

1. **CALL TO ORDER.** The special meeting of the Village Board was called to order by President Staton at 5:04 p.m. on Wednesday, December 5, 2007.
2. **ROLLCALL.** Present: Darlene Groenier, Jerry Bollig, Jon Lourigan arrived at 5:30 p.m., Phil Harms, Randy Way, and Steve Staton. Absent: Eric Poole. Also present: Village Administrator Mike Gracz, Finance Director Renee Hoeft, Public Works Director Mark Below, Village Engineer Joe Eberle, Department of Emergency Management Roxanne Gray, Village Attorney Matt Dregne arriving at 5:07 p.m., Ruckert Mielke Financial Analyst Jon Cameron and Clerk Assistant Peggy Haag.

Certain items were taken out of order to accommodate members of the audience.

3. **DISCUSSION AND POSSIBLE ACTION RE: POSSIBLY ISSUING A SUBSTANTIAL DAMAGE LETTER FOR 370 FLORIDA AVENUE AND FIRST FLOOR DETERMINATION (MCALLISTER).** Bob McAllister stated according to realtors his house is not sellable. The McAllisters are going back and forth with FEMA because there is debate about basement level vs. first floor. When the house was built he stated they had to bring the house out of the ground to be closer to the fire hydrant. Bob McAllister says the measurements show their house is not in the ground. McAllister said the adjuster that came through the house said they do not have a basement. McAllister would like a document from the Village of Oregon stating 370 Florida Avenue has a first floor. All of this needs to be submitted within 30 days. Staton asked Jon Cameron's take on this. Cameron stated running the numbers it is showing that the bottom level is the lowest living level and not a basement. Gray stated the McAllisters are above the regional flood elevation that's why the benefit cost analysis does not work out because it is saying that they are a low risk. McAllister said that they could not make a basement because of being above the regional flood elevation. Roxanne Gray said FEMA may be looking for an Elevation Certificate. Linda McAllister stated they originally used the certificate and stated there is a figure on it of 939.5. It's been stated the McAllisters are two feet down in the ground and that is where FEMA is coming up with the idea the McAllisters have a basement. Staton said the sheet in front of him says basement floor elevation 937.5. Gracz stated the 937.5 is correct but the adjuster is saying because they are two feet below the 939.5 it is a basement. Gracz asked the McAllisters how it was listed when they got their flood insurance, as a basement or a first floor. Gracz stated through the FEMA exercise it was determined the McAllisters lower level is a first floor but their flood insurance is saying just the opposite. There was more discussion about the elevation and what is on the insurance certificate. Gracz's recommendation would be to have the Village of Oregon send a letter saying they feel this level is first floor living. Linda McAllister said when she has dealt with FEMA the terminology they are using is "sub-grade". They are saying the McAllisters are below sub-grade level. Way said it sounds as though this home was build at grade and then after the fact landscaping was added to help with the runoff and now they are considering the grade of the landscaping to be the grade of the lot, but it wasn't the grade of the lot when the McAllisters started. Dregne wanted to clarify from what he heard Roxanne Gray say previously, if it is determined this property is at first floor and not at basement level then it will be harder for the McAllisters to acquire money from FEMA? Gray said it does matter either way because everything is based on the elevations of the structure which either way is higher than the 100 year flood elevation level. Dregne wanted to make sure sending a letter from the Village of Oregon would not have a negative effect on the McAllisters. Roxanne Gray stated she was confused about where the 939.5 level is coming from. Dregne stated on a document in front of him it says the elevation of the lowest grade immediately adjacent to the building, which people are in agreement, is the yard grade. Dregne stated the McAllisters need to submit their application, talk to the Village of Oregon about trying to support them in saying this is a first floor, but they may also need to pursue an appeal of their determination that it is a basement if that is what they decide. Dregne said there may even be a further appeal process that may need to be looked into. Linda McAllister said she is working on their second appeal and was wondering if the Village would be able to have a letter for them within a week. Staton said it may be helpful to have the Village Engineer's explanation of the grade included in the letter. Dregne asked if the McAllisters provided an affidavit recounting the history of building the house with regard to the grade

of the home. They had not but Dregne suggested that should be done because FEMA needs to know the historical background. **Motion by Way to commission Village Engineer, Joe Eberle, to write a letter explaining the ground elevations and grade of fill. Second by Bollig. To be mailed to the McAllisters for first floor determination for 370 Florida Avenue. Motion carried 6-0.** *Roxanne Gray suggested stating that both levels shown are above the 100 year flood elevation.* **Amended motion to state letter will be prepared by staff and include any documentation the Village of Oregon has.** Linda McAllister is concerned that they have tried to repair cracks in the foundation among other things and wondering what can be proved now that they have done that. There was discussion in the difference between 360 and 370 Florida Avenue. Dregne stated someone would have to determine whether that there is damage, how much it would cost to repair it and that the damage was caused by this flood. **It was also moved by Bollig to have staff proceed with hiring a contractor to review whether McAllister's house (370 Florida Avenue) is substantially damaged. Second by Lourigan. Motion carried 6-0.**

