

Minutes
FINANCE COMMITTEE
Tuesday, September 10, 2013
City Hall, Room 207
6:00 p.m.

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

OTHERS PRESENT: Ald. David Boyce, Ald. Mark Steuer, Lynn Boland, Diana Ellenbecker, Dawn Foeller, Dawne Cramer, Chief Litton, Steve Grenier, Chief Molitor, Officer Muraski, Rick Jensen, Commissioner Goldhahn, and others.

1. Roll Call. All present except Ald. Nicholson who will be arriving at a later time.
2. Approval of the Agenda.

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

3. Approval of the minutes of the Finance Committee meeting of August 13, 2013.

A motion to approve made by Ald. Tom Sladek, seconded by Ald. Amy Kocha, and carried to approve.

4. Request by the Finance Director to review and discuss 2012 year-end financial results for the City.

Finance Director Foeller stated that Dave Maccoux, our audit partner from Schenk Business Solutions, was present to review the 2012 financial statements. Finance Director Foeller turned the floor over to Mr. Maccoux.

Mr. Maccoux proceeded to state that the annual financial report was finalized at the end of June, which is considered a comprehensive financial report because it contains all of the financial statements, disclosures, and statistical tables that are meant to present the City's financial position to the community and users of the City's financial statements.

From Schenk's perspective, the financial statements are well done and contain a number of different disclosures and requirements. Mr. Maccoux chose to highlight and discuss a couple of the high-level items. Within the document there is a certificate of achievement from Government Financial Officers Association. This certificate recognizes the City's financial statements for its excellence in financial reporting and is a compliment to the City in regards to how well the financial report was completed.

The document also speaks about the financial statements and contains an unmodified opinion, which is the highest opinion that can be given and means that no changes are made to the financial report and that it accurately reflects operations and cash flow for the City.

The second document to be mentioned is the Management Communication letter. Included in this report is a description of each of the parties responsible in the

performing the audit. The document also includes the Auditor's financial comments and observation and management's response to those comments.

Ald. Tom Sladek referred to page eighteen, status of prior years comments and recommendations. He wanted to understand the segregation of duties comment better and asked whether there are certain departments that may have not made any progress on that task?

Mr. Maccoux responded that overall they believe that the City has good control and is making progress. In regards to the individual departments, different factors are taken into consideration including the size of each department. This portion really tries to identify where the City is most susceptible regarding internal controls and makes the City aware of their importance.

Ald. Tom Sladek thanked all of the different department heads for all of their hard work and efforts.

Ald. Tom DeWane asked where one could find a completed document that detailed out the need for increased staffing levels. Mr. Maccoux stated that this document audits procedures, internal control and financial transactions through the City's system to ensure accurate financial reporting and does not look at individual department staffing levels.

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

5. Request by Ald. Tom DeWane to have any loans given from the City of Green Bay approved by City Council no matter what authority it is under. This item was brought back from the August 13, 2013 meeting.

Planning Director Rob Strong referred to the summary document that was placed in the members packet which explains the major programs and the procedures that are in place.

Ald. Tom DeWane expressed his concern over when a business is provided a loan and then returns to ask for additional funds and the information is not being provided to the common council for them to stay informed.

Planning Director Strong stated that he believes that the loans Ald. DeWane was referring to are dollars that are provided through the federal Community Block Development Grant (CDBG) program. Each year the budget for the CDBG funds is brought forward to the RDA and the Common Council and usually designates a certain amount of money in the budget for these types of loans. Once the budget is approved, the loan committee follows procedures that were adopted by the City Council to loan out the funds.

The loan committee is made up of two members of the RDA and three members of the Economic Development Authority that are appointed by the Mayor and confirmed by the Council. Oversight is provided by somebody other than staff on loans up to \$250,000. All requirements of the program must be met in order to receive a loan.

Ald. Tom DeWane is requesting that loan values and activity be shared with the Council.

Ald. Tom Sladek took the opportunity to ask for some clarification on the enclosed document. His specific questions were: Under what circumstances is the council asked for more funds for the program and are the funds used to replenish defaults or is there a need to expand the available amount for the fund?

Planning Director Strong stated that it is a little bit of both, depending on the value of payments received during the year. The loan payments allow the City revolve the money and provide more loans.

