

MINUTES
FINANCE COMMITTEE
Tuesday, July 12, 2016
City Hall, Room 207

MEMBERS: Alders Tom DeWane, Joe Moore, Tom Sladek and Mark Steuer.

Others Present: Ald. Dave Nennig, Ald. Barbara Dorff, Ald. John VanderLeest, Ald. Bill Galvin, Dawn Foeller, Diana Ellenbecker, Attorney Chavez, Chief Smith, Chief Litton, Rick Jensen, Russ Schwandt, Mike Hronek, Dave Maccoux, Josh Swanson and others

1. Roll Call. All were present.
2. Approval of the Agenda.

A motion to amend the agenda was made by Ald. Mark Steuer, seconded by Ald. Tom Sladek to take item 9 after item number 6 and carried. The original numbering will be used in the report and the minutes.

3. Approval of the minutes of the Finance Committee meeting of June 14, 2016.

Motion to approve by Ald. Tom Sladek and seconded by Ald. Mark Steuer.

4. Request by the City Assessor to cancel certain personal property taxes.

City Assessor, Russ Schwandt, addressed the committee stating that this company accidentally reported their personal property twice, once with the Department of Revenue as manufacturing property and again with the Assessor's office. The property should have been handled as manufacturing and thus the Assessor's office is requesting a refund between the difference of \$117,700 and \$34,000 or \$83,700 equating to approximately \$1,865.

A motion to approve the request was made by Ald. DeWane, seconded by Ald. Steuer and carried.

5. Request by the Finance Director to review and discuss 2015 year-end financial results and management letter for the City. The City's audit partner will be present to discuss documents with the committee.

Director Foeller introduced Dave Maccoux and Josh Swanson, representatives from Schenck SC, the City's audit firm. Prior to the meeting, all committee members and council members in the audience received a copy of the City's 2015 Comprehensive Annual Financial Report (CAFR) and Management Letter. Mr. Maccoux was present to discuss. Director Foeller will distribute those documents to the remaining council members following this meeting.

Ald. Tom Sladek made a motion to open the floor to allow interested parties to speak, seconded by Ald. Mark Steuer and carried.

Mr. Maccoux addressed the committee regarding the two referenced documents citing first the CAFR and highlighted the fact the City achieved the prestigious Certificate of Achievement for Excellence in Financial reporting for its 2014 CAFR from the Government Finance Officers Association and expects the City's 2015 CAFR to earn the prestigious award as well. On page 17 you will find Schenck's independent audit report giving the City an unmodified opinion on the City's financial statements. An unmodified opinion can be interpreted that all transactions have been accounted for appropriately and that Scheck would not modify the report in any way.

Mr. Maccoux also pointed out in that in their report an item of emphasis was that the City did implement a new standard beginning with its year end 2015 of which is the Accounting and Financial Reporting for Pensions which the impact can be found on pages 35-37 of the Statement of Net Position and Statement of Activities. Additionally, Mr. Maccoux stated that the management, discussion and analysis of the statements found starting on page 20, offers a narrative overview and analysis the financial statements of the City for year ended December 31, 2015.

Continuing through the document, Mr. Maccoux pointed out that on page 35; the Council has \$780M of assets under its control. Mr. Maccoux also pointed out the impact of the new pension pronouncement adding a net pension asset of \$27M to the City's books and noted that the Wisconsin Pension plan is only 1 of 2 pension plans in the United States that reflect an asset balance which is important from a ratings stand point with Moody's and bond investors. The City's net position is valued at \$446M with most of that value (89%) reflected in fixed assets such as vehicles, land and infrastructure. Included in this report is report on the compliance for each major federal and statement program and its internal control to which the City has received an unmodified opinion.

In reference to the management communication document presented, Mr. Maccoux stated that the audit went very well from their perspective and the City Finance staff was very prepared for the audit. It also lays out a summary of each fund's balance to its prior year balance to show variances. Mr. Maccoux pointed out two new funds were established in 2015 including one for the excess sales tax and Northland Hotel Section 108 loan. Further information is included in the document as it pertains to the City's self- insurance funds and the corresponding response from management.

