

VILLAGE OF GRAFTON
FINANCE COMMITTEE MEETING MINUTES
TUESDAY, MAY 6, 2013

Chair Jim Brunnquell called the Finance Committee meeting to order at 5:00 p.m.

Committee members present: Village President Jim Brunnquell, Trustee Jim Grant, and Trustee Susan Meinecke

Committee members excused: Trustee Richard Rieck

Staff present: Village Administrator Darrell Hofland, Director of Administrative Services Paul Styduhar, Library Director John Hanson, Village Accountant Monica Stern, Village Assessor Pat Matthies, and Village Clerk Kelly Popp

Other Officials present: Lisa Harbeck (arrived 5:53 p.m.) and Joint Library President Harry Rollings

Public present: Partner at Baker Tilly Virchow Krause LLP Wendi Unger, Ehlers & Associates Executive Vice President Todd Taves, and Ehlers & Associates Financial Specialist Maureen Schiel

HEAR PERSONS REQUESTING TO BE HEARD

None.

COMPREHENSIVE ANNUAL FINANCIAL REPORT-YEAR ENDING DECEMBER 31, 2012

Wendi Unger, Partner at Baker Tilly Virchow Krause LLP, presented the audit for the year ending December 31, 2012. Ms. Unger distributed an updated executive summary of the audit to review (see attached). The opinion is a clean, unmodified opinion.

Trustee Grant asked if the Village was sound financially. Ms. Unger stated that the Village was financially sound. Ms. Unger complimented the Village of Grafton, Director of Administrative Services Paul Styduhar and Village Accountant Monica Stern for the work completed during the year. The Village of Grafton had very favorable results for 2012. President Brunnquell thanked Mr. Styduhar and Ms. Stern for a job well done.

Motion by Trustee Meinecke, seconded by Trustee Grant to recommend the Village Board accept the Comprehensive Annual Financial Report for the year ending December 31, 2012. Approved unanimously.

2013 BORROWING

President Brunnquell introduced Ehlers & Associates Executive Vice President Todd Taves and Ehlers & Associates Financial Specialist Maureen Schiel

Ehlers & Associates Financial Specialist Maureen Schiel gave background on the Debt Issuance Services Pre-Sale Report of the proposed \$9,860,000 General Obligation Corporate Purpose Bonds for the Village of Grafton. Ms. Schiel commented that there were four issues proposed. The issues proposed are \$1,555,000 for street improvements related to the urbanization of Port Washington Road, \$1,220,000 for river improvements related to the Bridge Street dam, \$1,170,000 for construction of a septic receiving station and a portion of the new utility garage, and \$5,925,000 for advance refunding of 2005 bonds related mainly to improvements in TID No. 3 and TID No. 4 and a small amount related to utility work.

Ehlers & Associates Executive Vice President Todd Taves commented that the Pre-Sale Report estimated a savings of \$234,433. Mr. Taves commented that if the rates received from a sale that occurred today that was a similar size and had the same rating were applied to the Village's proposal, the savings would be approximately \$480,000. Mr. Taves stated that the sale would occur June 3.

Ms. Schiel noted that the river improvements will be reduced by \$400,000 since DNR grant proceeds were not applied as revenues to offset the expenses. Mr. Taves commented that the resolutions were based on a not-to-exceed basis and would be adjusted appropriately before the sale.

Director of Administrative Services Styduhar commented that the Village had requested to borrow \$1,000,000 from the State of Wisconsin Bureau of Public Lands' State Trust Fund Loan to partially finance the new utility garage. The reason for this is that the Village had received a Clean Water Fund subsidy which will partially reimburse the Village the interest on the State Trust Fund Loan. This financing approval will be placed on a future Finance Committee agenda pending receipt of the information from the State.

Village Administrator Hofland asked if the reduction associated with the grant could be added to the advance refunding. Mr. Taves stated no, due to the fact the next amount of bonds that could be refunded was \$700,000 and partial refunding are more complex.

President Brunnquell asked when the bid opening for the dam project was and if it would have an impact on the schedule. Based on discussion it was determined there would be minimal impact due to the not-to-exceed nature of the resolutions.

Motion by Trustee Grant, seconded by Trustee Meinecke to recommend the Village Board approval of the Borrowing Resolutions, as presented.
Approved unanimously.

