MINUTES OF THE FINANCE COMMITTEE

TUESDAY, JANUARY 10, 2023, 4:30 PM
In person at City Hall, Room 207.
Virtual attendance also available via Zoom.
Immediately following Personnel.
-AMENDED-

A. ZOOM MEETING INFORMATION.

1. This item contains Zoom information, instructions, and a link to the Virtual Comment Form.

B. ROLL CALL.

1. Members: Ald. Brian Johnson, Ald. Jesse Brunette, Ald. Bill Galvin & Ald. Jim Hutchison.

Present: Brian Johnson, Jim Hutchison, Jesse Brunette, Bill Galvin

Also present: Ald. Mark Steuer, Police Chief Chris Davis, City Attorney Joanne Bungert, Finance Director Diana Ellenbecker, Assistant Finance Director Pam Manley and others

C. APPROVAL OF THE AGENDA.

Moved by Ald. Jesse Brunette, seconded by Ald. Bill Galvin to approve.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

D. APPROVAL OF MINUTES.

1. Approval of the Finance Committee minutes from the December 13, 2022 meeting.

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to approve.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

E. REGULAR BUSINESS.

1. For consideration with possible action to rescind real estate taxes for parcel 22-SC480-1 Richard & Linda Farley at 4177 Algoma Road for a total of $2,733.14.

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to approve.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

2. For consideration with possible action to rescind real estate taxes for parcel #18-269 Christopher Woodke at 1029 Neville Ave for a total of $347.48.

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to approve.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

3. For consideration with possible action to rescind personal property taxes for account #27624 UP Properties II / Fazoli's previously at 2400 E Mason for a total of $1,135.85.

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to approve.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

4. A request by Ald. Brian Johnson to the Finance Committee which states: "For consideration and possible action to direct staff to draft an ordinance that defines the frequency by which the city must conduct revaluations with a more stringent requirement than currently mandated by state law."

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to refer to staff to inquire with the Top 10 cities in the State of Wisconsin and a couple of our nearby municipalities to determine how frequently they do their revaluations and if it's by ordinance, policy, or they just do it. And also to inquire what the presumed cost might be for the City to do it on a more frequent basis.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

5. A request by Ald. Brian Johnson to the Finance Committee which states: "For consideration and possible action on the adoption of a resolution urging local government funding reform including but not limited to shared revenue; and requesting the state consider surplus distributions to local municipalities for investments in public safety and infrastructure needs."

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to refer to staff to come back to the next Finance Committee to modify the League of WI Municipalities resolution to either add or remove anything that wouldn't necessarily be appropriate for Green Bay. And to draft a resolution regarding the state surplus that would allow a distribution to local municipalities for public safety and infrastructure needs.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

6. A request by Ald. Brian Johnson to the Finance Committee which states: "For consideration and possible action to direct staff to draft a resolution appealing the state to contemplate a modification in the TID statutes to permit the use of TIF to aid in the funding of public safety buildings."

Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to refer to staff to draft a resolution.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

F. INFORMATIONAL.

1. 2022 Contingency Account: $184,297.00; unobligated is $57,297.00.
2023 Contingency Account: $250,000.00

2. The next Finance Committee meeting will be held on Tuesday January 24, 2023 at 4:30 PM.

G. ADJOURNMENT.

Moved by Ald. Bill Galvin, seconded by Ald. Jesse Brunette to adjourn.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jesse Brunette, Jim Hutchison

H. VERBATIM MINUTES.

- Ready? Roll call. Let the record reflect Ald. Brunette, Ald. Galvin, Ald. Johnson, Ald. Hutchison are all present. Item C, Approval of Agenda.

- Move to approve.

- Second.

- We have a motion by Brunette, second by Galvin. Any discussion? Seeing none, all those in favor, say, "Aye".

- [All] Aye.

- Opposed? Motion carries. Item D, Approval of Minutes from December 13th, 2022.

- Motion approved.

- Second.

- The motion by Galvin is second by Brunette. Any discussion? Seeing none, all those in favor, say, "Aye".

- [All] Aye.

- Opposed? Motion carries. Item E, Regular Business number 1, Consideration with possible action. Rescind Real Estate Taxes for Parcel 22-SC480-1, Richard and Linda Farley at 4177 Algoma Road for a total of $2,733 and 14 cents. Any questions? If not, we'll entertain a motion.

