VILLAGE OF GERMANTOWN
SPECIAL VILLAGE BOARD MEETING MINUTES
SEPTEMBER 29, 2014

CALL TO ORDER: The meeting was called to order at 5:35 p.m. by Deputy Clerk Dobratz.

ROLL CALL: Trustees Hughes, Miller, Warren, Vanderheiden and Zabel. President Wolter arrived at 7:10 p.m. Trustee Daniels arrived at 5:36 p.m. Trustee Kaminski arrived at 5:47 p.m. Trustee Baum arrived at 6:02 p.m. Also present: Administrator Schornack, Attorney Sajdak, Finance Director Rath, Public Works Director Ludwig, Planner Retzlaff, Library Director Olson, Park & Recreation Director Casperson, Finance Utility Clerk Bauer, and Deputy Clerk Dobratz.

MOTION (Zabel/Miller) to appoint Trustee Vanderheiden as presiding officer until President Wolter arrives, carried.

NEW BUSINESS:

MOTION (Zabel/Hughes) to move to New Business Item 'D' TID No. 6 Matters, carried.

D. TID No. 6 Matters:

1. TJ Hale Developer's Agreement
   Attorney Sajdak gave an update on the Developers' Agreement. TJ Hale is the proposed anchor tenant in the business park. They have decided to retain a third party to do the construction and lease the building to that party. The draft agreement has been circulated and this will be a future action item. Informational purposes only tonight.
2. Authorization to Proceed with Earthwork Project
   Attorney Sajdak stated there is no authorization per say that is required by statute. Village Board has approved contracts for the work, which have been executed and contractor is ready to go. Village's Developer Agreement with MLG says they needed to buy property within certain date after Village went out for bonding for work and recognizes they have done the bonding MLG looking to acquire property in first couple days of October. TJ Hale hasn't signed developer agreement yet. On agenda for updates but the board can make formal motion if wanted. Administrator Schornack stated he spoke MLG and they are looking at closing properties on Wednesday. Plan to move dirt unless we hear something different from the Village Board this evening. Contractor would like to start on Thursday. No requirement for a formal authorization. Item was designed to be an informational item.

MOTION (Zabel/Daniels) to move to New Business Item 'C' Update to Water Rate Study, carried.

This portion of the Special Village Board meeting was held concurrently with the Utility Advisory Committee as posted.

C. Update to the Water Rate Study – Baker Tilly Virchow Krause, LLP
   Director Ludwig presented information on a water rate increase. In 2009 a study was done which looked at capacity, water flow rates, and peak volume of water than can be produced. Since that time, one of the large industries went off their well, they produce

NEW BUSINESS continued:

products that are water intense and now use about 0.8 million gallons per day of our water. In the fall of 2012 they needed a temporary new water source and said they would be off of our water within 2 to 3 months. It has been16 months that we have been providing them water. It has pushed capacity to 4.9 million gallons, we are up to the utility's capacity limit. At this time, we cannot take on additional large industries in our Village without running into potential problems. Also identified in that study a deficiency within our water system a single water connection that provides water to the portion of the community is west of 41/45. Decided to make Phase I loop cost: $600,000 all TID this year. Future years will be all water utility. We do have a shallow well investigation ongoing. Found 6 locations using noninvasive investigation. Large Industry has been contacted numerous times that they plan on being off Village water in two or three months.

Vicki Hillenbrad from Baker Tilly presented information on water rates and recommendations. A big issue is the large customer. They are staying with us through 2014, doesn't see an alarming concern to have a rate increase. Cash flow is incredibly important. At this point, two main recommendations. Large customer would like the village to be on "stand by", since they have their own well. This is very hard for the village to manage. This creates a capacity problem for the Village. Limits ability to grow. Causes a planning problem. If they pull off the system, the Village might be able to hold off building a new well. Need large customer to tell the Village what their plan is for Village water. An option is a stand by charge if large customer comes off the system, want to make sure the rest of the customers do not fill the bill for them. Need a contract in place for large customer, protects the Village and them. First recommendation is to talk to the customer, to see when they plan to come off Village water. In the meantime , Baker Tilly recommends doing a simplified rate increase. Cash flow analysis shows a 3% increase is a cost of living increase. Customers accept a smaller increase better. Doesn't get the village where you need to be in the long run. However, a 3% increase would decrease the amount of increase you need later.

Discussion on 3% rate increase, when it would start, when would Baker Tilly come back, cash flows, information needed on what the plans are with the well, and large customer issues. Director Ludwig explained the Village is obligated to provide water to large customer but not 300 times their normal usage. Difficult to motivate them to come in person to meet with the Village President. Information we have is that it is very expensive for them to rectify since they have a contaminated well. They are occupying one of the highest capacity wells. "Set aside" water cost would have to be charged to large customer. Baker Tilly says one option is reaching out to them. Baker Tilly can prepare a letter of concerns and need information from large customer.

