

Minutes
FINANCE COMMITTEE
Wednesday, January 14, 2015
City Hall, Room 604
Immediately following Personnel which began at 4:30 p.m.

MEMBERS: Alders Tom De Wane, Andy Nicholson, Tom Sladek and Guy Zima

OTHERS PRESENT: Dawn Foeller, Diana Ellenbecker, Andy Rosendahl, Ald. Wery, Rick Jensen, Kim Flom, Tom Molitor, Dave Litton and others.

1. Roll Call. All present except Ald. Nicholson, who was excused due to illness.
2. Approval of the Agenda.

A motion to move item 12 after item 5 made by Ald. Tom Sladek, seconded by Ald. Tom DeWane and carried to approve.

3. Approval of the minutes of the Finance Committee meeting of October 28, 2014.

A motion to approve the minutes made by Ald. Tom Sladek, seconded by Ald. Tom DeWane and carried to approve.

4. Request by the Finance Director to review, with possible action, on refinancing certain debt issues for cost savings.

The City's financial advisor, Brad Viegut, was present to answer any of the committee's questions and explained that this refinancing would be replacing 4 – 4.5% debt with debt around 2.5%. Potential present values savings are around \$250,000 or 3.9%. Ald Zima asked where Mr. Viegut expected interest rates to land, in which Mr. Viegut replied, long term, the Federal Reserve is expected to increase rates around the third quarter of 2015. Interest rates are still at a historical low rate.

A motion to approve the request by the Finance Director to refinance certain debt issues for cost savings made by Ald. Tom DeWane and seconded by Ald. Tom Sladek and carried to approve.

5. Request by the YMCA for consideration of a donation of funds by the City toward the YMCA's capital campaign for renovating the downtown YMCA.

Director Foeller introduced the YMCA's Executive Director, Steve Harty, who was present to discuss the YMCA's downtown renovation project.

A motion to open the floor for interested parties to speak was made by Ald. Tom Sladek and seconded by Ald. Tom DeWane.

Mr. Harty came forward and introduced himself as well as the YMCA's plans to renovate the downtown YMCA. Mr. Harty stated this is an \$8.5M campaign for a landmark building that was built in the 1920's. The campaign is going very well with campaign having commitments of \$7.4M. The renovation's intent is to maintain the Y's downtown presence and quality of life for the employees and residents that live downtown. The request he is making of the City is to consider a \$500,000 donation toward this project. Ald. Zima asked if they have pursued any historical tax credits, to which Mr. Harty stated they are since the building would qualify since it was built before 1936. With that being said, there is a moratorium on new state tax credits until the new State budget is approved.

Ald. Zima asked if there would be any increment created by this project to which Mr. Harty stated the YMCA itself is a not-for-profit, however, they have had interest from developers on renovating the top three floors of the building that could create some increment.

Ald. DeWane stated that this is a good project and that perhaps the City could borrow the money and could extend payment of the donation over a 5 year period.

Ald. Sladek stated he would recommend that this item go before the entire council to see how they feel about this project and have the full council debate this request for the iconic building.

A motion was made by Ald. Tom DeWane to forward to the Common Council, with no recommendation, the request by the YMCA to include dollars in the City's annual borrowing request for the YMCA's downtown capital campaign and seconded by Ald. Tom Sladek and carried.

6. Request approval to award the purchase of an Uninterruptible Power Supply System (UPS) for GBPD to Courtney Industrial Battery, Inc. for \$19,970.

A motion to approve the purchase of an Uninterruptible Power Supply (UPS) system for GBPD to the low qualified bidder, Courtney Industrial Battery made by Ald. Tom De Wane, seconded by Ald. Tom Sladek and carried to approve.

7. Request approval to award the purchase of an Inflatable Rescue Boat and Motor for GBMFD to WS Darley & Co. for \$12,910.

A motion to approve the purchase of an Inflatable Rescue Boat and Motor for GBMFD to the low qualified bidder, WS Darley & Co. for \$12,910 made by Ald. Tom De Wane, seconded by Ald. Tom Sladek and carried to approve.

8. Request approval to award the purchase of a Logging Server System for GBPD to NDM for \$38,426.

A motion to approve the purchase of a Logging Server System for GBPD to the low qualified bidder, NDM for \$38,426 made by Ald. Tom De Wane, seconded by Ald. Tom Sladek and carried to approve.

9. Request by Ald. Zima to update the Finance Committee on the status of the Clarion project. (Item was taken out of order).

Director Flom addressed the committee to give them an update on the Clarion project. Director Flom stated that AHM is set to close on either 2/12 or 2/13 in accordance with the land contract the City has in place for the property. In speaking with the developer, they have three proposals for financial institutions and the demolition work is well underway. A permit for the demo work was taken out in December with an estimated cost of approximately \$700,000. AHM has been under contract with Consolidated Construction to develop the initial concept plans and is now working with an architect to complete the detail drawings by the end of January with the intent of bringing them forward to the RDA for information at their February 20, 2105 meeting.

