

CITY OF ELKHORN
Finance & Judicial Committee
(Aldermen Howie Reynolds, Chair; Julie Taylor; Scott McClory)

Lower Conference Room, 9 S. Broad Street, Elkhorn, Wisconsin

December 10, 2007

Chairman Howie Reynolds called the Finance and Judicial Committee to order at 5:00 p.m. followed by roll call.

ROLL CALL

Present: Aldermen Howie Reynolds, Scott McClory, Julie Taylor

Also present: City Administrator Sam Tapson, City Clerk Nancy Jacobson, Electric Utility Director Art Schmitz

Others present: Lynda R, Templen, Whyte Hirschboeck Dudek S.C.; John F. Stewart, Vice President, Custom Service Plastics, Inc. Bill Korsi, Willow Run; Brian Schuk, Wassel, Haver & Schuk; Vernon Beddome, Willow Run\

INTENT TO OBTAIN A MUNICIPAL INDUSTRIAL REVENUE BOND/CUSTOM SERVICE PLASTICS, INC.

Motion (Reynolds/Taylor) to recommend to Council the consideration and adoption of an Initial Resolution Regarding Industrial Development Revenue Bond Financing for Custom Service Plastics, Inc. Motion carried by the majority present.

In discussion, Attorney Templen told Committee that the bond is not an obligation of the City nor does it make the City liable. It allows the manufacturer to borrow at a lower rate. Vice President of Custom Service Plastics, Inc, John F. Stewart, gave a brief overview of the project. The company is considering a lease with the intent to buy of property located at 900 Koopman Lane. The manufacturing business would involve 60 to 90 jobs from the local community. The pay ranges from \$12.75 to \$28.50.

WILLOW RUN WATER AGREEMENT

Motion (Reynolds/McClory) to forward to Council without recommendation the agreement with Willow Run to allow for a water service extension. Motion carried by the majority present.

In discussion, City Administrator Tapson said the agreement requires the City to hold all contracts and the City's responsibility do not go beyond the connection. Tapson requested that language concerning the surcharge be added to the contract. Committee was in agreement. Attorney Schuk was asked to include the surcharge language in the agreement prior to presentation to Council for action. Schuk was asked by Committee if the residents are aware of the quality of water in the start up phase has a potential of sediment becoming loose. Bill Korsi said the board is aware and residents will be notified of possible changes to the quality of water in the first phase. Korsi said the Willow Run Association has the money to do the project without the need to borrow. Attorney Schuk said that the Association Board is specifically ordered to maintain the quality of water at all times and can special assess. Willow Run will be issuing a Letter of Credit to the City. He asked if Committee would accept as percentage up front and allow the Association to issue the Letter of Credit when the City accepts the bid for the project. Consensus was that his request is allowable.

Tapson said that there is a monetary savings in the time and manpower it takes to conduct main/hydrant flushing in that area. It is required at this time and would be eliminated due to the extension to Willow Run. Willow Run will pay impact fees totaling \$140,000. He added that the extension would set a precedent and a change in public policy.

RATE CASE PAYOFF

Motion (Reynolds/Taylor) to recommend to Council that the City continue with the Alliant Rate Case until its conclusion and approve the fourth assessment in the Alliant Filing of \$7,581.84. Motion carried by the majority present.

In discussion, Utility Director Schmitz said the out-of-pocket costs to fight the rate case exceeded \$15,000. He said once it is concluded City residents may receive a \$1,000,000 refund. Tapson said the City is almost obliged to follow through with it. However, he suggested that once the case is concluded the City should look at whether to stay with the group.

SEWER FREEZE

Motion (McClory/Reynolds) to maintain the policy that customers who water extensively outside of the summer discounts months must pay the normal rates. Motion carried by the majority present.

POLICE DEPARTMENT DESIGN SERVICES AGREEMENT/ZIMMERMAN

Motion (Reynolds/Taylor) to recommend to Council approval of the Police Department Design Services Agreement with Zimmerman Architectural Studios, Inc. for \$14,750. Motion carried by the majority present.

The agreement is a memorandum of agreement that will provide a refined concept building design/site layout/budget in advance of moving into the design phase.

Nancy B. Jacobson
City Clerk