

Village of North Fond du Lac
OFFICIAL MINUTES - Meeting of January 4, 2010
COMMITTEE OF THE WHOLE

PRESENT: Keith King, Trustee
James Moore, Village President
Mike Streetar, Trustee
Mike Will, Trustee
Jim Scharf, Trustee

STAFF PRESENT:
Chuck Hornung, Administrator
Nick Leonard, Director of Engineering and Planning
William Lamb, Police Chief
Randy Stutz, Fire/EMS
Donna Richards, Village Clerk

OTHERS: John Lemke

Chairman: SCHARF

Meeting was called to order by Chairman Scharf at 6 PM.

A. ADMINISTRATIVE ITEMS.

1. Discuss Ordinance O-2010-01 AN ORDINANCE REVISING SECTIONS C and D of the COMPREHENSIVE PLAN OF THE VILLAGE OF NORTH FOND DU LAC (Second Reading).

Mr. Hornung introduced the topic and asked Peter Fetters, the Zoning Administrator to explain. Mr. Fetters explained that this Plan needed to be updated with the most recent census data, and a few minor changes, so that we are ready for the next census. As staff, Pete chose two sections to revise. This was approved at the Planning Commission with a Public Hearing, and also needs the hearing during tonight's Board meeting, and Board approval. Pete explained that he tries to do this a couple times a year, when possible, to keep the document reasonably up-to-date. Section D Housing and Section C Issues and Opportunities were updated, along with a few narrative changes with the tables to match the new data. Census data that will be released in the next couple of years will necessitate another update to this Plan, and it will be more comprehensive. No questions from the Board.
CONSENSUS to take it to the Board.

2. Discuss Ordinance O-2010-02 AN ORDINANCE REVISING SECTION 11.07(2) OF THE MUNICIPAL CODE REGARDING SEWER USER CHARGES FOR THE NORTH FOND DU LAC WASTEWATER UTILITY (Second Reading).

Nick Leonard explained that this budget change proposal is for a 10% increase, which could have been a 16% increase with the 2006 forecast, but we updated the forecast, and hope for even a smaller increase next year. The majority of the increase is due to the cost of the new wastewater treatment plant, which cost roughly \$64 million. Our share is roughly \$4.5 million, amounting to a payment of \$317,000 per year for the next 16 years. Questions: Mr. Will asked about the possible savings from wastewater if not having too much infiltration of rain into the sewer lines. Mr. Leonard said it is possible that we would have savings this year. Mr. Will asked if we could wait for that to relook at this increase. Mr. Leonard said this could be as much as \$50,000 in savings, but that would not happen until after the first quarter of the year. We are already behind now in getting this done. The savings is not much compared to the \$1.5 million budget. The true up from the City is calculated on a three or five year rolling average, so other years the cost may be higher than budgeted. The possible savings are a separate issue from the rate study's need based on debt service costs. We need to raise the rates to cover debt service for the new plant for the next 16 years. The rate study projects budgetary needs for the next five to ten years. Mr. King asked about the surplus reimbursement and how it is handled by the City. Any savings we see goes back into the utility budget to offset next year's costs, according to Mr. Leonard. The savings would likely go into the annual cash reserves, and then when we do another project, rather than borrowing for the whole thing, we use cash reserves to pay for a part of the project costs. We would get money back in April if there is a reimbursement. Mr. Will asked when we would know if it is a surplus. Due to quarterly billing, the audit takes place at the end of the time for payments to be completed for the end of the year 2009. The billing goes out in January, and then payments are due and paid in the next month or two. We then find out where we come out and hopefully are in the black for the year. Mr. Will expressed that the sewer portion, according to his comparison, makes us higher than many communities, some almost double in November of 2008 of some places. Mr. Leonard explained that due to the age of our system, it has been very leaky and old, and we had to spend quite a bit of money in the last few years on improvements to the system. Patching and replacement costs and debt to take care of it make the rates higher. We are also very susceptible to flooding, and we pay for treatment costs of that, as we are at a low elevation. Mr. Will said he understands that Fond du Lac is coming up to our rates at this time. Mr.

Streeter talked about the DNR requirements, and says we are a model. When do we see a benefit of that? Oshkosh, for example, has great water rates, but terrible streets. Mr. Leonard explained that he thinks we are not a model wastewater system, but we are a model in terms of being very aggressive in getting homeowners to pay for laterals when needed. Other communities call to ask us how to do this. Our system is not a tight system. The last time they did flow monitoring to understand infiltration, it was 16 to 1, which is very high. We have done improvements since then. The huge projects have been done just one street at a time. The south end is done with completion of Illinois Avenue. When you look at rates, our sanitary rates are probably a tad higher than other communities. Mr. Streeter asked about Michigan. Michigan is one of the oldest and largest sections of street still needing to be done, but there is Bechaud and smaller streets in the northwest area that are clay pipes. Other street work on smaller streets will involve replacing the pipes, sanitary and laterals, and patching. In sixteen years, \$317,000 a year will drop off of our expenses when the treatment plant is paid for.

CONSENSUS to take it to the Board.

3. Discuss the Winnebago Project.

Mr. Hornung talked about the forming of the TIF district, and the budget and projects projected for redevelopment, including downtown redevelopment, overpass, a high speed rail train station, and other projects. Along with this, we have the development potential for a large hotel, convention center and marina, and an interested developer. It has been a couple of years since this project initiated, and as the developer is still interested in doing his project, we want to continue to explore the possibility and viability.