Director Flom went on to say, the City is working with the title companies to have all closing documents completed by the end of January in preparation for the closing on February 12 or 13th. The project is slated to take 8-9 months and anticipates an opening date of August 2015. In speaking with the developer, costs incurred so far on the project are estimated to be around \$300,000.

Ald. DeWane asked Ms. Flom if the demolition work was impacted by the water break to which Ms. Flom stated that after the property was transferred to AHM through land contract, the property became the responsibility of AHM whom filed a claim for the water break. The break may have impacted a portion of the demolition work; however, there is an extraordinary amount of additional demo work needed.

A motion was made by Ald. Tom DeWane to receive and place on file the update on the Clarion Project and seconded by Ald. Sladek and carried.

10. Request by Fire Chief David Litton to discuss, with possible action, the City's contracted EMS billing service.

Chief Litton addressed the committee to give them a point of information on the contract the City currently has in place with EMS Billing Service. The City has been on a month to month contract with EMS Billing Service, a company who handles the billing and collection of the City's EMS service as well as its records management software, Image Trend for some time. The current contract has been in effect for about five years and the City pays EMS Billing 6.5% of the collected amount of its billing. A letter included in the Finance packet, from EMS Billing Service is giving the City a 30 day notice that it

will be increasing its cost and proposed two alternatives, a) continue the month to month agreement and charge 6.5% on collected balance plus a \$4,000 monthly stipend or b) enter into a one year agreement with the rate increasing to 9%.

Chief Litton is proposing the City accept the continuation of the month to month contract in the interim for a few reasons. The Chief has been working with Purchasing to create a RFP for this service, however the State has been looking at purchasing one unified records management system and giving the system to communities. It is not clear what the State will be purchasing and how that would fit into the needs of the City.

Chief Litton will be attending a conference at the end of January where he hopes understand more of what the State's plans are for records management and also have an opportunity to see other vendors who provide EMS Billing Services.

A motion was made by Ald. Tom DeWane to receive and place on file the update by Fire Chief Litton of the increase cost of EMS billing service by \$4,000 per month until the City plans, prepares and awards an RFP to award a new contract for this service and seconded by Ald. Tom Sladek and carried.

8. Request by Ald. Nicholson to review the total number of lawsuits since 2002 and to have the Finance Department prepare a report broken down by year that shows the cost of each lawsuit per year, brief description of the lawsuit, the amount paid in attorney fees, and the cost of the lawsuit.

A motion to hold the request by Ald. Nicholson to review the total number of lawsuits since 2002 until the next finance meeting was made by Ald. Tom Sladek and seconded by Ald. Tom DeWane and carried.

9. Review and discuss with possible action settlement agreement regarding Wisconsin Housing Preservation Corp. litigation.

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

A motion to refer this item to the entire City Council with no recommendation by Ald. Tom DeWane and seconded by Ald. Tom Sladek and carried.

10. Review and discuss with possible action settlement agreement regarding REM Wisconsin litigation.

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

A motion to refer this item to the entire City Council with no recommendation by Ald. Tom DeWane and seconded by Ald. Tom Sladek and carried.

11. Request by Ald. Zima to update the Finance Committee on the status of the Larsen Green Loan Guarantee.

Ald. Zima clarified his understanding of the agreement in place, whereby, he believed OBI was in default on the loan which the City guaranteed and asked Atty Mueller if the City has been requested to make payment on such loan.

Attorney Mueller addressed the committee on this issue and stated that OBI is in default on the loan but the bank has not taken foreclosure action against OBI nor the City. Atty Mueller stated that all parties (OBI, the City and the Developer) are working together on a purchase price and the transfer of the property. Not all details have been worked out but we are getting close.

Ald Zima asked if Atty Mueller had a copy of the various documents that had been approved by the City Council for this project to which Atty Mueller replied that he did not have the documents Ald. Zima requested.

Ald. Zima asked that this agenda item come back before the committee and for it to include the related documents the City approved guaranteeing the payment. A motion to hold this item until the next finance committee meeting was made by Ald. Tom DeWane and seconded by Ald. Tom Sladek, and carried.

12. Report by the Finance Director

Director Foeller gave the committee an update on the City's implementation on the financial package (ERP) system. Director Foeller stated the implementation has been going very well and she couldn't have done it without the team she had and was very fortunate that the City had the right people in the right places at the right time.

A recap of the implementation phases include:

Phase 1: October 1, 2014 – modules implemented were the chart of accounts, general ledger, accounts payable, accounts receivable and purchase orders.

Phase 2: January 1, 2015 – modules implemented were HR and payroll.

Phase 3: Quarter 1 and 2 – FinTrac, contract and bid management and fixed assets.

Future phases: Budget and online employee benefit enrollment.

A motion to adjourn was made at 6:40 by Ald. Tom DeWane and seconded by Ald. Tom Sladek and carried.

2015 Contingency Fund
\$110,000

THIS MEETING IS AUDIO TAPED: THE AUDIO OF THIS MEETING & MINUTES ARE AVAILABLE ON LINE AT WWW.CI.GREEN-BAY.WI.US.