

VILLAGE OF GRAFTON
FINANCE COMMITTEE MEETING MINUTES
AUGUST 3, 2009

President Jim Brunnuquell called the Finance Committee meeting to order at 5:30 p.m.

Finance Committee members present: Jim Brunnuquell, Jim Grant, Ron LaPean, Richard Rieck

Staff/Officials present: Village Administrator Darrell Hofland, Finance Director Paul Styduhar, and Administrative Assistant Rachel Reiss

HEAR PERSONS WISHING TO BE HEARD

None.

CEDARBURG PHARMACEUTICAL'S REVOLVING LOAN FUND PAYMENT PLAN UPDATE

Finance Director Styduhar stated he was informed that there will not be a representative from Cedarburg Pharmaceutical present. Mr. Styduhar informed the Committee that he met with the Chief Financial Officer and was informed the company has laid off a third of its employees and has reduced the work week to four days. The company recently paid its 2006 tax bill to avoid foreclosure on the property.

Mr. Styduhar stated the company has made payments of \$12,000 per month and have indicated they can continue to make that payment. The Finance Committee a year ago negotiated the entire past due balance of \$208,345.63 be paid in full by July 31, 2009. Currently, the past due balance is \$84,617.09.

Administrator Hofland stated the Village negotiated with Cedarburg Pharmaceuticals in good faith and they did not comply.

Trustee LaPean questioned if we begin the action of declaring the loan in default can the Committee change their mind later. Mr. Styduhar stated the process of default gives Cedarburg Pharmaceuticals 60 days to respond. They could request to renegotiate the past due balance.

Motion by Trustee Grant, seconded by Trustee Rieck, to recommend to the Village Board to consider the Economic Development Revolving Loan Program loans to Cedarburg Pharmaceuticals, 870 Badger Circle, in default. Approved unanimously.

AUTHORIZATION OF PAYMENT TO COUNTRY ESTATES REGARDING PAYMENT TID NO. 2 DEVELOPER AGREEMENT

Mr. Styduhar stated the Village has an agreement with Country Estates regarding the creation of Tax Increment District No. 2 (TID No. 2). The agreement stated that Country

Estates would provide a payment to the Village if the tax revenue derived from the value of the TID was not sufficient to pay the debt service costs for the initial tax years. The agreement additionally stipulates that the Village would repay any payments received from Country Estates prior to closing TID No. 2 plus interest.

With the Village reviewing the possibility of TID No. 2 to be a donor TID, it would be appropriate at this time to refund Country Estates.

Motion by Trustee LaPean, seconded Trustee Grant, to recommend to the Village Board approval of payment to Country Estates totaling \$194,875.62 per the Developer Agreement, dated July 1996. Approved unanimously.

2010 COMMUNITY SURVEY

Administrator Hofland stated the Village has done a community survey every three years since 2000. In 2008, it was decided to delay the community survey by one year due to budget restraints.

Mr. Hofland informed the Committee that in the past the survey was mailed to every resident and the results were compiled in house. There is a service called Survey Monkey that will allow residents to complete the survey on-line and the results are automatically compiled. There will be printed surveys available for those without computer access. By using Survey Monkey, \$3,585.05 in savings are anticipated.

President Brunquell questioned with the change to on-line survey, should the Committee consider removing open ended questions. Administrator Hofland stated that would help.

Trustee Grant questioned the possibility of having an on-going on-line survey.

Motion by Trustee LaPean, seconded by Trustee Rieck, to recommend the Village Board authorize Village Staff to create a 2010 Community Survey using a combination of internet-based and paper survey. Approved unanimously.

PERSONNEL POLICY CHANGES

Administrator Hofland stated as the Village looks to reduce overhead, an option would be to place a cap on the portion of Wisconsin Retirement System's Employee Portion which is paid by the Village. It is being recommended that the Village pay no more than 6.5 percent of the Employee Portion. Similar percentage is in three of the four union contracts.

The second request before the Committee is to require new employees hired after August 17, 2009 to pay 100 percent of the Employee Portion for Wisconsin Retirement System contribution.

Motion by Trustee Grant, seconded by Trustee LaPean to recommend the Village Board approve the changes to the Personnel Policy as identified.
Approved unanimously.

VILLAGE HALL BENCHMARKS

Administrator Hofland reviewed the benchmark report with the Committee.

OLD BUSINESS

None

NEW BUSINESS

Development of the 2010 Budget

Administrator Hofland reviewed known assumptions for the 2010 Budget. Higher than expected revenues from Building Permits in 2009 will assist with the anticipated revenue loss from State Shared Revenue and Interest Income in 2010.

It is anticipated that the Village will see a savings in the Veolia contract. The contract includes a provision stating if gas prices are lower than the dollar amount specified in the contract that the savings will be passed onto the Village.

It is anticipated the Expenditure Restraint Program will allow for a 3 percent increase in spending or \$252,000.

ADJOURN

Motion by Trustee Rieck, seconded by Trustee LaPean, to adjourn at 5:50 p.m. Approved unanimously.