He finalized his presentation stating that there are additional pronouncements coming in future years that will be implemented in addition to continued reporting enhancements the City will make on grant management.

A motion to close the floor was made by Ald. Steuer, seconded by Ald. Tom Sladek and carried.

A motion to receive and place on the file the request of the Finance Director the review and discussion on the 2015 year-end financial results and management letter for the City was made by Ald. Steuer, seconded by Ald. Tom Sladek and carried.

6. Request by the Purchasing Manager:
 - a. Request approval to purchase two Motorola APX 7500 Consolettes and Digital Desk Sets from Motorola Solutions for \$20,495. Held from the June 14, 2016 Finance Committee pending additional information.
 - b. Request approval to purchase two Motorola APX 7500 Mobile Radios from Motorola Solutions for \$10,415. Held from the June 14, 2016 Finance Committee pending additional information.
 - c. Report on 2016 purchases of 11 vehicles off of the State of Wisconsin Vendornet contract, totaling \$283,741.
 - d. Request approval to purchase 2017 budgeted cars and light trucks through the State of Wisconsin Vendornet contract.
 - e. Request approval of a 3 year contract to purchase approximately 40 sets per year of Firemen's Turnout Gear from Paul Conway Shields through the V.A.L.U.E. cooperative purchasing consortium. Projected annual cost is \$76,000 (\$228,000 for 3 years). This contract has three 1-year renewal options by mutual agreement.
 - f. Request approval to award a contract for a Spatial Needs Assessment for a Public Safety Building to Bray Architects for \$18,000.
 - g. Request approval to award a contract to Martin Security for \$25,735 to furnish and install a secure door access control system at City Hall and the Police Department.

A motion was made by Ald. Tom DeWane to approve items c – g of the Purchasing Manager's report and seconded by Ald. Tom Sladek and carried.

In regards to item 6a, Randy Frailing, Communication & Electronics Technician for the City, addressed the committee stating that Motorola APX 7500 consolette is the only compatible unit approved by Brown County for their radio system and the only consolette available.

In regards to item 6b, Mr. Frailing spoke of the primary difference between the Motorola and the low bidder, EF Johnson product is the safety feature of a radio identifier included in the Motorola unit. This safety feature allows a fire fighter to hit an emergency button when in distress that sends a signal to the battalion chief on the scene letting them know exactly where the fire fighter is inside the structure. In addition to this feature, another consideration for the Motorola unit is the consistency of equipment used among all fire fighters. Fire fighters train on these units so that they are very familiar and prepared to use them quickly and efficiently under dangerous conditions.

A motion to approve the purchase of two Motorola APX 7500 Consolettes and Digital Desk Sets for \$20,495 and two Motorola APX 7500 Mobile radios for \$10,415 was made by Ald. Tom DeWane and seconded by Ald. Mark Steuer and carried.

7. Request Emergency funding for 12 used vehicles for School Resource Officers. The majority of the Police Department's current fleet of SRO vehicles failed inspection and have been taken out of service. The Department has proposed purchasing 12 used vehicles through a competitive bidding process at a projected cost of \$144,000. The Department is requesting \$52,000 from the contingency fund. The balance of the funding would come from the Department's 2016 operating budget (\$72,000) and State Asset Forfeiture Account (\$20,000).

Director Foeller stated that in your information was a memo from Lt Ackerman stating that there were a number of SRO units which didn't pass inspection that were used as transportation vehicles for students. These units have since been removed from service and the request is to replace them with used vehicles, appropriately equipped to transport students.

A motion was made by Ald. Tom DeWane, seconded by Ald. Mark Steuer to approve the purchase of 12 used vehicles for the school resource officers with a projected cost of \$144,000, funding sources would be \$52,000 from the contingency fund, \$72,000 from police operating budget and \$20,000 from the State Asset Forfeiture Account.

