

Monday, November 11, 2020

Following the Special Village Board Meeting

Village of Elm Grove Committee of the Whole Meeting Minutes

**DRAFT**

1. Committee of the Whole Call to Order

The meeting was called to order by the Clerk at 6:20PM.

Roll Call:

PRESIDENT PALMER

TRUSTEE IRWIN

TRUSTEE HAAS

TRUSTEE KRESSIN

TRUSTEE MICHALSKI

TRUSTEE DOMASZEK

TRUSTEE CORNELL

HECTOR DE LA MORA, VILLAGE ATTORNEY

TOM HARRIGAN, ZONING ADMINISTRATOR

MICHELLE LUEDTKE, VILLAGE CLERK

**MOTION BY PRESIDENT PALMER, SECOND BY TRUSTEE MICHALSKI, TO TAKE ITEM 4 AFTER ITEM 2 TO ALLOW THE PRESENTERS TO COMPLETE THEIR PORTION AND NOT HAVE THEM WAIT.**

**ALL WERE IN FAVOR. MOTION CARRIED.**

2. Review and Act on Meeting Minutes Dated 11/4/20

**MOTION BY TRUSTEE MICHALSKI, SECOND BY TRUSTEE IRWIN, TO APPROVE THE MINUTES AS SUBMITTED.**

**ALL WERE IN FAVOR. MOTION CARRIED.**

3. Review and Discussion of Possible Funding For Future Transportation Needs

President Palmer directed viewers to the documents included in the packet.

Zoning Administrator Harrigan started the discussion with the LWM Memo. Public Works Director Paul put together a 10 year plan, included in the packet.

Finance Director Hughes reviewed the spreadsheet and explained that the levy limit prevents us from completing these projects in a timely fashion; which causes us to fall behind with replacement.

Trustee Kressin added that this spreadsheet is the best case plan. The roads are deteriorating much faster than expected due to the weather or the bad mix. There is no reason to believe this will get better. There are roads that are not on the list that are also bad. This is a real problem that will hit us square in the face soon. We are not even able to do a full reconstruct on some of the roads – where we list them as just being patched. The ones on the list are the highest priority. There are many not on the list.

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President Palmer reiterated it is not going to get better. We cannot assume any sort of change on the State level on how we are allowed to fund. This is happening everywhere. The point of this being on the agenda is to show the residents this and other examples on how to come up with the extra funds for this.

Finance Director Hughes indicated we can borrow money for this, but it is a vicious cycle. You would be borrowing money every year. Many municipalities are turning to this transportation utility to cover these expenses.

President Palmer continued. We are reluctant to borrow money for everyday business in the Village. This may lead to bankruptcy. Palmer asked the Trustees if there is anyone who has questions or concerns.

Trustee Haas stated there was a Ruckert and Meilke webinar today. They indicated the State may add additional laws and regulations on these utility funds. So if we are going to do this, we should as soon as possible even if we don't need the money for a year or two.

Finance Director Hughes would like to see a resolution before the next budget season.

President Palmer continued. During the next board meeting we will want to direct staff to start working on this road utility. If there aren't any conceptual question, please ask them now.

Trustee Cornell asked if this is a flat fee per household. Property? Etc.

Finance Director Hughes indicated this would likely be a flat fee per household. We would need to hire an outside entity to evaluate non-residential.

President Palmer added that the consultant would give us options; impervious surface, street frontage, lot size, land use categories, etc.

Zoning Administrator Harrigan added that he was on the call as well. There is a six to twelve month implementation timeline for this utility fund. Also, you can include pathways on this fund source.

Trustee Haas asked staff to check other communities.

4. Review and Discussion of Tax Incremental Financing – taken after item 2.

President Palmer noted the purpose of this presentation is because the Village may be asked to enter into a TIF with the School Sisters projects. This will help brush up on what TIF is and how it works.

Presenting - Johnathan Schatz and Dawn Schiel from Ehlers. The PowerPoint is property of Ehlers and is not included in these minutes.

Finance Director Hughes explained the TIF Increment Example. At the last Committee of Whole there was a little confusion regarding the TIF fund placement. Any increment (as shown on the example) growth is going to be taxed and paid by the owner of the property towards the TIF until it is done. Until those funds are paid back, the schools and county will not receive any funds.

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The highlighted column is the revenue. This revenue would not have been realized without the development. Once the investment is paid off – the TIF is closed. Afterward, you start sharing the funds with those other entities. The example shows a 25 year TIF – because there are multiple types and this is just an example. If the property has a base value, we continue to collect on that, but not the increment.