- Motion to approve.

- Second.

- We have a motion by Galvin, a second by Brunette. Any discussion? Seeing none. All those in favor, say, "Aye".

- [All] Aye. Opposed? Motion carries. Item 2, for consideration of possible action, Rescind real estate taxes for partial number 18-269, Christopher Woodke at 1029 Neville Avenue for a total of $347 and 48 cents. Same circumstance. Any questions? Obtain a motion.

- Motion to approve.

- Second.

- Motion by Galvin. A second by Brunette. Any discussion? Seeing none. All those in favor say, "Aye".

- [All] Aye.

- Opposed? Mission carries. Item 3, for considerations possible action. Rescind personal property taxes for account number 27624, UP Properties II/Fazoli's previously at 2400 East Mason for a total of $1,135 and 85 cents. Fazoli's is out of business. Any questions? Ald. Brunette.

- Just maybe a more of a point of order, but we're on Zoom here, and is there any member of the public here for a specific agenda item? I don't know.

- Alex is one of our appraisers in our previous assessor's office.

- Oh, okay. We're good.

- So in case you had questions on these three items.

- Got it.

- Okay. Good catch Ald. Brunette though.

- There's no one else watching this.

- Boring today. All right. Any discussion on that one? Seeing none will entertain a motion.

- Motion approved.

- Second.

- Motion by Brunette, sorry. Motion by Galvin. Second by Ald. Brunette. Any discussion? Seeing none, all those in favor, say, "Aye".

- [All] Aye.

- Opposed? Motion carries. Item number 4, request by Ald. Brian Johnson, the finance committee, which states for consideration possible action to direct staff to draft an ordinance that defines the frequency by which the city must conduct reevaluations with a more stringent requirement than currently mandated by state law. So I submitted this communication kind of in response to a number of the things that were going on, obviously through the reevaluation processes, as all of you recall, It's been 17 years since the reevaluation was last done, when we as a finance committee, I believe the Director Ald. Becker could speak to this. But when we authorized the city to finally proceed with the reevaluation to ensure that we would not be outta compliance with state law, it had been 17 years. A company with that came a recommended policy, which was then adopted by the committee to do this every five years. Now that was policy, not an ordinance. Since that time, myself, and I'm sure many of you as well have received calls about reevaluations for properties that had significantly appreciated during that 17 year period. And as a result they saw a disproportionate rise in property taxes. And so I wanted to revisit this because in that time period I've since talked to some folks from other municipalities and Ald. Galvin, you even alluded to this, I think one time after a meeting, you know that some cities do this more frequently, and I've heard of cities that do it every year. I think Milwaukee, Madison, if

I'm not mistaken, I think do it every year. I think De Pere might do it every year, every other year. But it's definitely more frequently than the five-year policy that we adopted. And of course, even with a policy, I mean we all know this, policies aren't law. It would be very easy for a counsel to say, "You know what, we're gonna bypass a policy." So I wanted, I put this in here because I wanted to engage you on a dialogue of what is the appropriate period of time that we do this. Because right now we, I mean, we're assessed at a high point in residential, in a low point commercial market swing. I would anticipate that'll swing at some point. And then of course, should this be a law, and what's the frequency? So it's up for the discussion I guess. Ald. Galvin.

- Just two questions. And I'm not sure if the answers are here, which is that's fine. But we can get it a later date. But how long did it take to do the reevaluation? Does anybody on staff know?

- It was about two years.

- I thought it was

- I was gonna say we signed the contract in end of 2019, I believe. So they started the work in '20.

- It was a small part, right? A couple months worth.

- Yeah. The very end I think, so I could get, I can get that exact information.

- All right. And then I guess how much did it cost to do it over here? Because we hired outside health for that did we not?

- We hired outside council and it cost $338,000 plus then there was also postage for the letters that we did not take into consideration. So overall it was about 345, almost $350,000. There was additional requirements from our staff to also help make the rebel complete. So, but outside extra additional dollars, we spent about $340 some thousand.

- Would it be less expensive if we did it on a regular basis instead of waiting 17 years? Or is that something we need to check with the.

- I got the impression that it would be less, but again, I would say yes, I believe that's what the assessor had said, 'cause there would be less things that would have to be done on an annual basis.

- Okay. Thank you.