2014-2018 ASSESSMENT CONTRACT WITH MASS APPRAISALS

Village Administrator Hofland stated that the Village is no longer meeting the 10 percent valuation difference between the Village's 2012 assessed valuation of residential properties and the State of Wisconsin's 2012 equalized valuation of the same residential properties. The State has issued a mandate that municipalities must come

into compliance to include the revaluation and the required enhanced electronic database by 2015 or at the time of revaluation, whichever occurs first. Village Assessor Pat Matthies stated the last revaluation was completed in 2006. Mass Appraisals, as part of a revaluation, will be doing some internal structure inspections as well as "windshield" inspections. The scanning of photos, property cards, sketches etc. will occur in 2014 to comply with State law.

Mr. Hofland stated that Mass Appraisals, LLC has agreed to allocate the reevaluation and scanning expenses over a five-year period. The proposal for 2014-2018 is a total cost of \$210,000 or \$42,000 annually. The current property assessment maintenance contract is \$35,000 per year. Administrator Hofland affirmed that Mass Appraisals has provided superior service to the Village for over 20 years.

Motion by Trustee Grant, seconded by Trustee Meinecke to recommend the Village Board authorize the Village Administrator to enter into 2014-2018 contract with Mass Appraisals, West Bend, WI for a total cost of \$210,000 with 2014 revaluation, 2014 enhanced electronic database plus four years of property assessment maintenance. Approved unanimously.

5 YEAR CAPITAL IMPROVEMENT PROGRAM FOR VILLAGE HALL

Village Administrator Darrell Hofland stated there are few new items in the proposed 5 Year Capital Improvement Program for Village Hall. Mr. Hofland stated that this is a plan and may be amended based on priorities. One new item is an additional TSX machine for elections if the Village needs to provide two voting locations. The TSX or Touch Screen is required to be on-site at every polling place. The second purchase is for the Village's main data server. The server is currently on a four year replacement cycle; it comes up for replacement in 2015. President Brunquell inquired on an extended data server warranty and software assurance agreement for upgrades. Mr. Styduhar confirmed he would look into an extended warranty, as well as a software assurance agreement for the servers.

2014 AREAS OF EMPHASIS

Village Administrator Hofland stated that consistent with the budget cycle the 12 Areas of Emphasis are presented to the Finance Committee for review each year. The Areas of Emphasis link goals, objectives, benchmarks, and ultimately budget decisions.

Motion by Trustee Meinecke, seconded by Trustee Grant to recommend the Village Board approve the 2014 Areas of Emphasis as presented. Approved unanimously.

OLD BUSINESS

LIBRARY ASSISTANT I AND LIBRARY ASSISTANT II: CHANGE IN PAY GRADE

The Finance Committee requested external comparisons of the Eastern Shores Library System libraries at the April 2013 Finance Committee meeting. Library Director John Hanson gave background on the comparison of the Eastern Shore libraries with Grafton library. When comparing the Eastern Shore libraries, they were very comparable to the

existing Pay Grade assignment of staff, dependent upon the size of the community. President Brunnquell commented that the wage survey shows the Library Director's proposed Pay Grade starting rate being higher than everyone other library than Sheboygan Falls in the Eastern Shore Library System.

Library Director Hanson stated that internal comparison of similar level of job duties and responsibilities would provide justification for an increase in the pay grade assignment for these positions. Mr. Hansen stated overall, the proposal impacts about half the library staff. The approximate expenditure cost would be \$5,600 a year. Mr. Hanson has identified areas to decrease his expenditures by roughly \$5,000 annually, which would offset the proposed additional cost.

President Brunnquell reiterated he would like to see feedback for the Town of Grafton regarding this matter; they have a stake in this as well. He asked if this could be sustained within the immediate budget. Library Director Hanson confirmed it could be sustained within the immediate budget. President Brunnquell affirmed staff is important; how staff interacts with the public is very important.

President Brunnquell stated no recommendations will be made at this point. Trustee Grant commented he would like to see the comparison of the quality of the Grafton services to other libraries. Trustee Meinecke stated Grafton has the best children's programming in the County. President Brunnquell affirmed the Finance Committee would look for feedback from the Town of Grafton and the other Grafton trustees.

NEW BUSINESS

None

ADJOURN

Motion by Trustee Grant, seconded by Trustee Meinecke to adjourn the Finance Committee meeting at 5:59 p.m. Approved unanimously.