

MINUTES
FINANCE COMMITTEE
Tuesday, August 9, 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, Celestine Jefferys, Dawn Foeller, Attorney Chavez, Steve Grenier, Chief Smith, Chief Litton, Rick Jensen, and others

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

A motion to approve the agenda as presented was made by Ald. Tom Sladek, seconded by Ald. Mark Steuer and carried.

3. Approval of the minutes of the Finance Committee meeting of July 12, 2016.

Motion to approve the minutes from the meeting held on July 12, 2016 by Ald. Tom Sladek and seconded by Ald. Tom DeWane and carried.

4. Consideration, with possible action, the request by Water General Manager, Nancy Quirk, to review the plan to replace all private lead service lines using DNR funding along with up to \$300,000 of excess stadium tax refund and that a resolution be drafted allowing the use of those funds in accordance with the State of Wisconsin rule of using the money.

Water General Manager, Nancy Quirk, addressed the committee to share with them that the City has been awarded the \$500,000 DNR Safe Drinking Water grant. She is hopeful that the grant will cover 100% of the cost of replacing private lead service lines to residential property owners, however, in case that it is not, she is formally requesting that up to \$300,000 be allocated toward this project from excess stadium sales tax earmarked from a prior Finance Committee meeting be made available.

Ms. Quirk went on to say, the Water Utility is estimating that on average, the cost of replacing private lead service lines would be \$3,000 per home. They believe 90% of the home's private water lines can be pulled versus open cut, saving a significant amount of money.

A motion to approve using up to \$300,000 of excess stadium sales tax for the replacement of lead private services from the curb stop to the meter, for applicable property owners once the DNR Safe Drinking Water Loan Program of \$500,000 has been expended was made by Ald. Tom DeWane, seconded by Ald. Mark Steuer and carried.

5. Request by the Purchasing Manager:
 - a. Consideration, with possible action, the request to approve the purchase of Firefighting Equipment for new Engine 421 from W.S. Darley for \$15,891. (Awards to other vendors are below \$10,000 and do not require Committee/Council approval.)
 - b. Report the purchase of a used 2007 Command Center Vehicle for GBPD from Farber Specialty Vehicles for \$245,800.
 - c. Consideration, with possible action, the request of pre-approval to purchase a new Utility Vehicle – 4 Passenger ATV for GBPD from the low responsive, responsible bidder, for an amount not to exceed \$13,117.

A motion was made by Ald. Tom DeWane to approve items a - c of the Purchasing Manager's report, seconded by Ald. Mark Steuer and carried.

6. Consideration, with possible action, the request by Ald. Dorff that the Finance Director provide a report describing the wheel tax process and projecting the revenue a wheel tax would generate to use for roads as a means of eliminating or greatly reducing the individual assessments currently used for this purpose

Director Foeller went over the report included in the committee's packet and highlighted that the wheel tax can only be used for transportation purposes such as the maintenance of streets or a funding source for street special assessments. The Common Council would specify the amount of wheel tax to be collected and the fee would be added onto a vehicle registration renewal and paid to the Department of Transportation.

According to the DOT website as of July 3, 2016, the City of Green Bay has approximately 152,900 registered vehicles that could be subject to the wheel tax. Should the council approve a \$10 wheel tax, approximate collections could be \$1.5M or a \$20 annual wheel tax could generate approximate \$3M net of the \$.17 DOT fee for administration.

Should the Council approve implementing a wheel tax, the enactment would be through an ordinance to impose a local registration fee. Once enacted and notice is given to DOT, it would take 120 days to implement such a fee. The repeal of the fee would require the adoption of another ordinance removing the fee and would take 60 days for the repeal.

Committee members asked if these funds would reduce the amount of borrowing and if the funds could be used for the replacement of sanitary and storm sewer when a street is completely reconstructed. Director Grenier addressed those questions stating that this revenue source could only be used on street maintenance, reduction in street borrowing needs, or a funding source to replace street special assessments. The storm

and sanitary sewer funds would pick up the cost of their infrastructure repairs or replacement through their user fees collected.