Ald. Tom Sladek proceeded to ask about the CDGB Home Improvement Loan program, and whether or not is a revolving loan fund.

Planning Director Strong stated it is very similar but accounted for differently in the sense the payments made from this program are considered "program revenue" and can be budgeted to another program if so desired by the RDA and Council. In a typical year, the payments made from the prior year contributes approximately \$100,000 to the Home Improvement program.

Ald. Tom Sladek inquired about the conversion of multi-family homes back into single family dwellings program. Planning Director Strong stated that the funds for this program come from the City. In the past, dollars for this program are either included in the City's annual budget or borrowed.

Ald. Amy Kocha questioned Ald. Tom DeWane regarding his original request and how it was worded on the agenda.

Ald. Tom DeWane corrected himself stating that he is not looking to be part of the approval process, but would like to the Council to be kept informed of the loan activity throughout the year.

Motion to have the Planning Director report semi-annually a summary of loan activity and balances directly to the Common Council without having to go through committee made by Ald. Amy Kocha, seconded by Ald. Tom Sladek, and carried to approve.

Ald. Andy Nicholson arrived for 6:45 p.m.

6. Request by Ald. Sladek for discussion of the City's March 2009 Service Agreement with the Oneida Tribe with possible action.

Ald. Tom Sladek asked to speak regarding the service agreement with the Oneida Tribe. The service agreement between the Oneida Tribe and the City of Green Bay was signed in March of 2009 with a fifteen year term and expires in 2024. It does contain provisions for parties to make amendments or terminate it, and dispute resolutions and so forth.

It defines tribal land as the combination of tribal fee land and tribal trust land. This allows the tribe to own land in two different ways; fee land would be the same as

everybody else and subject to all fees, property taxes, ordinances, and regulations with the City of Green Bay, and then some of the land is held in trust where the federal government takes title to the land and holds it for the tribe which means that it is not taxable property.

Including in the agreement is a provision that discusses an adjustment for storm water management charges for the service that is provided by the Tribe. The agreement also includes the commitment to pay for street improvements and to pay \$40,000 annually towards the Wildlife Sanctuary budget.

The parties agree that Tribal zoning, building, and nuisance and land-use regulations apply to Tribal land and to Tribal members on the reservation even if they are not on tribal land. The City of Green Bay regulations and enforcement will not apply under these circumstances but the Tribe agrees to enact regulations as astringent as the City of Green Bay.

Ald. Tom Sladek wants to build a greater understanding of this agreement and the effects of this agreement among council members at large. There are two more aspects to the agreement which is that the City agrees it will not oppose Tribal applications to move fee land into trust. A municipality can object when a tribe wants to put land into trust and frequently such an objection will stop a conversion. As part of this agreement the City of Green Bay has signed away our ability to challenge the transfer of land going into trust.

Lastly, in regards to trust land, the Tribe agrees to pay for services provided by the City. That payment is intended to be equal to the city property tax payment that would apply to the land if it was taxed, less some agreed upon credits that are given in recognition towards some of the services that the Tribe would provide.

Ald. Tom Sladek believes that the trust land listed in this agreement is significantly undervalued. Within the attached agreement there is an annual update provision that speaks towards an annual meeting that states, "the parties will meet on or before January 15th of each year to review and discuss the valuation of Tribal Trust Land, Tribal Trust Land acquisitions during the previous calendar year, the cost of governmental services provided by the Tribe and the corresponding percentage credits to which the Tribe is entitled. The parties agree to update Attachments A and B on an annual basis."

Ald. Tom Sladek doesn't believe that the meetings are taking place on an annual basis since this agreement was put into effect and is concerned about the values with the agreement. Earlier this year the Tribe sent the City a new Schedule A, which was not done through the annual meeting process or any kind of agreement process. The Tribe stated that they had done some updating on the appraisal values of certain properties.

In review of the original agreement along with the updated values from the Tribe, Ald. Sladek displayed a map showing the disparity of land values between fee land and land placed in trust. He is wondering why the values of similar property it isn't closer to the values of other properties.

Ald. Amy Kocha questioned Ald. Sladek stating that the property in this agreement is government owned property and typically would be exempt. Through this agreement, the City is receiving a payment for City services. She is unclear why we would expect

to be taxing them at the same level as non-exempt property when there is an agreement in place to receive monies for services when nothing would have to be paid.

