AGENDA OF THE FINANCE COMMITTEE

TUESDAY, JUNE 3, 2025, 4:30 PM
In person at City Hall, Room 207.
Virtual attendance is also available via Zoom.

A. Zoom Meeting Information.

1. Join Zoom Meeting Online:
   https://us02web.zoom.us/j/88142524379?pwd=ekliUHNVYTJ1RFpOUHVubTdXOHZYZz09

   Or call in by phone: +1 312 626 6799
   Meeting ID: 881 4252 4379
   Passcode: 846368

   If you wish to speak at this public meeting or leave a comment, please fill out the online Comment Form prior to the meeting. More detailed Zoom Instructions can be found online.

B. Roll Call.

1. Members: Bill Galvin, Brian Johnson, Kathy Hinkfuss, Jennifer Grant

C. Approval of the Agenda.

1. Approval of the agenda for the Tuesday, June 3, 2025, meeting of the Finance Committee.

D. Approval of Minutes.

1. Approval of the minutes from the May 13, 2025 meeting.

E. Regular Business.

1. Consideration with possible action to update the City of Green Bay Debt Policy.
2. Consideration with possible action to accept the State of Wisconsin DNR Recycling Grant 2025 award of $433,631.93.

F. Informational.

1. 2025 Contingency Account: $25,000

2. Next Meeting: June 17, 2025

G. Adjournment.

1. Adjournment for the Tuesday, June 3, 2025, meeting of the Finance Committee.

1) THIS MEETING IS RECORDED: THE VIDEO OF THIS MEETING AND MINUTES ARE AVAILABLE ONLINE AT www.greenbaywi.gov
2) ACCESSIBILITY: Any person wishing to attend who requires special accommodation because of a disability, should contact the City Safety Manager at 920-448-3125 at least 48 hours before the scheduled meeting time so that arrangements can be made.
3) QUORUM: Please take notice that a majority or quorum of the Common Council will attend this Finance Committee meeting and will 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.

Report to the
Finance Committee of the City of Green Bay

MEETING DATE	PREPARED BY
June 3, 2025	

AGENDA ITEM # D.1

Approval of the minutes from the May 13, 2025 meeting.

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

1. MINUTES - 051325

MINUTES OF THE FINANCE COMMITTEE

TUESDAY, MAY 13, 2025, 4:30 PM

In person at City Hall, Room 207.
Virtual attendance is also available via Zoom.
Immediately following the Personnel Committee Meeting

A. ZOOM MEETING INFORMATION.

1. Join Zoom Meeting Online:
   https://us02web.zoom.us/j/88142524379?pwd=ekliUHNVYTJ1RFpOUHVubTdXOHZYZz09

   Or call in by phone: +1 312 626 6799
   Meeting ID: 881 4252 4379
   Passcode: 846368

   If you wish to speak at this public meeting or leave a comment, please fill out the online Comment Form prior to the meeting. More detailed Zoom Instructions can be found online.

B. ROLL CALL.

1. Members: Ald. Jennifer Grant, Ald. Brian Johnson, Ald. Bill Galvin, Ald. Kathy Hinkfuss

   Voting: Bill Galvin, Brian Johnson, Kathy Hinkfuss, Jennifer Grant
   Not Voting: Melinda Eck

C. APPROVAL OF THE AGENDA.

1. Approval of the Finance Committee agenda for the Tuesday, May 13, 2025 meeting.

   Moved by Ald. Brian Johnson, seconded by Ald. Kathy Hinkfuss to approve the Finance

Committee agenda for the May 13, 2025, meeting. Motion Passed.
Yes-Bill Galvin, Brian Johnson, Kathy Hinkfuss, Jennifer Grant, No-None, Abstain-None.

D. APPROVAL OF MINUTES.

1. Approval of the Finance Committee minutes from the April 29, 2025, meeting.

   Moved by Ald. Brian Johnson, seconded by Ald. Bill Galvin to approve the Finance Committee minutes from the April 29, 2025, meeting. Motion Passed.
   Yes-Brian Johnson, Kathy Hinkfuss, Jennifer Grant, Bill Galvin

E. REGULAR BUSINESS.

1. Consideration with possible action on a request by Alders Brian Johnson, Alyssa Proffitt, and Bill Mogan regarding the consideration and possible action to authorize a grant of $500,000 for the New Community Shelter capital campaign project to expand transitional housing capacity, and $300,000 for the JBS urban farm barn project to match a grant award submitted by Wello. Funding source: $750,000 from ARPA allocation for site acquisition for affordable housing and $50,000 from ARPA interest.

   Moved by Ald. Brian Johnson, seconded by Ald. Kathy Hinkfuss to approve $500,000 of Tax Incremental District Affordable Housing (TIDAH) funds to be allocated to the New Community Shelter capital campaign project with receipt of application, and $309,000 of ARPA funds allocated to the JBS project to provide adequate funding for the project budget to match a Wello grant award. Motion Passed.
   Yes-Brian Johnson, Kathy Hinkfuss, Jennifer Grant, Bill Galvin, No-None, Abstain-None.

2. Consideration with possible action on a resolution authorizing and providing for the sale and issuance of up to $117,500 taxable general obligation promissory notes, Series 2025C, and all related details for safe drinking water loan program match on behalf of the Water Utility.

   Moved by Ald. Brian Johnson, Seconded by Ald. Kathy Hinkfuss to approve the resolution authorizing and providing for the sale and issuance of up to $117,500 taxable general obligation promissory notes, Series 2025C, and all related details for the safe drinking water loan program match on behalf of the Water Utility. Motion Passed.
   Yes-Brian Johnson, Kathy Hinkfuss, Jennifer Grant, Bill Galvin, No-None, Abstain-None.

3. Consideration with possible action regarding a budget amendment resolution request from the Department of Public Works (DPW) to reallocate salary savings from unfilled positions to purchase the Cyvl Infrastructure Mapping system for the amount of $70,000.00.

   Moved by Ald. Brian Johnson, seconded by Ald. Kathy Hinkfuss to approve the budget amendment resolution request from the Department of Public Works (DPW) to reallocate

salary savings from unfilled positions to purchase the Cyvl Infrastructure Mapping system for the amount of $70,000.00. Motion Passed.
Yes-Brian Johnson, Kathy Hinkfuss, Jennifer Grant, Bill Galvin, No-None, Abstain-None.

4. Consideration with possible action to approve the award of the official newspaper for the City of Green Bay to The Press Times for the period from 6/1/2025 to 5/31/2026.

   Moved by Ald. Brian Johnson, Seconded by Ald. Kathy Hinkfuss to approve the award of the official newspaper for the City of Green Bay to The Press Times for the period from 6/1/2025 to 5/31/2026. Motion Passed.
   Yes-Brian Johnson, Kathy Hinkfuss, Jennifer Grant, Bill Galvin, No-None, Abstain-None.

5. Consideration with possible action regarding a 2025 budget amendment resolution for unbudgeted overtime for special events.

   Moved by Ald. Brian Johnson, Seconded by Ald. Kathy Hinkfuss to approve the 2025 budget amendment resolution for unbudgeted overtime for special events. Motion Passed.
   Yes-Brian Johnson, Kathy Hinkfuss, Jennifer Grant, Bill Galvin, No-None, Abstain-None.

F. INFORMATIONAL.

1. 2025 Contingency Account: $25,000.

