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FREDONIA VILLAGE BOARD MEETING MINUTES

Thursday, December 7th, 2023 at 7:00 PM

Fredonia Government Center - Board Room
242 Fredonia Avenue, Fredonia, Wisconsin

1. President Gehrke called the meeting to order at 7:00PM, followed by the Pledge of Allegiance.
2. Trustees Present: President Gehrke, Trustee Paape, Trustee Haas, Trustee Abegglen, Trustee Dohrwardt, Trustee Meyle
Trustees Absent: Trustee Bartz
Staff Present: Administrator Jenkins, Treasurer Depies, Clerk Johnson, Tadd Taves of Ehlers
Member of the Ozaukee County Press
3. **Public Comments:** No public comments were made.

7:05PM: Trustee Bartz arrived.

4. **Motion to Approve Minutes of November 16th, 2023 Village Board Meeting and General Fund, Water and Sewer Invoices** made by Trustee Abegglen.
Seconded by Trustee Meyle.
Passed by unanimous voice vote.
5. Report on Village Committees by:
 - a) **Plan Commission:** *President Gehrke reported on three public hearings for rezoning requests. The first two hearings dealt with nine total lots in the Village Green development that were incorrectly zoned when platted. The correction would rezone the lots from RS-1 to RS-2. There was no public comment on the first two hearings. Hillcrest also requested a change in one lot from RS-2 to RC-2 in order to build condos. A concerned resident asked that the Village not rezone that parcel. President Gehrke stated that ultimately, the Planning Commission recommends the Village Board approve all three rezoning requests.*
 - b) **Fredonia Government Center Commission:** *President Gehrke updated the Board on the recent FGCC meeting. Shared maintenance, the FGCC agreement, and the sign policy and room rental rules and regulations were reviewed. There was some concern regarding public use of the shared electronic sign. Staff were able to find the Rules and*

Regulations document in Town files that guided public use of the sign. The Commission agreed that the sign policy was appropriate, and no action was taken. Administrator Jenkins will be updating both the Agreement and the Rules and Regulations to reflect current practices and bring it to FGCC for edits and approval. Hall rental practices will remain the same for now. Rental checks will be accounted for by the Town and maintenance will be paid for from that account. Trustee Meyle asked if the FGCC discussed locating the splash pad at Fredonia Government Center instead of at the park. President Gehrke said that the Commission was seeking confirmation that the splash pad would not be located at Fredonia Government Center, as the space behind the building had always been meant for expansion.

6. Items for Discussion and/or Action

a) Motion to Approve Resolution 2023-O: A Resolution Appointing Election Inspectors for the 2024-2025 Election Cycle made by Trustee Dohrwardt.

Seconded by Trustee Abegglen.

Clerk Johnson stated that the current term for election workers is expiring, and the Board is obligated to appoint inspectors for a new term. She reached out to both dominant political parties for lists of appointments but received none. As a result, the resolution's list contains only unaffiliated inspectors. Two training opportunities are scheduled in late January and early February. She stated it was going to be a busy year and was excited to work with a great team. Trustee Paape asked if the inspectors were all village residents. Clerk Johnson responded that most of the inspectors reside in the village. She clarified that chief inspectors must reside in the Village and election inspectors must reside in the county.

Passed by unanimous voice vote.

b) Motion to Approve Director Paulus's and Operator Laabs's Attendance to Midwest Water and Wastewater Expo made by Trustee Paape.

Seconded by Trustee Bartz.

Passed by unanimous voice vote.

c) Motion to Approve Quarles and Brady Scope of Engagement as Bond Council for Debt Issuance made by Trustee Dohrwardt.

Seconded by Trustee Meyle.

Trustee Meyle asked for an overview. Todd Taves stated he was not from Quarles and Brady but was happy to answer questions. He said that the scope of engagement covers two services. First serving as bond council to issue a legal opinion and tax characterization of the bond as the Village goes out to bid and secondly to act as disclosure council. Trustee Dohrwardt stated the Village has used Quarles and Brady in the past.

Passed by unanimous voice vote.

Todd Taves introduced himself as the financial advisor for the Village. He went over the Presale Report exhibits and explained it would be beneficial to the Village to borrow for both the 2024 and 2025 capital improvement projects at one time. He said that a low interest rate and underwriting credits would be used in identifying the strongest bidder. He said that a bond could not be used to purchase equipment and that the Village would be applying for a State Trust Fund loan to cover those planned purchases. He showed when the bond payments would hit the debt levy and explained statutory limits in borrowing only 5% of the Village's assessed value. He touched on the fact that the Guy and O'Neil expansion did not get picked up by the DOR as taxable value in the year after expansion, so TID #3 did not collect tax increment when it should have. He explained how the DOR