8. a. Request by the Police Chief for authorization to purchase a used Police Command Center Vehicle subject to thorough inspection and acceptance by City mechanical, technical, and SWAT personnel, market research on comparable values on similar new and used vehicles, and final negotiations. The City included \$350,000 for a new Command Center in the 2016 bonding. This purchase should result significant savings even after some technology upgrades are accounted for.

Director Foeller stated that included in the bonding request was an item to purchase a police command vehicle and Chief Smith's team has found a used one that offers a substantial value to the City. They are looking to move quickly on the vehicle and looking for authorization to move forward with the purchase. There will additional due diligence done prior to purchase including a thorough inspection by the mechanical and technical staff as well and completing market research on comparable new and used vehicles.

A motion to approve the request by the Police Chief to purchase a used Police Command Center vehicle subject to a thorough inspection and acceptance by City mechanical, technical, and SWAT personnel, market research on comparable values on similar new and used vehicles and final negotiations by the Purchasing Manager was made by Ald. Tom DeWane, seconded by Ald. Mark Steuer and carried.

- b. Request approval for out of state travel for up to 3 police personnel to inspect large expenditure used vehicles/equipment prior to purchase (Head Mechanic, Technician, SWAT).

As part of the due diligence on this used vehicle purchase, the Police Chief is also requesting out of state travel for up to three police personnel to fly to Alexandria, VA to complete the thorough inspection of the vehicle as mention above.

A motion was made by Ald. Tom DeWane, seconded by Ald. Mark Steuer to approve the request by the Police Chief to allow up to three police personnel for out of state travel and carried.

9. Request by Ald. Galvin to compile a list of criteria for reviewing proposals to determine best use of the excess stadium tax. Referred back from the June 21, 2016 Common Council meeting.
 - a. Review with possible action the list of criteria and process for reviewing proposals.
 - b. Review with possible action the criteria matrix which has been updated to include all proposals received by the Finance Director through Thursday, July 7, 2016.

Ald. Moore spoke to this item stating that so far the Council has approved using approximately 25% of the Excess sales tax toward debt service and he is proposing allocating 35% of the remaining balance to economic development and 40% to tax payer relief. He would also like to propose following a similar process in place for the allocation of Community Development Block Grant (CDGB) money which uses an application process using the matrix proposed by Ald. Galvin.

Ald. Moore clarified the application process would be use for the economic development allocation. For the timeline, he would look at bringing the proposed application to the Finance Committee at its meeting in August, a deadline to submit applications by October 31, and evaluation of submittals to Finance mid-November with final approval by the council in December.

Ald. Dorff addressed the committee and asked how some of the projects on the list would be considered such as the community center or a park shelter.

Ald. Sladek stated he favored a more rapid approach of dispersing the funds and wouldn't support \$2M for economic development as his constituents are looking for more basic use of the funds including debt reduction or infrastructure improvements. He believed the two public hearings held in December and January were the public meetings and those are the ideas that should be discussed and to not open the application process to other ideas.

Ald. DeWane stated he would love to use all of the money toward storm sewer improvements, however, he knows that there are also important economic development projects. He proposes getting this proposal on the table and allows the Common Council to revise it as they see fit.

Ald. Steuer suggested each Alder could have their own allocation that could be used for the individual districts as he is partial to economic development projects as well as the historic projects.

Director Foeller suggested to the committee, if they are interested in a form of tax credit back to the tax payer through the tax bill process for the upcoming year, they will need to make that decision soon, so if there is programming involved on behalf of Brown County, we give them enough time to complete and test the changes.

A motion was made to open the floor to interested parties by Ald. Mark Steuer and seconded by Ald. Tom DeWane and carried.

Mary Beth Leopold with The Automotive Gallery addressed the committee stating she would appreciate an application / approval process so that everyone's project receives an equal chance and a fair analysis.

Tony Burnette with the Children's Museum addressed the committee stating she would like to see the distribution of these funds move along quicker. The Children Museum project request is for a new exhibit costing \$150,000 and is under a timeline and the request made would be a fundraising catalyst for the Museum.

A motion to close the floor was made by Ald. Mark Steuer and seconded by Ald. Tom DeWane.

Additional discussion ensued amongst committee members in regards to the timing and the process.

A motion was made by Ald. Tom DeWane, seconded by Ald. Mark Steuer to approve the request by Ald. Galvin and Moore to establish an application process and deadlines to apply for and distribute excess stadium tax funds as follows:

- August 9, 2016 – determine distribution percent / dollars by the three classifications: debt reductions, economic development and tax relief
- August 9, 2016 – create an application for approval by the Finance Committee
- September 30, 2016 - deadline to submit applications to be reviewed by a TBD sub-committee.
- October 25, 2016 - presentation of recommendations to the Finance committee
- November 15, 2016 - final recommendations presented and distribution thereafter.

10. Request by Ald. Nicholson to review all Development Agreements that the City has entered into in the last 10 years.

Director Foeller handed out the list prepared by Director Vonck of development agreements entered into in the last 10 years.

A motion to receive and place on file the request by Ald. Nicholson to review all development agreements that the City has entered into in the last 10 years was made by Ald. Tom DeWane, seconded by Ald. Tom Sladek, and carried.

11. Request by Ald. Nicholson to review all finances / audits for each TIF for the last ten years.

Finance Director Foeller handed out cash flow statements for all TIF's and walked through each of them. Ald. VanderLeest asked Director Foeller if parcel owners had a say in whether or not they are part of a TIF district to which Director Foeller stated they do not, as the map is drawn by the Planning Department and approved through the Joint Review Board and the Common Council. She thought perhaps he was thinking of a BID district and that does require property owners to agree to such a plan.

12. To review the City's process of moving to a paperless environment with payroll and accounts payable.

Director Foeller stated that they have been on the new ERP system just shy of 2 years and have been striving to reduce the amount of paper generated and improve efficiency. On the accounts payable side, all invoices are now being scanned in and readily available to those who need them. In quarter 3 of 2016, we will launch another endeavor which is to move our vendors to ACH payments instead of paper checks. Our goal is to go live with this option in 2017.

On the payroll side, all new employees have been paperless, meaning they get their paystub via email or can log onto the City employee self-service site to print a copy of what they need. Employees can now access their W2, accrual information, pay check simulator and paychecks through this system giving them 24/7/365 access.

For those employees who have not yet moved to paperless, payroll is working through departments one at a time with Parks being the first large department going completely paperless and fires a close second. Eventually, the employee self-service system will enable employees to request benefit changes right online and streamline that process considerably.

A motion to receive and place on file the City's process of moving to a paperless environment with payroll and accounts payable made by Ald. Mark Steuer and seconded by Ald. Tom Sladek and carried.

13. Request by Ald. Moore to review and approve a resolution in opposition to the Oneida Nation Indian Tribe implementing an additional sales tax for retailers located on tribal land.

Director Foeller handed out the resolution drafted by Ald. Moore and the law department in opposition to the Oneida Nation Indian Tribe implementing an additional sales tax for retailers located on tribal land. Ald. Sladek stated he is aware of the proposal which was original brought up in 2015. Ald. Sladek recommends the law department contact the Oneida Tribe to gather more information and the status of this proposal before the committee moves forward.

A motion to hold the resolution in opposition to the Oneida Nation Indian Tribe implementing an additional sales tax for retailers located on tribal land was made by Ald. Tom Sladek and seconded by Ald. Tom DeWane.

14. Report by Finance Director.

Director Foeller stated that the finance team has been diligently working toward wrapping up 2015 year-end that was presented this evening.

A motion to receive and place on the file the report of the Finance Director by Ald. Tom DeWane, seconded by Ald. Mark Steuer and carried

15. A motion to adjourn at 7:25 was made by Ald. Tom DeWane and seconded by Ald. Mark Steuer and carried.

2016 Contingency Fund
\$110,000

- 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.