Minutes

Agenda Item(s): Presentation by City Treasurer D. Shahinfar and Budget Director M. Wheeler Regarding Updated Debt Service Obligations and Impact of Proposed Borrowing. In addition review Ordinance 44.122.18 through 58.122.18.

Questions and Discussion:
- The committee and City Treasurer D. Shahinfar had a discussion of where we are with our debt policy limits
- Federal government initially said that interest rates would be increased 3 times in 2019 but changed that projection in December to 2 increases in 2019.
- Treasurer Shahinfar suggested the city should factor in savings and revenue in looking at debt service limits
- Wheeler states that savings offsetting the increase in payments for the streetlight bond
- Mr. Wheeler and Mr. Shahinfar were asked if they could point to any OSC or other guidance, or other debt policies in other municipalities, that suggest using savings generated by projects to enable the municipality to go above an established debt service limit. They acknowledged they could not.
- Chairperson Doesschate noted that most bond purchases of new equipment, etc. results in additional savings and is not intended to allow the City to go over debt service policy limits.
- Chairperson Doesschate stated there will be no voting on bond ordinances at this meeting; the committee will just discuss likely recommendations and consider action after hearing presentations on all bonds.
- Council Balarin states that the City should build up fund balance and self-bond
- City Treasurer D. Shahinfar stated that unless we raise taxes/state pays us what they should, we won’t be able to build our fund balances

Ordinance 50.122.18 – Building Renovations
- Bond 50.122.18 is $1.1M, $100K of that is for recreation dept project at Hoffman Park
- Doesschate stated that the department has 1.15M in bond and can move forward with this project without bond
Randy Milano disagrees and states that current fund available $1.1 M bonding is needed for roofing on Engine 9, new roof and other building repairs.

The roofing on Engine 9 is 100 years old and has been leaking. Mr. Milano stated he thought a copper roof was required and estimated the cost at $500K.

Council Farrell asked if we can get a preservation grant for the roof?

Randy Milano stated that those preservation grants are limited.

Commissioner Panunzio stated that he asked the Engineering Department to get a grip on our building issues throughout the City.

Continues to states that we have a building program with consulting to see what it going to cost us to maintain our building, 60-owned building.

The plan is to repair the roof instead of patching the roof.

Panunzio states that the new system will generate a ticket for maintenance that will create data/reports. This data will let us know what’s our next 6-7 year plan and request an estimate for a project.

Engine 9 is on the national registry.

Mr. Milano objected to reducing the contingency amounts in the bond could result in them not being able to bid out the entire project. If we break down these projects in separately it will cost more.

It’s not an attractive project for contractors.

Milano stated that if we cut this bond to $500,000 have no flexibility for emergencies. Council Member Doesschate stated the city cannot bond for speculative projects that they can spend money without budgeting for it and we need an estimate on specify project.

Ordinance 46.122.18 DGS Vehicles
- The replacement schedule uses the DGS data set and state comp for bond recommendation.
- The state comptroller recommendation staying under 8 years not 10 years.
- Purchase two 2 six packer (1 for recycling).
- We currently use flipper trucks.
- Planning or purchasing 11 in the first 3 years.
- Numbers based on what we have in our hands.
- Maintenance for trucks is $22/hr. if older than 10 year / $3/hr if newer.
- When Chair Doesschate suggested reducing the bond by funds in old bond accounts that has not been utilized.
- Giebelhaus said he was sorry for coming under budget $162K in old bond account. The Chair also noted it could be evidence of the City overestimated costs when asking for bond funding and if purchases exceed bonded funds, the City could find the additional minor amounts in budget transfers/savings throughout the year.
- Promise they will use that old money first before using this new bond.

Ordinance 47.122.18 – DGS Equipment
- The wording doesn’t do the description serve.
- Panunzio will send a revenue and expense report for the gold course.
- Ordinance for APD Vehicles.
- APD states that we have been using this vehicle until the end of their life.
- 60% of cars that’s turn 10 years.
- We cut down on maintenance cost and auction of the vehicles.
- Unit# 190 has 26K miles and was in a crash.
- Council Anane states that in the future the City should look to invest in energy efficient vehicles.
- Council Doesschate encourage the department to buy one or two to try out.
- Council Ellis will like to echo that.
- Council Hawkins will make note of that.
- Council Balarin will like us to get ourselves off bond for maintenance and it should be part of your budget.

Ordinance 53.122.18 Pedestrian Safety Project
- Trudeau states that bond will get a financial commitment for design from DOT and it will be 100% reimbursed.
- The grant is for locations that already listed in the approved grant.
- Council O’Brien states that Washington Ave Ext has the highest rate of accidents and deaths.
- DGS is responsible for roadway and sidewalk.
- Trudeau state that he maintain traffic safely.
- Trudeau is asking the Council for the authorization for the bond to start the project design.

Public Comment:
No public comment speakers.

Adjourn:
The Chairperson asked for a motion to adjourn at 8:09PM, which was duly made, seconded, and passed.

Respectfully Submitted,
Michele Andre
Legislative Aide to Common Council