2. The next Finance Committee meeting will be held on June 3, 2025, at 4:30 PM.

G. ADJOURNMENT.

Moved by Ald. Brian Johnson, seconded by Ald. Kathy Hinkfuss to adjourn. Motion Passed.
Yes-Brian Johnson, Kathy Hinkfuss, Jennifer Grant, Bill Galvin, No-None, Abstain-None.

Report to the
Finance Committee of the City of Green Bay

MEETING DATE	PREPARED BY
June 3, 2025	

AGENDA ITEM # E.1

Consideration with possible action to update the City of Green Bay Debt Policy.

BACKGROUND

Attached is the redlined version of the previous policy approved by City Council in 2013 and a clean copy.

The redline version was reviewed and updated with the assistance of the bond council at Foley & Lardner LLP and municipal advisors at Ehlers.

The policy basics have not changed but have been updated to current language, compliance, and offerings.

RECOMMENDATION

Approval of the request.

FISCAL IMPACT

ATTACHMENTS

1. Redline v 1-5 GB Debt Policy
2. City of Green Bay - Debt Policy

CITY OF GREEN BAY

DEBT ~~SERVICE~~ POLICY

CITY OF GREEN BAY DEBT POLICY	
Title: Debt Policy	**Policy Reference:** Chapter 10
Policy Source: Finance Department	**Legal Review Date:** ~~February 26, 2013~~ ____________________, 2025
Finance Committee Approval: ~~March 27~~June 3, ~~2013~~2025	**City Council Approval:** ~~April 3~~June 10, ~~2013~~2025

10.1 Definition

~~10.1~~ A debt policy is a tool which sets rules and provisions for the management of existing debt, compliance with post-issuance requirements for tax-exempt debt, issuance of additional debt, and prompt and timely payment of all debt service. Such a policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals, demonstrates a commitment to long-term financial planning and ~~maintains the City's~~supports the maintenance or improvement of the credit rating of the City of Green Bay (the "**City**"). A ~~well managed~~well-managed debt program should allow for funding of capital projects within anticipated funding sources.

10.2 Purpose

~~10.2~~ This policy will be a positive factor in the municipal market's assessment of the ~~City of Green Bay's~~City's credit quality~~. The City's financial condition and credit ratings should always be the primary considerations when considering the issuance of debt~~. A debt policy sets forth parameters which will provide for consistency and continuity in the decision process. This leads to better ~~long term~~long-term planning and financial health which allows the City to attain as well as maintain the highest bond rating it deserves. The City recognizes that access to capital markets over the long term is dependent upon the City's unwavering commitment to full and timely repayment of debt.

10.3 Policy

~~10.3~~ The City ~~of Green Bay~~ will confine long-term debt to capital improvements, ~~long term~~long-term fixed assets which outlive the debt issued for them or to refund existing debt. The capital improvements program includes projects to acquire, plan, design, construct, improve, and equip all or any part of its facilities or systems, promote economic development, or to secure quality of life issues. The City may also consider issuing long-term debt to provide direct assistance to developers or other private parties for projects that generate economic benefits for the City such as creation of housing or employment opportunities. The City's Finance Director and Treasurer will work with its ~~Finance Director, Treasurer and paying~~fiscal agent to make sure ~~there is adequate funding for its~~funds are available to pay debt service ~~and make payments prompt and timely on its~~on the City's outstanding debt obligations when due.

10.4 Types of Debt

10.4.1 General Obligation Bonds and Promissory Notes

The defining feature of general ~~obligation~~obligations is the source of funds that secures ~~its~~their repayment: an ad valorem irrepealable tax levied on all taxable property within the limits of the ~~municipality at~~City effective on the ~~time~~date the general obligation is issued. Chapter 67 of the Wisconsin ~~statutes~~Statutes governs the issuance of various general obligations known as "general obligation" bonds or notes.

General obligation bonds may be issued by a municipality to finance specific projects as ~~allowed by~~described in Section 67.05(5) of the Wisconsin ~~State Statute~~Statutes that are undertaken for a public purpose. General obligation bonds may not be issued unless a permissive referendum notice to the electors has been published within 15 days after the date of adoption of the initial resolution approving the issuance of such general obligation bonds and, within 30 days after the date of adoption the initial resolution, no electors have petitioned the City clerk to hold a referendum to approving said initial resolution. The term of general obligation bonds is limited to not later than 20

[Link-to-previous setting changed from on in original to off in modified.].

years from the original date of issuance, except that when bonds are issued for sewerage purposes, the term is limited to not later than 50 years from the original date of issuance.

General obligation promissory notes may be issued for any public purpose as described in Section 67.12(12)(a). Unlike bonds, the issuance of notes is not limited to projects specified in Section 67.05(5). Therefore, notes can be issued to fund general and current capital expenses other than those permitted in connection with bonds. The term of notes is limited to ~~ten~~not later than 20 years from the original date of issuance. Any refunding note shall be paid within 10 years after the original date of the refunding note and within 20 years after the issuance date of the original promissory note.

The City ~~of Green Bay~~ shall limit issuance of general obligation bonds and notes exclusively for the acquisition, planning, design, construction, development, extension, enlargement, renovation, rebuilding, repair or improvement of land, waters, property, streets, buildings, equipment, or facilities when it can be determined that future citizens will receive a benefit from the improvement(s) and the asset(s) outlive the length of the debt issued. The City may also issue general obligation promissory notes as security for a loan from the State of Wisconsin Environmental Improvement Fund under Sections 281.58, 281.59, and 281.61 of the Wisconsin Statutes, the proceeds of which loan are to be used for water and/or sewer purposes. The City may also issue general obligations bonds and notes to provide direct assistance to developers or other private parties for projects that generate economic benefits for the City such as creation of housing or employment opportunities. Incidental to the issuance of bonds and notes, a portion of the proceeds can also be used to pay the associated issuance costs and capitalized interest when appropriate. Proceeds from long-term debt shall not be used to fund current operating costs, except in the case of emergency or extraordinary circumstances.

10.4.2 State Trust Fund Loans

The Board of Commissioners of Public Lands of the State of Wisconsin has funds available to loan to Wisconsin cities and villages. The Board may loan trust fund money to a city for any project undertaken for a public purpose consistent with the purposes

[Link-to-previous setting changed from on in original to off in modified.].

allowed for issuance of general obligation bonds. The term of trust fund loans is limited to 20 years.

State trust fund loans should also be considered when the interest rate offered makes the cost of borrowing less than or comparable to general obligation bonds ~~and notes~~ after considering the cost of issuance, or to take advantage of flexible prepayment options.

10.4.3 Revenue Bonds

Revenue bonds may be issued to finance public utilities, economic development projects, or other projects allowed by Chapter 66 of the Wisconsin ~~State Statue~~Statues. Repayment for ~~this type of loan~~revenue bonds is made from the underlying revenues generated by the utility, project, or facility. Revenue ~~obligations~~bonds have no claim on the taxes or other general revenues of the issuing municipality and are not debt of the municipality. Revenue ~~obligations~~bonds give municipalities the ability to recover the cost of a project from beneficiaries of the project or users of the facility or utility.

~~Section 66 of Wisconsin Statutes governs the issuance of revenue obligations.~~

The City ~~of Green Bay~~ should limit the use of revenue bonds to capital improvements for its water utility or other such enterprise utilities which may be created and fall under the direction of the Common Council, economic development projects, or other projects as allowed by Chapter 66 of the Wisconsin ~~State Statue incidental~~Statutes. Incidental to the issuance of the bonds, a portion of the proceeds can also be used to pay the associated issuance costs, project reserve funds, and capitalized interest when appropriate.