Vicki presented four possible options: residential flat rate, stead of declining; all customer flat rate; residential inclining rate, rest declining; and residential inclining rate, rest flat. Baker Tilly's recommendation is an inclining rate for residential that includes multi-family and the rest of the customers would be have a flat rate instead of a declining rate.

Discussion: the rate study has two components, the process will be Baker Tilley comes back and gives recommendation of what increase should be made, conservation rates, Public Services reviews and last step is a Public Hearing which PSC generally handles. Baker Tilly won't know what the rates are until PSC reviews the rate case.

NEW BUSINESS continued:

MOTION (Zabel/Kaminski) to give staff the authority to work with Baker Tilly on addressing a letter to Large Customer, carried.

Discussion on what a residential inclining rate block would be, the gaps between the inclines are not as great. Make sure the customer base is thoughtful with usage. One size fits all solution, family might fall into it. Declining block for business right now and residential is a flat rate. Conservation rate during the summer months, summer rate is because water is going on the lawn and not down the sewer. Most municipalities see water sprinkling is going down. What generally happens when you eliminate the sprinkler credit is the rate goes down for everyone. Those people that were not watering lawns will not see large increases. The whole reason is to try to create a mindset to get people to stop watering lawns by using a conservation rate. Bulk of users are residential, trying to get them to cut back.

Baker Tilly would like two recommendations, looking for guidance. Discussion on rates. Two main decision items: are you interested in adjusting residential flat or inclining and the second is for all other users, are you interested in keeping declining or going to flat. Exact numbers will not be known until PSC reviews. A range would be available but not exact numbers. Flat rate would not be known until PSC makes decision. Continued discussion on delivering water. Deep wells are not recharging. Need to get into a new mindset and conservation is the way to go. Only big industry has meters to know exactly what they are using. Discussion of rate options and other municipalities who use some of them. Baker Tilly will present more information when they come back with a rate increase. Recommends a simplified rate increase as a cost of living rate.

MOTION (Kaminski/Baum) to accept the recommended 3% simplified rate increase with a date to be determined by the Public Service Commission, give permission to apply. Discussion on the way the agenda was written and if a decision can be made or if it has to go before Village Board. General Public needs to be notified.
MOTION (Kaminski/Baum) to amend to come before the Village Board on Monday, October 6, 2014 for approval of the recommended 3% simplified rate increase. Discussion of filing time etc. **Motion as amended, carried**.

A. Appointments:

Utility Advisory Committee

Engineer Member	Benjamin Goetter	09/29/2014 – 04/30/2016

MOTION (Zabel/Kaminski) to appointment Benjamin Goetter to Utility Advisory Committee as Engineer member, carried.

B. Oath of Office/Swearing In – Benjamin Goetter

Oath of Office was given to Benjamin Goetter for appointment to Utility Advisory Committee.

Utility Advisory Committee was adjourned at this time.

Village Board recessed for a moment at 6:57 p.m.

Village Board reconvened at 7:04 p.m.

NEW BUSINESS continued:

E. 2015 Budget Review

Finance Director Rath stated this is the third meeting for the budget. The first two were a lot of discussion and information from departments, not a lot of actual dollar changes were made. One somewhat significant had to do with audit RFP's that came through General Government and Finance. Recommended to Village Board for October 6, 2014. Estimation for audit services in budget increased over prior year. The budget and RFP's came in less, allowing for a $7,000 deduction in the budget. Close to balancing with maximum levy allowed by the State, within $10,541 from being 'balanced". Maximum amount budget can be increased is 1.45%. Expense amount over budget is approximately $10,000.

A. Village Board – Administrator Schornack presented information on this budget. Discussion items: Legal Services decreased, result of Act 10 the Labor attorney services reduced, biggest thing in the future is to negotiate the new contract with fire fighters.

B. Administration – Administrator Schornack presented information on the budget. Discussion items: Administrator salary TID No. 6 is being taken off. Finance Director Rath stated the wellness program is in the Administration budget. Have a good percentage of employees participating. Employees get up to a $200 credit if they participate in the program. Increased participation put into the budget. Workers Compensation Insurance is expected to go up. Discussion on allocation of salaries.

C. Clerk – Administrator Schornack presents on behalf of the Clerk in her absence. Discussion items: Salary and wages with two newer deputies, Deputy Clerks training, health insurance, election expenses, new voting equipment. Discussion on University Wisconsin Green Bay Deputy Clerks training for certification, conferences, trainings, meetings during the year, election costs, election training, supplies, paperless packets, open records law, use of personal devices, stipend and reduced costs. Waiting for the Clerk to come back for further discussions with her budget.

