MINUTES OF THE FINANCE COMMITTEE

TUESDAY, APRIL 9, 2019, 4:30 PM
CITY HALL, ROOM 207
IMMEDIATELY FOLLOWING PERSONNEL

A. ROLL CALL.

Present: Barbara Dorff, Kathy Lefebvre, Veronica Corpus-Dax, Bill Galvin,

Others Present: Ald. Brian Johnson, Chief of Staff Celestine Jeffreys, Park, Recreation and Forestry Director Dan Ditscheit, Asst. Fire Chief Rob Goplin, Asst. Finance Director Pam Manley and others.

B. APPROVAL OF THE AGENDA.

Moved by Ald. Bill Galvin, seconded by Ald. Kathy Lefebvre to approve. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

C. APPROVAL OF MINUTES.

1. Approval of the minutes from the March 12, 2019 meeting.

Moved by Ald. Kathy Lefebvre, seconded by Ald. Bill Galvin to approve. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

D. REGULAR BUSINESS.

1. Request by Ald. Wery that all departments submit time spent and resources used by any current or former employee on Mayor Schmitt's private going away (retirement) party. All time and resources used are to be billed to Mayor Schmitt. I am requesting the City of Green Bay inquire into whether City resources of any kind will be needed for Schmitt's retirement party, especially if a public fireworks display takes place.

Moved by Ald. Bill Galvin, seconded by Ald. Kathy Lefebvre to hold until Ald. Wery can be present. Motion carried.
Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

2. For consideration with possible action on the Brown County Tax Collection Agreement for December 2019 to February 2020.

Moved by Ald. Bill Galvin, seconded by Ald. Veronica Corpus-Dax to deny signing the Brown County Tax Collection Agreement for December 2019 to February 2020, but to provide additional information on a breakeven point for the interest rate for the Council Meeting. Motion carried. Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

E. INFORMATIONAL.

1. Update on the five year combined Capital Improvement Plan.

2. The next Finance Committee meeting will be held on Tuesday April 23, 2019 at 4:30 PM.

3. 2019 Contingency Account:
$96,000.42

F. ADJOURNMENT.

Moved by Ald. Veronica Corpus-Dax, seconded by Ald. Kathy Lefebvre to adjourn. Motion carried. Yes- Barbara Dorff, Bill Galvin, Kathy Lefebvre, Veronica Corpus-Dax, No- None, Abstain- None

G. VERBATIM MINUTES.

- That was my gavel.

- All right, I'd like to call the meeting of the Finance Committee for Tuesday April ninth. It's about 4:40 PM, to order. Roll call, Alder Lefebvre.

- Here.

- Alder Corpus-Dax.

- Here.

- Alder Dorff, here.

-Alder Galvin.

- Here.

- Okay, I want to entertain a motion for approval of the agenda.

- Motion approved.

- [Both] Second.

- Motioned by whoever you want. Second by Alder Lefebvre to approve the agenda. All those in favor?

- [All] Aye.

- Opposed? Motion carries. Approval of the minutes from March 12th, 2019 meeting?

- Motion approved.

- So moved.

- Motion to approve by Alder Lefebvre. Second by Alder Galvin. All those in favor?

- [All] Aye.

- Regular business. Request by Alder Weary that all departments submit time spent and resources used by any current or former employ at Mayor Schmitt's private going away retirement party. All time and resources used are to be billed to Mayor Schmitt, requesting the City of Green Bay required to whether city resources will be needed for Schmitt's retirement party, especially if a public fireworks display takes place. I do not see Alder Wery here. Therefore, I would like to suggest that we hold this until such a time when Alder Wery can be present to discuss this at a finance meeting. I would like to entertain a motion to hold that.

- Sure, hold motion in effect.

- Okay, motion to hold made by Alder Galvin, second by Alder Lefebvre. All those in favor?

- [All] Aye.

- Motion carries. This will be held.

- Yes, I'd like to discuss it. Yes.

- For consideration with possible action on the Brown County tax collection agreement for December 2019 to February 2020. Staff.

