

SPECIAL COMMON COUNCIL MEETING

APRIL 22, 2009

The meeting was called to order at 6:15 p.m. by Mayor Heron with the following roll call:

Members Present: Ald. Hoy, Ald. Voss, Ald. Gering, Ald. Moede, Ald. Smith, Ald. Pasbrig

Members Absent:

Others Present: Mayor Heron, Kathie Wild, Deanna Boldrey, Bill Linzenmeyer, Vern Hilker, Phil Cosson, Roger Williams, Mike Thoreson, Jennifer Thoreson, Christine Churchill, Gregory Justman, Tom Kempf, Mary Rake, Sue Smith, Sally Kahlhamer

Resolution 4316 – 2009 (Approve Sale of the Property 251-1216-1414-005, River Knoll Industrial Park 14.186 Acres of Lot 5, Part of TID #3.)

Motion by Ald. Moede, second by Ald. Smith to approve Resolution 4316-2009 to Approve Sale of the Property 251-1216-1414-005, River Knoll Industrial Park 14.186 acres of Lot 5, Part of TID #3. It was noted that the acres was found to be 14.186 instead of the 14.458. Discussion included Mayor Heron stating that this is wonderful news for the City of Mayville and thanked and congratulated Todd Schmid for choosing Mayville. Ald. Hoy questioned Todd Schmid on the number of employees that may be hired. Todd Schmid said that there will be approximately 16-18 employees in the office and 20-40 employees in the fabrication shop. Mayor Heron thanked the Director of Public Works, Vern Hilker, and Todd Schmid for all the work done to make this possible. Ald. Pasbrig agreed. Ald. Voss commented that thanks should also go to Ald. Smith for his help with the projection. Motion carried 6-0.

Resolution 4317 – 2009 (Approve Certified Survey Map of 251-1216-1414-005, River Knoll Industrial Park 14.186 acres of Lot 5, Part of TID #3.)

Motion by Ald. Hoy, second by Ald. Pasbrig to approve Resolution 4317-2009 to Approve Certified Survey Map of 251-1216-1414-005, River Knoll Industrial Park 14.186 acres of Lot 5, Part of TID #3. Motion carried 6-0.

Discuss Capital Improvement Project Items.

Mayor Heron introduced Phil Cosson to the Podium to discuss the Capital Improvement Projects. Mayor stated that the issue at hand is the deficit in the Capital Improvement Fund of over \$570,000, there is less money to purchase the new items that were borrowed for. Preliminary results of the audit are coming in, and there will be other deficits shared soon. The Audit will come the first half of May. There will be a round table discussion to prepare how to handle the condition. Mayor Heron stated that the department heads have been diligent in making the council aware of their needs. Discussion is how to handle the funds that have come in, and to have the whole picture in mind. Not to be wrapped around certain items.

Phil Cosson went on to state that there are federal and state restrictions on borrowed money. Once the money is received there are restrictions. The money is to be spent over a three year period. After three years, if the monies are unspent then there is a restriction on the yield of 3.5% or less. Phil Cosson went on to discuss options to fund the deficit balance in the Capital Improvement Fund. Phil Cosson stated that they could go back one year and look for items that could be included on the Capital Projects that were paid for in cash. He & Kathie went back one year and looked for items that were paid for with cash and financed thru the levy and could use those items with the borrowed monies to help correct the deficit balance. It was suggested to move \$161,250.17 from the negative Capital Improvement Fund and replace with borrowed monies. This was from 2008 Expenses Eligible to Apply report as attached. Phil went on to state that projects could be delayed and lastly a referendum could be proposed. Phil stated that a combination of paying cash instead of borrowing when borrowing was needed, is what got the City in the situation of the negative balance in the Capital Improvements Fund. It will take three to four years to get out of the deficit. Phil suggested to use items that have a seven to ten year life in the Capital Improvements. It is not feasible to fund the entire deficit. Phil stated again that another way to overcome the deficit is a referendum.

Ald. Smith stated that the previous bonds had projects that went up after the financing had been obtained and that caused some of the problem. He went on to state that the other issue is the cash flow and using a comingled fund. Ald. Smith also commented that he would like to wait until there is a plan in place for Capital Projects before spending and to hold off for one to two months. Spend only 50-70% of the borrowed money and then borrow more in 2011. May need the money for cash flow for a period of time when no money is coming in.

Phil Cosson reminded the group that they could only go back one year. Ald. Hoy questioned when does money come in. Kathie Wild stated that in August payment is received from Dodge County and again in November with the Share Revenue payment.

Phil Cosson stated that another reason the deficit occurred was that the Levy Limits fix the budget while costs continue to rise. 70% or more of the budget is people. Also, Phil stated that the City has not always taken the full levy amount in the past and this is an additional cause to the problem. Ald. Smith stated that it would be irresponsible spending not to wait a month or two. Mayor Heron responded to urge patience on spending until the audit is received. Ald. Hoy questioned Christine Churchill as to when the ambulance needed to be paid for. Christine stated that the 25% is due at the time the ambulance is ordered and then the balance on delivery. Ald. Smith stated that a line of credit is needed with the local bank. Kathie stated that she is waiting for a local bank to get back to her in regards to the line of credit. Ald. Voss questioned if the bank was waiting for the audit report. Kathie stated that the bank had not requested information on the audit and the audit had not been discussed with the bank.

Ald. Smith stated that if the TIF closed 54 months early then those revenues would be released to the City.

Vern Hilker commented that he is looking at a lease purchase instead of a lease to spread payments out for the snowplow.

Ald. Voss stated that the baseball field roof needs to be done first.

Ald. Moede stated that it took a long time to get into the deficit and it will take a long time to get out.

Mayor Heron commented that the audit will be presented in open session. The City may have been living beyond means for a long time. Ald. Smith questioned if there were any items needed that would cause a safety concern that are an emergency need. Vern Hilker mentioned that the Chipper is a safety hazard and it is \$31,000. Ald. Pasbrig recommended that the ballpark roof needs replacing. It was the sense of the council with no objections to go ahead with the roof and this item had previously been approved.

Motion by Ald. Pasbrig, second by Ald. Smith to adjourn at 7:35 p.m. Motion carried 6-0.

Deanna Boldrey
City Clerk