10.4.4 Capital Leases

Capital lease financing shall be considered only if verifiable operating savings, when properly discounted, outweigh the lease financing costs. Written justification detailing the explanation of factors considered, including cash flow analysis reviewed by

[Link-to-previous setting changed from on in original to off in modified.].

the Finance Director, will be submitted to the Finance Committee for consideration and approval before any lease is entered into.

10.4.5 Other Debt Instruments

The City ~~of Green Bay~~ shall primarily ~~use those~~issue the types of debt instruments outlined above. Other types of debt instruments ~~can~~may be ~~used~~issued as appropriate if their use is necessary or advantageous to the City. If other types of debt instruments are utilized, applicable state and federal guidelines shall be followed. The City will attempt to limit the use of short-term debt to bond anticipation purposes. Proceeds from long-term debt shall not be used to pay for current operating expenses.

10.4.6 Conduit Debt

From time to time, the City may be asked to act as a conduit to ~~the bond market by for-profit or not-for profit entities~~issue bonds to promote economic development or secure quality of life ~~issues~~projects on behalf of for-profit or not-for profit entities as borrowers. Prior to using the City as a conduit ~~to the bond market~~issuer, the ~~entity~~borrower shall provide substantive proof acceptable to the City that no budget appropriation shall be required to pay the ~~debt~~bonds. The City shall not allow the issuance of such ~~debt~~bonds on behalf of the ~~entity,~~borrower if doing so would prevent the City from issuing "bank qualified" debt for its own purposes without compensation from the ~~entity~~borrower to cover the additional debt service cost.

10.5 Debt Limitations.

10.5.1 Maximum amount of indebtedness

Section 67.03(1) of the Wisconsin Statutes provides that the amount of indebtedness of a municipality shall not exceed 5 percent (5%) of the equalized valuation of the taxable property in the municipality. Although ~~State~~Wisconsin Statutes allows five percent (5%) of the equalized valuation, the City has set an internal debt goal, which

[Link-to-previous setting changed from on in original to off in modified.].

seeks to remain below 50% of the maximum amount allowed by the ~~State~~Wisconsin Statutes.

10.5.2 ~~Asset~~Useful life shall be longer than the debt issued for its purchase

The City shall consider the useful life of the project ~~assets~~ being financed and the long-range financial and credit objectives when determining the final maturity structure of the debt.

10.5.3 Spend down of borrowed proceeds

All debt ~~taken out will be for shovel ready~~issued for capital improvements will be to finance shovel-ready projects. ~~Draw down~~Spenddown of the ~~funds~~proceeds will be in accordance with IRS rules for ~~general obligation debt~~new money obligations whereby ~~ten percent (~~10%~~)~~ of the proceeds will be spent within 6 months ~~of~~after the ~~borrowing~~date of issuance, 50% within 12 months ~~of~~after the ~~borrowing~~date of issuance, 75% within 18 months ~~of~~after the ~~borrowing~~date of issuance, and 100% within 24 months ~~of the borrowing. Should~~after the date of issuance. If this schedule is not ~~be~~ met~~, the balance of the amount borrowed and not spent will be~~, then the Finance Department will review the tax certificate and other governing documents for the debt issue to determine if any action is required with respect to rebate and yield restriction as described in Section 10.10.4 of this policy. If there are any unspent proceeds remaining upon completion of the project for which the debt was issued, the balance of unspent proceeds will be transferred as set forth in the resolution authorizing the issuance of the debt. Resolutions authorizing general obligations generally provide that excess proceeds in the borrowed money fund are transferred to the debt service fund account for that issue and applied to the debt service levy~~. Each general~~ of the same issue. In the event there are excess proceeds for any debt obligation, the City shall contact bond counsel to confirm application of such proceeds. Each debt obligation ~~debt~~ will be closely monitored so that it adheres to IRS regulations ~~in~~with respect to arbitrage and spend down rules. ~~Should~~If the State Trust Fund ~~be~~is utilized for the issuance of debt, all draw requests must be made

[Link-to-previous setting changed from on in original to off in modified.].

within ~~one year~~four months of receiving the approval of the State Trust Fund to borrow the funds.

10.5.4 The City ~~of Green Bay~~ shall utilize any debt obligations it has at its disposal to take advantage of the lowest cost of the debt or for another benefit for the City.

10.5.5 The City ~~of Green Bay~~ will follow a policy of full disclosure on every financial report and ~~bond prospectus~~offering document relating to the debt obligation.

10.6 Credit Objectives.

10.6.1 The City ~~of Green Bay~~ will strive to maintain or improve its ~~current~~credit rating with Moody's~~: General (Aa1~~ as of the date of this Policy: City (Aa3) and RDA (~~Aa3~~A2). The City will strive to maintain good relations with the rating agency and keep them informed of significant developments that could affect the City's credit rating.

10.6.2 The following objectives will be used to maintain debt service requirements at an affordable level and enhance the credit quality of the City:

- The levy for debt service shall be no greater than twenty-five percent (25%) of the total levy, with an effort to maintain the levy at a proportionate, even level for tax rate stabilization.
- Flexibility to fund future expenditures necessary to provide essential City services and economic viability.

[Link-to-previous setting changed from on in original to off in modified.].

10.7 Method of sale

10.7.1 The City shall issue new money general obligation ~~debt~~bonds through a competitive bidding process ~~with the exception of Council authorized negotiated sales~~and may issue new money general obligation promissory notes or refunding bonds or notes by negotiated sale if authorized by the Common Council. Section 67.08(2) of the Wisconsin Statues requires the sale of new money general obligation bonds to be sold by public sale. Bids will be awarded on a true interest cost (TIC) basis, ~~providing~~provided that other bidding requirements set forth in a notice of sale are satisfied. In the ~~instance in which staff~~event the Finance Director believes competitive bidding produced unsatisfactory bids for a sale of general obligation bonds, the Common Council may authorize the Finance Director and ~~its~~the City's financial advisors to ~~negotiate the~~reject all bids and hold a new sale ~~of the securities~~.

10.7.2 Negotiated sales of new money general obligation ~~debt~~promissory notes or refunding bonds or notes will be considered in circumstances when the complexity of the issue requires specialized expertise (such as ~~advanced~~an advance refunding or restructuring debt service), when time to complete a sale is critical, or when a negotiated sale would result in substantial cost savings. Negotiated sales of debt will also be considered for revenue bonds, bond anticipation notes, and leases when the complexity of the project, revenue source for debt service, or security for the debt makes it likely that a negotiated sale would result in a financial advantage to the City. Wisconsin Statutes permit either a public or negotiated sale for those types of debt instruments.

10.8 Refinancing / refunding of debt

10.8.1 ~~Periodic~~The Finance Department will cause periodic reviews of outstanding debt ~~will~~to be undertaken, either internally or by the City's financial advisor, to determine refinancing or refunding opportunities. Refinancing or refunding opportunities will be considered (within federal tax law constraints) if and when there is a net economic benefit for the refinancing or refunding.

[Link-to-previous setting changed from on in original to off in modified.].

10.8.2 In general, the City may capitalize on a refinancing or a refunding opportunity for economic savings when net present value savings of at least 2% of the refinanced / refunded debt can be achieved. Current refinancing or refunding that produce net present values savings of less than 2% savings may be considered when there is a compelling public policy or long-range financing policy objective.

