

**Special Finance, Building and Facilities Committee Meeting
Monday, August 23, 2010**

1. **Call meeting to order:** Chair Eric Poole called the Special Finance Meeting to order at 6:00 pm on Monday, August 23, 2010.
2. **Roll call: Present: Eric Poole, Darlene Groenier, and Phil Harms.** Also Present: Village Administrator Mike Gracz, Finance Director Renee Hoeft, Trustee Randy Way, Trustee Jon Lourigan, Village Attorney Matt Dregne and Village Clerk Tracey Berman
3. **Approval of Minutes:**
 - a) June 28, 2010 – not available
4. **Public Appearances:** Harms of 895 S. Perry Parkway brought up a discussion of the New Proposed Utility Rate Increase of July 28, 2010. Harms felt that there wasn't anything in the presentation of July 28, 2010 that gave them an indication any fee, other than the Single Family Home Connection Fee would be increased. Harms would like to revisit this rate increase with other members since not all information was given. Harms requested that this be brought back to the Board.
5. **Communications and Miscellaneous Business:** There was none.
6. **Unfinished Business**
 - a) **Discussion on Mowing Schedule and public works projects:** Below mentioned that they are having a hard time getting things done that in previous years hasn't been a problem. They are managing to keep up.
7. **New Business**
 - a) **Review of Investments, Connection Fees, Impact Fees and Building Permits and Credit Card payments:** Hoeft mentioned that they have five new home permits since July and are now up to 17. Year to date through July we have had 193 remodel / addition / alteration permits pulled. Hoeft said that we are very close with our revenues.
 - b) **Discussion and Possible Recommendation to Village Board re: Purchase of Police Vehicle for K-9 Program:** Pettit has a memo date August 15th, determining what would be the best vehicle to use for this assignment. Pettit found that when asking other K9 handlers/trainers that an SUV would be most practical. Reasoning would be that our officer would also be transporting prisoner when necessary and there wouldn't be any juggling around of equipment. Currently there are no Expeditions available for Police Services left in the country. They expect to be available again by the end of 2010 or early 2011. They are currently making accommodations for the dog until the vehicle can be purchased. **Motion by Poole to authorize the purchase of a vehicle for the K9 Program. Seconded by Groenier. Motion carried 3-0.**
 - c) **Discussion and Possible Recommendation to Village Board on Unpaid weights and measures invoice:** Hoeft said that in since 2006 Oregon Laundry has not paid and that's why the Village has had the ordinance redone so we could put fees and fines in that are more than what his annual charge for the Weights and Measures are. The Board needs to take action in writing off the previous charges. Poole asked why we are writing off the previous charges and Hoeft said that there weren't enough teeth in our ordinance to collect. Hoeft mention that there was never an issue with the other businesses, they have always paid. The Village can't file a lien because the owner of Oregon Laundry rents the building. **Motion by Poole to write off the unpaid Weights and Measures invoice to Oregon Laundry in the amount of \$1,055.69. Second by Groenier. Motion carried 3-0.**

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- d) Discussion on Draft 10 year capital improvement plan: This item was discussion agenda item 9.
- e) Discussion and Possible recommendation to Village Board on: Rolling Meadows request to pay PILOT monthly versus twice a year: Hoeft mentioned that in the offer that the Village received from Rolling Meadows when they purchased the land from the Village, Rolling Meadows agreed to pay a PILOT payment twice a year. Due to financial issues they are requesting to pay it monthly and a large portion of that year they will be six months behind. Instead of the Village receiving \$34,000 a year (\$17,000 in January & \$17,000 in July) we would be getting 1/12 of the \$34,000 every month (\approx \$2,800) and we would always be behind. Poole mentioned possibly invoicing them upfront for six months and then continuing to invoice them monthly from that point on so that they are ahead six months. Hoeft said that we could bring the suggestion to Rolling Meadows. Hoeft also mentioned that Dregne was also looking into whether they are qualified as tax exempt. Harms agreed with the monthly payments to help out with their financial situation but Poole was concerned with other renegotiations of the PILOT program. It was the consensus of the committee to discuss further at the next meeting.
- f) Discussion and Possible recommendation on using savings from vacant front office positions to replace some 2004 computers (staff is having a significant number of computer memory errors): Since April 2010 there has been an opening in the front office which has allowed them to save money on payroll. Hoeft would like to use that savings towards new computers for the front office this year and then budget for the others next year. There is about \$8,000 - 9,000 that could be moved in to Clerk Equipment and take the rest and put into Consulting Budget for the maintenance on the computers. Some issues have been, Beth rebooting her computer constantly and Joy being unable to print bills for 24 hours. **Harms moved to allow Hoeft to use savings from vacant front office positions to replace computers and work the other computers into budget for next year. Second by Groenier. Motion carried 3-0.**
- g) Discussion on request from Chamber for 2010 \$1,500 payment: Gracz mentioned that the \$1500 was budgeted and put in the new Room Tax Fund. Since the Hotel has not been built so there is not a Room Tax to fund this what he's suggesting is that the Village Board has a budget \$2500 in the economic development fund and that's where Gracz is proposing they take the \$1500 for the Chamber since he doesn't anticipate using it. **Motion by Poole to authorize the use of \$1,500 from the Economic Development Fund to be paid to the Chamber of Commerce. Second by Groenier.** Groenier asked where the money will be used. Steve Peotter mentioned of his uncertainty at this time but is appreciative of the support. **Motion carried 3-0.**
- h) Update on Lincoln Road Water Tower Property: Hoeft talked with Dave Worzala and he said the 90 days is up on Saturday. He's been talking to the Treasurer in Rock County and they have told him that there is something in the State Statues that allows you to amend a complaint. The letter that he sent in May is the complaint threatening that the property is going to be taken away because the Village hasn't paid taxes from 2003. Hoeft said that the complaint can be amended if it can be proven that the portion of taxes the Village owes was paid to the previous property owner, which it was. Worzala can only take the property that hasn't had the taxes paid. He cannot take our property. Worzala mentioned that he would give the Village fair warning before he takes anyone property if he finds out that what the Rock County Treasurer is telling him is not true.

