

Personnel & Finance Committee
March 10, 2011



Clerk Dykstra called the meeting to order at 6:00 p.m. in the excused absence of Chair Best. In attendance: President Vicki Zick and Trustees Michelle Kaltenberg, Tim Semo and Bridget Thomas. Also in attendance: Administrator Mark Johnsrud, Clerk-Treasurer Joan Dykstra, and Fire/EMS Chief Tim Whitham, Assistant Fire Chief Jim Wolf and Police and Fire Commission Chairman Greg Schopp.

A Zick/Thomas motion carried to appoint Tim Semo chair.

Statement of public notice – This meeting has been posted and noticed according to law.

Approve Minutes of January 13, 2011

A Zick/Kaltenberg motion carried to approve January 13, 2011 minutes.

Personal Appearances - none

Administrator Memorandum - Johnson Creek Fire Department

Administrator Mark Johnsrud highlighted his memorandum to the Village Board on the Johnson Creek Fire Department. Johnsrud met with JC Fire Officers including Asst. Chief Jim Wolf, Asst. Chief Jamie Guld, Asst. Chief Eric Solberg, Capt. Vic Scafati, Capt. Jamee Vance, Capt. Andy Burbach and Patty Otters on February 9, 2011 with the discussion focused on the fire station, the EMS ready house, the Fire Chief and command structure. Johnsrud recommended that the organizational structure of the fire department be changed to streamline command, balance authority and control, provide better manage of work flow for command staff and improve financial integrity of the budget and expenditure process. Budget and expenditures would be controlled by both the Asst. Fire Chief - Training for fire protection and the Asst. EMS Fire Chief for ambulance along with the Fire Chief for each respective budget. Johnsrud also recommended a facilities transition plan be approved by the Village Board to address the short-term and long-term goals and objectives of the JC Fire Department. Short-term goals should include maintenance and remodeling plans necessary to meet the long term goals which will ultimately end in the construction of a new fire station. A timeline for completion of goals with identified funding sources is necessary.

Impact Fee Review

- **Impact Fee Study**
- **Revenue/ Expenditure Report**
- **Debt Service**

Johnsrud provided the committee with information on the adopted Impact Fee Study, the current fund balances of impact fee projects and the debt service payments which are paid by impact fee collections. Impact fees are based on a single residential equivalent of \$2,905 per residential unit. Impact fees collected from business development is based on a multiplier of residential units. Johnsrud recommended that the Village Board maintain the collection of current impact fees. Elimination or reduction of impact fees should follow a new impact fee study rather than randomly reducing fees. Zick questioned the monies committed from impact fees from public works within the 2011 budget. Johnsrud indicated that \$30,000 was budgeted from impact fees public works to provide matching funds for an Urban Forestry Grant application in 2011 and, shore restoration of Johnson Creek under a Quirk Grant for the Johnson Creek Conservancy Park. The Urban Forestry Grant has been denied. Johnsrud recommended the completion of a new impact fee study if the goal is to decrease fees.

Administrator Memorandum - Business Incentive Options

Johnsrud reviewed the memorandum on incenting business development. Johnsrud suggested that the one advantage that Johnson Creek has to offer is location. Location is the intersection of Hwy 26 and Interstate 94. Incenting development is ultimately a policy decision of the Village Board. Determination of Village needs, whether, jobs, population or tax base is an important consideration. Revenue stream provided by any development can be used to repay incentives, assess risk and determine project payback. Reducing fees to incentive business development affects the general fund budget. Only thirty-eight (38%) of the general fund is paid by property taxes, the balance is paid by other revenues including fees. Business incentives can be funded through the use of reserves or debt service, however, this option reduces the Village's ability to bond or use reserves for other uses. A partnership with the state and county to use equity to spread risk can be effective. An example is the use of an Economic Development Corporation. Another possible alternative is the use of a revolving loan fund, which borrows funds to businesses at reduced rates as an incentive. Johnsrud stated that above all else, any incentive program has to be justifiable and verifiable to other businesses looking for similar incentives. Johnsrud summarized by recommending that the Village should balance the request for a business incentive with the fulfillment of a community need and then balance the proposal against the comprehensive plan and zoning. Next, carefully assess the risk of business failure against financial payback to the Village. And finally chose the incentive which minimizes the risks of the development impacts against the Village current and future financial health.

Resolution 12-11 Communication Kuehn Enterprises, LLC – 920 Linmar Lane

Johnsrud indicated that Jim Kuehn has not provided any financial information based on the letter of request to have the Village provide an incentive for an addition to his building located at 920 Linmar Lane. Johnsrud stated that approving the resolution to receive and file the communication neither neither approves nor denies the proposal. Michelle Kaltenberg stated that she did not want to send a message of denial to Jim Kuehn's proposal. The committee instructed Johnsrud to gather more information from Jim Kuehn and report back to the board. Committee recommendation was to pull the resolution from the next Village Board agenda.

Adjourn

A Zick/Kaltenberg motion carried to adjourn at 6:54 p.m.

Tim Semo Appointed Chair
Personnel & Finance