allocated. So.

- Yeah I think the majority of the revenue bond debt looks to be connected to the water utility specifically, so it would be the water revenues that would be securing that.

- Oh. I apologize you're right, the 172 is all general obligation, revenue debt would be it would be all water utility. This financial statement includes both our enterprise funds which would be transit and water utility. So that account element is driven by water utility.

- Great and is it--

- For those most--

- Because they're enterprise?

- One more time?

- Yeah. You can have general obligation debt as part of an enterprise fund as well. And it is okay the majority of it is water utility but I think you're right Diana there is a little bit about 3.7 million, it's the HUD revenue bonds are also included in that. So the water utility portion of it is about 43.

- Okay.

- Not the 47 million.

- So if you're sitting as a member of this finance committee and you look at these reports, it seems to me we have positive movement in just about every measurable category.

- Yeah, I would say it's either that or unchanged. Yeah, yep everything seems to be unchanged or positive change.

- Okay.

- I can just add a quick thought on the revenue debt. With the revenue debt unlike your general obligation debt that's secured by your ability to tax. The revenue debt, because it's the revenues that are security that debt you often will have a number of debt covenants, like restricted cash accounts that you need to set aside for reserve. I mentioned the one reserve that you had on the RDA related bonds, but that's very common in revenue bonds for utility funds where they have to set money aside. Also, they have to keep their net revenues high enough usually to cover 110 or 125% of their annual debt service. So those do certainly come with a lot of additional strings but it's a way to borrow money without having to use your GO capacity.

- Yeah, and I appreciate that explanation 'cause kinda where my mind was going is I didn't know if again you look at some of the examples I gave like parking utility, and storm water. Right, there's revenue that comes in to pay those payments that isn't necessarily tied to the mil rate right. I mean and that's kinda where my brain was going but I appreciate the explanation 'cause that's not exactly how it's translated which I see now, so thank you.

- Yep I just to add the general obligation but also include all the TID outstanding debt also because it's still an obligation of the city. There's a right, there's a difference of a general obligation as the type of debt. And then the general levy helps support and pay for a good portion of that 172, but there are other funding sources that come in that helps pay off the general obligation debt.

- Right. Committee any other questions? Okay. Well thank you very much. I. Action item probably to receive and place in file.

- So moved.

- Yes.

- I have a motion by Brunette.

- Place a file yep.

- Do we have a second?

- Second.

- Second by Hutchison. Any discussion? Seeing no, all those in favor say aye.

- Aye.

- Opposed motion carries.

- Thank you.

- Thank you.

- Thank you, Baker Tilly, we appreciate it.

- Thank you.

- Thank you.

- Okay move onto item two for consideration of possible action to transfer ownership of canine Drago from the Green Bay Police Department to Wisconsin Canine Services LLC at no cost. I see commander Warych is on the phone.

- Yep, thanks everybody. Good afternoon. This is just we're retiring a canine and we're giving the canine a better life in retirement. And this company will take it off our hands 'cause we're incurring a cost of 18 dollars a day to board it. And we've struggled a little bit trying to find a home for his after life here. So this is a good company. Retired police officer runs the company. And Drago will live a good life in retirement with him. So we're asking for permission to transfer ownership.

- Right. Drago I mispronounced it. Okay any discussion committee? See a motion.

- So moved. Or motion to approve.

- Second.

- All right we have a motion by Galvin a second by Brunette. Is there any further discussion? Seeing none, all those in favor say aye.

- Aye.

- Aye.

- Opposed, motion carries. With Drago in retirement. Item number three, consideration with possible action on the purchase of 12 interceptor power bikes for the Green Bay Metro Fire Department for the sum of 65,503 dollars and 40 cents from Recon Power Bikes. Chief Litton?

- There we go, sorry about that. Yeah these are replacing bikes that we use at all of our special events, namely Packers games, all of the marathons within the city, any fourth of July and things of that nature in order to move medics around crowds. Are beyond repair, they are over 15 years old. Our EMS team, I think assistant chief Ryan Gibbons is on the call as well. They did quite a bit of research on looking on the replacements. And I think they looked at three or four different options, and this was by committee the best option that they could find.

- Committee. Any questions? Alder Galvin?

- How come we're going to electric bikes? I'll be honest, my experience with EMT's paramedics on bikes, no one ever seemed to be put out by having to pedal around the stadium and that. In fact with their placement there really wasn't a lot of pedaling that went on. They're not chasing suspects or anything else like that. It's kind of a compared to a new ladder truck is certainly not a lot of money, but this is a lot of money for bikes. And I'm just, as many times as they get used and that kinda stuff, is it really worth it?

