

VILLAGE OF GRAFTON

VILLAGE BOARD MEETING MINUTES

JULY 5, 2011

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

Village Board members present: Richard Rieck, Sue Meinecke, David Liss, Lisa Uribe-Harbeck, and Jim Brunnuquell

Village Board members absent: Jim Grant and Dave Antoine

Staff/Officials present: Village Administrator Darrell Hofland, Village Clerk Teri Dylak, Finance Director Paul Styduhar, Director of Public Works/Village Engineer Dave Murphy, Police Chief Charles Wenten, and Village Attorney Michael Herbrand

MINUTES

Motion by Trustee Liss, seconded by Trustee Rieck, to approve the 6-20-2011 Village Board meeting minutes and File the 6-22-2011 Parks and Recreation Board and the 6-28-2011 Joint Library Board meeting minutes, as presented. Approved unanimously.

PERSONS REQUESTING TO BE HEARD

Sue Hass, 1226 Water Terrace, questioned if the sub-committee between the Village of Grafton and City of Cedarburg has been established and if another meeting has been scheduled. President Brunnuquell responded that the creation of the sub-committee is in process and no meetings have been scheduled at this time. It is anticipated that the joint discussions will be completed prior to finalization of the 2012 budget. As more information becomes available the public will be notified.

Bob Meier, 1967 West Acorn Street, questioned when the minutes from the June 27, Joint Village of Grafton/City of Cedarburg meeting will be available. Village Clerk Dylak responded that the minutes were taken by the City of Cedarburg and will be placed on the Village website as soon as they are available.

BUSINESS PRESENTED BY THE PRESIDENT

Presentation of Government Finance Officers Association Distinguished Budget Presentation Award for fiscal year beginning January 1, 2011

President Brunnuquell presented Village Administrator Darrell Hofland with the Village of Grafton's 18th consecutive Distinguished Budget Award. The award is for the budget for 2011. President Brunnuquell commended Administrator Hofland and staff for all of the hard work that occurs in putting together the annual program budget.

Administrator Hofland indicated that the format of the 2011 budget was changed to revamp the departmental goals and benchmarks. The reviewers of the document recognized all of the work completed by staff in preparing the document.

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

RESOLUTIONS/ORDINANCES/ACTION ITEMS

Initial Resolution No. 012, Series 2011 / regarding Midwestern Disaster Area Bond Financing for Mueller Hotel, LLC, not to exceed \$1,500,000, was offered by Trustee Meinecke.

The purpose of the Midwestern Disaster Area Bond financing is to provide Mueller Hotel, developer of the former Grafton Hotel, with a more favorable interest rate for their financing.

Paul Rushing, one of the developers of the project, indicated that this is the beginning of the process and they are not sure if they will proceed with this type of financing. They are looking at all of their options.

All costs for the financing are paid by the applicant. The applicant uses the Village's name to obtain a more favorable interest rate. There is no obligation or cost to the Village of Grafton. The Village acts as a conduit for the financing.

Motion by Trustee Harbeck, seconded by Trustee Liss, to adopt Resolution No. 012, Series 2011, as presented.

Bob Meier commented that he has read the Resolution and expressed concern with the federal government designating Ozaukee County as a disaster area. President Brunnuell responded that the designation was a result of severe flooding that occurred within the county.

The motion to adopt Resolution No. 012, Series 2011, was approved unanimously.

Resolution - Series 2011/ regarding DNR issuance of Chapter 31 Dam Modification Permit for construction of the fishway, raceway and spillway at the Bridge Street Dam was offered by Trustee Rieck.

Motion by Trustee Meinecke, seconded by Trustee Liss, to adopt a Resolution regarding DNR issuance of the Chapter 31 Dam Modification Permit for the construction of the fishway, raceway and spillway at the Bridge Street Dam.

Director of Public Works/Village Engineer Dave Murphy stated that an informational meeting, sponsored by the Wisconsin Department of Natural Resources (WDNR) was held on the dam modification permit on June 27. The WDNR has indicated that they will likely be denying the permit to allow the construction of the fishway, raceway and spillway at the Bridge Street Dam. The denial is based on the ability for invasive species to cross the Bridge Street Dam. The Bridge Street Dam is a dividing point between Lake Michigan and inland waters.