Ald. Dorff came forward to address the committee and let them know her intent on this request was to use the funds to pay for the private side of special assessments. She attended an I & S committee meeting a few months ago and heard directly from several land owners the hardship special assessments place on them, in some cases home owners indicating they may need to sell their home to pay for the assessment. She would look to implement the wheel tax on a forward looking basis and not go backwards on previous special assessments levied.

Ald. Moore asked Director Grenier, should this fee be put in place, will this mean more streets be resurfaced or reconstructed, to which Director Grenier stated not immediately as Public Works is still limited with its number of engineers that work on these types of projects. Director Grenier went on to say that his team is working on a report to be presented to the I & S committee and believes this item should be referred to I & S and included in their analysis.

A motion was made by Ald. Tom DeWane, seconded by Ald. Tom Sladek that this item be referred to the I & S Committee.

Under discussion, Ald. Dave Nennig stated he is in agreement that this item should be referred to I & S and be discussed in conjunction with the special assessment programs to which Ald. Bill Galvin agreed.

A motion was made by Ald. Tom DeWane, seconded by Ald. Mark Steuer to open the floor to interested persons wanting to speak and carried.

Janet Angus, 1382 Shirley Street, step forward and spoke of the I & S meeting that Ald. Dorff mentioned earlier and she too is in favor of a more consistent, equitable way to levy special assessments as she has seen a wide variance in the value home owners pay for their assessments based on the project funding sources. She was also curious as to how many municipalities levy special assessments.

With no other persons stepping forward, a motion was made by Ald. Tom DeWane, seconded by Ald. Mark Steuer to close the floor to interested persons wanting to speak and carried.

With the motion made and seconded to refer this item to I & S, the vote was called and the motion was approved.

7. Consideration, with possible action, the request by Ald. John VanderLeest that the committee consider returning \$2M of excess stadium tax refund back to residential homeowners similar to how the lottery credit is dispersed.
8. Consideration, with possible action, the request by Ald. Tom DeWane and Ald. Andy Nicholson on behalf of many constituents in District 2 and 3, to use the excess stadium tax refund for infrastructure.

9. Consideration, with possible action, the request by Ald. Joe Moore to establish an allocation of the excess stadium tax refund by the categories of property tax relief, tax levy supported debt relief, or economic development.

Ald. Moore asked that items 7, 8 and 9 be taken up together and approved by the committee.

Ald. Tom DeWane made a motion, seconded by Ald. Mark Steuer to allocate \$2M in excess stadium sales tax toward tax payer relief and distribute those funds similar to how the lottery credit is distributed, allocating \$1M in excess stadium sales tax toward economic development projects throughout the City and the remaining balance of approximately \$820,000 be used for infrastructure.

Under discussion, Director Foeller discussed different options considered to distribute the \$2M back to tax payers including placing a credit or a negative special on the upcoming tax bill. Due to the complexity of the Brown County program that generates the tax bill and the collection process, she did not feel this was a viable option. Additional solutions offered were to reduce the tax levy for capital equipment in the 2017 budget, reduce the levy for debt in the 2017 budget, use the funds to reduce borrowing in 2017, use the funds toward immediate infrastructure needs or to issue accounts payable checks to distribute the money.

In speaking with the Department of Revenue, Director Foeller stated that a reduction in levy for equipment would negatively impact the City's state aid in the form of the expenditure restraint payment received, allocate the refund to all tax payers by reducing the City's mill rate which in turn would reduce the TIF revenue collected by approximately \$76,000.

The reduction in debt for levy would allocate the refund to all tax payers by reducing the City's mill rate which in turn would reduce the TIF revenue collected by approximately \$76,000.

The options to reduce the 2017 borrowing or use the funds for infrastructure needs didn't seem to be of interest to the committee as Alderman VanderLeest's intent of returning the \$2M was to put money back into residential taxpayer's pocket who own their home and live in Green Bay. With that be the driver, Director Foeller stated issuing AP checks to tax payers who receive the lottery credit would fulfill Ald. VanderLeest's objective.

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

John Kennedy, 2773 Newberry Ave, representing Grassy Island Range Lights Inc., addressed the committee and stated his interest in using excess stadium sales tax was for dike stabilization around the Bay Beach area. He has spoken to the Mayor who was supportive of the cause.