4. **DISCUSSION AND POSSIBLE ACTION RE: SUBMITTAL OF FEMA AND DNR FLOOD CONTROL GRANT APPLICATIONS FOR FLORIDA AVENUE AND NORTH BURR OAK PROPERTIES AND VILLAGE'S PARTICIPATION.** Gracz mentioned there was a meeting with DNR staff and Roxanne Gray to decide what would be proposed to the Village Board. Gracz said it is anticipated to receive a FEMA Grant for 360 Florida Avenue which is the only house eligible for a FEMA grant at this point. The other homes did not score well enough to be eligible for FEMA. Gray tried to work a couple different scenarios and it did not work out so at this point only 360 Florida Avenue will be recommended to submit to FEMA. Gracz is also recommending that 360 Florida Avenue also be included in the DNR Grant for the FEMA matching portion if somehow the FEMA Grant is not covering purchase of the home. Gracz received a post card from the DNR a couple months ago and discussed the \$200,000 cap for the grant period of May 1, 2008 – April 30, 2010 which was talked about with the DNR because the state statute is 20% of the funding or \$800,000. At this point DNR staff believes there will be about \$2.6 million available for the grant awards. Gracz verified today that even though the \$200,000 is a starting point if there is money left over the Village would have to go back to the DNR and ask them to allocate additional money to the acquisition. Gracz said that property acquisition is at the top of the list for grant awards. On Tuesday Gracz discussed applying for the DNR Grant for all six homes in the event there are additional funds available, so that is what will be proposed. The DNR staff thought that would be a good idea. Village staff will work to find other sources of funding to cover the Village's matching portion of the grants for FEMA it is 12.5%, for the DNR grant it is 30%. Gracz is anticipating trying to cover the FEMA 12.5% matching grant with DNR money, however, he does not anticipate being able to cover 100% of the matching funds through other sources. The projected Village matching amount would be approximately \$330,000 if the Village receives the total grants from FEMA and the DNR for all six houses. Gracz and Hoeft will be meeting with Representative Davis and State officials to discuss CDBG funding. The Village of Oregon received funding back in 2000 to purchase three properties and the Village will try that again. They will also be scheduling meetings with County Board member Jerry Jenson who represents Oregon as well as Dane County Executive Kathleen Falk to request county funding. Gracz and Hoeft will also be meeting with Senators Miller & Erpenbach and State Representative Gary Hebl. Hoeft ran a table to show the anticipated annual tax impact assuming a 5% interest rate for a 10 year loan and a 5.2% interest rate for a 20 year. The loan would be as the table shows. The recommendation for tonight would be the Village Board authorize Ruckert Mielke to apply for the FEMA funding for 360 Florida Avenue, and also to apply for the DNR funding for all six homes as listed on the priority list. The DNR requires that the homes are listed in a priority fashion. Staff is quite confident that FEMA will provide the funding for this property. 140 N. Burr Oak would be the first house purchased through the DNR Grant. Staff feels that should happen because of the location to the creek and the repetitive damage the Johnson's have experienced at their home. The next house would be 380 Florida Avenue, because of location to the creek. The next home would be 370 Florida Avenue with its low first floor living area. The fifth house would be 350 Florida Avenue which has a lower point of entry than 340 Florida Avenue, and then 340 Florida Avenue. It is also being recommended until the Village of Oregon has