10.9 Disclosure

10.9.1 The City is committed to full and complete financial disclosure, and to cooperate fully with rating agencies, institutional investors, other units of government, and the general public to share clear, comprehensible, and accurate financial information.

10.9.2 The City will enter into a continuing disclosure agreement on the date of issuance for each debt obligation required to have one pursuant to Securities and Exchange Commission Rule 15c2-12, which agreement shall require the disclosure of the occurrence of certain events listed therein upon their occurrence and the annual disclosure of the City's financial and operating data. Each such disclosure is required to be filed with the Municipal Securities Rulemaking Board (MSRB) on due dates specified in such agreement. The Finance Department will cause such disclosure to be timely filed. The City may retain a dissemination agent to file the disclosure with the MSRB on the City's behalf.

10.10 Post-Issuance Tax Compliance for Tax-Exempt Debt

10.10.1 Debt obligations of the City are referred to in this Section 10.10 as "**bonds**", whether the obligations are actually called bonds, promissory notes, a loan, or some other name.

Interest on most of the City's bonds is exempt from federal income tax, subject to compliance with Internal Revenue Code requirements, including *restrictions on investment of bond proceeds* and *requirements as to use of bond proceeds*. This Section

[Link-to-previous setting changed from on in original to off in modified.].

10.10 sets forth procedures to monitor post-issuance compliance with the applicable federal tax requirements.

In addition, the City may issue (or may have previously issued) direct-pay, tax-advantaged borrowing obligations, such as Build America Bonds, that are subject to similar restrictions.

These procedures do not apply to bonds of the City that are "conduit bonds", the proceeds of which are loaned to a nongovernmental person or entity, as described in Section 10.4.6.

10.10.2 Identification of Bond Issues for Federal Tax Purposes

The City acknowledges that the federal tax rules apply separately to each bond issue for federal tax purposes. Sometimes, for federal tax purposes, two or more separately named bond issues may be treated as a single bond issue, or a single named bond issue may be treated as being composed of two bond issues. The Finance Department will review the City's tax certificates, and consult with bond counsel as necessary, to identify and maintain a list of each outstanding bond issue, as treated for federal tax purposes.

10.10.3 Record Retention

For each bond issue, the Finance Department will arrange for records to be kept of the investment and application of proceeds and the use of bond-financed property. For each bond issue, the records will be kept until at least 4 years after the bond issue is completely retired (or redeemed).

The records do not need to be kept at a single location and they may be kept in physical or electronic form.

[Link-to-previous setting changed from on in original to off in modified.].

10.10.4 Rebate and Yield Restriction

For each bond issue, the Finance Department will comply with the requirements in the tax certificate and authorizing resolution, which generally include obtaining rebate determinations or a determination that rebate is not required.

Unless the Finance Department determines that rebate is not required, the Finance Department needs to establish the initial rebate determination date, which should be not later than the 5th anniversary of the date of issuance of the bonds. Additional rebate determination dates occur every 5 years thereafter and on the date the last bond of the issue is completely retired (or redeemed). Any rebate amount due must be paid to the United States Treasury within 60 days after the rebate determination date.

As a general policy, the Finance Department will engage a rebate determination provider in sufficient time prior to the due date such that the provider may start a rebate determination for the bond issue at least 60 days prior to each rebate determination date, to be completed at least 14 days before a rebate payment would be due. The Finance Department will arrange for any required rebate payment to be made to the United States Treasury for receipt by the due date.

~~10.9.2~~ The Finance Department will ~~provide continuing disclosure in compliance with continuing disclosure certifications made at the time of each debt issuance, material events that may happen throughout the year and the required annual disclosures set forth by the Municipal Securities Rule Making Board (MSRB) and the Securities and Exchange Commission (SEC).~~identify all funds and accounts that are treated as containing gross proceeds of the bond issue and take actions needed to comply with any yield-restriction requirements, as further detailed in the tax certificate for the bond issue. For example, if proceeds in the borrowed money fund (for general obligations) or a comparable project or construction fund (for a revenue bond issue) are not spent within the 3 year "temporary period", the Finance Department will obtain yield-restriction

[Link-to-previous setting changed from on in original to off in modified.].

computations for the applicable fund and, if needed, make yield-reduction payments to the United States Treasury.

10.10.5 Investment of Bond Proceeds

The Finance Department may retain an investment service for assistance in investing bond proceeds and will ensure any such service follows this policy. The Finance Department will direct the investment of all bond proceeds in arm's-length, fair-market-value purchases and sales and will not permit the linking of the purchase or sale of investments to the provision of other services to the City, such as underwriting services.

Federal tax law safe harbors apply to the following types of investments:

~~10.10 Tax Compliance~~Certificates of deposit

~~The City shall follow IRS guidelines found in section 148 of the IRS tax code to ensure its debt remains in tax compliance for the life of that property. A review will be done annually to ensure this compliance and the City will follow the proper debt record retention policy as laid out by the IRS.~~

Guaranteed investment contracts

Yield-restricted defeasance escrow investments

If a federal tax law safe harbor applies to the type of investment, then as a general policy the Finance Department or its investment service will arrange for the investment to meet all the requirements of the safe harbor to the extent reasonably practicable.

Certificates of Deposit: The purchase price of a certificate of deposit is treated as its fair market value if the yield on the certificate is not less than the yield on reasonably comparable direct obligations of the United States and the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

[Link-to-previous setting changed from on in original to off in modified.].

Guaranteed Investment Contracts: As a general policy, for each purchase of a guaranteed investment contract, the Finance Department will retain a bidding agent to conduct a bona fide competitive bidding process and require the bidding agent and provider to provide certifications substantially in the form approved by bond counsel. The Finance Department will maintain a record of the amounts paid for brokerage commissions, bidding agent fees, and other similar administrative costs.

Yield-Restricted Defeasance Escrow Investments: As a general policy, amounts in yield-restricted defeasance escrows will be invested in United States Treasury securities (State and Local Government Series) *unless* those securities are not available for purchase *or* the Finance Department determines, after consultation with an independent financial advisor, that there are bona fide financial reasons for the purchase of other types of investments. In those cases, the Finance Department will retain a bidding agent to conduct a bona fide competitive bidding process and require the bidding agent and provider to provide certifications substantially in the form approved by bond counsel. The Finance Department will maintain a record of the amounts paid for brokerage commissions, bidding agent fees, and other similar administrative costs.

10.10.6 Monitoring Possible Private Business Use when Tax-Exempt Debt was used for its Construction or Purchase

The Finance Department and the City Attorney's Office will review any contractual arrangement that may result in private business use of bond-financed property before the arrangement becomes effective. Arrangements that give rise to private business use generally include contracts that provide special legal entitlements to persons other than a State or local government (a "**nongovernmental person**") or the general public. Sales and leases of bond-financed property always give rise to private business use. Arrangements that may give rise to private business use, depending on the terms of the contract, include management or service contracts and research agreements.

If the Finance Department and the City Attorney's Office determine that an arrangement provides for use by a nongovernmental person of any bond-financed

[Link-to-previous setting changed from on in original to off in modified.].

property, then the Finance Department and/or the City Attorney's Office will consult with bond counsel to determine whether, and the extent to which, the arrangement gives rise to private business use and obtain any recommendations about any further or subsequent review.

10.10.7 Changes of Use of Bond Financed Property and Remedial Actions

As a general policy, the Finance Department will consult with bond counsel in connection with each bond issue regarding the specific private business use limit (or private security or payment limit) that applies to that bond issue. The Finance Department will track and record any private business use of financed property (or private payments made with respect to such usage).