- Yeah I think it really is worth it. Again, the other bikes have been used, I think the current bikes are about 15 years old. Again, with all the usage that they get I think we had bonded 75,000 dollars, so this number came in underneath what we had projected when we were originally putting together the CIP five years ago. I'm not sure if the assistant chief Gibbons is on the call but he probably could speak to that as well.

- I have no issue with the bikes being 15 years old and getting new ones but we're not replacing electric bikes, we're replacing good old fashioned pedal bikes with electric bikes which I think is significantly more than what we paid for the original bikes or even for significantly more than what we aim for just regular pedal bikes.

- So Alder Galvin we looked around at all the different options. We didn't look at just electric bikes at all. At actually when I first started down this road I was not really in favor of this. In talking to the police department and how they use some of their electric bikes they were in favor of that for a couple different reasons. And the marathon, that's a 20 plus mile course. And if we have to respond sometimes miles to get to our patients, by the time we're not in the greatest shape to be able to take care of those patients. So that's where this would assist there. But we also did look at pedal bike options. And we tried to use local vendors here in town because we wanted to do that. And even some of the pedal bike options that we found were more expensive than the E bike were not specifically made for the purpose for which these are gonna be used. Which would then take more modifications and things to get the bike up to where we would need it and it would just be a higher cost than some of those different options that we looked at. So we were really trying to find something that was really made for this police EMS type bike. And this was one of the best ones that we could find.

- Okay.

- You good Alder Galvin?

- Yeah I'm good.

- Okay Alder Brunette?

- Thank you chairman. I guess my concern is the ongoing cost to maintain them. I'm not an expert on bicycles but I would imagine replacing a part or fixing a electric bike would be a lot different than your customary bike. Could you kinda comment on that chief? Is this under warranty? Is there some repair plan that comes with these? 'Cause I would imagine they get used quite a bit.

- Yeah I'll defer to assistant chief Gibbons.

- So there certainly are some parts of that. But we've tried to minimize the cost of maintenance of all of our bikes over the course of the 15 years. We've been fortunate enough that we've had somebody in house on the fire department that in a prior career or whatever had been a bike maintenance technician. And so fortunately right now we have one and we're gonna be able to have another one when these come in where the companies have trained our people how to maintain them. And they go through them every year, they do the EM maintenance on it, and if there's anything that needs fixing on it they've been able to do that now. And the company's also gonna provide for us just for 495 dollars a training class on what is different with the E bikes as opposed to pedal bikes. It includes some extra parts that we would be able to have on hand if we need to fix that. But we've been able to handle that all in house and not have to set that out to a different vendor.

- Specific though was any time you have some sort of electric gadget my experience is they tend to be more costly than other things. I mean look at cars, car repairs have skyrocketed. And I just, it's one thing to replace a pedal, a pedals the same on a E bike versus a regular customary bike. But if it's the electric components I would imagine that's more costly to repair or to replace the part. Alder Galvin's a bicyclist so maybe you can kinda fill me in if the staff can't.

- Sure.

- But that would be my concern.

- Yeah they're certainly, I can understand your concern. We've looked at a lot of the parts that are on it are also the same as they are on pedal bikes. Part of it is the drive motor and things like that and absolutely. The other things is the bikes still function also just as a pedal bike too without that motor. So that's also the fall back part of that. The battery life of those things we've looked into all of that with the company and how many cycles and things like that. Certainly we will have to replace them at some point. It just seems like a better fit for how we use them, especially on some of the larger bigger events that we have.

- Yeah I mean you make sense, I mean what you said makes sense that if you have a paramedic or firefighter having somebody going through a cardiac arrest five miles away you want your crew to be there fresh. And I would imagine pedaling could wear and tear their bodies before they respond to the call, I get that. It's just the unknown costs of these batteries and the motors and all these things that cost more than just standard bikes. No other questions, thank you answered them, thank you.

- Sorry, Alder Hutchison.

- I've got a question regarding the Recon Power Bikes. Are they used by other departments for this work?

- Yeah they supply them to the FBI, the National Park Service, and the Secret Service that use them. There's other police departments and stuff like that that I could get for you. But they use them on a daily basis, 365 days a year they're on 'em. One person gets on one person gets off. So definitely by some large reputable agencies are riding on them.

