

**Village of Waterford**  
**Village Board Official Minutes**  
**March 10, 2014**

The meeting was called to order by President Roanhouse at 6:31 p.m.

Present: Roanhouse, Kluth, Denman, Christensen and Houston. Excused: Pollnow

Also present: Rebecca Ewald, Jeff Dolezal, Chief Richard Mueller, Lori Peternell, Stephanie Charapata, Gil Amborn, Jim Mann, Morena Marquez, Ruth Marquez

Public Appearances - Morena & Ruth Marquez, on behalf of Friends of Martini Mo's, presented a \$1,000 donation to Chief Richard Mueller for the Village of Waterford Fire & Rescue Department.

Reading and Approval of Minutes – Motion made by Denman, seconded by Kluth to approve the February 24, 2014 Village Board minutes and to table the February 10, 2014 Village Board minutes until March 24<sup>th</sup> until all corrections have been made. Motion carried.

Unfinished Business – This was the second reading for Ordinance #615 – Direct Sellers. Roanhouse inquired as to how much it costs to submit a permit application. Ladewig noted it is \$30. Roanhouse also inquired how much a \$5000 bond would cost a direct seller. Hasenstab noted it is approximately \$50. Motion made by Houston, seconded by Christensen to approve Ordinance #615 – Direct Sellers. Motion carried.

Dolezal provided the Trustees with an update on run water notice and snow removal. A news release was issued on March 4<sup>th</sup> to end the run water notice. At the next Village Board meeting the Trustees will need to decide how to handle possible compensation to residents who ran water to help prevent water main breaks. Dolezal also provide an update relative to salt and how snow removal is performed. At this time we are \$1180 over budget and the cold season will not be over for a couple months.

New Business – The Board was requested to review and act on recommendation relative to community sensitive solution funds. The Plan Commission reviewed this item at their 3/3 meeting and recommended that an agreement not be signed to allow the Commissioners to further review the matter and the Village President the opportunity to pursue communications with legislators in efforts to receive the 3% CSS funds originally verbalized by the DOT. It was the consensus of the Trustees to not sign the agreement at this time and to allow the Plan Commission to further review the matter.

The Board was requested to review and act on Resolution 752 (Fox River Trail) and 753 (Viewing Platforms on Main Street Bridge) in support of TAP grant applications. Motion made by Denman, seconded by Houston to approve Resolution 752 and 753 in support of the Tap Grant Application as well as allow the Plan Commission to approve any fina changes that may be necessary for the grant application at the 3/19 Plan Commission meeting. Motion carried. The second round of applications is due March 28<sup>th</sup>, 2014 and RCEDC is working with the Village Administrator to prepare the second round applications.

The Board was requested to review and provide direction on the removal of the gazebo in Ten Club Park. The Village Board decided to pursue the removal of the Ten Club park gazebo when the Riverhouse was razed. Included in the 2014 budget, \$5000 was allocated in the Building capital fund for repairs to the roof of the pavilion. The DOT is moving forward with demolition of the Riverhouse in late March/early April subject to contractor availability. Ewald and Dolezal met with the selected demolition contractor and requested a quote for removal of the structure at the same time. The stone from the gazebo identifying the Ten Club Park would be salvaged if possible in the removal of the structure. To meet the requirement of the deed restriction for the park, a sign must be placed on the property identify the Ten Club and date of the park with lettering at least 8" in height. Staff is recommending the sidewalk leading up to the structure and any remaining small remnant slabs of concrete placed in the site for purposes of play equipment that is no longer present be removed at the same time. No funds were budgeted for the removal of the structure. The Board may choose to utilize contingency or general fund balance. Direct was given by the Trustees to move forward with the demolition of the gazebo at Ten Club Park and to have Public Works and Utilities work on temporary signage to meet the requirements of the deed restrictions.

The Board was requested to review and act on Resolution #751 – A Resolution to Write-off aged Rescue Billing. Each year 3 Rivers Billing provides the Village with the amount of uncollected rescue, TriCare, Medicaid and Medicare billing that should be written off. The total amount to be written off for 2013 is \$127,156.95; of which \$30,109.19 has been turned over to collection. According to the billing company, accounts cannot be turned over to collection or written off until all activity on the account has ceased. The remaining \$97,047.76 represents the assigned amount from Medicare, Badger Care, Title 19, hardships, deceased patients, insurance adjustments, or small balances and therefore

not eligible for collection. The Village contracted with Waukesha County Collection Division in 2010. Since that time a total of \$116,449.66 has been placed with them for collection, of that \$27,351.16 (approximately 23.5%) has been collected to date. According to information provided to Waukesha County Collection from a medical party billing service, the overall collection rate of 3<sup>rd</sup> party collection agencies is 19%. Motion made by Christensen, seconded by Denman to approve Resolution #751 subject to the correction of adding the 2013 Rescue billing amount which was erroneously omitted as a separate line item in the Resolution. Motion carried.