If the Finance Department determines any transaction has caused, or may potentially cause, the private business use limit (or private security or payment limit) of a bond issue to be exceeded, or cause the private loan limit to be exceeded, the Finance Department will consult with bond counsel to determine whether a remedial action is required or otherwise advisable. If possible, the Finance Department will do so before the transaction is final, so that remedial action requirements and options may be taken into account.

Out of an abundance of caution, the Finance Department should consider a transaction as potentially causing the private business use limit to be exceeded if *in any year* the amount of private business use is greater than the limit.

The general policy of the City is that each remedial action should be approved by an opinion of bond counsel, even in cases where the legal documents for the bond issue do not expressly require such an opinion.

In the event the Finance Department and/or the City Attorney's Office determine that the City may have taken a deliberate action that results in noncompliance of a bond issue with restrictions on use of financed property or proceeds, and it is no longer timely to take a remedial action, the Finance Department and/or the City Attorney's Office will

[Link-to-previous setting changed from on in original to off in modified.].

consult with bond counsel to determine whether it is necessary or appropriate to submit a request for a voluntary closing agreement to the Internal Revenue Service to obtain a waiver of non-compliance.

10.10.8 Review of Expenditure of Bond Proceeds

The City adopts, as a prudent practice, the policy of undertaking a review of expenditure of bond proceeds of each bond issue. The City has been advised by bond counsel that the period of time to correct or change expenditures of bond proceeds ends on the earlier of 18 months after the placed in service date of a bond-financed project or 5 years after the date of issuance of the bond issue. Accordingly, the Finance Director will conduct a review of expenditures of bond proceeds after expenditure, but before such period ends, for each bond issue. The review will include a determination that each expenditure is a capital expenditure for federal tax and financial accounting purposes, and that no expenditure is for a private business use, except as specifically approved by the Finance Director. The expenditure review will also determine whether the expenditure of bond proceeds falls within applicable "spend-down" exceptions to arbitrage rebate as described in Section 10.5.3 and that the private business use limit has not been exceeded as described in Section 10.10.7.

10.10.9 Revision of this Section 10.10

The procedures set forth in this section 10.10 may be revised from time to time to reflect changes of law and ideas for improvement, and they may be expanded to address other post-issuance tax compliance actions. They are solely for guidance of City personnel. There are no third-party beneficiaries of these procedures.

The Finance Department will confer with bond counsel prior to the finalization of each future update to the City's Debt Policy on the need or advisability to revise this Section 10.10, taking into account experience in applying these procedures, changes in the law, and the requirements of new bond issues.

[Link-to-previous setting changed from on in original to off in modified.].

10.11 Payment of debt service

10.11.1 The Finance Director will work with the City's Treasurer and ~~paying~~fiscal agent to timely remit payment for its debt service when due. The City will require its ~~paying~~fiscal agent to issue an invoice to the City no less than 30 days prior to the due date. Funds shall be transferred by the City electronically to the City's ~~paying~~fiscal agent no later than one business day prior to the debt service due date. The ~~paying~~fiscal agent will then hold the funds, on behalf of the City, in a trust account until such payment is electronically transferred to ~~Depository Trust Company who then will disperse the funds to the City's bond holders~~the owners of the bonds or notes in accordance with the register it maintains.

~~10.12 Calculation and request for Build America Bond subsidy from the Internal Revenue Service~~

~~In 2009, the Federal Government allowed government entities to issue Build America Bonds. What this required was that governmental agencies could issue taxable debt with the caveat that the Federal Government would "rebate" 35% of the interest expense. The rebate would equate the cost of issuing a taxable bond to essentially be at or below the cost of a tax exempt bonds.~~

~~Depending on the type of debt that was issued (general obligation or State Trust fund bonds), a request for the 35% rebate will be required to be sent to the IRS at least 60 days prior to the debt service of the issue. It will be the responsibility of the Finance Director to complete the required forms and request this rebate in order to receive the payment timely.~~

[Link-to-previous setting changed from on in original to off in modified.].

10.12 ~~10.13~~ Selection of Bond Counsel, Financial Advisors, and Debt Rating Agencies.

10.12.1 ~~10.13.1~~ Bond counsel, ~~financial~~muncipal advisors, rebate determination providers, dissemination agents, fiscal agents, investment services, and debt rating agencies will be selected as necessary according to ~~state statutes~~the Wisconsin Statutes and City procurement policies.

[Link-to-previous setting changed from on in original to off in modified.].

Summary report: Litera Compare for Word 11.7.0.54 Document comparison done on 5/27/2025 1:36:15 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: nd://4815-6410-3715/1/City of Green Bay - Debt Policy.docx	
Modified DMS: nd://4815-6410-3715/5/City of Green Bay - Debt Policy.docx	
Changes:	
Add	186
~~Delete~~	114
~~Move From~~	2
Move To	2
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	304

CITY OF GREEN BAY

DEBT POLICY

CITY OF GREEN BAY DEBT POLICY	
Title: Debt Policy	**Policy Reference:** Chapter 10
Policy Source: Finance Department	**Legal Review Date:** ____________________, 2025
Finance Committee Approval: June 3, 2025	**City Council Approval:** June 10, 2025

10.1 Definition

A debt policy is a tool which sets rules and provisions for the management of existing debt, compliance with post-issuance requirements for tax-exempt debt, issuance of additional debt, and prompt and timely payment of all debt service. Such a policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals, demonstrates a commitment to long-term financial planning and supports the maintenance or improvement of the credit rating of the City of Green Bay (the "**City**"). A well-managed debt program should allow for funding of capital projects within anticipated funding sources.

10.2 Purpose

This policy will be a positive factor in the municipal market's assessment of the City's credit quality. A debt policy sets forth parameters which will provide for consistency and continuity in the decision process. This leads to better long-term planning and financial health which allows the City to attain as well as maintain the highest bond rating it deserves. The City recognizes that access to capital markets over the long term is dependent upon the City's unwavering commitment to full and timely repayment of debt.

10.3 Policy

The City will confine long-term debt to capital improvements, long-term fixed assets which outlive the debt issued for them or to refund existing debt. The capital improvements program includes projects to acquire, plan, design, construct, improve, and equip all or any part of its facilities or systems, promote economic development, or to secure quality of life issues. The City may also consider issuing long-term debt to provide direct assistance to developers or other private parties for projects that generate economic benefits for the City such as creation of housing or employment opportunities. The City's Finance Director and Treasurer will work with its fiscal agent to make sure funds are available to pay debt service on the City's outstanding debt obligations when due.

10.4 Types of Debt

10.4.1 General Obligation Bonds and Promissory Notes

The defining feature of general obligations is the source of funds that secures their repayment: an ad valorem irrepealable tax levied on all taxable property within the limits of the City effective on the date the general obligation is issued. Chapter 67 of the Wisconsin Statutes governs the issuance of various general obligations known as "general obligation" bonds or notes.

General obligation bonds may be issued by a municipality to finance specific projects as described in Section 67.05(5) of the Wisconsin Statutes that are undertaken for a public purpose. General obligation bonds may not be issued unless a permissive referendum notice to the electors has been published within 15 days after the date of adoption of the initial resolution approving the issuance of such general obligation bonds and, within 30 days after the date of adoption the initial resolution, no electors have petitioned the City clerk to hold a referendum to approving said initial resolution. The term of general obligation bonds is limited to not later than 20 years from the original date of issuance, except that when bonds are issued for sewerage purposes, the term is limited to not later than 50 years from the original date of issuance.

