

VILLAGE OF GRAFTON

VILLAGE BOARD MEETING MINUTES

FEBRUARY 21, 2011

President Brunnquell called the Village Board meeting to order at 6:00 p.m. The Pledge of Allegiance followed.

Board members present: Jim Grant, Ron LaPean, Richard Rieck, Sue Meinecke, David Liss, Jim Brunnquell, and Lisa Harbeck (6:05 p.m.)

Staff/Officials present: Village Administrator Darrell Hofland, Village Clerk Teri Dylak, Finance Director Paul Styduhar and Police Chief Charles Wenten

MINUTES

Motion by Trustee Grant, seconded by Trustee LaPean, to approve the 1-17-2011 Village Board meeting minutes and File the 1-12-2011, 2-2-2011 and 2-16-2011 Community Development Authority; 1-19-2011 Parks and Recreation Board; 1-25-2011 Plan Commission; 2-10-2011 Architectural Review Board; 2-14-2011 Joint Library Board; and the 2-15-2011 Public Safety Committee meeting minutes, as presented. Approved unanimously.

PERSONS REQUESTING TO BE HEARD

None.

BUSINESS PRESENTED BY THE PRESIDENT

Presentation of Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fiscal year ending December 31, 2009 from the Government Finance Officers Association

President Brunnquell presented the Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for fiscal year ending December 31, 2009 to Finance Director Paul Styduhar. This is the third year that the Village of Grafton has received this award from the Government Finance Officers Association. The PAFR is a document that puts the Villages financial information into a user friendly format.

President Brunnquell reviewed the materials distributed for Village Board member review.

RESOLUTIONS/ORDINANCES/ACTION ITEMS

Correction of Assessment And Rescinded 2010 Property Taxes for Parcel Number 10-111-01-04-000, 1757 12th Avenue, Owned By Edith Zaun as Requested by The Village Assessor

Motion Trustee Rieck, seconded by Trustee Meinecke, to approve the correction of assessment and rescinded 2010 property taxes for parcel

No. 10-111-01-04-000, for the property at 1757 12th Avenue, owned by Edith Zaun.

Village Administrator Darrell Hofland indicated that recent changes in state law require that all parcels have a separate evaluation. Previously, Assessors could combine remnant parcels with an adjacent parcel and assess the parcels together. The new requirement for valuation on all parcels does not allow for the overall valuation to be higher than the previous assessment. When the Assessor separated the valuation on the Zaun properties, he neglected to deduct the land value of the home causing an over assessment.

There was minimal discussion on this matter, by the Village Board.

The motion to approve the correction of assessment and rescinded 2010 property taxes for parcel No. 10-111-01-04-000, for the property at 1757 12th Avenue, owned by Edith Zaun was approved unanimously.

SECOND REVISED TAX INCREMENTAL DISTRICT NO. 3 DEVELOPMENT AGREEMENT – MUELLER HOTEL, LLC – 1312 WISCONSIN AVENUE

Administrator Hofland indicated that the agreement is being amended to update the implementation dates of the project. Due to the lag time in receiving financing approval from HUD, the project has not commenced and the agreement is out of date.

Administrator Hofland also informed the Board that because the Village of Grafton was the owner of the property on January 1, 2011, the property is tax exempt. A provision of the revised agreement requires the developer to make a “payment in lieu of taxes” as if they were the owners of the property on January 1, 2011. The payment will be based on the \$425,000 purchase price of the property.

Paul Rushing has indicated that they anticipate closing on the property in mid-March. The renovation project will start soon after the sale transaction is complete.

Motion by Trustee Grant, seconded by Trustee Liss, to approve the Second revised TID No. 3 Development Agreement with Mueller Hotel, LLC, as presented. Approved unanimously.

THIRD AMENDMENT TO TAX INCREMENTAL DISTRICT NO. 4 DEVELOPMENT AGREEMENT - HIGHLAND RIDGE

Village Attorney Michael Herbrand reviewed past changes to the Development Agreement for the Highland Ridge project. He stated that the Second Amendment included lowering the letter of credit for the project to \$2.5 million and a requirement that when the commercial portion of the development was sold, the remaining portion (residential parcel) of the project would be debt and mortgage free. Unfortunately, it was found that while the area will be debt free, it will not be mortgage free due to the letter of credit being secured by the land.