The Board was requested to review and act on CDA recommendation regarding bond refinancing. Jim Mann from Ehler's presented the Trustees with information regarding refunding opportunity for the CDA Lease Revenue bonds. The Tax Increment District #2 (TID #2) is projected to run deficits for the foreseeable future without significant development in the TID. The current value of TID #2 is just over \$27 million, which generated approximately \$700,000 of increment revenue. Current obligations of the TID result in debt payments of approximately \$1 million through 2023. Without additional development or refunding of the bonds, the TID is projected to close with a deficit fund balance of approximately \$1.2 million. Mann stated that the CDA Lease revenue bonds are callable on October 1, 2014. The initial analysis shows the Village could potentially achieve savings of approximately \$70,000 per year or a gross of \$440,000. Mann stated that the revenue stream is likely inadequate to allow only CDA lease revenue bonds to be sold. The revenue coverage should be at least \$1.10 for every \$1.00 of debt service. If a straight refunding was done, the estimated shortfall at the close of the TID would be approximately \$800,000. Issuance costs were estimated at \$147,893 for refunding of CDA lease revenue bonds. Mann stated that issuance costs of a CDA lease revenue bond tend to be high when compared to General Obligation because of the complexity of the refunding and the revenue for repayment is less secure on CDA lease revenue bonds. Mann discussed (2) additional refunding options. One is to do a hybrid refunding that would consist of CDA Lease Revenue bonds equivalent to the existing revenue coverage and General Obligation (GO) bonds for the balance. The issuance costs for this option are approximately \$154,623. The issuance costs are higher for the hybrid option because it would be (2) separate issuances. If a hybrid of CDA Lease Revenue bonds and GO Bonds was done, the estimated shortfall at the close of the TID would be approximately \$800,000. The second option is to convert the debt to General Obligation debt. By utilizing this option the debt payments would be included in the levy therefore it would have an impact on the overall debt capacity of the Village. Currently, the Village's debt capacity is approximately \$20 million and the Village's outstanding debt is approximately \$3 million. The TID would be making payments to the Village until the TID no longer has the revenue to do so. If the debt was converted to GO Bonds, the estimated shortfall at the close of the TID would be approximately \$300,000. Other items discussed were to utilize TID and general fund balance to pay down the debt along with refunding and options for structuring the debt. Discussion was held regarding the Village going through the rating process to achieve better interest rates. If the Village were to obtain a rating in the middle "A" range additional savings of 25-30 basis points could be achieved on GO bonds. The rating costs are estimated to be around \$13,000 which would be made up by the savings achieved with a favorable rating. The CDA met on March 3<sup>rd</sup> and has recommended that the proposed refinancing of the CDA bonds be tabled at this time for further review and possible development of a request for proposal for financial advisor services. The costs for services related to the refinancing are high and consideration was requested to seek out alternative service options. If the Village desires to move forward with a refunding, the closing date cannot be more than 90 days in advance of the call date. Therefore, the refunding must occur after July 1, 2014. The Finance Committee reviewed this recommendation at their 3/10 meeting and Trustee Kluth stated the Finance Committee recommends the Village Board have the Committee move forward with running the basic calculations to see if the Village could potentially reach a middle "A" rating.

The Board was requested to provide direction on review of Post-Issuance Compliance Policy for Tax-Exempt Obligations. Recent changes to Federal Information Return Form 8038-G have highlighted the importance of having written compliance policies in place regarding federal tax requirements. This form, which is generally prepared for the Village by our Bond Counsel, is filed anytime we issue tax-exempt obligations. The form now specifically asks whether an Issuer has adopted written procedures for compliance with arbitrage rules and remedial action requirements. The IRS has indicated that Issuers who have such policies in place will receive more favorable treatment in the event that there is a tax problem with respect to one of their issues. In light of the increased emphasis by the IRS on the need to have written procedures for compliance with tax requirements, most Bond Counsel firms are recommending Issuers adopt general policies and procedures applicable to all its outstanding issues. Generally these procedures require a specific official to be responsible for complying with various federal tax requirements identified in the Closing Documents. Ehlers has recommended the Village adopt a policy given the increased emphasis placed on written compliance procedures by the IRS. As the Village will be discussing refunding of the CDA Lease Revenue bonds, staff is recommending adopting a Post-Issuance compliance policy. The Post-Issuance Compliance Policy will go to Finance Committee on April 14<sup>th</sup> for

their recommendation, and then back to the Village Board on April 14<sup>th</sup> for final approval.

The Board was requested to review and act on appointment of Jerry Filut to the Village Board. Motion made by Kluth, seconded by Christensen to appoint Jerry Filut to the Village Board to fill Joseph Scheele's term which expires April 2015. Motion carried.

The Board was requested to review and act on appointment of Steve Denman to the Library Board. Motion made by Christensen, seconded by Kluth to appoint Steve Denman to the Library Board to fill Joseph Scheele's term which expires April 2016. Motion carried.

President Roanhouse read the Proclamation recognizing Trustee Joseph Scheele for his service on the Village Board and to the Village of Waterford. Motion made by Houston, seconded by Denman to approve the Proclamation recognizing Trustee Scheele. Motion carried.

Invoices & Finances – Motion made by Kluth, seconded by Houston to approve prepaid invoices totaling 1,249,917.72. Motion carried. Motion made by Kluth, seconded by Houston to approve unpaid invoices totaling \$203,150.22. Motion carried.

Report of the Village Administrator – The Village Administrator updated the Trustees on the RFP for the Waterford Information Portal, the Talent Bank Questionnaire for Fire & Police Commission members and the Super Board Meeting, March 25, 2014 at 6:30 p.m. at Waterford Library.

Report of Standing Committees – Trustee Kluth briefed the Village Board on what was discussed at the Farm Drainage District Commission Meeting.

Closed Session - Motion made by Houston, seconded by Denman to adjourn into Closed Session for the purpose of considering compensation for public works & utilities and performance of police services in accordance with 19.85(1)(c) by roll call vote at 8:18 p.m. Kluth – aye Denman – aye Roanhouse – aye Christensen - aye Houston – aye. The board discussed compensation of public works exempt employees and performance of police services.

Reconvene into Open Session – Denman moved and Houston seconded to reconvene into open session at 8:25 p.m. Motion carried. Houston moved and Denman seconded to provide the bonus to public works exempt employees with a choice of three payment options as directed. Motion carried.

Adjournment – Kluth moved and Christensen seconded to adjourn at 8:26 p.m. Motion carried.

Respectfully submitted,  
Rachel Ladewig, Deputy Clerk