- Quick, I didn't mean to try to cut you off, but I think it needs clarity too that we actually had a bond for this, right? This was not tax levy supported. So we're bonding for the reassess. We bonded in paying off the bonds for the reassessment we just completed.

- Correct. We took a state trust fund loaned out for $340,000.

- How long was that loan for?

- Yeah, we took up 10 year.

- 10 years. See, so that's, so we'll we paying, I love the idea of moving forward, like coming up with a better policy. Obviously it's gonna cost money, and we're gonna, the real irony is we're gonna be paying off for the one we just did while we're paying for the one we're doing in the future. 'Cause likely we're gonna probably do it if we're have our wits about us, we do it sooner than the 10 years, we got sent this mess in the first place.

- Well that's part of what I think staff will be bringing back to us is, you know, what they think it would cost if we did it every two years, every five years. And then I would prefer we do a budgeted item.

- It would have to be, yeah, much like we've reacted to the term of some of our loans and notes, right? We, during the budget process, we shrunk some of those terms down so that we're not paying for 10 years and three year cars. I think the same principle here, right? So I mean for me, I think an ideal scenario on this item would be to refer this to staff. I think a couple things, you know, Ald. Galvin, you alluded to it, which is if we did this more frequently, what would the price be? And then I'd like to also, if you took, and perhaps staff could give us some guidance on this. We've done this often where we say, the top 10 municipalities, right? And then we reach out to them and then get some information about how frequently they do it and then maybe even if they have this baked in ordinance versus policy or if it's just something that they smartly do, right? They don't, they don't wait. So yeah, if I could involve Ald. Hutchison.

- Does the industrial or business, and homeowner reassessment have to be done altogether or can it be done one or the other, or could it be done partial? Is it all or nothing? I guess.

- It's all or nothing.

- It's all or nothing.

- Ald. Brunette.

- Right. Because you would have to be careful that you wouldn't pick the one there where the market is up or the market is down, you would want to choose, you know, which one you're going to do based on the market.

- Okay. Thanks.

- Ald. Brunette.

- Yeah, Director Ellenbecker, I guess one of my fears when we were going through this process is it seemed to me, and again, homeowners, property owners had every right to challenge their assessment. But it seemed to me common sense was that some properties were assessed higher than what the property owner felt the property was worth. And I guess my fear is next year, two years, three years down the line, if we see their property values drop, then some people are going to be assessed at a higher value than what perhaps they could sell their home for. So we're gonna have a whole other set of problems potentially in a couple years. Obviously, I hope our home values keep their value, but with markets the way that they are, there's no guarantee. So let's just say hypothetically a year, or two from now, property values do drop significantly, we're not adjusting the assessment downward in any way. That's what this discussion is about. We would have to assess, reassess the city citywide.

- Correct.

- So that would be my fear. So right now, you know, we dropped the tax rate 20% give or take, my opinion, we should have dropped it more. I guess my fear is that if property rates, property values go down, that tax rate's gonna go up. So there's just so many layers, but we just need a fair assessment and to do it every 15 to 17 years, whatever it was, that's just bad. It was bad of us to try to cream these people. I was part of that at some point. But we just need to come up with a solution. So I support the referred to staff.

- Yeah. And I think at the end of the day, to me it's about making sure that people are paying their fair share, right? So that nobody is paying more than they ought to. And conversely that we're not paying less than we ought to. And so one of the reasons that sort of I being kind of, kind of maybe requesting this, is I think if we wait five years to do this, as I mentioned the residential market is hot right now. So prices are assessing higher. Commercial market right now is not so hot and that's why that didn't grow at the same level. Director

Ellenbecker, you can correct me if I'm wrong on this, but I think average commercial property citywide grew about 20%, but I believe residential was closer to 40?

- 37.

- Right? So that means residential properties assumed disproportionate increase in that. And so they're paying more taxes in aggregate, than commercial did in the past. Now I suspect since commercial is partially based on, based on a number of factors including leases and all that, right? And you saw, I mean a pretty commercial took a hit during the pandemic, right? It's not occupied as much. Leases have changed and modified. So my hunch is you caught commercial kind of in a valley right now and that'll rebound eventually as most markets do. And I'd like to just make sure that when that happens, whether it's a year, five years, 10 years, you know, that we've appropriately made that shift to make sure that commercial is then paying their fair share, while residential property owners get a little bit of relief that would be expected when their home prices have not kept pace with the commercial. So that's kind of where my mind's at on it. Ald. Steuer, you raised your hand.

