

**VILLAGE OF GRAFTON**  
**VILLAGE BOARD MEETING MINUTES**

**JUNE 20, 2011**

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

Village Board members present: Jim Grant, Dave Antoine, Richard Rieck, Sue Meinecke, David Liss, Lisa Uribe-Harbeck and Jim Brunnquell

Staff/Officials present: Village Clerk Teri Dylak, Finance Director Paul Styduhar, Utility Director Tom Krueger, Village Attorney Michael Herbrand, Village Administrator Darrell Hoffland (arrived at 6:33 p.m.)

**MINUTES**

Motion by Trustee Antoine, seconded by Trustee Rieck, to approve the 6-6-2011 Village Board meeting minutes and File the 6-2-2011 Architectural Review Board; 6-6-2011 Finance Committee, 6-9-2011 Board of Review; 6-13-2011 Public Arts Board; 6-13-2011 Board of Public Works, as corrected; and the 6-14-2011 Public Safety Committee meeting minutes, as corrected, as presented. Approved unanimously.

**PERSONS REQUESTING TO BE HEARD**

None

**BUSINESS PRESENTED BY THE PRESIDENT**

Confirmation of Joint Library Board appointments

Motion by Trustee Harbeck, seconded by Trustee Liss, to approve the appointment of Susan Hoffman, to fill the unexpired term of citizen member - Dave Antoine (expires 2013) and Karron Stockwell as Town of Grafton representative on the Joint Library Board. Approved unanimously.

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

**RESOLUTIONS/ORDINANCES/ACTION ITEMS**

Item 1 / Report of the Finance Committee

Motion by Trustee Liss, seconded by Trustee Meinecke, to table item 1 of the Report of the Finance Committee: 1. Authorize an Economic Development Loan to Gilman Partners, LLC in the amount of \$340,000, until after the closed session portion of the meeting. Approved unanimously.

Item No. 2 / Report of the Finance Committee

Resolution No. 006, Series 2011 / Designating public depository was offered by Trustee Liss.

Motion by Trustee Meinecke, seconded by Trustee Harbeck, to adopt Resolution No. 006, Series 2011, as presented.

Finance Director Paul Styduhar indicated that American Deposit Management Company (ADMC) has identified an opportunity to provide additional security and a higher rate of return on Village deposits. The bank being added as a public depository is Baylake Bank. Deposits through ADMC will be insured at 100 percent. The March interest rate on ADMC managed funds was 0.49 percent. The Village benchmark for rate of return is the State of Wisconsin Local Government Investment Pool which had an interest rate of 0.17 percent in March.

Robert Santi, ADMC, identified that they work with FDIC insured banks and have many local government and school district clients. Current interest rates are 30 basis points above the Village of Grafton current rates.

The motion to adopt Resolution No. 006, Series 2011, was approved unanimously.

Item No. 3 / Report of the Finance Committee

Resolution No. 007, Series 2011 / Approving assignment of fund balances was offered by Trustee Meinecke.

Motion by Trustee Rieck, seconded by Trustee Harbeck, to adopt Resolution No. 007, Series 2011, as presented.

Finance Director Styduhar indicated that Statement 54 of the Governmental Accounting Standards Board (GASB) clarifies the definitions of governmental type funds, in particular special revenue funds. This Resolution names the Finance Director as the authorized person to create committed fund balance and assign fund balance as appropriate.

Trustee Harbeck questioned if the current fund balance could be used to help offset the anticipated 2012 budget deficit. Director Styduhar responded yes and stated that the Village Board has the discretion of using fund balance as they wish to decrease the budget deficit.

Trustee Grant commented that using additional fund balance to off-set the budget deficit defeats the purpose of reviewing the proposed changes recommended by Staff. He stated the Village should stay away from the use of any additional fund balance. Trustee Grant questioned the amount of the current Village of Grafton fund balance.

Finance Director Styduhar responded approximately \$2.9 million in the General Fund's fund balance.

The motion to adopt Resolution No. 007, Series 2011, was approved unanimously.

Item No. 3 / Report of the Finance Committee

Motion by Trustee Liss, seconded by Trustee Meinecke, to approve Item 3 of the Report of the Finance Committee as follows: 3. Establish the Fund Balance Policy as presented. Approved unanimously.

Item No. 4 / Report of the Finance Committee

Resolution No. 008, Series 2011 / providing for the sale of \$4,995,000 Taxable General Obligation Refunding Bonds was offered by Trustee Grant.

Motion by Trustee Meinecke, seconded by Trustee Rieck, to adopt Resolution No. 008, Series 2011, as presented.