Director Murphy indicated that an Ozaukee County board adopted a resolution asking for reconsideration of the denial of the fishway permit. The County Board is asking that affected communities consider adopting a similar resolution.

Director Murphy stated that, at this time, no funding is available for the repair of the east abutment repair, which was part of the fishway project. The dam must be brought into compliance with NR333 by 2019.

Tara Wisdorf, 1232 Water Terrace, stated that, for the record, the WDNR did indicate at the meeting that they would assist the Village in researching if grants are available and assist in applying for grants for this project.

Sue Hass, 1226 Water Terrace, commented that she thinks the fishway has been well designed; however, there are questions remaining on this project. The first question is whether the fishway will work and the second is whether or not the construction of the fishway structure will damage the dam. Mrs. Hass also questioned if the fishway can be built for the funds allocated, will it be completed on time and what is the likelihood that the structure may be closed in a couple of years.

Mrs. Hass stated that she is hesitant to proceed with this project. The Village does not have to do this project and there certainly is no funding for it. She stated that she was not aware that the Bridge Street Dam is a “regulatory barrier” that separates inland waters from Lake Michigan. She also indicated that the WDNR presented logical and concise reasoning for the denial of the fishway permit. They are looking to protect the natural resources of the river.

Mrs. Hass also commented Ozaukee County has done great work in protecting the river upstream and downstream of Grafton. The Village should embrace its role in making the Bridge Street Dam NR333 compliant. Grants may be available to assist with this project. Mrs. Hass indicated that she supports the WDNR denial of the Chapter 31 Dam Modification permit.

The Board briefly discussed the term “regulatory barrier” designation of the Bridge Street Dam. Director Murphy stated that the WDNR has indicated that the structure is a barrier; however, it is not a “regulatory barrier”.

Ted Warwick, 1742 Falls Road, identified the definition of a “regulatory barrier”. This type of barrier has specific fishing and licensing requirements on each side of the

barrier. He commented that there are good arguments on both sides of this issue. He stated that while the project has its merits, the Village does not have the funds to do the project. He also stated that proceeding with this project would be an egregious use of public funds and he does not think the project should proceed. There are many other things the funds could be utilized for such as food and shelter for those in need

President Brunquell stated that as a result of the binding referendum to maintain the Bridge Street Dam, the Village of Grafton must now bring the structure into compliance with NR333. If the fishway is not installed, the Village will lose the NOAA funds that were to be used to assist in the repair of the west abutment in conjunction with the fishway installation. The Board has to be responsible to the taxpayers of the community; however, unfortunately if the fishway is not installed taxpayer dollars will need to be utilized to bring the structure into compliance.

Trustee Liss commented that there is a possibility that if the fishway is constructed it may need to be closed in a few years. He questioned what happens then. Director Murphy responded that it would take about a half of a day to close the structure. Another option is the placement of catch and release basin at the north end of the fishway. Unfortunately, the Village does not have the staff capabilities to monitor this option.

Director Murphy informed those present that the west abutment study and reservoir dredging options will be discussed at a Joint Village Board / Board of Public Works meeting tentatively scheduled for July 18.

Trustee Harbeck commented that there are a couple of things to consider. As previously stated, the Village needs to bring the Bridge Street Dam into compliance, including the abutments. There is also the invasive species issue. There is a possibility of invasive species getting into the fishway and going further up the river which could be disastrous to the existing species in the river. Mrs. Harbeck commented that she does not think the Village should take the chance on the construction of the fishway. Some people say to wait and see if there is a problem; however, if there is a problem in the future, the Village of Grafton will be "left holding the bag" to clean up the mess.

The motion to adopt a Resolution regarding DNR issuance of the Chapter 31 Dam Modification Permit for the construction of the fishway, raceway and spillway at the Bridge Street Dam was defeated 2-3 (R. Rieck and J. Brunquell-aye / S. Meinecke, D. Liss and H. Harbeck-nay).

Report of the Parks and Recreation Board

Motion by Trustee Liss, seconded by Trustee Harbeck, to approve the Report of the Parks and Recreation Board, as presented; 1. Accept donation of one AED (defibrillator) from Eagle Scout Josh Govek for use at the Family Aquatic Center and the Multi-purpose Senior Center.

The contemplated donation is a result of an Eagle Scout project by Josh Govek. Mr. Govek raised funds for the device and received generous donations from local businesses.

