

Minutes
FINANCE COMMITTEE
Tuesday, May 14, 2013
City Hall, Room 207
5:30 p.m.

MEMBERS: Alders Amy Kocha, Tom De Wane, Andy Nicholson, and Tom Sladek

OTHERS PRESENT: Mayor Jim Schmitt, Dawn Foeller, Diana Ellenbecker, Rick Jensen, Steve Grenier, Dawne Cramer, Lynn Boland, Chief Nieft, Keith Wilhelm, Attn. Tony Wachowitz, and others.

1. Roll Call. Ald. Tom De Wane is excused.
2. Approval of the Agenda.

A motion to approve the agenda made by Ald. Amy Kocha, seconded by Ald. Andy Nicholson, and carried to approve.

3. Approval of the minutes of the Finance Committee meeting of April 23, 2013.

A motion to approve made by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

4. Request from the Planning Director to transfer \$52,020 from forfeited Inspection Deposits (fund 807) to TIF 5 to fund the Downtown Planning. Total amount of the project is estimated to be \$100,000, remaining amount for the project of \$47,980 to be funded through TIF 5.

Finance Director Foeller stated that there were some changes made by the Common Council a few years ago, whereby, an inspection deposit was not longer required to be placed on file with the City. The Finance Department worked diligently to return the funds to the respective recipients over the past two years in multiple ways. The remaining balance of \$52,020 is what is left of those deposits. The Planning Director would like to have those funds transferred to TIF 5 and use them towards funding the downtown plan.

A motion to approve made by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

5. Request by the Mayor to approve the 2013 borrowing request for capital improvements in the amount of \$13,495,000.

Finance Director Foeller commented on the enclosed information containing the total amounts that are being requested for 2013. Of the total amount, \$4,680,000 would be used for sanitary sewer, \$2.2M would be paid back through TIF and the remaining amount of \$6,615,000 would be general levy. In 2012, we borrowed approximately \$5.9M for general levy purposes. In 2013 we will be paying off just over \$10 million dollars. The Mayor was present to speak towards any questions.

Ald. Andy Nicholson asked Finance Director Foeller if the City Deck was for \$1.5 million. Finance Director Foeller then gave the floor to Director Steve Grenier who stated that an interoffice memo was included with the supporting documentation providing detail on the charges of the being requested for DPW. On page two of the memo TIF 5 CityDeck, phase II was constructed in 2012. Part of the cost was financed through TIF 5 and the final payments will be paid through either available cash in TIF 5 or through bonding requests. In order to preserve some available funds for other projects throughout TIF 5, a request is being made to bond \$1.5 million dollars to make the final payments on the work that were constructed last year.

Ald. Andy Nicholson commented that this was “part of the whole” that was previously voted on.

Ald. Andy Nicholson then requested information regarding the Younker’s litigation. He thought that it was taken care of. Attorney Tony Wachowitz responded that bills were paid with permission from the council. In the summer of 2011, there were some discussions regarding settling a malpractice case. Based on the decision made by the council at that time, there was a settlement that occurred. Bills continued to cycle through as part of wrapping up the litigation that ended some time towards the end of 2011. The statute requires a year after a settlement where someone could elect to file or re-open the case. Essentially time was allowed to make sure that no more claims would be coming through. After waiting the required time it was then late into 2012, which is why it is on 2013 request. The case is now complete.

Ald. Andy Nicholson questioned that he believed the city was supposed to be reimbursed. Attorney Wachowitz responded that the settlement was received through Wisconsin Mutual Insurance Company. As part of that settlement in the summer of 2011 the City was paid \$725,000. Primarily the portion of \$700,000 was paid by the insurance company and the remaining \$25,000 was paid personally. The reason for settling at the time was due to fact that was the most we were going to get because the policy had a limit of \$1 million and was a reducing policy that fees were also being deducted from that cap.

Ald. Tom Sladek questioned Finance Director Foeller about the 15 year bonding due to some of the items listed that do not have a 15 year life. Finance Director Foeller had requested that the bond issue be structured so that our payment plan to be more aligned with the certain items that could be paid in a shorter period of time such as the ambulances will be paid for over 5 years instead of the 15 year life of the bond.

Ald. Tom Sladek does not find the request for borrowing \$100,000 for the building evaluation under the DPW items appropriate. Director Grenier responded that this process is consistent with what has occurred in the past and how we finance the studies. The intent of the study is to develop a list of future capital programs for DPW buildings which will begin in 2014. The City does not have a facilities management division so individual assets are under the supervision of their own department.

A motion to approve the bonding request with removal of the \$100,000 DPW building evaluation by Ald. Tom Sladek, seconded for discussion by Ald. Amy Kocha.

Ald. Amy Kocha is curious of the ramification of the DPW budget if the item is removed wondering if they would then need to come up with \$100,000 yet this year or if this can be postponed. Director Grenier stated that the study would not be done this year and

would have to be postponed until next year. The object of the study is to evaluate the life of each of the facilities under our jurisdiction and to identify which capital needs are present for each of the individual buildings. Ald. Amy Kocha is concerned of not having the study done.

Ald. Andy Nicholson asked if our own employees would be able to conduct the study. Director Grenier explained that the study requires a level of expertise that we cannot provide "in house".

Ald. Tom Sladek amended his motion to strike the request of \$100,000 DPW building evaluation to be removed from the bonding request, seconded by Ald. Amy Kocha to keep it open for discussion.