With no other persons stepping forward, a motion was made by Ald. Mark Steuer, seconded by Ald. Tom DeWane to close the floor to interested persons wanting to speak and carried.

With no further discussion, there was a call to vote on the motion which was approved unanimously.

9. Consideration, with possible action, the request by Ald. Bill Galvin and Ald. Joe Moore to establish an application process, sub- committee members and timeline for the use of excess stadium tax refund.

A motion was made by Ald. Tom DeWane and seconded by Ald. Tom Sladek to select Alders Galvin, Dorff and Zima along with Finance Director, Dawn Foeller, Director of Planning and Economic Development, Kevin Vonck and a staff person from the law department to the sub-committee that will review proposals.

Under discussion, Ald Moore referred to page 10g of the finance packet, under the project financing section and brought to the committee's attention that he thought the timeline of a project starting within 3 months of the award and completing the project within 9 months may be a little aggressive and suggested inserting 6 months for a project to start and a completion within 12 months which committee members where in agreement. Director Foeller will make that requested change.

In that same section, Director Foeller asked the committee if they would like this grant to be one that is paid out before project costs are incurred or a reimbursable grant similar to how CDBG handles their Block Grant money. The committee concurred a reimbursable grant will give us better accounting and ensure the project has incurred expenses prior to releasing City funds. Also, the committee accepted Director Foeller's suggestion to hold back 10% of the grant until final reporting of their project is complete by the grantee. This reporting then will be summarized and reported out to the finance committee.

Director Foeller referenced page 10A of the finance packet and the timeline. In its current form, giving the committee October 1 – October 10, to review and make recommendations to the committee seemed aggressive and suggested that the due date for the proposals be moved up to September 23, 2016 to allow the committee a little more time. The Finance members agreed to that change in the timeline.

Other suggestions to the document include:

- Update paragraph A to indicate the Finance Committee's \$1M amount available for economic development projects.
- Update paragraph B to reflect the 6 months to start the project and one year to complete as suggested above.
- Update paragraph D with due date of submission by September 23, 2016 and remove the piece regarding late submissions to be allowed.
- Update paragraph E, adding the hold back of 10% for final reporting.
- Update paragraph F, removing the minimum grant amount. Update requesting 6 copies.

Final document will be available soon after final Council approval. The document will be available on-line.

Hearing no further discussion, a vote was called and the motion carried unanimously.

11. Consideration, with possible action, the request by the City Attorney's Office to review and approve the report of the claims committee for May – June, 2016.

A motion was made by Ald. Tom DeWane and seconded by Ald. Mark Steuer to approve the report of the claims committee for May-June 2016 as presented by the City Attorney's office and carried.

12. Consideration, with possible action, the request by Attorney Vanessa Chavez to discuss the Gerhard federal suit.

A motion was made by Ald. Mark Steuer, seconded by Ald. Tom DeWane, to go into closed session. Ald. Steuer read the closed session language. Motion carried.

A motion was made by Ald. Mark Steuer, seconded by Ald. Tom Sladek, to go back into open session and carried.

A motion was made by Ald. Mark Steuer and seconded by Ald. Tom DeWane, to approve the recommendation to proceed as directed by staff regarding the Gerhard federal suit.

13. Consideration, with possible action, the request by the Finance Director updates to the City's general fund policy.

Director Foeller referenced the general fund policy included in the finance packet and stated the changes being requested are for language clean up only to conform to GASB Statement 34 and 54, simply exchanging the words "unreserved, undesignated" to "unassigned".

A motion to approve the request by the Finance Director to the updates made to the City's General Fund Policy was made by Ald. Tom DeWane, seconded by Ald. Mark Steuer and carried.

14. Report by Finance Director.

Director Foeller updated the committee on preliminary equalized values for the City as of 1/1/16. Overall the City's preliminary equalized value is up 1%. Final equalized value will be released next Monday, August 15. Assessed value is estimated to have increased by \$40M. Final assessed value for the City won't be available until the State of Wisconsin has completed their work on manufacturing property assessment in the City. Those values have typically been released in late October, beginning of November.

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 7:35 was made by Ald. Tom DeWane and seconded by Ald. Mark Steuer and carried.

2016 Contingency Fund
\$58,000

- 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.