Mr. Phil Cosson, Ehlers & Associates, was present to review the proposed refunding. He indicated that there are two separate bond issues being considered for refunding. The restructuring of the existing debt will provide the Village with interest savings.

The \$4,995,000 taxable bonds were originally a short term debt issuance for Tax Incremental District (TID) No. 4, with a balloon payment due in 2013. The refinancing of the debt will allow for the structuring of the debt over the life of TID No. 4 which is scheduled to end in 2028.

The sale of these bonds is scheduled to occur in mid-July.

Mr. Cosson also identified that the second item for consideration is a refinancing of a 2001 debt issuance for capital improvements bonds. The refinancing will allow the Village to save approximately \$113,000 in interest.

The anticipated sale date for the second issuance is August 15. The delay in the sale of this issuance is because the Village cannot call the debt until 3 months prior to the next payment date which is in December. The refunding can close in August and pay the outstanding balance in September. Mr. Cosson stated that Ehlers will monitor interest rates to be sure that it is in the Village's best interest to refinance the bonds, at that time.

The motion to adopt Resolution No. 008, Series 2011, was approved unanimously.

Item 6 / Report of the Finance Committee

Resolution No. 009, Series 2011 / providing for the sale of \$1,445,000 in General Obligation Refunding Bonds was offered by Trustee Liss.

Motion by Trustee Meinecke, seconded by Trustee Grant, to adopt Resolution No. 009, Series 2011, as presented. Approved unanimously.

ORDINANCE AMENDING CHAPTER 2.54 – ELECTION REGULATIONS

Village Clerk Teri Dylak indicated that the new ward configuration, required following each census, takes into account the location of the Ozaukee County Supervisory Districts, census block and tracts and population. Ward lines are not allowed to cross Supervisory Districts or census blocks. Ward sizes must have no less than 600 and no more than 2,100 residents. This number is based on population and not registered voters. The average population of the 14 wards is 818 persons.

Mrs. Dylak also indicated that the Village of Grafton was previously represented by five County Supervisors. (Districts 11-15). With the drop in the number of Supervisors from 31 to 26, the Village of Grafton will now be represented by four County Supervisors (Districts 12-15).

The proposed ordinance creates the new wards and includes several housekeeping items to keep the code in compliance with state election regulations.

Motion by Trustee Antoine, seconded by Trustee Liss to approve Ordinance No. 015, Series 2011/ amending Chapter 2.54 – Election regulations, as presented. Approved unanimously.

Item 1 / Report of the Board of Public Works

Resolution No. 010, Series 2011 / Accepting the 2010 Compliance Maintenance Annual Report and submit the report electronically to the DNR was offered by Trustee Liss.

Motion by Trustee Meinecke, seconded by Trustee Harbeck, to adopt Resolution No. 010, Series 2011, as presented.

Utility Director Tom Krueger informed the Board that the Utility had a good year with no by-passes required. The recent improvements to the Wastewater Treatment Plant and municipal infrastructure have contributed to the continued good scores received by the Utility.

The motion to adopt Resolution No. 010, Series 2011, was approved unanimously.

Item 2 / Report of the Board of Public Works

Resolution No. 011, Series 2011 / Approving the borrowing of \$600,000 through the State Trust Fund at an interest rate of 3.75 percent and loan term of 10 years was offered by Trustee Meinecke.

Motion by Trustee Liss, seconded by Trustee Meinecke, to adopt Resolution No. 011, Series 2011, as presented. Approved unanimously.

The UV Disinfection project is scheduled to begin construction in October, 2011, and be completed in May, 2012. The new system will lower expenses, and improve safety and

efficiency of Utility operations. The current chlorine disinfection system will be eliminated.

The motion to adopt Resolution No. 011, Series 2011 was approved unanimously.

#### Item No. 3 / Report of the Board of Public Works

Motion by Trustee Grant, seconded by Trustee Rieck, to approve Item 3 of the Report of the Board of Public Works, as follows: 3. Approve submittal of a Clean Water Fund Program interest rate subsidy application to the Wisconsin DNR-Bureau of Community Financial Assistance. Approved unanimously.

#### Report of the Public Safety Committee

Motion by Trustee Liss, seconded by Trustee Antoine, to approve the Report of the Public Safety Committee, as follows: 1. Ordinance No. 016, Series 2011 / repealing and recreating Section 5.16.030(K) – Operators license.