- Yeah. Thank you Chair. Do I need to come up?

- Microphone might catch you better. I don't know.

- Yeah, maybe. So you mentioned the five years, you know, every five years and like you just said that, you know, things may fluctuate over that period of time. So would you kind of look at whatever would work the best for the city at that particular time? It might be four years, might be six years. But you know, maybe to keep that in mind, I'd also like, you know, with this referral back to staff to maybe look at what these other 10 communities, you know, how much are they, how are they paying for this? Are they bonding? Are these on the levy? What is it a budget item? Whatever, you know, if they could do that as well, I think that would be a good thing. So good. That's what I got.

- Thank Ald. Steuer.

- Thank you.

- Anymore discussion on the item? Okay, if not, I'll take a stab at a motion. I would move to refer this to staff, and have staff inquire with top 10. Do you have like a magic list Director Ellenbecker that you use?

- Do you want comparable sizes or the surrounding?

- So to direct staff for the top 10 cities in the state of Wisconsin and a couple of our nearby municipalities to determine how frequently they do their reevaluations. If it is an ordinance policy or they just do it. And also to inquire what the presumed cost might be for the city to do it on a more frequent basis. Recognizing that we're not trying to do 17 years of catch up work. Right?

- Keep going.

- Anything else in there?

- Anything else you want to add to that...?

- I just wanna make sure we get all the...

- I'll second that.

- I'll second that too

- Is there anything else you wanna keep going on?

- No, no that's good.

- I mean I think that's what'll help us make an informed decision.

- No, I agree. Definitely.

- So if there's any other information that you feel like we need to gather, just let staff know. But otherwise we'll do that and then we'll bring it back when staff has that ready and we'll discuss. All right, so that was a motion by Johnson is second by Galvin. Any further discussion? Seeing none, all those in favor say, "Aye".

- [All] Aye.

- Opposed? Motion carries. Item 5, Request by Ald. Brian Johnson of the finance committee, which states for consideration of possible action of the adoption of a resolution urging local government funding reform, including but not limited to shared revenue and requesting the state considers surplus distributions to local municipalities for investments in public safety and infrastructure needs. So this same deal here, this was rooted in a couple of things. One is recognizing that the state does have a record surplus and there are active conversations in the legislature right now about what to do with that. I think municipalities all across the state are struggling to find ways to pay for public safety, as well as infrastructure that is, you know, so I kind of combined two things here. There was a draft resolution here. I'm not necessarily looking for this committee to adopt the resolution. That resolution came from the League of Municipalities. It is something that they are working with other folks across the state. I just happened to reach out to them and they told me, "Hey, we're talking to other communities about this." It's been talked about here, the reduction in shared revenue that our city receives, which obviously creates a situation where when you combine that with levy limits and expenditure restraint, that the only way for you to pay for all of these expenses is with limited property tax increases. We have no other revenue source to go from. And then also you complicate that with personal property taxes. I mean half of that was cut out several years ago by state legislation and there is still a desire and intent I think to cut out the other half. And so, you know, all of a sudden now we become entirely dependent on property tax revenue and the only way for us to continue to pay for public safety and the roads is through debt. And now all of a sudden we have 200 plus million dollars of debt because it is our only path forward on these things. So we need to see some level of reform. It is a conversation that is actively going on with our state legislature right now and I'm looking for is for the city of Green Bay to kind of go on record to say, "Hey, we're here. We'd like to be an active part of that discussion."

- I think that's a good idea.

- So I think, again, I'm not necessarily looking for us to pass this resolution. My intent was to get it in front of you as a draft, as here's an example of what we can do. I think that there are a couple of things that we can modify on this resolution that are more Green Bay specific. So in fact, what I would suggest is maybe we just hold this over to the next finance meeting and then that would give staff as well as the committee an opportunity, maybe add any additional verbiage to this resolution that you'd want. Ald. Brunette.

