

**PERSONNEL & FINANCE COMMITTEE  
OCTOBER 2, 2014**



Chair John Swisher called the meeting to order at 5:30 p.m. In attendance: Trustees: Tim Semo, John Swisher and Kelly Wollschlager. Also in attendance: Trustee Steven Wollin and Administrator Mark Johnsrud.

**Statement of Public Notice** – This meeting was posted and noticed according to law.

**Approve Minutes of September 4, 2014 Joint Meeting and September 22 Special Meeting**

A Wollschlager/Semo motion carried unanimously to approve September 4, 2014 Joint meeting with Improvement and Services and September 22 special meeting minutes.

**Discussion and Recommendation – Offer to Purchase – 125 Resort Drive – The Crossroads Community Church**

Johnsrud presented the offer to purchase 125 Resort Drive from The Crossroads Community Church. The offer is \$175,000 for 4.02 acres which is approximately \$1 per square foot. This correlates to the assessed value of the Johnson Creek Veterinary Clinic which was recently purchased.

Johnsrud also indicated that the Village Planner, Michael Slaney, had provided an e-mail that church uses within Tax Incremental Finance districts typically are required to make a payment in lieu of taxes (PILOT) for properties purchased within a TID.

A Wollschlager/Semo motion carried unanimously to refer a decision on an offer to purchase 125 Resort Drive by The Crossroads Community Church until a site plan is presented.

**Discussion and Recommendation – Fireworks**

Wollin discussed the merits of the Village providing funding for a community event with fireworks. Wollin indicated that he served on the festival committee earlier this year and the festival didn't happen because of funding. A typical 15 to 20 minute fireworks presentation costs approximately \$2,500.

Semo mentioned that \$2,500 is probably conservative and more likely to cost \$3,000 to \$6,000 based on sources he has talked with.

Wollschlager mentioned that a business plan is needed to make a request to use Village funding for the support of a fireworks program. The festival this year never provided a business plan to solicit funding.

Johnsrud indicated that a similar request for a revenue and expenditure statement was discussed by the Johnson Creek Chamber Board in the discussion of a community festival.

Swisher suggested that a request for funding for fireworks should be presented to the Village Board with letters of support from organization(s) requesting the funding.

A Wollschlager/Swisher motion carried to recommend a commitment to fund fireworks within a community festival subject to the organization(s) providing letters of support and accountability.

**Discussion and Recommendation – Fire Building – 145 S. Watertown Street – Building Cost Options**

Johnsrud reviewed the control estimate cost of the building provided by Oliver Construction at \$698,084.

Oliver Construction also provided an e-mail on some proposed cost saving measures including:

- 1) Eliminating the trench drains and substitute with floor drains, and
- 2) Placement of a catch basin at the west end of the ramp within the building, and
- 3) Rough in for the fixtures to be run under the floor, and
- 4) Hose bibs to be supplied under the floor.

Estimated cost savings from above measures \$13,610.

In addition, elimination of the Bradley wall hung sink would provide additional savings of \$2,745.

Johnsrud reviewed the amortization schedule of financing the amount of the control estimate. The annual debt service payment assuming a 10 year bond at 3% interest is approximately \$82,000. The Fire Department is currently repaying interest and principal for the debt service of General Obligation Bonds issued in 2006 and 2007 for the purchase of land and equipment. The Fire Department debt service payment, principal and interest are reduced by \$102,710 in 2018.

Johnsrud provided information on unspent fund balances of \$227,398 in 2006 GO bonds and 137,106 in Impact Fees which can be used to pay for principal and interest payments in the financing of a new fire building. Dave Anderson was consulted on financing. Anderson indicated that the Village could finance the entire building cost and use the fund balances to make principal and interest payments on the new bond debt service until 2018 which would allow the Fire operating budget to remain at or below current debt service expenditures.

Swisher indicated that the building was approved within the 2014 capital budget for \$425,000 and questioned Oliver Construction's earlier estimate of \$440,000 to \$480,000. Johnsrud indicated that the building plans experienced some unexpected challenges including dealing with a site grade which drops two feet from the North to the South, a pre-engineered steel building design rather than a wood framed building, and additional masonry needed to meet the Village code within Central Business zoning.

Chief Jim Wolf stated that the approved building design will provide service to the department decades longer than a pole building which could be built at a lower cost.

Johnsrud stated that bids are likely to come in less than the control estimate. All bids will come back to the Village Board for final approval prior to construction.

A Semo/Wollschlager motion to recommend reducing building expenditures and report bids back to the Personnel and Finance Committee and Village Board for approval carried unanimously.

#### **Discussion and Recommendation – Five Year Capital Budget**

Johnsrud reviewed changes to the five year Capital Budget to include:

- 1) Fire Department – Construct Equipment Garage – 145 S. Watertown \$700,000
- 2) Streets – Stormwater Management – Wright Road - \$230,000
- 3) Streets – Mill and Overlay Wright Road – (\$100,000) Delete (included above)
- 4) Sewer – Distribution Study - \$29,000
- 5) Water – Distribution Study – (\$15,000) Delete

A Semo/Wollschlager motion carried unanimously to move the expenditure of a \$10,000 air compressor from the 2016 to the 2015 Machinery and Equipment Capital Budget and refer the Capital Budget to the November 6<sup>th</sup> Personnel and Finance Committee meeting for final approval.

#### **Convene into Closed Session**

A Semo/Wollschlager motion carried to convene into closed session at 7:16 p.m. *Pursuant to Wisconsin Statutes §§19.85 (1)(c) considering employment of any public employee over which the government body has jurisdiction or exercises responsibility—Utilities Director.*

#### **Reconvene into Open Session**

A Wollschlager/Semo motion carried to reconvene into open session at 7:32 p.m.

**Report any Actions from Closed Session** - No action to report.

**Adjourn** - Chair John Swisher adjourned the meeting at 7:33 p.m.

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John Swisher, Chair Personnel & Finance

Disclaimer: These minutes are uncorrected; any corrections made thereto will be so noted in the proceedings at which these minutes are approved.