- Okay thank you. I know from personal experience my wife and I started using electric bikes about six to eight months ago. While we did have issues with the power bike, but it was under warranty and they're pretty much you click it in, you click it off, it's not if you own it you don't really have to get involved unless it's just maintenance of it. And I know that maintenance you're gonna do is integral in keeping them active as any bike owner knows the ongoing maintenance. So I think I'm pretty much in favor of this bike to be used in our city by the fire department.

- Alder Galvin.

- The two fire personnel that are gonna be maintaining these bikes, do they have to have a specific rank to do this?

- No.

- Okay and are they gonna be receiving an extra per diem or anything else like that for doing this work?

- Was there an answer on that question?

- Yeah there was a fire call that just came in so we muted it quick for ya.

- Oh.

- So we've done it a couple different ways Alder Galvin on how we've done that. There is not an extra stipend or pay or grade pay or anything like that. We've done it where the person can do it on duty at different times. And if their things are busy that we can't get to it we brought 'em in for an hour or two to just do the maintenance on overtime.

- And that was for the old bikes correct?

- Correct, it's the same people.

- Okay and you're anticipating that it's not gonna need any extra maintenance or anything else than the old bikes did?

- Not at this point no. Nothing more that we didn't do before.

- All right thank you.

- Further questions? If not I would entertain a motion.

- Move to approve.

- Second.

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

- Aye.

- Aye.

- Opposed? Motion carries. Item four for consideration possible action to obligate funding for two letter truck replacements. The cost of one million 659,356 dollars each for a total of three million 318,712 dollars. Chief Litton.

- [David] Oh Johnson I think that we've provided all of the background information in your packet, but just to kinda sum it up for the public, we have two ladder trucks that are front line vehicles. Both of them were built in 2010. And we have to have those tested on an annual basis. Over the last several years the testing company's brought to our attention the fact that we've got some pretty very serious frame rail rusting issues going on which has become a kind of a problem with the manufacture of these vehicles not only with the aerial ladders but with the fire engines themselves. And they have basically told us that they are concerned that it will make it to the next year. Excuse me. Having said all that, the aerials were scheduled to be replaced, one next year one in '25. But the reality of the thing is now with all the supply chain issues that have occurred the build on these aerial ladders have gone from about one year which would've been two years ago you could get one in a year, to currently at least two years. And the manufacturers are telling us that if you wait til the end of the year it's gonna be 30 months and longer as we go down the road. So we're asking to be able to place the orders, issue the purchase orders on both of the vehicles now. With the idea that the body might have to be obligated then in '24 or possibly '25 partly half and half. So that's the request. I know there were some question out there. So we have the two front line vehicles, they're 2010's. Our reserve. That back those up when one's down for maintenance or repair is a 2005. And quite honestly the 2005 unit is probably in better shape and will be kept more than likely when the new units come in. The problem with our 2005 is that it's a straight ladder stick and not a bucket and so that has some operation issues with it.

- Okay thank you chief. I had a call with director Ellenbecker a little bit earlier today, and at first my concern was the 3.3 million. And my brain was wired to think that we'd have to obligate it for next year. And if you only have an eight or nine million dollar capacity. But chief Litton you said it as well and I just wanna reiterate it for the committee that we'd be obligating it in a year that for which we'd have to pay for these units and when they'd be delivered. So it wouldn't be for next year it would be again I think it was 24 and 25. So that and of course that would get split up. I did some quick math on it, turns out it's about a half million dollars, little more than half a million dollars more than what was initially provided in the capital improvement plan. I assume that's just attributed to overall cost inflation. But my understanding chief is that the last time we purchased these they were around maybe 800,000 a unit. Clearly that's more than double. Right now we're looking at more than double what it was the last time we had to purchase one of these. Do you have any insight on why the price, I mean clearly inflation hasn't hit everything. Double. Why with these units in particular they're so much more expensive?

- I just think that it's the industry, with them, the price of everything has gone up. And again 12 years later I can't to attest to what is going on in the industry. I can tell you that they're telling us that if we don't make the purchase now that we're gonna be potentially phasing at least a 10% increase after the end of September. And potentially 10% more than that the following year. So I can't account for industry wide why other than inflation and supply chain issues why the cost of these things have gone up so high. I will tell you that their inter goal in our fire protection plan for the city they are a big part of our ISO class one rating. And we are at the bare minimum of what we can have under that system.

- And are these comparable rigs to replace? I guess when I'm asking if there's any insight into the additional costs, I'm trying to understand if we're upgrading our rigs aside from being new, right are we adding more features or is it comparable to what we have right now?