Attorney Herbrand stated that the Third Amendment clarifies the language and if the Village would have to draw on the letter of credit, for any reason or amount, the developer will deposit with the Village \$1,000,000 in an escrow account to offset the draws.

Administrator Hofland stated that in the past two years of the agreement, the developer has made the required shortfall payments and paid the property taxes on-time. There is no indication that this will not continue. The Agreement provides sufficient guarantees to provide no risk to the taxpayers of the Village.

Attorney Herbrand informed the Board that the sale of the commercial area will occur on Wednesday. The Village will receive a bridge payment in the amount of \$142,000 to cover the debt service following the completion of the closing.

Administrator Hofland identified that the bridge payment is a new concept in developer agreements. It provides the Village with funds to cover the debt on the developer incentive when the annual debt service from the incentive is higher than the amount of taxes and shortfall payment, if applicable, on the parcel. The funds are returned to the developer once the taxes are higher than the annual debt service funds of the incentive funds.

Motion by Trustee Rieck, seconded by Trustee Grant, to approve the Third Amendment to Tax Incremental District No. 4 Development Agreement - Highland Ridge, as presented.

Bob Meier, 1967 West Acorn Drive, questioned if the residential area will remain "as-is" until development occurs on the site. President Brunquell responded that the requirement for a 2016 build-out of the project is still in place.

Mr. Meier requested that the developer be required to remove the construction equipment and clean-up the lot. He indicated that the area is bringing down adjacent property values.

President Brunquell stated that the developer has indicated that they are working to bring forward a site plan amendment for the residential component of the project in the next few months. This amendment will likely require a renegotiation of the developer's agreement and a public hearing for review of the changes.

The motion to approve the Third Amendment to Tax Incremental District No. 4 Development Agreement - Highland Ridge, as presented, was approved unanimously.

CEDARBURG PHARMACEUTICALS STIPULATION AND ORDER TO DISMISS

Attorney Herbrand informed the Board that the Village of Grafton previously provided Cedarburg Pharmaceuticals with a revolving loan fund. They defaulted on the loan and the Village eventually brought litigation for collection of the outstanding balance of the

loan. Since then, Cedarburg Pharmaceuticals has made an effort to pay and has committed to making payments of \$7,000 per month. The remaining balance of the loan, \$23,862, will be paid in full by March 31. Under the terms of the agreement, collection costs and legal fees will also be paid by the company. All fees will be paid in full by May 31. The agreement also includes a provision that should the payments not be made, the Village has the ability to proceed with litigation.

Motion Trustee LaPean, seconded by Trustee Harbeck, to approve the Cedarburg Pharmaceuticals Stipulation and Order to Dismiss, as presented. Approved unanimously.

Administrator Hofland commented that he appreciates all of the effort put forth by Village Attorney Herbrand and Finance Director Paul Styduhar on this matter. They were able to negotiate with the company and hopefully eliminate the need for litigation.

REPORT OF THE PUBLIC SAFETY COMMITTEE

Motion by Trustee Grant, seconded by Trustee Harbeck, to approve Items 1-3 of the Report of the Public Safety Committee, as follows: 1. Ordinance providing for changes to sections 8.40.010, 16.04.110, 16.08.230, 16.12.270, 25.04.080, and 25.04.090; 2. Ordinance amending Section 10.36.010 (Hickory Street, west of 11th Avenue) / No parking at any time; 3. Ordinance amending Section 10.32.010 Stop intersection (on 11th Avenue at Hickory Street).

Bob Meier expressed concern with the significant jump in the penalty amount. He requested that the Board table this Ordinance to provide additional time for him to research this matter. He also expressed concern that the information was only available for a short time prior to action by the Public Safety Committee and forwarded to the Village Board.

Trustee Grant stated that this item was brought forward by the Building Inspector at last week's Public Safety Committee meeting.

Trustee Grant and Trustee Harbeck agreed to amend the motion on the floor to approve only Items 2 and 3 of the Report of the Public Safety Committee.

