

# Memo

Date: May 13, 2021  
 To: Allouez Village Board  
 From: Brad Lange  
 Re: Brown County Property Tax Collection Agreement 2021-2022

The Brown County Treasurer’s office is offering two options regarding 2021-2022 Property Tax Collections:

- 1) Sign an Intergovernmental Agreement with Brown County for the Preparation, Mailing, and Collection of 1<sup>st</sup> installment property taxes at a cost of \$1.60 per Property Tax Bill prepared and collected plus the actual cost of postage incurred;
- 2) Sign an Agreement with Brown County for the Preparation (With Mailing) of Property Tax Bills for the actual cost of postage incurred and for the Village to takeover 1<sup>st</sup> installment property tax collections, beginning December, 2021.

Responses from other municipalities:

<b>Brown County Municipalities Survey Results – 1<sup>st</sup> Installment Property Taxes</b>	
<b>Brown County Tax Collection</b>	<b>Municipal Tax Collection</b>
Village of Wrightstown	City of Green Bay
Town of Humboldt	City of DePere
Town of New Denmark	Village of Howard
Town of Scott	Town of Holland
	Town of Ledgeview
Village of Suamico- Board voting 5/17	Village of Ashwaubenon
	Village of Denmark
	Village of Hobart
	Village of Bellevue

The projected cost of each option is as follows:

<b>Option 1: Intergovernmental Agreement with Brown County</b>		
County Preparation and Collection Fee	5,306 bills @ \$1.60	\$8,490
	Total	\$8,490

<b>Option 2: Agreement with Brown County for Preparation and Mailing Only</b>		
Camera	Front Counter	\$885
Bar Code Scanners (2)		\$50
2 informational mailings to residents		\$3,000

	Subtotal One-Time Costs	\$3,935
LandNav Software	Annual License	\$1,500
Bank Fees	\$0.16/check @ 5,306	\$850
Tax Collection LTE	7:30-4:00 p.m. M-F, 12/13-12/31/21 @ \$16.00/hour plus FICA	\$2,070
Staff overtime/holiday pay	2 hours/week for 3 weeks & 12/30 & 12/31 – 12 hours	\$830
	Subtotal Annual Costs	\$5,250
	Total Year 1 Costs	\$9,185
*May require tax collection LTE and Front Office OT in January, 2022 (+\$2,300) for annual costs of \$7,550		

The cost estimates are based on two assumptions to simplify the transition in year one:

- Hiring 1.0 LTE for three weeks (December 13<sup>th</sup> – December 31) to work with an existing employee to receipt property taxes, update mailing addresses, add/delete lottery credits, reconcile cash drawers, and create bank deposits. Receipting will take place at the Front Office counter.
- Requiring payments only through the Village offices by mail, drop box, or in-person via cash or check. Payments will not allowed via credit card. We will mail a receipt only if a SASE is included with the payment.

After the first year of tax collections, we will have a better understanding of staffing needs and costs. We will also be in a better position to offer additional conveniences such as online payments via credit card for a fee.

### **FISCAL IMPACT**

The Fiscal Impact varies depending upon the path selected. Option 1 (Brown County collects taxes) is projected to cost \$8,490 in 2021 and option 2 (Village collects 1<sup>st</sup> installment property taxes) is projected to cost \$9,185 in 2021. The total cost for the 2021-2022 season may be up to \$11,485 if an LTE and OT is required for three additional weeks in January. The ongoing annual cost of collecting our own taxes is projected to be \$5,250 - \$7,550 versus contracting with Brown County (\$8,490). The LandNav software cost of \$1,500 applies if the Village begins the tax collections in December 2021. Future LandNav software costs may include an additional fee of \$3,000 to set the software up on a Village server which would be in addition to the annual software license fee.

### **POSSIBLE ACTIONS**

Option 1: Motion to approve the use of up to \$8,500 of general fund balance to pay the County \$1.60 per Property Tax Bill prepared and collected, and to authorize staff to sign the Intergovernmental 2021-2022 Property Tax Bill Preparation, Mailing, and Collection Agreement.

Option 2: Motion to approve the use of up to \$9,200 of general fund balance to support the Village takeover of collection of the 1<sup>st</sup> installment property taxes, beginning in December, 2021, and to authorize staff to sign the Brown County 2021-2022 Property Tax Bill Preparation Agreement (With Mailing Option).

**STAFF RECOMMENDATION**

Staff consisting of the Finance Director, Clerk/Treasurer, Deputy Clerk and myself have discussed the impacts of collecting the 2021 property taxes and recommend that the Village selects Option 1, Brown County to collect the first installment of the 2021 taxes.