- Yeah, I'm fine with wherever you recommend. I just want to make a comment that we talk about surplus distributions to fund investments in public safety and infrastructure, some of the, with the ARPA funds and some of the other grants we have received, we've been able to do things, extraordinary things that normally we wouldn't have the opportunity to do. Some of our challenges though, from a budget standpoint isn't so much all those additional things, but just the normal things like funding police cars, paying for staff, paying for equipment, paying for body cameras. So when we do this resolution, I don't want to just look at like funds for special investments into the future, but maybe just help with some of the day-to-day things that we require to operate a police department, which as far as I'm concerned, that's my recollection, it's our biggest department within our city government.

- Yeah, and that's a great observation and maybe I'll point this out. I would even maybe envision a scenario where we actually separate these into two resolutions. One that addresses the surplus, one that addresses shared revenue because they are different items. The shared revenue would do exactly what you're talking about, right? If that's money that comes in from the state, we get that right now. Unfortunately it's been reduced but more, you know, however many years ago, was that 15 years ago? Probably more than that. Not only was it reduced, but then it hasn't risen since then, right? And that's where we've become overly reliant then on property tax revenue. So we have that challenge and then the surplus is the one time thing that they're gonna address now, likely through the budget process. But to be perfectly transparent, why I put public safety and infrastructure on there, the infrastructure is obvious, the public safety we're in the midst right now of trying to figure out how to fund a new fire station and how to fund a police station. That is my biased approach on that. If the state's got six and a half billion dollars of surplus, I'd like to see if we can open up some paths for us to figure out how to fund those big items locally. Will the shared revenue would do more of the budgetary day-to-day things?

- Okay.

- I agree.

- So maybe what I'll do instead of a hold, I'll make a motion to refer this to staff, to come back to the next finance committee, to modify the league of municipality resolution to either add or remove anything that wouldn't necessarily be appropriate for Green Bay. And then also to draft a resolution regarding the state's surplus that would allow a distribution to local municipalities for public safety and infrastructure needs.

- I'll second that.

- Okay.

- That's it.

- And to clarify the reason I added public safety and infrastructure needs, I've actually had conversations with several of our state lawmakers. You know, I don't know that there's a strong appetite to do just like a blanket distribution, but I think there's maybe a stronger appetite for specific items and those items have certainly fallen, I think within that bucket.

- Yeah. I thank you for bringing this forward. I support it. I think that obviously cutting costs, cutting taxes, all those things that these are all tough decisions, and normally how do you fund a local government but through those sorts of revenues and to your point exactly, we have seen our grown debt grow substantially. Not so much for these frivolous things that you could argue are not needed, but for just some of the day-to-day things that we find it hard to prioritize in our budget. And we just saw a parking ramp, the Director Grenier was mentioning, that's on our radar as well. That's important to our local economy, our tourism here in the downtown area, our office buildings, all of that. And I think what happens from time to time, and we see it more now, is that municipalities all across the state and country are in competition for the same manufacturing base, the same commercial businesses, the same, you know, mega corporations that can infuse a lot of tax revenue into the community. And a lot of times those corporations and those businesses, real connected people, often goes in the same municipalities looking for tax breaks in order to bring their business. So something needs to break as a culture, as a state, as a community, because we can't have municipalities fighting against each other without the state stepping up and coming up with the solution. And I wish that we didn't have such a dividing government in the state, 'cause sometimes as much as I'd love to have solutions found at the state level or at the federal level, with the fighting that happens between parties, I'm not sure that that can happen. But I'm hopeful that this, at least if we do this properly, it's yet another municipality, especially one of our size and reputation to add our voice to this, hopefully can get the wheels in motion. So thank you for doing this. I'm in full support.

- Yeah, and I think the shared revenue, you know, why that's such an important item, I think to us locally, when you look at, again, property taxes is how we generate income right now. That's what we become reliant on. When you look at county government, they have property taxes and they have a sales tax, right? I would love for the city to be debt free in a number of years, just like the county. The reality is we don't have that tool, that tool that allows them to reduce their property tax mill rate and then shift that burden over to visitors, right? We don't have the tool that allows us to do that. And then of course, at the state level, they have the income tax, they have the sales tax and that's ultimately how that shared revenue gets funded. So what we're saying here is that, "Hey, to increase that shared revenue or to restore it," we're not even asking 'em to increase it, restore it to what it used to be, restore it to a level that's appropriate for us to fund these things. Because you have smaller municipalities who can't even fully fund their public safety needs, right? We're not alone in this discussion. So, you know, and I think if we can, that shared revenue, I think is just a really critical piece for us that allows that tax burden to be even shifted off of local taxpayers. And I bring that up because this to me is not about the city of Green Bay, like wanting to have this money grabbed, right? At the end of the day, it's all taxpayer money. But what this does is allows us to be smarter with how we marshal those resources so that we can minimize the impact on taxpayers by not wasting money on things like finance charges and interest.