General obligation promissory notes may be issued for any public purpose as described in Section 67.12(12)(a). Unlike bonds, the issuance of notes is not limited to projects specified in Section 67.05(5). Therefore, notes can be issued to fund general and current capital expenses other than those permitted in connection with bonds. The term of notes is limited to not later than 20 years from the original date of issuance. Any refunding note shall be paid within 10 years after the original date of the refunding note and within 20 years after the issuance date of the original promissory note.

The City shall limit issuance of general obligation bonds and notes exclusively for the acquisition, planning, design, construction, development, extension, enlargement, renovation, rebuilding, repair or improvement of land, waters, property, streets, buildings, equipment, or facilities when it can be determined that future citizens will receive a benefit from the improvement(s) and the asset(s) outlive the length of the debt issued. The City may also issue general obligation promissory notes as security for a loan from the State of Wisconsin Environmental Improvement Fund under Sections 281.58, 281.59, and 281.61 of the Wisconsin Statutes, the proceeds of which loan are to be used for water and/or sewer purposes. The City may also issue general obligations bonds and notes to provide direct assistance to developers or other private parties for projects that generate economic benefits for the City such as creation of housing or employment opportunities. Incidental to the issuance of bonds and notes, a portion of the proceeds can also be used to pay the associated issuance costs and capitalized interest when appropriate. Proceeds from long-term debt shall not be used to fund current operating costs, except in the case of emergency or extraordinary circumstances.

10.4.2 State Trust Fund Loans

The Board of Commissioners of Public Lands of the State of Wisconsin has funds available to loan to Wisconsin cities and villages. The Board may loan trust fund money to a city for any project undertaken for a public purpose consistent with the purposes allowed for issuance of general obligation bonds. The term of trust fund loans is limited to 20 years.

State trust fund loans should also be considered when the interest rate offered makes the cost of borrowing less than or comparable to general obligation bonds after considering the cost of issuance, or to take advantage of flexible prepayment options.

10.4.3 Revenue Bonds

Revenue bonds may be issued to finance public utilities, economic development projects, or other projects allowed by Chapter 66 of the Wisconsin Statues. Repayment for revenue bonds is made from the underlying revenues generated by the utility, project, or facility. Revenue bonds have no claim on the taxes or other general revenues of the issuing municipality and are not debt of the municipality. Revenue bonds give municipalities the ability to recover the cost of a project from beneficiaries of the project or users of the facility or utility.

The City should limit the use of revenue bonds to capital improvements for its water utility or other such enterprise utilities which may be created and fall under the direction of the Common Council, economic development projects, or other projects as allowed by Chapter 66 of the Wisconsin Statutes. Incidental to the issuance of the bonds, a portion of the proceeds can also be used to pay the associated issuance costs, project reserve funds, and capitalized interest when appropriate.

10.4.4 Capital Leases

Capital lease financing shall be considered only if verifiable operating savings, when properly discounted, outweigh the lease financing costs. Written justification detailing the explanation of factors considered, including cash flow analysis reviewed by the Finance Director, will be submitted to the Finance Committee for consideration and approval before any lease is entered into.

10.4.5 Other Debt Instruments

The City shall primarily issue the types of debt instruments outlined above. Other types of debt instruments may be issued as appropriate if their use is necessary or advantageous to the City. If other types of debt instruments are utilized, applicable state and federal guidelines shall be followed. The City will attempt to limit the use of short-term debt to bond anticipation purposes. Proceeds from long-term debt shall not be used to pay for current operating expenses.

10.4.6 Conduit Debt

From time to time, the City may be asked to act as a conduit to issue bonds to promote economic development or secure quality of life projects on behalf of for-profit or not-for profit entities as borrowers. Prior to using the City as a conduit issuer, the borrower shall provide substantive proof acceptable to the City that no budget appropriation shall be required to pay the bonds. The City shall not allow the issuance of such bonds on behalf of the borrower if doing so would prevent the City from issuing "bank qualified" debt for its own purposes without compensation from the borrower to cover the additional debt service cost.

10.5 Debt Limitations.

10.5.1 Maximum amount of indebtedness

Section 67.03(1) of the Wisconsin Statutes provides that the amount of indebtedness of a municipality shall not exceed 5 percent (5%) of the equalized valuation of the taxable property in the municipality. Although Wisconsin Statutes allows five percent (5%) of the equalized valuation, the City has set an internal debt goal, which seeks to remain below 50% of the maximum amount allowed by the Wisconsin Statutes.

10.5.2 Useful life shall be longer than the debt issued for its purchase

The City shall consider the useful life of the project being financed and the long-range financial and credit objectives when determining the final maturity structure of the debt.

10.5.3 Spend down of borrowed proceeds

All debt issued for capital improvements will be to finance shovel-ready projects. Spenddown of the proceeds will be in accordance with IRS rules for new money obligations whereby 10% of the proceeds will be spent within 6 months after the date of issuance, 50% within 12 months after the date of issuance, 75% within 18 months after the date of issuance, and 100% within 24 months after the date of issuance. If this schedule is not met, then the Finance Department will review the tax certificate and other governing documents for the debt issue to determine if any action is required with respect to rebate and yield restriction as described in Section 10.10.4 of this policy. If there are any unspent proceeds remaining upon completion of the project for which the debt was issued, the balance of unspent proceeds will be transferred as set forth in the resolution authorizing the issuance of the debt. Resolutions authorizing general obligations generally provide that excess proceeds in the borrowed money fund are transferred to the debt service fund account for that issue and applied to the debt service levy of the same issue. In the event there are excess proceeds for any debt obligation, the City shall contact bond counsel to confirm application of such proceeds. Each debt obligation will be closely monitored so that it adheres to IRS regulations with respect to arbitrage and spend down rules. If the State Trust Fund is utilized for the issuance of debt, all draw requests must be made within four months of receiving the approval of the State Trust Fund to borrow the funds.

10.5.4 The City shall utilize any debt obligations it has at its disposal to take advantage of the lowest cost of the debt or for another benefit for the City.

10.5.5 The City will follow a policy of full disclosure on every financial report and offering document relating to the debt obligation.

10.6 Credit Objectives.

10.6.1 The City will strive to maintain or improve its credit rating with Moody's as of the date of this Policy: City (Aa3) and RDA (A2). The City will strive to maintain good relations with the rating agency and keep them informed of significant developments that could affect the City's credit rating.

10.6.2 The following objectives will be used to maintain debt service requirements at an affordable level and enhance the credit quality of the City:

- The levy for debt service shall be no greater than twenty-five percent (25%) of the total levy, with an effort to maintain the levy at a proportionate, even level for tax rate stabilization.

- Flexibility to fund future expenditures necessary to provide essential City services and economic viability.

10.7 Method of sale

10.7.1 The City shall issue new money general obligation bonds through a competitive bidding process and may issue new money general obligation promissory notes or refunding bonds or notes by negotiated sale if authorized by the Common Council. Section 67.08(2) of the Wisconsin Statues requires the sale of new money general obligation bonds to be sold by public sale. Bids will be awarded on a true interest cost (TIC) basis, provided that other bidding requirements set forth in a notice of sale are satisfied. In the event the Finance Director believes competitive bidding produced unsatisfactory bids for a sale of general obligation bonds, the Common Council may authorize the Finance Director and the City's financial advisors to reject all bids and hold a new sale.