- [David] Extremely comparable to what we have, though changing manufacturers so that we're not having these frame rail rusting issues that our a vendor that we used for many years is continuing to have. The new vendor basically builds an all aluminum ladder, all aluminum cabs and compartments. And then the frame rails are galvanized and dipped and then powder coated on top of that. And so from our experience from talking with other users of this vendor they are seeing a much more improved longevity in the vehicles.

- What is the average life expectancy of these units and where are we at with our existing ones?

- As I said both of the two front line ones were built in 2010, so they're currently 12 years old. By the time the new units would arrive they'll be 14 or 15 years old. And that's pretty for a vehicles of this nature they're very very heavy with the ladder truck when the ladders on them. And with the condition of city streets and the pounding that the vehicles take I think that that's getting the 15 years out of 'em is pretty good. I think with the new vendor we might get 17 but that's kinda forecasting out quite a ways down the road.

- Okay. Committee any questions? Director Ellenbecker from a financing perspective, anything to add? Alder Galvin you have your hand up.

- Sure thank you. I hope these new vendor with these new type of trucks give us because it seems like lately we've just been taking a lot of pretty hard body punches when it comes to fire vehicles and rust. Any thought to using the under chassis washing system at the transit garage that's do something to try and keep the salt off these vehicles as much as possible or? I know you have washing bays at the fire barns. I don't know if they can get underneath with the hoses but this rust thing is the one thing we keep hearing time and time again on these rigs where they're breaking and falling apart basically. And I'm just, it's just kinda shocking that the amount of damage the rust is causing these vehicles.

- Yeah I don't disagree with you Alder Galvin. I know that the crews on a regular basis during the wintertime are trying to wash down the vehicles, power wash them, keep the brine off of the vehicles. Again I think that the problem with the vendor that we're using previous just that there's a lot of design factors in this. The type of materials that they've used. All of things that really 12 years ago when these things were being looked at wasn't relatively or readily apparent to anyone. And now that these issues are not only in Green Bay they're all over the country. And there's actually quite a few problems with this vendor. And. Departments that have switched from them.

- Okay. Thank you. Alder Hutchison.

- Just to make sure I understood what you said chief, if we order these trucks now they will hold to the costs that are being presented through delivery. Is there a limit to how long they'll hold to this dollar amount or is it just til delivery?

- [David] We have to now till delivery, we basically have to make this order by September 30th or the price is going up at least 9% immediately with a potential of another 10% January one.

- Okay but the cost is good until they deliver it?

- Yeah once we sigh a purchase order we are in.

- Okay thank you.

- Okay committee, any more questions? Staff anything else?

- No I know that again these were scheduled to '23, '25. We're just really all we're doing is obligating ourselves in advance because of the long lead time now to build these things with the supply chain issues and kinda the runaway in inflation that's been going on. So it's not something that we even three years ago anticipated. And I don't think anybody could anticipate what is happening in the economy. So we just wanna get in the line make sure that we've got vehicles that can be in service for the fire protection.

- And I appreciate that insight chief. And I certainly I understand the predicament it puts us in. But for full transparency for the whole committee of course what this does every year when we take up that bonding request, this amount is now obligated right. And sometimes you have to play that juggling game. Do we prioritize this item or that item, and it eliminates our ability on this particular piece to do that right. So we're gonna obligate 1.659 million here each year in those two cycles. So just wanna make sure that everybody understands how that works and the impact it has. And again, I don't have an issue with that but okay any further discussion? All right entertain a motion.

- Moved to approve.

- Second.

- All right we have a motion by Alder Hutchison, second by Galvin, any further discussion? Seeing none, all those in favor say aye.

- Aye.

- Opposed, motion carries. Item five, report of the claims committee. Is there anything here that needs to be discussed?

- No.

- Okay entertain a motion.

- Motion approved. Or receive and place on file.

- Second.

- All right we have a motion by Galvin and second by Brunette. Any further discussion? Seeing none. All those in favor say aye.

- Aye.

- Aye.

- Opposed, motion carries. Item F informational. 2022 contingency account is 184,297. However, we did have you may recall some funding that was obligated from anticipated work by the parks department from storm damage. So that is why we have an unobligated amount of 84,297. Item two next finance committee will be held on Tuesday September 13th at five PM.

- Five.

- Is there a motion to adjourn?

- So moved.

- Second.

- All right we got a motion by Hutchison and Brunette and a second by Galvin. All those in favor say aye.

- Aye.

- Aye.

- Opposed, motion carries. We'll see you in personnel.

- You. Okay. Got that. Thanks Pam.