- So, within your packet is a copy of the agreement we received from Brown County. Annually, we've been signing agreements to have Brown County collect the property and personal property taxes for us. Now, recently, in the last three years and prior, they used to give us the money weekly, so we would get payments from the county every week for the amount of taxes that they've collected that were ours for the city, the county, the TC, anyone within our taxing jurisdiction. Then two years ago, they lowered it to five payments a year, and now with this new contract here, they're looking to lower it to four payments a year, which the first payment we wouldn't even receive til January of 2020. So, Diana and I have discussed it, we've run the numbers. That's a lot of interest that we're losing out on, so we project that, with current interest rates, we could make an additional 75 to $100,000 in interest revenue if we were to collect the taxes ourselves. In addition, we'd obviously have to have some expenses, we'd need some additional staff in clerk's office, there could be some additional bank fees. We're projecting it could be about $25,000 worth of expenses.

- So, people would have two different tax bills they pay?

- You would just have, if you have your property, you would get one tax bill, and instead of it saying to go to Brown County to pay it, it's going to say, come to city of Green Bay.

- And then you would hold the state... Can we hold the county's money?

- We hold all the money until the January 15th settlement, and that's for everything we've collected up until through December. So, we settle with all the taxing jurisdictions January 15th, and then we collect all the money for January, and then the very beginning of February, for any payments through the mail and stuff for January, and then we settle up with the taxing jurisdictions again on February 20th. So, yes, we're able to hold all of that money for a much longer period of time, where the county

- But are you looking at the postage sending it out?

- The taxes currently, the county sends those out and we pay for the postage anyway.

- Yeah, yeah, right, right.

- So, the county would still have to print and send our tax bills.

- We used to collect the taxes back in the '80s and '90s.

- Right, right, right. The county did discuss that last year. We were talking about that, and there was some consternation, some of the supervisors, because it affects the smaller communities, but they gave the option you can... Maybe De Pere might do it themselves and Green Bay, 'cause they're bigger. They can add the staff, but these smaller ones, they shouldn't need to.

- All municipalities did collect the taxes, to my understanding at least, prior. Kris Teske's familiar with that.

- Yeah.

- But I think the prior county treasurer had wanted to get it all condensed. I mean, it's a little easier for people who might own properties in multiple municipalities. They can just come to one place, pay all their bills, right? But with some of the changes that are made, I would recommend that we look at doing this ourselves. It's hard to pass up that additional interest.

- Plus, do we ever have to borrow money in order to make our payments? Because we don't have the money.

- No, we don't.

- 'Cause school districts have to do that.

- We have enough of a fund that we

- Okay.

- Are able to make it through those time periods, but we get used to getting those payments in December, so not getting any payments in December would put a little bit of a strain on some of the investments I have, I would have to pull in.

- So, we pay taxes. You can pay taxes before the end of the year to claim it on those income taxes or you can pay after.

- Yep.

- Okay, so most everyone pays December January.

- Yes, your first installment is due January 31st.

- Then the next installment is due in June, right?

- June, yes. July, yeah.

- July, okay.

- Fourth of July.

- I thought it was June.

- How is it that they have to pay out four times a year? Wouldn't they just pay out twice a year? Explain this to me.

- Technically, the municipality is allowed to collect all of it, so we'd be able to hold on to all of the money, and even when the county is collecting right now, when they're paying us four times a year, they're giving us all the money, even the money they've collected for Brown County, TC, all the Green Bay school districts and the State. They're giving us all that money because it's our money to hold on to and it's our responsibility then to settle with those taxing jurisdictions.

- Oh.

- Right, but what I'm asking is how it is they have to make four payments? Why not just two payments? One in January and one in July?

- The county? They could have put that in this agreement, too, but I don't know that the municipalities... Municipalities do, especially smaller ones, get used to getting those payments all the time.

- But are people paying in March and April and May that they're have to be payments?

- That's what's confusing.

- Okay. So, when I'm saying they're paying four times, the county has set in this agreement to pay January 3rd, January 17th, February 5th, and February 12th. So, it's all within that time frame. It's not later in the year. So, anything that goes delinquent and isn't paid by the end of January or that second installment, those will still be collected by the county.

- Okay.

- The second installment, then we don't get that til December?

- Til it's due for the settlement.

- So, that interest accrued over that period of time belongs to

- Quite a bit.

- Almost 75 to $100,000?

- Yes. We calculated out the amount we were looking at collecting in that time, we have total tax payments that we received in '18, just as an example, was 114 million dollars. So, from the five payments that the county gave us, we received 114 million dollars. We then had to turn around and pay out part of that.

- Oh, sure.

- But with the current interest rates being pretty high, we're able to make quite a bit of money.

- So, you think, would we create a position? Would this be overtime, this 25,000 you're talking about?