- Exactly. I mean, when you mentioned, the system's broken and it's not working right, I understand what the state legislature was trying to do when they put in the blocks that they put in place to prevent us from raising our taxes. But when you have to take out a loan for a squad car, when the public has been crying for more training for police, yet the state has not increased in over 30 or 40 years, the amount of ongoing education required for police, much less raising the amount of money that they fund for. And those are just a few examples when you have to take out a loan for bulletproof vest and helmets, you know, these things should be part of everyday budget. And they used to be in Green Bay. I mean, I worked at the PD when it was part of the budget and somehow that changed and now we're left holding the bag and then they tie your hands. So you can't raise the taxes, they don't give you the means or the ability for a sales tax or anything else to try and remedy that. And that's, like you said, 200 million in debt and it's only gonna go higher and higher if we keep going the same way we're going and yet the state is somehow able to collect 6 billion extra dollars. You know, it's, you know, there's something wrong with that picture. That's our money and we should be able to use that money to better this community without putting us instead of the kind of debt that we're in right now. So I agree.

- Okay. Any other discussion? Let me see. I did make that motion. Who was the second Galvin? All right. Any further discussion? Seeing none. All those in favor say, "Aye".

- [All] Aye.

- Opposed? Motion carries. Item 6, Request by Ald. Brian Johnson, the finance committee, which states, for consideration of possible action to direct staff to draft a resolution appealing the state to contemplate a modification in the TID statutes to permit the use of TIF to aid in the funding of public safety buildings. Joanne, I'm looking at you, because I assume if you're here for a reason, is this the reason? No. Okay.

- No, just general.

- Just like legal support. Okay.

- Sure.

- So my understanding is that TID laws currently do not allow you to use TIF to build public safety buildings. It's not a permissible use. As you guys know, the ad hoc facilities committee is working on a discussion around police headquarters. We are also working on a discussion around a fire station in addition to City Hall. We're evaluating all of those things. Right now, I'm not suggesting that TIF ought to be the mechanism which we use to do those things, but I think we ought to be in a position right now where we're contemplating all available options because those are some pretty big investments right now. To me, the state surplus would be the easy way if we just got a check and say, "Go build some new places." But right now, if we want to be as fiscally responsible as possible, we have to have as many options on the table as possible. And if you were to think about some of the sites that I know without a doubt will show up, as options for the fire station in particular, they will be sites that we could create a TID that would generate new accessible value over the period of that TID whose increment could be captured. So that way you're not using levy supported borrowing, you're using TIF supported borrowing, which may sound like it doesn't make a difference, it's still at the end of the day taxpayer dollars. But how it affects the way we handle our annual budget does matter.

- Yes.

- So essentially what I'm looking for here is just resolution. I think we can refer this to staff. And staff, I'm happy to work with staff in the language around this. This is a long shot, I'll admit that, right? But if other municipalities right now are struggling to pay for public safety buildings, it would be nice to at least initiate a dialogue on this for our state elected officials to say, "Hey, why aren't public, why aren't we giving municipalities the tools they need to build public safety buildings?"

- Ald. Brunette.

- Yeah, Ald. Johnson, you got your foot in the development world. Do you know how people think in that realm? Like what would their hesitation or what would their resistance to this be?

- Admittedly, I don't know. Right? So we use, we have used TIF to fund a number of local projects, you know, and I think it's one of the biggest misperceptions about TIF, right? I just think the average person probably doesn't understand it. Admittedly, it's even taken me a few years as a member of council to truly appreciate the power that can be leveraged when it's used appropriately. So we use this oftentimes to put in infrastructure like roads. We use it to put in things like storm water. We, I think of the lift station to cure a lot of our problems. We have a flooding on the near west side. The shipyard is all, we borrowed against that TID so that we could build the shipyard and we're banking obviously on the new increment coming in there to be captured and to fund those things. So there are already, there's already a precedence for it to be used for other types of projects. We're just asking them to maybe open the door a little bit more to include public safety as one of those options that has a public purpose.