The motion to approve the Report of the Parks and Recreation Board was approved unanimously.

Status of the 2012 Budget Development

Village Administrator Hofland commented that it has been over a month since the Village Board reviewed major issues affecting the 2012 budget. The Committee of the Whole (COTW) was provided with proposed budget reductions based upon anticipated cuts at the state level. Administrator Hofland stated that now that actual amounts are known, he is recommending that the Village Board, take another look at the recommended budget cuts.

Administrator Hofland summarized the changes to the state funding. He indicated that the Village will lose \$133,000 in state funding instead of the anticipated \$230,000. Based on these changes and tentative COTW decisions, the shortfall amount has changed from \$107,908 to \$0. Administrator Hofland stated that this amount does not include any of the potential joint initiative items being discussed between the Village of Grafton and the City of Cedarburg.

Administrator Hofland reviewed the tentative budget cuts.

Trustee Harbeck questioned the Police Department's Harley Davidson motorcycle stating that she thought it was not actually owned by the Village. Chief Wenten responded that the first motorcycle was purchased under a revolving policy which allowed the Village to turn in the motorcycle annually for a new one. This program was discontinued several years ago. The Village is the titled owner of the motorcycle.

Trustee Harbeck also questioned if some of the items listed will be implemented in 2011. She commented that she would like to provide residents with more notice of some of the items on the listing. Administrator Hofland responded that only a few of the items will be implemented in 2011.

Director Murphy stated that the fee for Town of Grafton resident delivery of wood chips has been implemented as well as the increase in street permit fees. He questioned if the Board wants to eliminate the fall dumpster day and indicated that he will need to know soon for scheduling purposes.

Trustee Harbeck requested an itemized summary of already implemented items.

Administrator Hofland stated that the goal is to use the least amount of fund balance possible to balance the budget. Staff is looking for permanent options and not just short term fixes to lessen fund balance dependency. The Village tax levy is frozen with the exception of an increase for new construction.

President Brunquell stated that it is important to remember that all fee increases are forwarded from each Committee to the Village Board for final action. The Village needs to maintain a 25 percent fund balance to maintain the current Moody's bond rating.

Trustee Rieck commented that he wants to maintain dispatch in Grafton and John Safstrom's job.

Celia Albers, 2101 Chateau Court #107, questioned if the proposed increase for Senior programming would occur this year. Administrator Hofland responded that the increase would not be implemented until 2012.

Les Blum, 1108 Sunset Court, questioned the total current fund balance of the Village. Finance Director Styduhar responded \$2.9 million. He also indicated that the Village utilized \$630,000 of fund balance to support the 2011 budget.

Action on Gilman Partners LLC Revolving Loan Fund loan request in the amount of \$340,000

Motion by Trustee Rieck, seconded by Trustee Meinecke, to approve the Revolving Loan Fund loan request from Gilman Partners, LLC, in the amount of \$340,000, subject to personal guarantees from the three partners.

Finance Director Paul Styduhar indicated that a provision of the Revolving Loan Fund loan is that Gilman Partners, LLC must create 1 full-time equivalent (FTE) position for each \$20,000 loaned. Based upon the amount of the loan, the company must create 17 FTE positions. The loan funds are anticipated to be utilized for equipment purchases. The Village will be in second position behind the financing bank. The financials of the company are solid; however, as additional collateral Director Styduhar is recommending the Village obtain a personal guarantee from the three partners.

Representatives from Gilman Partners, LLC were present and indicated that all loan conditions are acceptable.

The motion to approve the Revolving Loan Fund loan request from Gilman Partners, LLC, in the amount of \$340,000, subject to personal guarantees from the three partners, was approved unanimously.

LICENSES

Motion by Trustee Liss, seconded by Trustee Harbeck, to approve the issuance of Operators Licenses, as presented.

Trustee Meinecke asked Police Chief Wenten if he had any concerns with the issuance of a license to Matt Zipter and if he was comfortable with the issuance criteria.

Chief Wenten responded that he has no concerns with the issuance of the license to Mr. Zipter. In addition, staff will be monitoring how the review guidelines are working and will bring the criteria back for modification if necessary.

The motion to approve the issuance of Operator's licenses, as presented, was approved unanimously.