The amended motion approving Item 2 and 3 of the Report of the Public Safety Committee: 2. Ordinance No. 003, Series 2011 / amending Section 10.36.010 (Hickory Street, west of 11th Avenue) / No parking at any time; 3. Ordinance No. 004, Series 2011 / amending Section 10.32.010 Stop Intersections (on 11th Avenue at Hickory Street). was approved unanimously.

Motion by Trustee Meinecke, seconded by Trustee LaPean, to table Item 1 of the Report of the Public Safety Committee, Ordinance providing for changes to sections 8.40.010, 16.04.110, 16.08.230, 16.12.270,

25.04.080, and 25.04.090, to the March 7, Village Board meeting and request that Building Inspector Tom Johnson be present to review the proposed ordinance amendment. Approved unanimously.

LICENSES

Motion by Trustee Rieck, seconded by Trustee LaPean, to approve the issuance of Operators licenses to Joseph Ryan Winker - Scooters Place and Patrick Nimtz - The Hutch.

Trustee Grant questioned if there have been any incidents at Scooter's Place. Police Chief Wenten responded no.

The motion to approve the Operators licenses, as presented, was approved unanimously.

DEPARTMENT AND OFFICERS REPORTS

PRESENTATION OF GRAFTON LOGO ITEMS FOR SALE

Administrator Hofland presented several clothing items promoting the Village of Grafton's new logo. A knit cap, baseball cap and polo shirt are available for purchase through the Village website. The purchase program is a cooperative effort with the Grafton School District.

Bill Hass, 1226 Water Terrace, suggested that the website visual be changed to show all of the available logo options for purchase.

REPORT OF BILLS

Motion by Trustee Rieck, seconded by Trustee LaPean, to approve the payment of Village expenditures in the amount of \$844,347.24, as presented. Approved unanimously.

OLD BUSINESS

Trustee Harbeck informed the Board that the first annual Cool Blue Winter Festival was a success. The group is hoping for additional participation next winter; however, for the first effort they are pleased with the event. Trustee Harbeck also stated that the group will be doing more promotion for the next event and may be seeking interaction with the Village of Grafton.

Trustee Grant asked about the status of allowing the outdoor storage of materials, such as salt and de-icer, at Sears and Ace Hardware. He commented that this time of year it is an advantage to customers to have these materials readily available. President Brunnuell responded that Director of Planning Mike Rambousek is working on a policy for outdoor storage and display and the Plan Commission will be reviewing a draft at an upcoming meeting.

NEW BUSINESS

Mr. Meier commented that several Committee and Board meetings have been cancelled in the past month. He expressed concern that the Village website does not clearly indicate that a meeting has been cancelled. This matter will be forwarded to Administrative Assistant Rachel Reiss for possible format changes to the website.

Mr. Meier also expressed concern with the 6:00 p.m. meeting start time. He suggested that the time be changed to 6:30 p.m. to allow more time for the members and the public to get to the meetings. The Village Board reaffirmed that the 6:00 p.m. start-time has not been a problem and would continue.

CONVENE TO CLOSED SESSION

Motion by Trustee LaPean, seconded by Trustee Rieck, to Convene to closed session, at 6:39 p.m., pursuant to Wisconsin Statutes 19.85(1)(c) for Personnel Matters (Contract negotiations – Labor Association of Wisconsin Police Officers Unit and Telecommunicators Unit, AFSCME and Non-Represented employees) and 19.85(1)(e) for Real Estate and Competitive Bargaining (Negotiation of development agreement for redevelopment of existing industrial property / sale of Village owned property adjacent to WIS 60). Approved unanimously by roll call vote.

A closed session of 30 minutes was held. During Closed Session, the Village Board discussed negotiation strategies relating to: pay/benefits of all employee groups including unions, development agreements for redevelopment of an industrial site, and sale of Village-owned property.

Motion by Trustee Grant, seconded by Trustee LaPean, to adjourn closed session and reconvene into the regular order of business at 7:09 p.m.
Approved unanimously by roll call vote.

New Business

Trustee Harbeck requested an update on the opening of Downtown Pizza. Administrator Hofland responded that the landlord is responsible for installing some improvements to the building and has not completed these improvements. No date has been identified for the opening of Downtown Pizza.

ADJOURN

Motion by Trustee LaPean, seconded by Trustee Grant, to adjourn at 7:11 p.m. Approved unanimously.