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**CITY OF ELKHORN COMMON COUNCIL  
SPECIAL MEETING MINUTES  
April 10, 2017  
COUNCIL CHAMBERS, 9 S. BROAD ST., ELKHORN, WI 53121**

The Common Council meeting was called to order by Mayor Reynolds at 5:30 p.m. in the Council Chambers followed by the Pledge of Allegiance, followed by Roll Call.

**ROLL CALL**

Present: Mayor Howie Reynolds, Aldermen Michael Kluck, Hoss Rehberg, Bruce Lechner, Cathy Bensaïd, Scott McClory, Tom Myrin, Junior Council Member Nathan Chapman (arrived late).

Others present: City Administrator Sam Tapson, Attorney Ward Phillips, Finance Director James Heilman, City Clerk Cairie Virrueta, Police Chief Joel Christensen, Utility Director John Murphy, DPW Manager Neal Kolb, Recreation Director Wendy Meyer, Library Director Lisa Selje (arrived late), City Engineer Jason Feucht, Tim Shiroda (arrived late), Kellen Olshefski, John Henderson, other interested persons.

**UNFINISHED BUSINESS**

**MML Landscape Project – Informational Update**

City Attorney Phillips reviewed the state statute and consulted the League of Municipalities and determined that the library decides who to select for projects and the City decides if it will fund the project. Library Director Selje received additional bids and continued to recommended B&J Tree and Landscape for \$5,832. They were not the lowest bidder, but had already done work at the library and were the most familiar with the project. Alderman Rehberg said his previous motion meant to include going with the lowest bid and he wanted to see a separate cost for the stump grinding. He recommended the City pay for half of the lowest bid. **Motion (Myrin/Bensaïd) to reconsider. Voice vote, all approved, motion carried. Motion (Myrin/Bensaïd) to pay \$5,320.75 minus \$500 and pay half of that dollar amount.** Alderman McClory questioned why the MML Board would choose to not go with the lowest responsible bidder. Administrator Tapson said the Library Director (who was not present at this time and arrived later) said the library had the funds to pay the balance using B&J. Alderman Rehberg reminded the Council that the library is a City building and they should support it looking nice. **Roll call vote: Bensaïd, yes; McClory, yes; Lechner, yes; Rehberg, yes; Kluck, yes; Myrin, yes. Motion carried.**

**NEW BUSINESS**

**Resolution No. 17-02: TID 3 Closing**

Administrator Tapson said this is necessary as part of the closing of the TID. **Motion (Rehberg/Lechner) to approve Resolution No. 17-02 TID 3 closing. Voice vote, all approved, motion carried.**

**Reimbursement Resolution No. 17-03: 2017-18 Capital Projects**

Administrator Tapson said the City has done these resolutions for projects in the past. This allows the City to recover costs used from the General Fund towards capital projects and this one is for S. Jackson St. reconstruction. The \$5,500,000 number is put into it as a “plug” number. **Motion (Lechner/Kluck) to approve Resolution No. 17-03 2017-18 Capital Projects. Voice vote, all approved, motion carried.**

**E. Market Street TIA: Relocate Entrance to Walworth County Fairgrounds**

Administrator Tapson said after conversations with Council members the general consensus was this is a worthy project so it was presented to reconsider. The P.D. supports relocating the entrance. It costs \$3,000 to add this in, but could seek reimbursement from the Fair Board. Alderman Rehberg was concerned the Fair would not close the entrance on Hwy 11. Mayor Reynolds said the Board President was very sure the board will discuss it and support it. Administrator Tapson said options, such as paying back over time, could be discussed with the Fair Board. Alderman Bensaïd asked if this would help the flow of traffic when there are events at the school; the TIA study will consider that. **Motion (McClory/Rehberg) to spend \$3,000 and conduct the study. Roll call vote: Bensaïd, yes; McClory, yes; Lechner, yes; Rehberg, yes; Kluck, yes; Myrin, yes, Chapman Advisory Vote: yes. Motion carried.**