Melissa Hunt spoke, to say there is a feasibility study for the project on Lake Winnebago, done by the developer. Normally, you have a project in mind for a feasibility study before it is done. This study looks at four things: (1.) area in general (hotel, convention center, room rates, what you are able to sustain in the market and comparable projects throughout the nation, the region, and statewide), (2.) the numbers the developer wishes to reach from a return on investment standpoint and financing from the developer's side, not from the Village or bank's side; (3.) what is available in the area, TIF, incentive, financing, federal, state or local/municipal dollars and (4.) work with the Village to see what might be available for financing for the project. The developer has compiled all these numbers to this point. Things may have changed over the last two years. She has asked the developer to look at what it would cost to revisit his numbers. Melissa does not have this information at this time. What would it cost us to look at a new market study? If the Village wants to look at a market study, likely \$25,000 plus expenses for consultant's travel and meeting time, and then another \$15,000 to put the whole process together, plus expenses. Probably \$40,000 plus consultant's fees of \$150 to \$400 an hour, according to Ms. Hunt. Developer hopes to have numbers back to redo the existing study in the next week and a half.

Questions: Mr. Hornung said the questions raised are how have trends changed, and is this money well spent. Mr. Will asked about whether the information would be available to the Village. Ms. Hunt said some information would be proprietary, and would have to be protected. Mr. Will asked if the Convention Center would still be owned by the Village. He said he understood that normally this is the case, that the public entity owns the convention center. Study would be a cooperative effort, according to Ms. Hunt. She feels that likely the guideline which included the Village owning the Convention Center would likely remain the same, but she is not sure. Would be a cooperative effort with the developer, using TIF. She is sure there is room for discussion. Mr. Hornung explained that if we did the feasibility study, we would have access to it. Ms. Hunt clarified that we had never gotten to the point where the information had been released, and now it is not current. Should we work through it on our own, or should the developer do that is the question. Need to understand all the pieces. Jim Moore asked if this is the least amount of money needed to spend to get the information we need. She feels they are being conservative on the high end. Ms. Hunt has asked for two sets of numbers at this time. Did not want to go back to people they have used before. The one set of numbers they have come from the people who also do the auditing for the Village. Mr. Hornung says we want to weigh using existing firm vs. whether we want a fresh, new study. If the review to update the existing study's cost is significantly lower, it would help to know that.

Mr. Scharf says he would like a new and different study, as the costs of construction could change, with people underbidding each other. Mr. Streetar asked if we need to act tonight. No. Can we get more numbers involved, i.e. more bids on the fees? It would behoove us to go in this direction, so that we can have the information available to us. He'd like to table it tonight, and we should get more numbers. Mr. King would like to see a couple other sets of numbers, and see what is out there. Mr. Moore asked if it comes from the TIF. The answer is yes. Ms. Melissa Hunt said that there are additional fees on top, from other professionals, if there is a redesign, or if it is rebid. If the whole plan changes, i.e. different number of rooms or new design, the second piece, not the market study, would take a look at that along with the bidding. Additional fees would be involved along with the feasibility study. Mr. Scharf said he thought there are two studies, one on income, and one on costs for the project. Mr. Will said he is not against expansion, but feels the Village should not own the Convention Center. Ms. Hunt reiterated that, if the developer decides not to move forward based on information which makes the project not viable, he would likely be the first to pull the plug.

B. CITIZENS TO BE HEARD.

Janet Rymer, 320 Wisconsin Avenue, NFDL. A neighbor has asked us about the water quality, taste or smell. He was told there was a mistake made, and that it will dissipate over time. She is feeling that it is still bad and thinks citizens should be notified. Mr. Scharf says that in different ends of the Village the water is different. In the next Villager coming out in the next couple of weeks, there will be an article explaining the water situation in the next Villager.

Future Possible Agenda Items can be discussed under Unfinished Business and New Business. No action will be taken at this meeting on discussions under the next two items, and discussion should be greatly limited until placed on the agenda:

C. UNFINISHED BUSINESS.

D. NEW BUSINESS.

Mr. Streetar wanted to share information on the Library with the group, and provided a handout to the Board members. Says the library is doing great. Mr. Streetar asked if we still issue keys to the Board members. Doesn't think it is necessary. Noticed street lights on Wisconsin and Harrison to the north are out. Mr. Streetar asked if we have programmable thermostats in the Village, and do we have a policy about the temperature to be kept at. Is it locked so people can't mess with it? Mr. Leonard said that they cannot be changed. Is there a policy for nighttime settings? Mr. Leonard said Darrin Parsons would know more about this. Air Tech maintains the HVAC and has a contract with us to work on the system for increased efficiency. Air Tech recently did work on the municipal building to make the system more efficient. Mr. Streetar was also concerned about where we (the Village) take care of sidewalks and salt them. Mr. Hornung said there is definitely a plan. Mr. Streetar said near the bridge, part is salted, but near the pool is not salted up to the school, and this is very slippery. Can't walk there. It's solid ice. Says we need to take care of this in front of the pool, up to the school. The bridge to the school is awful. Concerned about liability.

E. CLOSING OF MEETING at 6:44 PM.

Respectfully submitted,

Jim Scharf, Trustee