10.7.2 Negotiated sales of new money general obligation promissory notes or refunding bonds or notes will be considered in circumstances when the complexity of the issue requires specialized expertise (such as an advance refunding or restructuring debt service), when time to complete a sale is critical, or when a negotiated sale would result in substantial cost savings. Negotiated sales of debt will also be considered for revenue bonds, bond anticipation notes, and leases when the complexity of the project, revenue source for debt service, or security for the debt makes it likely that a negotiated sale would result in a financial advantage to the City. Wisconsin Statutes permit either a public or negotiated sale for those types of debt instruments.

10.8 Refinancing / refunding of debt

10.8.1 The Finance Department will cause periodic reviews of outstanding debt to be undertaken, either internally or by the City's financial advisor, to determine refinancing or refunding opportunities. Refinancing or refunding opportunities will be considered (within federal tax law constraints) if and when there is a net economic benefit for the refinancing or refunding.

10.8.2 In general, the City may capitalize on a refinancing or a refunding opportunity for economic savings when net present value savings of at least 2% of the refinanced / refunded debt can be achieved. Current refinancing or refunding that produce net present values savings of less than 2% savings may be considered when there is a compelling public policy or long-range financing policy objective.

10.9 Disclosure

10.9.1 The City is committed to full and complete financial disclosure, and to cooperate fully with rating agencies, institutional investors, other units of government, and the general public to share clear, comprehensible, and accurate financial information.

10.9.2 The City will enter into a continuing disclosure agreement on the date of issuance for each debt obligation required to have one pursuant to Securities and Exchange Commission Rule 15c2-12, which agreement shall require the disclosure of the occurrence of certain events listed therein upon their occurrence and the annual disclosure of the City's financial and operating data. Each such disclosure is required to be filed with the Municipal Securities Rulemaking Board (MSRB) on due dates specified in such agreement. The Finance Department will cause such disclosure to be timely filed. The City may retain a dissemination agent to file the disclosure with the MSRB on the City's behalf.

10.10 Post-Issuance Tax Compliance for Tax-Exempt Debt

10.10.1 Debt obligations of the City are referred to in this Section 10.10 as "**bonds**", whether the obligations are actually called bonds, promissory notes, a loan, or some other name.

Interest on most of the City's bonds is exempt from federal income tax, subject to compliance with Internal Revenue Code requirements, including *restrictions on investment of bond proceeds* and *requirements as to use of bond proceeds*. This Section 10.10 sets forth procedures to monitor post-issuance compliance with the applicable federal tax requirements.

In addition, the City may issue (or may have previously issued) direct-pay, tax-advantaged borrowing obligations, such as Build America Bonds, that are subject to similar restrictions.

These procedures do not apply to bonds of the City that are "conduit bonds", the proceeds of which are loaned to a nongovernmental person or entity, as described in Section 10.4.6.

10.10.2 Identification of Bond Issues for Federal Tax Purposes

The City acknowledges that the federal tax rules apply separately to each bond issue for federal tax purposes. Sometimes, for federal tax purposes, two or more separately named bond issues may be treated as a single bond issue, or a single named bond issue may be treated as being composed of two bond issues. The Finance Department will review the City's tax certificates, and consult with bond counsel as necessary, to identify and maintain a list of each outstanding bond issue, as treated for federal tax purposes.

10.10.3 Record Retention

For each bond issue, the Finance Department will arrange for records to be kept of the investment and application of proceeds and the use of bond-financed property. For each bond issue, the records will be kept until at least 4 years after the bond issue is completely retired (or redeemed).

The records do not need to be kept at a single location and they may be kept in physical or electronic form.

10.10.4 Rebate and Yield Restriction

For each bond issue, the Finance Department will comply with the requirements in the tax certificate and authorizing resolution, which generally include obtaining rebate determinations or a determination that rebate is not required.

Unless the Finance Department determines that rebate is not required, the Finance Department needs to establish the initial rebate determination date, which should be not later than the 5th anniversary of the date of issuance of the bonds. Additional rebate determination dates occur every 5 years thereafter and on the date the last bond of the issue is completely retired (or redeemed). Any rebate amount due must be paid to the United States Treasury within 60 days after the rebate determination date.

As a general policy, the Finance Department will engage a rebate determination provider in sufficient time prior to the due date such that the provider may start a rebate determination for the bond issue at least 60 days prior to each rebate determination date, to be completed at least 14 days before a rebate payment would be due. The Finance Department will arrange for any required rebate payment to be made to the United States Treasury for receipt by the due date.

The Finance Department will identify all funds and accounts that are treated as containing gross proceeds of the bond issue and take actions needed to comply with any yield-restriction requirements, as further detailed in the tax certificate for the bond issue. For example, if proceeds in the borrowed money fund (for general obligations) or a comparable project or construction fund (for a revenue bond issue) are not spent within the 3 year "temporary period", the Finance Department will obtain yield-restriction computations for the applicable fund and, if needed, make yield-reduction payments to the United States Treasury.

10.10.5 Investment of Bond Proceeds

The Finance Department may retain an investment service for assistance in investing bond proceeds and will ensure any such service follows this policy. The Finance Department will direct the investment of all bond proceeds in arm's-length, fair-market-value purchases and sales and will not permit the linking of the purchase or sale of investments to the provision of other services to the City, such as underwriting services.

Federal tax law safe harbors apply to the following types of investments:

Certificates of deposit

Guaranteed investment contracts

Yield-restricted defeasance escrow investments

If a federal tax law safe harbor applies to the type of investment, then as a general policy the Finance Department or its investment service will arrange for the investment to meet all the requirements of the safe harbor to the extent reasonably practicable.

Certificates of Deposit: The purchase price of a certificate of deposit is treated as its fair market value if the yield on the certificate is not less than the yield on reasonably comparable direct obligations of the United States and the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

Guaranteed Investment Contracts: As a general policy, for each purchase of a guaranteed investment contract, the Finance Department will retain a bidding agent to conduct a bona fide competitive bidding process and require the bidding agent and provider to provide certifications substantially in the form approved by bond counsel. The Finance Department will maintain a record of the amounts paid for brokerage commissions, bidding agent fees, and other similar administrative costs.

Yield-Restricted Defeasance Escrow Investments: As a general policy, amounts in yield-restricted defeasance escrows will be invested in United States Treasury securities (State and Local Government Series) *unless* those securities are not available for purchase *or* the Finance Department determines, after consultation with an independent financial advisor, that there are bona fide financial reasons for the purchase of other types of investments. In those cases, the Finance Department will retain a bidding agent to conduct a bona fide competitive bidding process and require the bidding agent and provider to provide certifications substantially in the form approved by bond counsel. The Finance Department will maintain a record of the amounts paid for brokerage commissions, bidding agent fees, and other similar administrative costs.

10.10.6 Monitoring Possible Private Business Use when Tax-Exempt Debt was used for its Construction or Purchase

The Finance Department and the City Attorney's Office will review any contractual arrangement that may result in private business use of bond-financed property before the arrangement becomes effective. Arrangements that give rise to private business use generally include contracts that provide special legal entitlements to persons other than a State or local government (a "**nongovernmental person**") or the general public. Sales and leases of bond-financed property always give rise to private business use. Arrangements that may give rise to private business use, depending on the terms of the contract, include management or service contracts and research agreements.

