

CITY OF ELKHORN
Finance & Judicial Committee
First Floor Conference Room, 9 S. Broad Street, Elkhorn, Wisconsin
September 12, 2011

The Finance and Judicial Committee was called to order at 5:00 p.m. by Alderman Taylor, followed by roll call.

ROLL CALL

Present: Aldermen Julie Taylor, Kim DeHaan, Scott McClory

Also present: Administrator Sam Tapson, Finance Director Mary Hinske, City Attorney Ward Phillips, Park & Rec Director Jeff Simons, City Clerk Darlene Igl.

EHLERS ARBITRAGE CONTRACT

Finance Director Hinske stated that the proceeds from three significant debt issues in 2008 which were sold as tax-exempt were not spent in the time that was specified in the issuance agreements. The City now has an obligation to file arbitrage calculations with the Federal government to determine if the interest earned on the borrowed funds was greater than that which is legally allowed. A contract was received from Ehlers for arbitrage calculations and reporting obligations relating to the three 2008 debt issues for a cost which would be capped at \$7,000. Motion (McClory/DeHaan) to recommend approval of the contract with Ehlers related to arbitrage with a \$7,000 cap being added as an addendum to the contract. Motion carried.

AMENDMENT TO BUILDING/ZONING CONTRACT

A request had been received from the Building Inspector to amend the portion of the contract that addresses property maintenance code enforcement. The contract stated that the City would receive ten hours per month of non-permit generating activities including property maintenance code enforcement at no charge. However, due to the dramatic decline in fee-generating permit activities and an increase in the demand for code enforcement actions the Building Inspector requested that all hours related to property maintenance related enforcement be billed at the standard rate of \$50 per hour. Alderman McClory stated that he would be in favor of amending the contract to provide the City with five hours at no charge. After discussion, motion (DeHaan/Taylor) to recommend to Council that the Building Inspection contract be amended to state that non-permit generating activities, which include property maintenance code/general code enforcement shall be billed at the rate of \$50.00 per hour with a minimum one hour charge. McClory opposed. Motion carried.

TREE & STUMP REMOVAL BIDS

Park & Rec Director Simons stated that three bids had been received for tree and stump removal and recommended that the City accept the lowest bid of \$11,650 which was received from Arbor Images and made the necessary budget adjustment in the amount of \$3,325. Motion (McClory/DeHaan) to recommend to Council that the bid be awarded to Arbor Images in the amount of \$11,650 and that a budget adjustment in the amount of \$3,325 be made. Motion carried.

2011 MILL & OVERLAY BIDS

It was stated that two bids were received for the 2011 mill & overlay project. No action taken pending the bid tabulation from the City Engineer.

TID 2 SETTLEMENT

Administrator Tapson provided information from the final audit for the TID 2 closure and the distribution of funds. He recommended that the funds be applied for various designated purposes that will serve to protect the long term financial integrity of the City. The distribution will enable a tax levy reduction for debt service in 2012 and will protect General Fund expenditure at the anticipated threshold to qualify for the 2013 Expenditure Restraint Program. Motion (DeHaan/McClory) to recommend to Council to

authorize the payout of the surplus TID increment in 2011 and to distribute the funds as proposed. Motion carried.

COOPERATIVE PURCHASING

Administrator Tapson stated that staff had explored the option of joining a consortium of government agencies including Walworth County known as V.A.L.U.E. in an effort to reduce operating costs. A review of 6 months of purchase activity of office supplies indicates that the City would have saved approximately \$1,200. It was discussed whether this level of savings would outweigh the impact on local business if the City were to purchase through the consortium. After discussion, the Committee directed staff to contact the local business to request more competitive pricing.

ADJOURN INTO CLOSED SESSION

Motion (McClory/DeHaan) to adjourn into Closed Session per State Statute 19.85 (1)(g) by roll call vote "Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. Adjourned into Closed Session at 5:45 p.m.

RECONVENE IN OPEN SESSION

Motion (McClory/DeHaan) to reconvene in open session at 6:15 p.m.

ADJOURNMENT

Motion (McClory/Taylor) to adjourn at 6:15 p.m. Motion carried.

Darlene Igl
City Clerk