- So yeah, thank you for that. I'm just trying to understand if we put all this effort, if there's just a real obvious reason why this isn't allowed. And the only thing I can think of, you know, my understanding of TIF, or at least recently maybe has shifted a little bit, but you know, 15, 20 years ago when I started following local government, it was to allow the redevelopment of blighted areas, areas that there's no economic growth, there's a lot of deterrents for people to move in or develop. So then we would create these, you know, TIFs or TIDs to allow the development to form, and then, you know, fund all of the public improvements. You know, my concern is that, I'm just looking at the shadow side of this, if we use TIF to fund police stations or fire stations, then perhaps we're just shifting those facilities away from other neighborhoods that are currently in existence. For example, fire station one, fire station three, we know one or both need to be replaced. If this all happens, then we would basically shift that fire station to this development, use TIF dollars, and then what about station one or three? Those are neighborhoods that are, you know, on the edge here. They're hurting in different ways. They're wonderful neighborhoods. I grew up in those neighborhoods. But if you remove a fire station from those neighborhoods and just shift it to an area with growth and development, then you're just creating a vacuum in a neighborhood down the line.

- Yeah, I appreciate why you're saying that. I would say and maybe that's one of the reasons why it doesn't exist, right? But I would say at least in the city of Green Bay, we're not gonna do that, right? We have the report that was ordered up for the fire station, they're gonna tell you exactly where it can go in order for the fire department to meet its response times. So we're really, that's, to me, I would think there's probably a consensus that's at, excuse me, that that's going to be a non-negotiable item. You have to be within that footprint. I would envision a scenario where, again, I'm kind of forecasting a little bit and anticipating which sites are gonna come back on that report. And there are a few sites that I know will inevitably come back on that report and would be primed for additional redevelopment. And a new fire station in particular could be the catalyst that gets that area going. So it's no different to your point, than when you go in and you build infrastructure and you hope, or you build the shipyard, and you hope that that's gonna catalyze redevelopment in that area. This is the same thing.

- Yeah. We always hear equity and equitable, you know, development and you know, as an alderman, I live in a wonderful neighborhood, it's incredible, great quality of life, but I would want that for every part of the city. And so when you shift to one part that's growing and developing, maybe at the expense, I know we're different in Green Bay and we aren't going to do that, but when you have a resolution of that statewide, there are some municipalities that would do just that thing. So the challenge for a state government is how do they develop policies and laws so that there isn't that issue in other municipalities other than Green Bay? So I support this. I think it's a good, good opportunity. I'm just saying that there's probably a reason why this isn't allowed and there's gotta be some senator, legislator down the road that might not want this. So there might be some barriers.

- Yeah.

- But a resolution, if it's vetted and properly goes through our channels, I think it wouldn't hurt.

- Yeah. And I think, and I appreciate that and I think you're spot on, right? At the end of the day, I'm trying to solve Green Bay's problem and I think this is a tool that would help us in the right circumstance. Not every circumstance, but in the right one. So I'd love for it to at least just be considered by our state legislators and of course having the common council, you know, put a stamp of approval on this and say, "Yep, we support this modification because we feel it's going to support Green Bay." I think that just helps with that lobbying effort a little bit more.

- You just put in there for municipalities of a hundred to 150,000 people.

- Mm hm. Yeah. It's not uncommon, right? They do class one cities, only get this benefit kind of thing. We're not class ones. We'll have to go further down, but...

- It'll probably be only, I think there's a way to fit that criteria.

- There's been a few of those for that sort of thing only.

- Yeah, there's been some policies where Milwaukee gets to do it, but we don't.

- That's in Kenosha, I think we probably do.

- What are we? Class...

- We're class two.

- Two.

- Okay. How many cities are class two and above?

- So, it's only one or two that's a class one. Madison and,

- Milwaukee I think is.

- Milwaukee is the only one.

- Milwaukee's the only class one.

- That's why they call it the state of Milwaukee.

- Is class two. It's Madison and us.

- No, but that's a good suggestion. It might be something worth contemplating in a resolution.