### **LICENSES**

Motion by Trustee Liss, seconded by Trustee Harbeck, to approve the issuance various Class “A” and Class “B” Fermented Malt Beverage licenses / “Class A” and “Class B” Intoxicating Liquor and Fermented Malt Beverage licenses and “Class C” Wine licenses, subject to satisfaction of outstanding financial obligations, as presented. Approved unanimously.

Motion by Trustee Liss, seconded by Trustee Grant, to approve the issuance of Operators licenses, as presented. Approved unanimously.

Motion by Trustee Liss, seconded by Trustee Grant, to approve the issuance of Coin Machine Permit licenses, as presented. Approved unanimously.

Motion by Trustee Rieck, seconded by Trustee Antoine, to approve the issuance of Cigarette/Tobacco Products licenses, as presented. Approved unanimously.

Motion by Trustee Antoine, seconded by Trustee Meinecke, to approve the issuance of a Special Class B Picnic license to Pamela King, Celebrate Grafton, for the July 2, 2011 Holiday event at Lime Kiln Park, 2020 S Green Bay Road. Approved unanimously.

### **DEPARTMENT AND OFFICERS REPORTS**

#### Update on 2011-2013 State of Wisconsin Biennial Budget

Finance Director Styduhar gave a brief update on changes to the language of Act 10 and other initiatives in the 2011-2013 State of Wisconsin Biennial Budget. He indicated that the budget includes reduced cuts to the Shared Revenue Program. This change will

change the shared revenue cut for the Village of Grafton from \$166,000 to \$82,000. In addition, the maximum cut in transportation aids has changed and the recycling grant program has been reinstated.

Changes have also been made to the employee benefit program. A negative impact to the Village is the exemption of all sworn officers from the employee required contribution for WRS and the 12 percent payment toward health insurance premiums. This provision will exempt the Police Chief and the two Captains.

Utility Director Krueger informed the Board that the annual Drinking Water Quality Report is available. The report is not being mailed to residents this year saving approximately \$2,700 in printing costs. Hard copies of the report are available at all municipal buildings and have been posted on the Village's website. In addition, residents will receive a notice of the report availability on their June water bill statement.

### **REPORT OF BILLS**

Motion by Trustee Liss, seconded by Trustee Grant, to approve the payment of Village expenditures in the amount of \$462,556.55, as presented.

Clarification was requested and satisfactorily provided on several invoices.

President Brunnuell informed the Board that he and Finance Director Styduhar have reviewed the current process for providing the bill payment information to the Village Board. It was decided that, beginning with the next Village Board meeting, the Staff deadline for submittal of invoices will be changed to allow earlier processing of invoices. The payment listing will be e-mail to Village Board members by close of business the Wednesday before the scheduled Village Board meeting. Board members should contact the Finance Department or individual Departments with questions on any of the invoices scheduled for payment.

The motion to approve the payment of Village expenditures, as presented, was approved unanimously.

### **OLD BUSINESS**

President Brunnuell commented that the Giro d' Grafton went very well and attendance was good.

### **NEW BUSINESS**

None.

### **CONVENE TO CLOSED SESSION**

Motion by Grant, seconded by Trustee Liss, to Convene to closed session, at 6:40 p.m., pursuant to Wisconsin Statutes 19.85(1)(c) for Personal related matters (Non-represented employee evaluation review) and 19.85(1)(e) for Real Estate and competitive bargaining matters (Sale of

Village Property / Economic Development Loan (RLF) Gilman Partners, LLC). Approved unanimously by roll call vote.

During Closed Session, the Village Board discussed negotiation strategies associated with a change of benefits for non-represented employees, the potential sale of 10 acres on the Village's southeast side, and loan guarantees for revolving loan fund application.

**RE-CONVENE TO OPEN SESSION AND THE REGULAR ORDER OF BUSINESS**

Motion by Trustee Grant, seconded by Trustee Rieck, to adjourn Closed Session and reconvene into the regular order of business at 7:07 p.m. Approved unanimously by roll call vote.

**AUTHORIZE AN ECONOMIC DEVELOPMENT LOAN TO GILMAN PARTNERS, LLC IN THE AMOUNT OF \$340,000**

Motion by Trustee Grant, seconded by Trustee Meinecke, to table the application by Gilman Partners LLC for a Revolving Loan Fund loan in the amount of \$340,000. Approved unanimously.

**ADJOURN**

Motion by Trustee Grant, seconded by Trustee Antoine, to adjourn the Village Board meeting, at 7:08 p.m., to 7:00 p.m. June 27, 2011 - Joint Village of Grafton – City of Cedarburg meeting, hosted by the City of Cedarburg. Approved unanimously.