- Talking with Chris, we'd be looking at hiring some temporary employees, whether it's poll workers or other temp employees, for just the time from December, when the tax bills are sent out, through the first week in February.

- And then what about the second bill that goes out?

- The second installment would go to the county.

- That goes to the county.

- That would still go to the county. They are responsible for that.

- All right.

- It doesn't seem to have a downside, does it?

- Some rates are high now.

- Correct.

- What does high mean and what does a low rate look like? Does the low rate still quantify enough to cover your expenses that you need to burn out?

- So currently, when we did our projections, we did it as an interest rate of two and a half percent. Looking at what the LGIP is, which is our Local Government Investment Pool, that is very close. Two four six, two four seven the last couple of months. Last year at the end of the year, it was two point three seven, but history, the end of 2017, you were looking at one point two one, prior to that, point four five, point one nine, point zero nine. So yes, it could flip. If the interest rates flip

- Well, if my math is way off, half of two point five is one and a quarter, and that would generate about $50,000 in interest, unless I'm not extrapolating this right.

- Yeah, that'd be, yeah.

- So, and if this position is only gonna run us 25 grand, we're still 25 in the black.

- Yes.

- Unless the rates dipped.

- Well, unless they dipped below

- One and a quarter. Well, it looks like the rates would have to go all the way down to one percent, or maybe a little bit less, for us to break even, before it looks like we're gonna start losing money, and that's certainly potential. In 2008, it was just about zero.

- In addition, there are some extra items in Brown County's contract with the city. Just with the city of Green Bay, the other municipalities have the same language until it comes to item 14. Item 14 on here is requesting that they get a set number of hoods on the parking meters over on Adams Street, and also over here, I believe, on Jefferson Street, and now something new for this year is they're also requesting five parking passes for five limited term employees during the months of December 2019 and January 2020.

- So, they're taking away parking.

- So, we would be losing out on potential parking revenue, as well, of four to five thousand dollars.

- Don't they have a parking lot they just bought? Just asking. Okay, you're not a part of that.

- I'm not part of that.

- I'm sorry. I apologize.

- That's not close though.

- So, you're asking for a motion for us to deny this contractual agreement or are you asking to make

- Either we approve this contract and we sign it or we just don't and they're gonna assume we're collecting.

- Okay. Then, I make a motion to deny this contract.

- Is there a second?

- Second that.

- Okay. Anymore discussion?

- I guess it could be risky, and we could go back to the way it was then, possibly.

- I think it's worthwhile to look at historical numbers, but I think we've got time to do that before council.

- I'll amend my motion. I'll make a motion to deny, but at the same time, I like what Brian said, to bring back to this committee a study on historical numbers.

- Just, right, make sure.

- See what the interest rate would have to be for us to break even, and let's see how many years we were below that, and how many years were we above.

- Okay.

- I just want to add one other thing. It's not the county that did this, it's the county treasurer who's elected. He decided, and the county board itself, we had supervisors. We couldn't do anything about it, 'cause he's elected and under the law, he can do this.

- Oh, so you have no

- And a lot of them weren't happy with it.

- The County Board has no say over that.

- No. No, couldn't do anything. So, I just wanna make sure. So, don't go blaming.

- It was a couple years ago that the county treasurer had requested that the municipalities pay for every tax bill, and that had come back that the county treasurer did not have the authority to do so, and the County Board did not want that to happen, so that's when we went from eight payments to five, but yeah, I'm under the same understanding that this is the county treasurer.

- Okay, put away the tar and feathers and pitchforks.

- Yeah, don't do it to me. It wasn't my fault.

- So, wait. So, now the motion

- The motion is to deny, but at the same time I'd like a study to bring back what the breakeven point interest rate would be and how many years above, how many years below.

- Wouldn't you hold it though? If you deny it, they're just going to say, okay, you're gonna do it.

- You make a valid point.

- Wouldn't you just say hold it for a while?

- I believe we have til the end of this month.

- Oh.

- To make a determination.

- So, we have another meeting.

- We have another meeting.

- Yeah, it's the 23rd.

- Let's hold it and bring back

- And then council on the 30th.

- Oh, council is not on the 30th.

- That's right, I don't think so.

- What?

- When is the next council meeting?

- May seventh.

- Oh, so we have to decide.

- Council would have to decide prior.

- So, can have this for you by council if that's all right.

- Yep.

- So, we'll have a brief discussion at council.

- Yeah.

- Okay. Okay.