### **Suspension of Impact Fees**

Administrator Tapson said the City doesn't have the need to pursue park land or facilities right now and he recommended suspending impact fees temporarily. Impact fees collected are used for growth related projects. He said the Public Facilities Need Assessment needed updating as it was last done in 2005. Finance Director Heilman said the PSC takes the stance that it is "double dipping". Impact fees are estimates and can't be exactly determined from year to year. He also recommended suspending impact fees so the costs could be built into the rates. Mayor Reynolds supported suspending impact fees; as you can only have it for so long. Administrator Tapson said if it isn't spent within seven years, the City has to refund it, which can be a complex process. Fees for a typical house construction are \$1500. Alderman McClory asked how long the City has been flush. Administrator Tapson said about a year ago, once the City paid off work on Well 8 and completed some park projects. It was planned to spend funds towards projects with E. Market, however, the school now has that project. Alderman Myrin asked what the fees were for and which were impact fees, regarding an email he received from a business. Administrator Tapson was unsure, as he just received the printed copy of it. Alderman McClory was concerned that people who built prior would feel they were penalized as they had to pay the fees. Administrator Tapson said at that time the fees were used to pay for needed projects. The suspension would be lifted based upon the completion of a future Public Facilities Need Assessment. ***Motion (Rehberg/Myrin) to suspend impact fees. Voice vote, all approved, motion carried.***

### **Resolution No. 17-04: Establishing Ceiling on Water Utility PILOT**

Finance Director Heilman said with the addition of the new water treatment plant the City will recognize a sizeable increase in the "Payment In Lieu Of Taxes" (PILOT) from the Water Utility. The Water Utility pays this PILOT based on the assessed value, less depreciation, of all their taxable property. He said while increased revenue to the City is always our goal, in this case it's a double edged sword. The City increases its revenue, but the Water Utility has to increase their rates enough to cover this additional expense. The Council has the authority to reduce the PILOT amount if they deem it to be in the best overall benefit to City residents and businesses. The PSC is currently working on our rate case and they have inquired about the City's intent, as far as the PILOT payment from the Water Utility to the City. It is an item that they will have to factor into the rate case, one way or the other based the Council's decision. The resolution sets the PILOT at a maximum of \$500,000, which is a slight increase in revenue to the City, while reducing the overall expenses for the Water Utility to factor into their rate case. ***Motion (McClory/Lechner) to approve the resolution cap and cap it at \$500,000.*** Administrator Tapson said it should be revisited in five years as the number can fluctuate. City Attorney Phillips said it isn't addressed in the resolution. ***Motion amended (McClory/Lechner) to include a review of the resolution with staff at no less than three years. Roll call vote: Bensaid, yes; McClory, yes; Lechner, yes; Rehberg, yes; Kluck, yes; Myrin, yes, Chapman Advisory Vote: yes. Motion carried.***

### **2017 Street Repairs Recommendation from City Engineer**

City Engineer Feucht provided a list of street repairs that he and the DPW Manager identified. The list included streets for crack sealing and wedge mill and overlaying. Administrator Tapson said bids for S. Jackson came in much lower than anticipated and the balance of the amount the Council had approved can be used towards street repairs as rates aren't going to go lower. Alderman Rehberg looked at the street projects and felt two streets were missing; about 300' on Westlawn and Hazel Ridge between the City and Sugar Creek. Mayor Reynolds agreed that Westlawn needed work done and the City was already discussing Hazel Ridge with Sugar Creek. Funds for Hazel Ridge are available already. Engineer Feucht said Westlawn needs more than mill and overlay as it has a subbase failure, and he can provide the estimate to repair. He also mentioned that doing projects of similar scope can result in better prices to the City. Administrator Tapson suggested removing Proctor to do Westlawn; Alderman Rehberg agreed. Alderman Bensaid asked if Spencer Lane should be added. Engineer Feucht can get pricing for it. Administrator Tapson suggested the discussion go back to MSU and a Street Program be created to address future street

work. The program would maximize effectiveness of dollars spent. Alderman Myrin asked how the contractor did on the streets last year; DPW Manager Kolb said they did a good job. **Motion (Rehberg/Myrin) the 1.2 million that was allocated to be spent on S. Jackson St. reconstruction have the remaining funds be spent on street projects. Roll call vote: Bensaid, yes; McClory, yes; Lechner, yes; Rehberg, yes; Kluck, yes; Myrin, yes, Chapman Advisory Vote: yes. Motion carried.**

**ADJOURN TO CLOSED SESSION**

**Motion (Kluck/McClory) to adjourn to closed session pursuant to Wisconsin Statute 19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session" regarding Business Development Project: Letter of Intent and Building/Zoning Services Contract. Voice vote, all approved, motion carried.** Adjourned to closed session at 6:18 p.m.

Cairie L. Virrueta  
City Clerk