Attorney Sajdak asks to be excused at 7:31 p.m. Excused per President Wolter.

D. Treasurer/Finance – Finance Director Rath presented information on the budget. Discussion items: Cable TV and AT&T franchise fees, shared revenue, TIF 5, salaries, state retirement, TID No. 6, accounting and auditing.

E. Assessor – Administrator Schornack presented information on this budget. Discussion items: contracted services rate, three year contract, RFP will go out the end of next year.

F. Data Processing – Finance Director Rath presented information on this budget. Discussion items: backup servers, data processing, entered on Village Hall itself, hardware, support and services, equipment, upgrade servers, and salaries.

G. General Government – Administrator Schornack presented information on this budget. Discussion items: assessment of Holy Hill Road, weed control, salary contingency, Social Security and natural gas. Finance Director Rath explained the contingency line item and clarified the amount budgeted for utilities.

H. Community Development – Planner Retzlaff presented information on the budgets.

1. Inspection Services – Discussion items: increase of building permits highest since 2007, part time inspector, additional temporary building inspectors, increased staffing, and fill full time inspector position.

NEW BUSINESS continued:

2. Planning – Discussion items: increase in development activity, staffing remains the same, TID No. 6 shifting salary and benefits.

I. Library – Library Director Olson presented information on the budget. Discussion items: Equipment maintenance, computer services, automation system, web site. Finance Director Rath explained County library revenues and County library tax.

J. Library Board Accounts – Finance Director Rath stated the reason why we have them in our budget is to approve Library Board. They have funds they monitor themselves. They are part of the Village of Germantown general ledger.

K. Recreation – Park & Recreation Director Casperson presented information on the budget. Discussion items: 2013 annual report was distributed, staffing, record revenue, park rentals, web site improvements, farmers market, recreation program supplies, concrete boarder in playground, picnic tables. Discussion on parks, switching gravel paths to asphalt paths and parks connecting.

L. Senior Center – Park & Recreation Director Casperson presented information on this budget. Discussion items: Senior trips fees, training and senior van. Senior Center rental discussion. Current policies in place were developed and approved in 2007-2008 by Senior Center Advisory Committee.

M. Municipal Development – Finance Director Rath presented information on this budget. Discussion items: small budget Economic Development, part is $10,000 given to EDWC and Historical Society lights, phone and heat. Hotel/Motel tax revenues are given back.

N. Special Revenue Funds

1. Recreation Facility Fee - Park & Recreation Director Casperson presented information on this budget. Village, School District and Athletic Club Facility Fees. Currently declining late fees due to improvement with online registration. Any programs in the School Districts the monies go back to the school district. Athletic fee costs to maintain the athletic fields.
2. Historic Preservation – Finance Director Rath discussed this budget. Special revenue fund monies overlap, for specific use. Transfer in from General Account to Historical Preservation. Increased a couple of hundred dollars, position does receive a stipend.
3. Senior Van – Finance Director Rath stated this is an ongoing special revenue fund. Vehicle for use by the seniors and they are charged a small fee. It was a special revenue fund adopted by the board and it can be removed by the board. Ongoing fund we have had for replacement of senior use.

O. Health Insurance – Finance Director Rath presented information on this budget. Discussion items: increases due to types of employees we have regarding breakdown of family or single, part-time employees, future Fire Department coverage, self-insure, reinsure fee goes out for bid every year, administrative expenditures spending for the reinsure.

P. Dental Insurance – Finance Director Rath stated the plan is positive and covered this along with the Health Insurance information above.

Q. Debt Service Fund – Finance Director Rath stated this is a separate fund. Needs to be separated due to laws for borrowing money. It is a picture of the debt, shows in and out transfers. We still have a special assessment debt for asset development.

R. Any Other 2015 Budget Related Issues – Finance Director Rath commented that there is no TIF 6 yet, it will be going to General Government & Finance in October.

NEW BUSINESS continued:

Timeframe to finalize the budget, notice has to be sent to the paper on October 22nd for publication.

Discussion on bringing the Fire and Clerk Departments back for further review, next meeting date, Fire Department budget review/options, General Fund, Clerk's Office stipend for technology for paperless package, part-time Fire Department monies. General Budget line item to be listed on the October 6, 2014 Village Board agenda.

President Wolter announced the Fire Safety Fair this Saturday, October 4, 2014 from 10:30 a.m. to 3:30 p.m. at Fire Station #2. Find out more about the Fire Department, many demonstrations, trucks are on display, food, flight for life, activities for children and families.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:54 p.m.

Jilline Dobratz
Village Deputy Clerk