- Motion to hold. Motion to hold?

- No.

- No.

- Motion to deny.

- No, to

- Motion to deny with the study and we'll pull it at council.

- Bring that, yeah, to council.

- Okay.

- Yes.

- May I tell you something personal?

- Sure.

- You had mentioned an estimate on the expense to manage it, could you detail that out for us to look at at that same time?

- Yes.

- You're holding that piece of paper like you already have it.

- I do. Okay, okay.

- And then we roll into that clerk board and they can make a deposit.

- Okay, so motion by Alder Galvin. We're going to deny and have some information presented at council, and was seconded by Alder Corpus-Dax. Okay. All those in, or do you want us to vote on the deal, or do you want us, all in favor?

- [All] Aye.

- Okay, it's unanimous.

- Okay.

- All right. Next, the update on the five year combined capital improvement plan, and there were no attachments, so I don't know.

- I have another handout for you.

- Okay.

- So, it is my understanding that there was a request at the last council meeting that Diana pulled something together for this, and have just rough estimates. So, she pulled all the emails that we've received, which, keep in mind, this is everything. I'm gonna ask for everything possible, right? We have not revised this at all from what departments have requested. She pulled it together just on what was general levy, which was TIF, parking, storm, sanitary, or other funding sources.

- What does CIP mean?

- Capital Improvement.

- So, you guys were looking for just an estimate of how much they've been requesting. So for 2019, for instance, you're looking at a total of 24 to 25 million dollars in bonding, keeping in mind, we're only paying of 14 million.

- Right. Right.

- We have sent all this information to Ehlers and Associates, who we, during the last council meeting and finance meeting, approved to do the financial management plan for us. So, they will take these numbers and kinda plug 'em into our current budget scenario, where we're at with debt capacity, where we're at with levy limits, and kina tell us what we can and can't do, what we should or shouldn't do based on our Moody's rating, where they think that this would be negatively affecting us, or what we can do to get it more positive.

- What happened in 2022?

- Yeah.

- We built a public safety building.

- Okay.

- Oh, we did.

- That's what I thought.

- Yeah, that's right. Yeah.

- Is this an estimate?

- This is based on what the departments have requested. We did request each department

- So, they've got requesting all the way to 2023.

- We have asked them all to do that. In many cases, there may not be detailed stuff, like Public Works, we didn't get every single street, but roughly what the dollar amount would be so you would be able to then go and decided what streets for that dollar value.

- And nobody anticipates any borrowing for TIF?

- Not at this point. For 2019, they have a little bit in here and that would be for the shipyard, but Diana was not aware of anything going forward at this point.

- Okay.

- So, what this is kind of telling me is that the idea about the wheel tax money being used to offset bonding really

- Drop in a bucket.

- It is, and I would rather keep it in wheel tax fund, but that was one of the main reasons we wanted this, right? Wasn't this all about the big discussion at council about the wheel tax?

- What I wanted to see was, before I vote to use wheel tax money to offset having to buy, is based on your taking these numbers, and how much we're estimating to pay off each year, would that make any difference in our ability to raise the levy that we didn't use in years past because we're not bonding as much?

- It's not going to.

- And that's what Ehlers will help us calculate, as well.

- And that's why, can you give us an answer yet? I mean, if we, what was it? 400, 500,000 they were?

- Yeah.

- So, if we use 500,000 of wheel tax money to offset bonding, would that allow us to raise our levy half a percent or one percent or anything?

- Diana said if it was about 17 million, it wouldn't. That's what she said at the meeting.

- And so, you're estimating that this is going to

- So, 24 is what's being requested.

- I think there's a lot of variables with that. When you're bonding, how much you're bonding, when that is being paid off. You can bond in 2019 here and not actually make principle payments for five years.

- So, what I'm asking though is can we get an answer to that question?

- Yeah, that's the answer we needed for Tuesday. That's the answer we need for Tuesday. That's the whole reason we needed this.

- And I understand there's a lot of variables.

- I don't have that answer. I can definitely talk to Diana when she returns and we can try to come up with something before Tuesday.

- We need... And I think we need this going forward from year to year.

- Monday. Monday.

- We're gonna need these kind of answers to these kinds of questions, otherwise we're spinning our wheels.

- And it might be a moot point, because Director Grenier last night had indicated that he's exhausted his pothole repair budget already this year.

- Right.

- So, he might look, instead of that capital reserve fund, he may actually look to use it this year.