President Palmer indicated we would hire a consultant, such as Ehlers, for this TIF District to come up with the values and increments associated with whomever requests a TIF be created. Then we can decide what we are willing to finance and how quickly it would be paid off.

Trustee Kressin added that you need to look at the overall district.

Dawn Schiel from Ehlers clarified that the residential area in the mixed used district example cannot be more than 35% of newly platted residential area statutorily. If it is predominantly residential, it would need to be blighted or a conservation rehabilitation.

Trustee Kressin added the challenges to the property regarding water and the overall district as a whole. A TIF is rarely one project.

Trustee Haas asked if there can be overlapping TIFs.

Dawn Schiel confirmed this is possible.

President Palmer stated these broadly described examples will make more sense if/when someone puts forth an application or requests a TIF. People can then understand other tax payers are not paying for this and that it is not a free-for-all money grab.

Trustee Domaszek would like the existing TIF #2 to be activated on the Village's GIS. Tom Harrigan confirmed.

Trustee Kressin added that TIFs are flexible. The increment on a project like this is going to be very large. We will have to determine if this is acceptable. What would we need to do to pass the "But-For" test; water, sewer. Getting into the granular details that this project would not happen but-for.

President Palmer added the increment will be large because the revenue generated off of this site is currently zero. They pay nothing now.

Trustee Domaszek asked if there was anything other than water or sewer on the site where there is an issue. Environmental, etc?

President Palmer indicated they have not actually applied yet. Maybe petroleum near where the power house used to be. He asked Ehlers if the cost of demolition is ever allowed.

Dawn Schiel confirmed it is.

President Palmer continued discussing the example of piers in a parking garage on the existing TIF and how this was covered.

Trustee Domaszek asked about the existing TIF to clarify the lines.

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Trustee Haas indicated this TIF was created for the storm water project.

President Palmer added this was to get this area out of the flood plain and prevent flooding.

Dawn Schiel added additional information regarding paying off early, utilizing funds in the district alone, and district planning.

Attorney De La Mora added that the City of Brookfield had a TIF. The district has covered all of the expenses that were incurred with their infrastructure. They maintained the TIF in place. The school District along with other entities initiated a lawsuit to compel the closing of the district and the reallocation of money accumulated by the city beyond the needs that were originally established. Once you have met your obligations, you must close it down.

President Palmer concluded the discussion. Thank you to Ehlers for their expertise.

5. General Discussion on Direct Legislation Pursuant To Wis. Stat. 9.20

President Palmer referred viewers to the packet information.

Attorney De La Mora indicated that the petition was submitted on October 21<sup>st</sup>. The Clerk has 15 days to review. With regards to the number of signatures and the statute 9.20 that the petition had met that requirement. She advised the submitter that the proposal conflicted with an existing Ordinance, the language in the petition itself was inconsistent, and that the language of the petition was ambiguous and thus insufficient to be certified. The board has a period of 30 days to act on the provision or submit it to the next election per State Statute. In this situation, there was a communication to the submitter regarding the insufficient petition. They have ten days to address the limitations listed in the certification of petition. The date for the applicant to would be November 15<sup>th</sup>.

President Palmer asked if they have to go back out and ask those who signed it to resign.

Attorney De La Mora indicated he did not believe so.

6. Update on the Daylighting of Underwood Creek

Zoning Administrator Harrigan referred to the packet information. We were awarded \$300,000 from a grant program. They partnered with the Friends for Lake Michigan. They matched up to \$250,000. The main question is – how to we fund the rest of the project? We are at a 90% completion phase for the engineering. The cost of engineering was covered through grants as well.

Finance Director Hughes added that the storm water utility will end in this area in 2025. There may be some funds available at that point. There is a possibility to amend the TIF.

President Palmer wanted to acknowledge the procurement of these grants for this project.

Trustee Cornell asked if the funds go away if you don't use them.

Finance Director Hughes indicated three years.

Trustee Kressin asked if it has to be under contract or construction.

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Zoning Administrator Harrigan indicated the clock starts ticking when the grant agreement is executed.

Trustee Irwin wanted to know if any other grant money will come through.

Zoning Administrator Harrigan indicated we will continue to apply for grants as they become available.

7. Other Business – None.

8. Adjournment - There was no further business.

**MOTION BY TRUSTEE MICHALSKI, SECOND BY TRUSTEE KRESSIN, TO ADJOURN THE MEETING.**

**ALL WERE IN FAVOR. MOTION CARRIED. MEETING ADJOURNED AT 7:55PM.**

Minutes transcribed by: Michelle Luedtke

Minutes Approved on: