

MANITOWOC COUNTY FINANCE COMMITTEE
Communications and Technology Building
July 8, 2024

Attendance: Chairperson Hansen, Supervisor Brey, Supervisor Hacker, Supervisor Lillibridge, and Supervisor Shimulunas. Also in attendance: County Executive Bob Ziegelbauer, Finance Director JJ Gutman, Public Works Director Gerry Neuser, Corporation Counsel Peter Conrad, County Board Chairman Martell, Supervisors Behnke, Engelbrecht, Falkowski, Grambow, Maresh, Schiesl, and Sitkiewitz.

Call to Order: Chairperson Hansen called the meeting to order at 4:30 p.m.

Public Comment: Chairperson Hansen declared public input open at 4:30 p.m. No one present wished to speak, subsequently Chairperson Hansen closed public input at 4:31 p.m.

Approve the minutes of the June 10, 2024 Finance Committee meeting: Supervisor Brey moved to approve the minutes, seconded by Supervisor Hacker. Upon vote, the motion passed unanimously.

Approve vouchers for the following month in the following amount –June 2024 - \$5,277,694.91: Supervisor Lillibridge moved, seconded by Supervisor Shimulunas to approve the vouchers. Upon vote, the vouchers in the amount of \$5,277,694.91 were approved.

Discussion/solutions regarding deficit and county sales tax:
Supervisor Behnke questioned how a 12.5% levy increase would work to cover the deficit.

County Executive Ziegelbauer explained the County could add debt service to the levy, which would allow for 12.5% increase to be used toward the deficit. The County has reserves, but more money would be needed in the future. The 12.5% would provide that.

Behnke questioned if the County still had unspent ARPA funds.

Ziegelbauer informed the committee there were unspent ARPA funds available.

County Board Chair Martell questioned if these funds can be used towards the deficit.

Finance Director Gutman explained they could be used to cover the deficit according to US Treasury guidelines.

Discussion of county sales tax resolution option with possible approval:
Supervisor Brey was not in favor of increasing the tax levy because he believes it would only delay the need for the sales tax. The sales tax would be a good way to cover the deficit, then follow State law to be a property tax relief for Manitowoc County residents.

Supervisor Hansen questioned what control this County Board would have over what future County Boards would do with the sales tax.

Corporation Counsel Conrad explained this County Board can add in whatever rules they want, within the law. However, future County Boards can change the ordinance with whatever voting requirement was needed.

Supervisor Lillibridge expressed concern that the tax levy increase wouldn't go away, and the County would still need the sales tax at some point. He would prefer just the sales tax, not an increase in property taxes.

Supervisor Shimulunas questioned who decides how the sales tax funds are spent.

Conrad informed the committee the funds are a line item in the County Executive budget.

Martell expressed there should not be a sunset with the sales tax because it would be used to cover the deficit of operational expenses. These operational expenses would always be needed.

Gutman mentioned this is an unsustainable deficit right now. If a sunset were in the ordinance and that time approached, that means the County would either need to cut drastically, find another funding source, or reimplement the sales tax.

Hansen agreed there shouldn't be a sunset. However, he would like future County Boards to understand the use of the sales taxes should be for property tax relief once the deficit is taken care of.

Supervisor Brey moved to approve and pass the Ordinance Creating Manitowoc County Code Chapter 33 (County Sales and Use Tax) along to the County Board, seconded by Supervisor Lillibridge. Upon discussion and vote, the motion was carried unanimously.

Adjournment: Supervisor Brey moved to adjourn, seconded by Supervisor Lillibridge. Motion passed unanimously. The committee adjourned at 5:16 p.m.

Respectfully submitted,
Jessica Backus, County Clerk