If the Finance Department and the City Attorney's Office determine that an arrangement provides for use by a nongovernmental person of any bond-financed property, then the Finance Department and/or the City Attorney's Office will consult with bond counsel to determine whether, and the extent to which, the arrangement gives rise to private business use and obtain any recommendations about any further or subsequent review.

10.10.7 Changes of Use of Bond Financed Property and Remedial Actions

As a general policy, the Finance Department will consult with bond counsel in connection with each bond issue regarding the specific private business use limit (or private security or payment limit) that applies to that bond issue. The Finance Department will track and record any private business use of financed property (or private payments made with respect to such usage).

If the Finance Department determines any transaction has caused, or may potentially cause, the private business use limit (or private security or payment limit) of a bond issue to be exceeded, or cause the private loan limit to be exceeded, the Finance Department will consult with bond counsel to determine whether a remedial action is required or otherwise advisable. If possible, the Finance Department will do so before the transaction is final, so that remedial action requirements and options may be taken into account.

Out of an abundance of caution, the Finance Department should consider a transaction as potentially causing the private business use limit to be exceeded if *in any year* the amount of private business use is greater than the limit.

The general policy of the City is that each remedial action should be approved by an opinion of bond counsel, even in cases where the legal documents for the bond issue do not expressly require such an opinion.

In the event the Finance Department and/or the City Attorney's Office determine that the City may have taken a deliberate action that results in noncompliance of a bond issue with restrictions on use of financed property or proceeds, and it is no longer timely to take a remedial action, the Finance Department and/or the City Attorney's Office will consult with bond counsel to determine whether it is necessary or appropriate to submit a request for a voluntary closing agreement to the Internal Revenue Service to obtain a waiver of non-compliance.

10.10.8 Review of Expenditure of Bond Proceeds

The City adopts, as a prudent practice, the policy of undertaking a review of expenditure of bond proceeds of each bond issue. The City has been advised by bond counsel that the period of time to correct or change expenditures of bond proceeds ends on the earlier of 18 months after the placed in service date of a bond-financed project or 5 years after the date of issuance of the bond issue. Accordingly, the Finance Director will conduct a review of expenditures of bond proceeds after expenditure, but before such period ends, for each bond issue. The review will include a determination that each expenditure is a capital expenditure for federal tax and financial accounting purposes, and that no expenditure is for a private business use, except as specifically approved by the Finance Director. The expenditure review will also determine whether the expenditure of bond proceeds falls within applicable "spend-down" exceptions to arbitrage rebate as described in Section 10.5.3 and that the private business use limit has not been exceeded as described in Section 10.10.7.

10.10.9 Revision of this Section 10.10

The procedures set forth in this section 10.10 may be revised from time to time to reflect changes of law and ideas for improvement, and they may be expanded to address other post-issuance tax compliance actions. They are solely for guidance of City personnel. There are no third-party beneficiaries of these procedures.

The Finance Department will confer with bond counsel prior to the finalization of each future update to the City's Debt Policy on the need or advisability to revise this Section 10.10, taking into account experience in applying these procedures, changes in the law, and the requirements of new bond issues.

10.11 Payment of debt service

10.11.1 The Finance Director will work with the City's Treasurer and fiscal agent to timely remit payment for its debt service when due. The City will require its fiscal agent to issue an invoice to the City no less than 30 days prior to the due date. Funds shall be transferred by the City electronically to the City's fiscal agent no later than one business day prior to the debt service due date. The fiscal agent will then hold the funds, on behalf of the City, in a trust account until such payment is electronically transferred to the owners of the bonds or notes in accordance with the register it maintains.

10.12 Selection of Bond Counsel, Financial Advisors, and Debt Rating Agencies.

10.12.1 Bond counsel, muncipal advisors, rebate determination providers, dissemination agents, fiscal agents, investment services, and debt rating agencies will be selected as necessary according to the Wisconsin Statutes and City procurement policies.

Report to the
Finance Committee of the City of Green Bay

MEETING DATE	PREPARED BY
June 3, 2025	

AGENDA ITEM # E.2

Consideration with possible action to accept the State of Wisconsin DNR Recycling Grant 2025 award of $433,631.93.

BACKGROUND

Per the City of Green Bay's grant policy, all awards need to be approved.
The Department of Public Works submits the annual paperwork to receive the grant.
This is an annual award; the 2025 budgeted revenue was approved at $433,000.

RECOMMENDATION

Approval of the request.

FISCAL IMPACT

ATTACHMENTS

1. Recycling Grant 2025 Award Notification Letter

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
101 S. Webster Street
Box 7921
Madison WI 53707-7921

Tony Evers, Governor
Karen Hyun, Ph.D., Secretary
Telephone 608-266-2621
Toll Free 1-888-936-7463
TTY Access via relay - 711

May 14, 2025

Steven Grenier
Director of Public Works
City of Green Bay
Green Bay, WI 54301-5006

05231

SUBJECT: Announcement of **2025** Recycling Grants to Responsible Units

Dear Responsible Unit Contact:

On behalf of the Governor, the Department of Natural Resources (DNR) is pleased to offer an award of $433631.93 to your responsible unit to offset your recycling program costs during the current calendar year. This grant amount is composed of your Basic Recycling Grant + the Recycling Consolidation grant if you applied and are eligible. Remember that the total grant amount may not exceed projected net eligible costs as stated in your grant application.

Basic Recycling Grant Award	$407596.95
Recycling Consolidation Grant Award	$26034.98

<u>Calculating Your Basic Recycling Grant</u>
Your Basic Recycling grant amount was determined as prescribed by Wisconsin Statutes:

1- We identify your RU percentage of total available funds from 1999, then
2- We apply that percentage to the total available grant appropriation ($19,000,000).

<u>Calculating Your Recycling Consolidation Grant</u>
Per Wisconsin Statutes, the consolidation grant awards are calculated on a per capita basis. A total of **212** Responsible Units applied for this grant by the deadline and are eligible to receive this grant. The total population of all those eligible applicants is **4,108,396**. The Legislature provided $1M for this program. So, the per capita rate is **$0.243** per person in each Responsible Unit ($1,000,000 ÷ by population = $0.243 per person in eligible RUs).

<u>Timing of Grant Check</u>
The grant award payments will be issued as one check per responsible unit on or before June 1, 2025.

<u>Accepting Grant Conditions</u>
By endorsing the grant check, you are accepting this award and agree to comply with the grant conditions, the program's financial guidelines, and the assurances you signed in your grant application. Grant conditions can be found at the Basic Recycling Grant website under the “RESOURCES” tab:
https://dnr.wisconsin.gov/aid/Recycling.html

Important Reminders

- If you spent less than the awarded amount within the current grant year, you will be required to repay the difference between your awarded amount and the actual amount you spent. A separate notification about this will be sent to affected RUs.
- Your Recycling Grant Award is to be used for eligible expenditures directly related to the cost estimates submitted with your grant application—*Estimated Budget Spreadsheet*.
- You will report actual 2025 recycling costs in the *2025 Annual Report of Recycling Program Accomplishments*. This Annual Report is necessary for maintaining continuity of data collection and to determine whether or not your total net eligible recycling costs matched or exceeded your grant award.

We appreciate your efforts to recycle in Wisconsin. Should you have any questions about this or any aspect of the recycling grant program, please contact Wendy Soleska, Grant Manager by e-mail at Wendy.Soleska@wisconsin.gov or by telephone number (608) 852-1358.

Sincerely,

Jim Ritchie

Jim Ritchie,
Director Community Financial Assistance

C. Wendy Soleska – Grant Manager (via e-mail)