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- i) Approval of processing additional surveys: Gracz gave an overview of the minimal cost to process the extra community surveys. Gracz felt it was worth processing the additional survey results.
- j) Scheduling of September Finance meeting – please bring your calendars: September 27, 2010 at 5:00 pm.

8. Budget Transfer

- a) Budget Transfer 2010-3: **Groenier moved to approve Budget Transfer #2010-3. Second by Harms. Motion carried 3-0.**

9. **Discussion of 2011 Budget Overview:** Hoeft said that the current state statutes allow a 3% increase in the 2009 Levy after subtracting the levy for debt issued after July 1, 2005. Referring to p. 2 of the 2011 Budget, 2010 allowable levy is \$4,409,700. The total levy for 2009 including debt issued after 7/1/05 was \$4,186,466. The Village's 2010 assessed value is down .86% from 2009. With the decrease in assessed value the Village's tax rate will increase even if we levied the same amount in 2010 as 2009. 2009 tax rate was \$4.863 compared to 2010, with the same levy, would be \$4.9053. Hoeft said that they have prepared two budget scenarios. The first with a maximum tax levy of 5.33% and another with a 3% levy adjustment. Both scenarios would require budget cuts to balance the 2011 Budget.

The tax rate increase of 5.33% levy would increase the Village's tax rate to \$5.1667 which is an increase of \$0.3037 per \$1,000 of assessed value. For a home assessed at \$225,000 this would be an increase of \$68.33 or 6.25%. The tax rate increase of 3% levy would increase the Village's tax rate to \$5.0525 which is an increase of \$0.1895 per \$1,000 of assessed value. For a home assessed at \$225,000 this would be an increase of \$42.64 or 3.90%.

Hoeft mentioned there was only one way to increase the levy 3% is to apply more funds from TIF #2 to TIF #3 for debt. There are pitfalls of doing this; the Village would be up to a quarter of the total sharing capacity and the Village would be building and using something that is not always going to be there. The more we take out of TIF #2, the more we have to draw down from the State Trust Fund Loan for Braun Road which increases the interest payments in TIF #2.

Hoeft summarized the State Trust Fund Loan by saying that it's about \$400,000 less than anticipated. The loan was approved on June 30, 2010 so the Village only has until October 30, 2010 to draw the funds down and the Board will have to make that decision prior to adopting the 2011 Budget.

Hoeft talked about the Village's Debt Service for 2011. Our debt payments for the debt issued prior to 7/1/05 is up \$12,500. The Village needs to take levy from the General Fund that is under the cap and move it to the Debt Service Fund. This is the only time the Village needs to do this. This amount has to come out of the original 3% cap. Our debt payments for debt issued after 7/1/05 is up \$50,000. Hoeft also mentioned that they haven't seen any significant re-development occurring in the downtown area that would have generated additional funds for debt service. A summary of Fire, Public Works and Police Impact Fees shows that the Village has been using \$10,000 from Fire, \$12,000 from Public Works and \$27,000 from Police. As of 8/4/10 the Village has about 5 years remaining of using the Fire account for payment of debt, four years remaining in the Public Works account and less than two years remaining in the Police account. As the impact revenue declines the amount of tax levy will increase.

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10. The Finance Committee may adjourn into closed session from time to time during the course of the meeting pursuant to Wis. Stat. sec. 19.85(1) (c) & (e) to discuss Hotel Negotiations, to consider issues related to employment and compensation and to discuss labor negotiations with Village Attorney. Groenier moved to adjourn into closed session pursuant to Wis. Stat. sec. 19.85(1) (c) & (e) to discuss Hotel Negotiations, to consider issues related to employment and compensation and to discuss labor negotiations with Village Attorney. Second by Harms. Roll Call Vote: Poole – Yes; Harms - Yes; Groenier – Yes Motion carried 3-0.
11. **Discussion of Future Assignments' Issues**
- a.) Status of Disclosure of Utility information
 - b.) Library sinking funds
 - c.) Letter from Resource Solutions Corporation Project Clean Up
 - d.) Park Equipment Fee
 - e.) Agreement with Town of Oregon on Payment of Cable Fees to WOW
 - f.) Discussion and possible action on Revised Purchasing Policy
 - g.) Equipment listing
 - h.) Discussion on GASB 54
 - i.) Discussion and possible recommendation to Village Board on Sewer Infiltration and Inflow study
 - j.) Discussion on possible phosphorus regulations and upgrade to Sewer Plant
 - k.) Update on Fire Commission meeting regarding fund balance
 - l.) Discussion and possible recommendation to Village Board on Assessor proposals
 - m.) Discussion and Possible recommendation to Village Board on: Accurate Appraisal's Contractual Responsibilities as to the Significant Drop in Assessed Value for Genesis Housing
12. **Adjournment:** Groenier moved to adjourn the Special Finance, Building and Facilities Committee at 7:15 pm on Monday, August 23, 2010. Second by Harms. Motion carried 3-0.

Submitted by,
Tracey Berman,
Village Clerk