Ald. Tom Sladek asked Finance Director Foeller to speak in regards to the City's bonding and borrowing policy. Finance Director Foeller stated that in the borrowing policy that was recently approved states that the City would not borrow money that did not have an underlying asset to capitalize. A study is not necessarily an asset, but does help identify those capital assets improvements that will be need to be done.

Ald. Amy Kocha stated that since it has been done in the past and with the argument on whether it is categorized as an asset, would like to fund the study this year with the understanding that in the future the expectation of the council would be that there is another means for financing for this type of item.

Ald. Tom Sladek questioned Director Grenier on the urgency of having this study done. Director Grenier responded that we know what currently needs to be done, but this study is for long term in regards for electrical, roofing, and things that are not typically done on a routine basis. If we waited to complete the survey as part of the 2014 budget, any building needs would be delayed. Over the past couple of years, work has been done, but only temporarily. The survey would acknowledge and prioritize needs to be done.

A motion to allow the \$100,000 evaluation study as a one-time exception made by Ald. Tom Sladek, then withdrawn by Ald. Tom Sladek to allow Ald. Amy Kocha to make the motion.

A motion to allow the \$100,000 evaluation study as an exception to the bonding request made by Ald. Amy Kocha, seconded by Ald. Tom Sladek, carried to approve.

Other items listed on the bonding request now open for discussion.

Ald. Andy Nicholson asked to have an explanation of the improvements for TIF 7 and TIF 13. Director Grenier explained that TIF 7 is in the southwest portion of the City by the stadium district. This represents the City's cost to extend a section of Bart Starr Drive between Tony Canadeo Run and Potts Avenue. This project is being completed with the cooperation of the Village of Ashwaubenon. The costs associated with TIF 13 will be to reconstruct Pine Street from Washington Street westbound to the watermark, Washington Street to Pine Street City Deck Court and to construct a new street, currently un-named, the north end of Adams Street over to Washington Street to run between the Schreiber Building and the activity center.

Ald. Andy Nicholson requested to be recorded as a “no” on the Boston/Youunkers Store Litigation.

A motion to approve the capital budget as presented with the exception of the Youunkers/Boston Store Litigation made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

A motion to finalize the Youunkers/Boston Store Litigation made by Ald. Tom Sladek, seconded by Ald. Amy Kocha, opposed by Ald. Andy Nicholson.

6. Request by the Finance Director to review financial statements through the first quarter of 2013.

Finance Director Foeller included information through March of 2013. It is very early in the year and some operations are just beginning and the City is running as planned through March 2013.

A motion to receive and place on file by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

7. Report of the Claims Committee:

The Committee may convene in closed session pursuant to Sections 19.85(1)(e), Wis. Stats., for purposes of deliberating or negotiating the sale of public properties, investing of public funds or conducting other specified public business as necessary for competitive or bargaining reasons. The Committee may thereafter reconvene in open session pursuant to Section 19.85(2), Wis. Stats., to report the results of the closed session and consider the balance of the agenda.

Attorney Tony Wachowitz requested to enter into closed session.

A motion to enter into closed session by Ald. Amy Kocha, seconded by Andy Nicholson, and carried to approve.

A motion to proceed as discussed in the closed session made by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

8. Report of the Purchasing Manager:

- a. Award designation of Official Newspaper for the City to the Green Bay Press Gazette for the estimated amount of \$47,850.

Purchasing Manager Rick Jenson stated that state statute requires an annual designation of a newspaper in regards to where we would post City notices and provide City information. The only option in the City of Green Bay is the Green Bay Press Gazette bid which came in at 9.3% reduction of the allowable rate than the year before. The rates are provided by the state.

A motion to approve made by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

- b. Request by the Parks Department to expend up to \$30,000 for a used Bobcat Skid Steer Loader.

Purchasing Manager Rick Jensen deferred to Keith Wilhelm to inform the committee. Keith Wilhelm stated the forestry division needs a new engine for their stumper which could take months to find and replace. A decision was made to save the \$9,000 and use the engine from the holder to put into the stumper due to being a perfect match. We would still be able to use the other parts of the holder. The purchase of the Bobcat would be less expensive and would be able to fulfill the same duties as the holder.

A motion to approve by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

9. Report of the Finance Director.

The joint Finance Committee for the State met last week and made some adjustments to the levy limit language that was included in the Governor's budget. As these items become final, Director Foeller will bring them forward.

Another item included in the Governor's budget was the elimination of residency at the local level. Again there has been some language proposed by the JFC that would keep that intact but limit emergency personnel. Again, as these items become final, Director Foeller will bring them forward.

A motion to receive and place on file made by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

A motion to adjourn at 6:13 p.m. made by Ald. Andy Nicholson, seconded by Ald. Amy Kocha, and carried to approve.

2013 Contingency Fund
\$92,000

- 1) **THIS MEETING IS AUDIO TAPED:** THE AUDIO OF THIS MEETING & MINUTES ARE AVAILABLE ON LINE AT WWW.CI.GREEN-BAY.WI.US.
- 2) **ACCESSIBILITY:** Any person wishing to attend who, because of a disability, requires special accommodation should contact the City Safety Manager at 448-3125 at least 48 hours before the scheduled meeting time so that arrangements can be made.
- 3) **QUORUM:** Please take notice that it is possible that additional members of the Council may attend this committee meeting resulting in a majority or quorum of the Common Council. This may constitute a meeting of the Common Council for purposes of discussion and information gathering relative to this agenda.
- 4) **REPRESENTATION:** The party requesting the communication, or their representative, should be present at this meeting.