

City of Monroe
Finance and Taxation Committee Minutes
February 13, 2017

A. CALL TO ORDER & ROLL CALL

Chairperson Stangel called the meeting to order. Present at roll call were Alderpersons Stangel, Bauman, and Koch and Youth in Government member Lillian Edwards. Also present were Admin. Rath, City Clerk Stamm, Mayor Armstrong, Finance Director Schuchart, and Bridget Cooke of the Monroe Times. Alt. Alderperson Boyce and Youth in Government member Nick Bauman were absent.

B. CORRECTION OF MINUTES

None

C. BUSINESS: OPEN

1. PRIORITY BASED BUDGETING

Admin. Rath explained. The City of Monroe has one of the highest municipal tax rates in the state. In 2015, the municipal tax rate was \$10.81, while the average for cities in Wisconsin was \$8.40. Priority based budgeting is an analytical tool providing critical data to staff, elected officials, and the public. Rath further explained how the priority based budgeting system can benefit the City of Monroe. The system is now available on-line. Most work can be done by city staff. The cost is now \$20,000 for the initial set up for year 1 and then \$15,000 or less for years 2 and 3. The city can end the program at any time without a penalty. Questions and discussion took place. Staff does not need to be added to implement this program. Peer reviews are set up to fact check. This may help identify programs that are not needed or are not serving much of the population. Rath said this program will give the city the tools to affect the budget in a positive way. Rath said funding can come from the Cheese Days account for now. Rath recommends implementing this as soon as possible so it can be used for the 2018 budget. More discussion ensued. Motion made by Alderperson Koch to forward to Council with a recommendation that we give it a try. Alderperson Bauman seconded the motion. The committee generally agreed to use money from the contingency fund to pay for it. More discussion took place. On voice vote, the motion first carried by the Youth in Government member and then by the official Finance & Taxation Committee members.

2. RECOMMENDATION FROM AIRPORT BOARD OF MANAGEMENT TO OFFER FINANCING OF LOW-INTEREST LOANS FOR HANGAR CONSTRUCTION

Admin. Rath explained. This could generate more income for the city in the form of personal property tax and fuel sales. The city is getting minimal interest from the banks on investments. The city could get a higher rate of return with this program, possibly interest at the rate of 2 – 3%. The maximum amount for a loan would be \$75,000 to be

paid back in 5 years. No more than 3 loans would be made per year. Rath said this could be a piece of a local revolving loan fund. An application process will be needed. The Finance Committee could review and approve applications. Alderperson Stangel questioned what the demand for hangars is. Admin. Rath commented that there is available land for more hangars. Questions and discussion again took place. Alder Stangel mentioned working with a bank as a partner on these. The banks could check the credit, etc. Alder Koch expressed concerns. He has a problem with going into competition with a bank. He wouldn't have a problem if it were also for other city programs and not just hangars. Mayor Armstrong suggested just mentioning "hangar sites available" for now in the Airport marketing brochure. Alder Stangel commented to not push this program for now. No other action or discussion occurred.

3. PROPERTY INSURANCE FOR UPCOMING TERM OF APRIL 1, 2017 – MARCH 31, 2018
City Clerk Stamm explained. The renewal quote from MPIC is a decrease in premium of 2.5% and an increase to insured value of 5.5% and is less than what was budgeted for. Questions and discussion took place. Alderperson Koch moved to recommend to Council. Discussion again ensued regarding if this needs Council approval. It was generally agreed to just have the Clerk report on this at the Council meeting. Alder Koch withdrew his motion. Motion made by Alderperson Koch and seconded by Alderperson Bauman to authorize the Clerk to bind the coverage. On voice vote, the motion first carried by the Youth in Government member and then by the official Finance & Taxation Committee members.

D. BUSINESS BY MEMBERS

None

E. ADJOURNMENT

Motion to adjourn made by Alderperson Koch and seconded by Alderperson Stangel. On voice vote, the motion carried first by the Youth in Government member and then by the Finance and Taxation Committee official members.

Carol J. Stamm
City Clerk/Director of General Government