- 'Cause the potholes have been so bad.

- Right, 'cause it's part of transportation. That's what the wheel tax was for.

- He's planning to bring that up, I believe, tomorrow at the I&S meeting.

- Which got changed to 6:30, guys, in case anybody was thinking of going at four when Parks was originally scheduled. It's now at 6:30. So, that just happened.

- Also, an additional observation on this total bond estimate, we've sort of promised 11, 12 million dollars of that already to Public Works.

- For this year.

- Because we approved their capital improvement plan without a bonding request.

- We did.

- Which was the point that I was trying to make at the meeting. Why are we not doing these simultaneously?

- Right. It makes no sense.

- It was so that they could No, it did make sense, because they need to contract with people, and you cannot contract with people unless you know you have money behind it.

- I get that, but that's where I'm saying then maybe our bond request timing needs to be adjusted.

- Oh.

- Oh, maybe that's true.

- Yeah.

- Oh, yeah.

- This makes no sense to approve projects that require bonding when we haven't approved the bonding yet.

- Yeah. Except, we did.

- In essence, they're forcing us to approve the future bonding by approving projects, and when they come to us though, it's piece meal requests, and instead of a solid plan that the whole city has these plans with this bonding request, it's I need this, and we all go, yeah, that seems like a good idea, but by the time you get to the third or fourth department it's like, holy hell, we're spending a ton of money, and there has to be more coordination in planning.

- Yes, and there has to be some kind of rating. What's the most important projects need to go first, right? When you're bonding, you have to because otherwise, like you said, you could have another one down the departments are putting in. This department says this one. Well, this one might be more important than the first one, but we already approved it, right?

- Right, stuff that's gonna be flooding and our streets and that might be deemed by us to be more important, or building a new park shelter might be deemed by us to be more important, but we have to have some kind of way of considering all these requests and then come to a conclusion.

- To know ahead. Exactly.

- Yeah, I feel like we're getting the cart in front of the horse on some of this stuff.

- Yeah, yeah.

- And I think that's part of the reason why we have some of the financial problems that we do.

- We're gonna fix that.

- Next year.

- That is the point of us doing a five year CIP is that we can see what's being requested, and even with Ehlers, with the conversation we had last week, they can give us an idea of how much maybe we should only be borrowing up to, and then maybe they come back and say, okay, you're paying off 14 million. You really should only bond 14 million, and then you guys would have to look at the projects and do that rating.

- And saying, wait, and see if really we can do them this year.

- And another question is, what if we had approved Steve's request at the last City Council meeting, and now he would be changing his tune to transfer that money instead of the offset bonding, transfer it to potholes?

- I don't know.

- I know.

- It's just conjecture. I don't know.

- Again, we're doing these request.

- Yeah.

- It's not making sense.

- It's not a good idea.

- All right. Thank you.

- Okay.

- Would you like a

- It's just informational?

- It's just informational, so we don't really need it. And then, we have,

- Oh my gosh, look at. We just left the fight.

- The next finance will be held on Tuesday, April 23rd at 4:30, and the contingency account is at 96,000.

- Is that accurate?

- That is the current amount we have in the account; however, we have not done transfers yet for some of those invoices we've approved for law.

- Well, what about for the flood clean up? I was given

- We have not brought anything to this committee yet for that, as well.

- That really isn't reality. It's really low. It's pretty low.

- The number I was given by DPW was 57,000 so far for flood cleanup.

- We may not have that left.

- Right.

- After those that had already been approved.

- So then, we have to figure it out.

- Are those funds that are eligible for reimbursement through the emergency declaration?

- Only if

- No.

- According to the fire person who is in charge of that.

- We didn't meet our threshold.

- Oh, there's a threshold? Okay.

- Yeah, there's a local and then a State threshold they have to meet, unless there's a huge sinkhole on the near east side.

- So really, the mayor's declaration, it was proper protocol. It's not gonna get a citation.

- It's not gonna get a citation. And that doesn't include police and fire overtime or anything else.

- Great.

- Yeah.

- Okay.

- We drained the bank.

- Bake sale. All right. I'll entertain

- City wide bake sale

- A motion to adjourn.

- Throw pies at the Aldermen contest.

- Motion to adjourn. Motion to adjourn. The Alder goes stacks.

- Second.

- Is there a second?

- Second.

- Second.

- Second by Alder, Second by Alder Lefebvre. All those in favor.

- [All] Aye.

- No opposed, we're adjourned.