

(Unapproved)

## **PUBLIC SAFETY BUILDING TASK FORCE COMMITTEE**

**JUNE 3, 2020**

**Brillion City Center**

**10:00 AM**

**CALL TO ORDER:** Gerry Sonnabend called the meeting to order at 10:00 AM

**ROLL CALL:** Present were: Gerry Sonnabend, Mark Evel, Joe Levash, City Administrator/Clerk-Treasurer Lori Gosz, Fire Chief Joey Diener, Public Works Director Andy Geiger, Mark Olsen, and Mayor Mel Edinger. Absent was Coree Wallander.

**GUESTS:** Phil Cosson, Mary Kohrell and Trevor Frank (via GoToMeeting)

### **APPROVAL OF THE MINUTES- May 11, 2020**

**Motion** – Diener moved to approve the minutes of May 11, 2020 Task Force Committee Meeting. Seconded by Evel. Motion carried.

### **PUBLIC SAFETY BUILDING PROJECT-REVIEW ESTIMATED COST AND FINANCING OPTIONS AND TIME FRAME:**

Phil Cosson explained he did more research on the USDA loan program. He discussed this with Trevor Frank and Lori Gosz on Tuesday June 3<sup>rd</sup>.

Cosson stated project eligibility and funding through RDA is an eligible option. He explained the current market rate is 2.375%, which is the lowest in history. This is set quarterly. He stated, due to medium household income, a grant is not eligible. We are eligible for a loan. Cosson stated USDA has a substantial amount of funds for 2020, that if not used, will be rolled into 2021. USDA has funded 100% of projects over the last 4 years. It is competitive, but USDA has funded all over the past years. The loan can be locked in for 40 years, then refinance before the end of 40 years' and the loan can be paid off at any time. Project funding will need to be done during construction. The USDA loan is only funded once the project is complete.

Cosson explained, once USDA approves an application, then the rate is locked in. He anticipates the Sept-Oct quarter, before this could happen. If the rate drops, we would get the lower of the two rates. Cosson stated the complexity is the City will need to finance this through the RDA. Because of this, the USDA will need time for underwriting. USDA stressed to begin the application process soon. Also, to be funded by the RDA, the site where the building will be constructed, needs to be determined as blight by the RDA. This will need to be determined by Quarles and Brady. Cosson stated he and the City Administrator agree funding through the RDA is the only option for the project.

Olsen questioned Frank if the cost estimate includes site preparation. Frank stated yes, the site prep and utilities are built into the cost. Olsen asked how the RDA pays for the debt. Gosz stated the amount would be levied for.

Cosson stated the levy for the debt payment, will not compete against the City levy. Debt is allowed by the levy limit calculation. Levash asked if there is a cost for application. Cosson stated there will be a

cost for Quarles and Brady for blight determination. There maybe a cost for application if not done by the City.

Kohrell questioned the blight finding and to make sure this doesn't cause a concern with CDBG Grant application. Cosson stated there are different sets of statutes, but this should be reviewed. Olsen suggested contacting Cedar Corp., who is applying for the CDBG grant application on this.

The committee discussed whether or not to proceed. Cosson stated USDA suggested, if an application is submitted in July, the construction could be in Spring 2021. Olsen stated the only cost for applying, will be for legal review. Timing of the project was discussed. It was suggested to proceed with the funding application, with USDA even if after public information the project is put on hold. Evel suggested if during the public information period, it can be shown that opportunities for private cost share exist that they be pursued.

Cosson stated for 40 yr., \$7.5 million, the annual debt would be approximately \$300,000.00. Mayor Edinger stressed although some City debt will be paid off in the near future, there will be other projects in the City that will require borrowing. Sonnabend stressed to proceed with the application with the USDA.

Evel asked if SEH will be the design architect, or will it need to be bid out. Frank explained their proposal would include design engineering and bid for construction.

Olsen suggested, other than legal review, there is no cost to apply for USDA funding. Sonnabend stated this project isn't going to go away and the USDA interest rate will probably not get any lower. Olsen stated if you are going to attract people to your community, you need to have long term services to promote the City. Mayor Edinger agreed, but feels going to the public will not be supported now with COVID. He suggested going out to organizations for financial support.

Gosz questioned the application process and timing. Kohrell pointed out, it is not the actual application, but the response to public that will take time. Olsen offered BW LLC to help with the grant application and public information with \$10,000.00 to work on this. This funding opportunity is the only answer for this project and we should move on it now. Gosz suggested a recommendation to City Council at a special meeting on June 8<sup>th</sup>.

**Motion**-Evel moved to recommend to City Council to proceed with the project with funding by USDA loan through the RDA. Seconded by Olsen. Call vote. Motion carried.

**FUTURE AGENDA ITEMS:**

- Funding with the USDA
- Project Time Frame

**SET NEXT MEETING DATE:**

Tuesday June 9<sup>th</sup> at 1:00 PM

**ADJOURNMENT:**

The meeting adjourned at 11:03 AM

Lori M. Gosz  
City Administrator/Clerk-Treasurer