Village Clerk Dylak informed the Board that both applicants being recommended for license denial were notified of this meeting.

Mr. Fatla was not in attendance.

Motion by Trustee Rieck, seconded by Trustee Liss, to deny the issuance of an Operator's License to Jacob Fatla, due to his demonstrated inappropriate decision making when alcohol is involved as well as his inaccurate/incomplete application. Approved unanimously.

Motion by Trustee Meinecke, seconded by Trustee Harbeck, to deny the issuance of an Operator's License to Paige Hennum, due to her demonstrated inappropriate decision making when alcohol is involved.

Ms. Paige Hennum was present. She stated that her actions outside of her job do not reflect her work actions. She has changed her behavior as a result of the two citations she received and really needs the job.

Chief Wenten stated that while he recognizes that Ms. Hennum may have changed her actions, the decision to deny is based upon the citations she received.

Trustee Rieck informed Ms. Hennum that she can re-apply for an Operator's license in 6 months.

The motion to deny the issuance of an Operator's license to Paige Hennum was approved unanimously.

DEPARTMENT AND OFFICERS REPORTS

Village Administrator Hofland indicated that the Board was provided with a copy of recommended Fiscal Recovery Guidelines from the Government Finance Officers Association. He noted that the Village has already implemented many of the recommended items identified in the handout.

Administrator Hofland identified that a Health Insurance Committee, chaired by Village Clerk Teri Dylak, is being formed. The Committee will be reviewing health insurance coverage options for 2012 and beyond.

Director of Public Works/Village Engineer Dave Murphy informed the Board that the street milling is in process 17th Avenue and Pine Street and should be completed later

this week. The grading will take 3-4 days and then paving crews will complete the project on a 4-5 day schedule.

REPORT OF BILLS

Motion by Trustee Liss, seconded by Trustee Rieck, to approve the payment of Village expenditures in the amount of \$209,592.51, as presented. Approved unanimously.

This is the first meeting that the Board members received the bill payment listing on the Wednesday before the meeting. The listing was e-mailed to all of the members. Finance Director Styduhar indicated he received two questions from Board members on the bills.

Trustee Harbeck commented that she noticed couple of large electric bills for Village Hall and the Police Department. Director Styduhar indicated that the Village Hall bill was less than the previous month.

Trustee Meinecke asked for additional clarification on the Building Inspection vehicle retrofit. She stated that because all of the charges were on the corporate Master Card making it difficult to know the details of the charges. She questioned the \$600 for the vehicle painting, the \$200 cost for the radio installation, the \$59.95 cost for interior cleaning and the \$69.95 cost for floor mats.

Director Styduhar stated that the car was painted by Maaco who required payment at the time of painting the vehicle. The radio installation is for the radio that allows Mr. Johnson to communicate with other departments, including the Police Department. He also identified that the vehicle required extensive cleaning since it was previously utilized as a Police squad. The heavy duty mats are needed because Mr. Johnson is on construction sites.

Chief Wenten agreed that the interior cleaning of the vehicle was necessary.

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

OLD BUSINESS

None.

NEW BUSINESS

Trustee Liss reminded the members that the annual GALA Music in the Park event at Veterans Memorial Park begins on Thursday, July 14.

CONVENE TO CLOSED SESSION

Motion by Trustee Harbeck, seconded by Trustee Rieck, to convene to closed session at 7:00 p.m., pursuant to Wisconsin Statutes 19.85(1)(c) for Personal related matters (Labor Association of Wisconsin-Police Officers Unit contract negotiations) and 19.85(1)(e) for Real estate and

competitive bargaining matters (Inter-governmental Agreement with the City of Cedarburg for shared services). Approved unanimously by roll call vote.

A closed session of approximately 35 minutes was held. During the closed session the Village Board discussed negotiation strategies for the 2012 LAW-Police Officers union contract. In addition, the members discuss negotiation strategies for an Inter-governmental Agreement between the Village of Grafton and the City of Cedarburg for shared services.

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

Motion by Trustee Liss, seconded by Trustee Harbeck, to reconvene to open session and the regular order of business at 7:36 p.m. Approved unanimously by roll call vote.

ADJOURN

Motion by Trustee Meinecke, seconded by Trustee Rieck, to adjourn at 7:36 p.m. Approved unanimously.