received the results from FEMA and the DNR the Village Board refrain from negotiating with the property owners in discussing other Village funding options for the acquisition of the properties until the grant results are known. Staff does not want to invalidate the grant process by discussing things further. There will be opportunities for borrowing if that is necessary. In 2008 and 2009 the Village of Oregon will be borrowing for other projects so the Village can bond it if need be. It is anticipated the grant results will be coming in May or June of 2008. Lastly, staff was waiting to receive appraisal proposals and have not received them at this time. Staff is requesting authorizing Staton and Gracz to hire an appraiser to meet the timelines. The DNR grant needs to be submitted by January 15th. Bollig asked what a CDBG grant is. Gracz stated it is a Community Development Block Grant. There was discussion about what it is and how it works. There was also discussion about the when the grants would be given and how much time to use them. Hoeft wondered what would happen if the FEMA Grant was issued in February and the Village did not get awarded a DNR Grant until May 1st. Roxanne Gray stated grant agreements will be worked out which take 2-3 weeks. In a grant agreement the work is supposed to start within 90 days of the grant, so in that scenario it would be ok. Harms asked if the grant money does not come through the way the Village hoped if the process would be started over the next year. Hoeft said the next time the Village of Oregon would be able to apply would be November 15, 2009. It is a 2 year grant program. **Motion by Bollig to submit FEMA and DNR Flood Control Grant Applications for Florida Avenue and North Burr Oak properties with appropriate Village participation. Second by Lourigan. Motion carried 6-0.** Gracz emphasized that if the Board is not willing to match the funding the Village should not submit the application. When a grant is submitted the government does a lot of work and if it is decided down the line the grant isn't wanted, it is not in the best interest of the Village. Gracz said if the Village wants to do this they need to be serious about it. Hoeft went through and explained the matching costs on the loan discussed earlier so people know what it will cost the average tax payer. The staff report will be put on the web page. Hoeft stated the estimate for the Village would be about \$330,000 if the Village received a grant for about \$800,000 from the DNR, but this is very preliminary. This will also depend on how many municipalities apply. Hoeft stated using the \$330,000 at a 10 year loan \$24.35 for a home valued at \$360,000 per year for the next 10 years. If it were a 20 year loan the amount would be \$15.41. If there is matching money those amounts would go down. Bollig wondered if this can be done without spiking the tax levy since the Village of Oregon's revenues are down because of the housing market and the budget has gone up a little this year. Bollig is concerned if the Village is not careful that the tax levy will jump. Hoeft asked the DNR multiple times if the Village of Oregon gets a grant for \$800,000 and the Village can't find addition funding and the Village Board is not comfortable with putting that amount of money on the table can the Village use \$400,000 and not jeopardize the Village's chances on a future grant. They did say that was o.k. Hoeft said this will increase the tax levy. She is not sure how they can do it without increasing it. There was more discussion.

5. **DISCUSSION AND POSSIBLE ACTION RE: RESOLUTION #07-23 AUTHORIZING THE SUBMITTAL OF A STATE GRANT APPLICATION FOR A MUNICIPAL FLOOD CONTROL GRANT PROJECT IN THE VILLAGE OF OREGON.** Motion by Lourigan to authorize the submittal of a state grant application for a municipal flood control grant project in the Village of Oregon. Second by Way. Motion carried 6-0.

6. **DISCUSSION AND POSSIBLE ACTION RE: HIRE APPRAISAL FIRM FOR GRANT APPLICATIONS.** Staton noted the Village did not receive any appraisal proposals and because of deadlines staff is requesting the Village Board authorize the Village President and Village Administrator to pursue this and hire an appraiser. **Motion by Bollig because of deadlines, authorize staff to hire appraisal firm for grant applications. Second by Lourigan.** Gracz and Hoeft will bring information back to the Finance Meeting next Monday. Staton asked to **amend the motion if not possible deal with this at Finance on December 10th.** Motion carried 6-0.

7. **DISCUSSION AND REMINDER RE: DECEMBER 17TH 6:30P.M. PUBLIC HEARING FOR DANE COUNTY HAZARD MITIGATION PLAN.** Staton said as a reminder the Public Hearing is December 17th at 6:30. Gracz said this needs to be done to submit the FEMA Grant.
8. **DISCUSSION AND POSSIBLE ACTION RE: NORTH ALPINE PARKWAY SETTLEMENT AGREEMENT.** Dregne said there have been discussions at earlier meetings about the efforts to resolve final issues between the Village and Hammersley Stone Co. relating to the construction of North Alpine Parkway and the bike path out there. This document is hopefully the last document necessary to resolve the remaining outstanding issues. In summary the Village is agreeing to pay Hammersley Stone \$25,000 for the additional work needed to be done to repair portions of North Alpine Parkway and to install additional sub-grade material. The Village is retaining a little over \$20,000 right now under the original contract and the Village of Oregon is saying when the release is signed the Village will release all but \$5,000 of that. Dregne, with the Village Board's approval, would like to ask them to agree \$5,000 of that amount until the last two things that need to be done are. If the Village thinks there needs to be more seeding or work on vegetation Hammersley Stone will do that. The Village would like Hammersley to come in and repair three areas on the bike path that Ruekert Mielke has identified as in need of repair. The final two paragraphs of Dregne's document state the Village of Oregon's release of Hammersley Stone Co. and vice versa from any other claims that may or may not exist at this point relating to this project. The Village & Hammersley agree that this is over. Dregne will send a copy of this over to Hammersley Stone and see if they have a problem with any of it and if they don't it can be finished up. **Motion by Bollig to approve the North Alpine Parkway Settlement Agreement. Second by Groenier.** Way asked if the release is just for this project and Dregne confirmed that to be true. **Motion carried 6-0.**
9. **APPROVAL OF VOUCHERS.** None.
10. **ADJOURNMENT.** Motion by Bollig to adjourn at 7:53 p.m. Second by Lourigan. Motion carried 6-0.

Submitted by
Peggy S.K. Haag,
Clerk Assistant