Ald. Tom Sladek responded by stating that the spirit of the agreement is that the Tribe was to pay for the cost of government services. If the City is providing services to the trust properties then a certain amount of fees are to be paid in proportion to a non-exempt property and he does not believe this is happening. The formula in effect is not providing the amount that should be paid if the properties were valued correctly less the credit. The way the property values are set it doesn't appear that the agreement is living up to the spirit in which it was intended.

Ald. Amy Kocha is asking to engage with the Tribe and schedule a meeting to clarify the agreement.

A motion to have Finance, Legal, and the Mayor do what is necessary to determine how the values were arrived at for Attachment A of the Oneida Service Agreement made by Ald. Tom Sladek, seconded by Andy Nicholson, and motion passes 3:1. Ald. Amy Kocha voted nay.

A motion to have the assessor's office assess the tribal trust property with a priority towards commercial property, then vacant property, and lastly residential property made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and motion passes 3:1. Ald. Amy Kocha voted nay.

7. Discussion and possible action on Oneida Tribe's request to designate certain properties as tax exempt. This item was brought back from the August 13, 2013 meeting.

With respect to Item #7, the committee may convene in closed session, pursuant to section 19.85(1)(g), Wis. Stats., for the purpose of conferring with legal counsel concerning strategy to be adopted by the city 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.

Motion to enter into closed session made by Ald. Tom Sladek, seconded by Ald. Andy Nicholson, and carried to approve.

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

A motion to direct legal staff to proceed as directed in closed session made by Ald. Tom Sladek, seconded by Ald. Amy Kocha, motion passes 3:1. Ald. Andy Nicholson voted nay.

8. Request by Ald. Andy Nicholson to review BID (Business Improvement District) amounts charged by On Broadway and Downtown Green Bay Inc.

Finance Director Foeller provided a summary of a Business Improvement District. Property owners petition the City to be their fiscal agent in collecting the BID assessment through the tax bill. As the money is collected through the tax collection

process, the value is turned over to the BID. The BID assessment dollars are used for by the BIDs to provide amenities within their area such as planters, banners, and street-scape.

BID plan and budget are developed and approved by the BID itself, the Planning Commission and finally Common Council.

Ald. Tom DeWane questioned and stated that not all of the business owner's agree upon the BID district being added and do not want to participate.

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

9. Report of the Purchasing Manager:

- a. Request approval to award the purchase of a Portable Platform for the City Deck Ice Rink to Wenger Corp. for \$39,512.

Ald. Tom DeWane stated that he believed the purchase of this platform was to be purchased using donated dollars and not taxpayer's money through TIF since it will be used for the skating rink.

Finance Director Foeller responded TIF funds are generated by the increment of the new development that was created. Taxpayer money is different than the TIF funds.

Parks Director Dawne Kramer came forward to address the need for a more stable base for the rink due to shifting boards and to eliminate any issues that have risen.

Ald. Andy Nicholson requested the Park & Rec staff to come up for a suggestion for a better place for the ice rink.

Parks Director Dawne Cramer stated that this is a very popular location providing amenities that we may not have in other location such as shelter, security, rest rooms and lighting. If the rink would be moved, costs may have to be increased in order to supply these amenities.

Ald. Tom DeWane believes the Mayor should complete the project by using donations and whatever it would take but by not use taxpayer's money.

A motion to approve the purchase of the platform subject to fund raising and/or donations for the funding made by Ald. Tom DeWane, seconded by Ald. Amy Kocha, and carried to approve.

- b. Request approval to award the purchase of Dugout Covers for the ball field at Beaver Dam Park to J.W. Industries, Inc. for \$15,250.

A motion to approve made by Ald. Tom DeWane, seconded by Ald. Amy Kocha, and carried to approve.

- c. Request pre-approval to award the purchase and installation of a Wireless Data Bridge to the low responsive and responsible bidder for an amount not to exceed \$15,000, and report the bid totals and award information back to the Committee at the next meeting.

A motion to approve made by Ald. Amy Kocha, seconded by Ald. Tom Sladek, and carried to approve.

10. Report of the Finance Director.

Finance Director Foeller does not have a report for this meeting.

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

A motion to adjourn at 8:07 made by Ald. Andy Nicholson, seconded by Ald. Tom Sladek, 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.