- Well there's, there's been stuff with the, I think with the casinos and that kind of stuff where there's been in other legislation, the pass that have been structured in the way that it was very narrowly focused to benefit certain communities. You know what I mean, you talk about moving the stations, but number four went from Asheville Avenue all the way out to Packer Land Drive. So five went from Decker and Henry all the way out to by the East Town Mall. I mean, so, and that's all because they're looking at response lines. So I'm not too worried about the fire department. I can see a police department, you know, where do you place it? Where is it best cause the squad cars are already out there anyway.

- Well, and you have to be in an area that's going to see commercial development. Otherwise

- It makes no sense.

- you can't use it, right? So. Okay. Yep.

- Would it be prudent, appropriate if this is gonna go through, and we're gonna send this to have the report that's being developed with fire department, include a section regarding this as to how applicable it'd be for each location?

- Maybe, maybe not. Just because then it localizes it a little bit too much and if they're, to Ald. Brunette's point, if you've got to pass a state policy. But I think we might be able to use that to reinforce maybe, use that as an example of why that change can be useful.

- Right. That's what I was thinking. It just kind of builds that information

- Yeah. And this one by the way isn't time sensitive, right? Like the talking about state surplus is a little bit more time sensitive. This one is not. So I share that because if we refer this to staff, there's no urgency for staff to, you know, get cracked on this one. We got a little bit of time to allow some of those ad hoc facility reports to come in as well that might be able to reinforce what we talk about.

- Ald. Johnson.

- Yes.

- If I could, I don't, Chief Davis is here and you've had, not that I wanna put you on the spot, but you've had experience in departments in other states and I don't know, pretty well read research. You have a pulse on communities. Is this something that has come up in other states that you're aware of that have been attempted in Oregon or Arizona?

- [Chief Davis] Sort of. I know that the city that I came from, before here, struggled with this because they had a very similar problem. They had more facilities than us. One, I haven't ever seen the tax increment financing question before. And I've never worked in a state that managed to have a $6 billion surplus that was even talked about. But one idea that does come up in other places that has work that I've seen work is like a publicprivate partnership where, and I know we have some rules about tax abatement here that other states don't have, but, you know, basically you get, you pair a police facility like East Precinct in Portland is a police facility, paired with an affordable housing development and built 'em together. Or there have been schemes explored to, you know, in cities that are experiencing a lot of development, which is none of 'em now, but you know, in the last several years maybe to try to get a developer, give them a tax break to build your police facility into a larger development or something like that. This is the first time I think I've ever seen the tax increment conversation for police facility. It's just because TID or TIF funding tends to be used for developing wider areas.

- Right. But I think what you're talking about is actually a mirror example, of what I'm proposing just within the constraints of Wisconsin state law.

- [Chief Davis] Right.

- So to your point, tax abatement's not permitted in the state of Wisconsin. TIF is really the only economic development tool that you have in that regard. So substitute tax abatement with TIF and then again you put it in a TIF district where you anticipate to have additional development that would surround that facility. Might not be connected, though it could be, but it kind of serves the same purpose.

- [Chief Davis] Yeah. And another thing that factors into that is, you know, I think a lot of departments are starting to get away from the mindset that your police headquarters has to be downtown. You go to Fort Worth, Texas, their police department, their chief's office, and all their centralized police stuff is not downtown. It's out way outside of downtown. But you know, for electronic meetings and stuff, their chief has no problem taking care of whatever they have to do there. And we had that conversation in Portland at one point. We were considering moving it to a neighborhood that experienced a lot of challenges because that would completely change, you know, a neighborhood maybe that's experiencing a lot of crime issues or public safety issues.

- Okay, well thank you.

- Good question.

- That's good insight.

- Okay, so this is just a motion to refer this to staff, to draft and then just again, I'm just volunteering to help with that. So that is the motion.

- Second.

- Seconded by Galvin. Any further discussion? Seeing none, all those in favor say, "Aye".

- [All] Aye.

- Opposed? Motion carries. Item F, Informational number 122, contingency account 184, $297. Unobligated is 57,297. 2023 contingency account is $250,000. Any questions? All right. Number two. The next finance committee meeting will be held on Tuesday, January 24th, 2023 at 4:30 PM. We have a motion to adjourn.

- Motion to adjourn.

- Second.

- The motion by Galvin is seconded by Brunette. That is not debatable. All those in favor say, "Aye".

- [All] Aye. Opposed? Motion carries.

- Threw that in there. Didn't ya?