makes corrections. He stated that his values are conservative and reviewed the amount of construction needed in the TID to cashflow bond payments in the future. Trustee Haas asked what the Village's current bond rating is. Mr. Taves answered that the Village was downgraded one notch and assigned a negative outlook last year due to spending down fund balances and a late bond payment. It was his opinion that the Village must go through the rating process again before going out to bid because not getting rated would raise red flags to potential bidders. Trustee Haas asked how much the downgrade cost the Village. Mr. Taves stated that in terms of points it was significant over a 20-year period. Trustee Haas asked for clarification on the value added to the TID before taxpayers shoulder the cost of this borrowing. Mr. Taves explained that if the lots under agreement are developed with values at the minimum amounts, there will not be enough tax increment to pay the debt service. There must be \$8.7 million in additional development by the 2028 construction season in order for the debt to be fully paid by the TID. Trustee Haas asked if the financing package completes the public infrastructure in the TID. Administrator Jenkins confirmed it did. Trustee Haas asked what recourse the Village had if they reach 2029 with no new development. Mr. Taves stated that refinancing could be an option, but Plan A is to market the land and find users. Trustee Dohrwardt asked if the numbers in the Presale Report reflect the most recent land purchase in the TID. Mr. Taves said it did. Trustee Dohrwardt said the Village had four years to defray the costs before passing the burden to taxpayers. Trustee Paape asked if the Village purchased insurance to remind staff to make the bond payments. Treasurer Depies responded that it was a reminder service, and they had. Trustee Dohrwardt asked if having retained the reminder service would help with the bond rating. Mr. Taves said it was a positive thing. Trustee Haas said that the Village was in a tricky spot but must put a road in to attract future development in the TID. He said five years would sneak up quickly. Trustee Dohrwardt stated that the Village had made commitments and was obligated to build the road. Trustee Abegglen asked if the developer's agreements had timelines for development. Administrator Jenkins referenced the Presale Report and pointed to 2025 for when most developers begin construction. He stated that the best-case scenario would see developers getting started in 2024. Mr. Taves mentioned that Ehler's numbers were very conservative, and their projections have property values going down. Trustee Dohrwardt asked if the projected values were conservative enough to not worry about the necessary \$8 million in development. Mr. Taves responded that the conservative projections were not the worst-case scenario. He stated another Badger Paperboard would be ideal. Administrator Jenkins pointed out the Village had been reserving the two larger lots to accommodate a large-scale business. Trustee Dohrwardt said that he had seen enough to be optimistic.

d) Motion to Approve Initial Resolution 2023-P Authorizing \$585,000 General Obligation Bonds for Street Improvement Projects made by Trustee Haas.

Seconded by Trustee Bartz.

Passed by unanimous roll call vote.

President Gehrke: Aye

Trustee Paape: Aye

Trustee Haas: Aye

Trustee Abegglen: Aye

Trustee Dohrwardt: Aye

Trustee Bartz: Aye

Trustee Meyle: Aye

e) Motion to Approve Initial Resolution 2023-Q Authorizing \$400,000 General Obligation Bonds for Sewerage Projects made by Trustee Abegglen.

Seconded by Trustee Haas.

Passed by unanimous roll call vote.

President Gehrke: Aye

Trustee Paape: Aye

Trustee Haas: Aye
Trustee Abegglen: Aye
Trustee Dohrwardt: Aye
Trustee Bartz: Aye
Trustee Meyle: Aye

f) Motion to Approve Initial Resolution 2023-R Authorizing \$445,000 General Obligation Bonds for Water System Projects made by Trustee Haas.

Seconded by Trustee Dohrwardt.
Passed by unanimous roll call vote.
President Gehrke: Aye
Trustee Paape: Aye
Trustee Haas: Aye
Trustee Abegglen: Aye
Trustee Dohrwardt: Aye
Trustee Bartz: Aye
Trustee Meyle: Aye

g) Motion to Approve Initial Resolution 2023-S Authorizing \$100,000 General Obligation Bonds for Parks and Public Grounds Projects made by Trustee Meyle.

Seconded by Trustee Abegglen.
Trustee Dohrwardt, Trustee Bartz and Trustee Haas voiced questions. Trustee Dohrwardt asked what this bond financed specifically. Administrator Jenkins stated it was for the Freedom Park bathrooms budgeted for in 2025. He stated they were borrowing now and there was time to discuss a more conservative number and bid out in 2025. President Gehrke stated this funding was not for the splash pad.
Passed by unanimous roll call vote.
President Gehrke: Aye
Trustee Paape: Aye
Trustee Haas: Aye
Trustee Abegglen: Aye
Trustee Dohrwardt: Aye
Trustee Bartz: Aye
Trustee Meyle: Aye

h) Motion to Approve Initial Resolution 2023-T Authorizing \$105,000 General Obligation Bonds for Fire Station Projects made by Trustee Bartz.

Seconded by Trustee Paape.
Passed by unanimous roll call vote.
President Gehrke: Aye
Trustee Paape: Aye
Trustee Haas: Aye
Trustee Abegglen: Aye
Trustee Dohrwardt: Aye
Trustee Bartz: Aye
Trustee Meyle: Aye

i) Motion to Approve Initial Resolution 2023-U Authorizing \$3,575,000 General Obligation Bonds for Community Development Projects in Tax Incremental District No. 3 made by Trustee Dohrwardt.
Seconded by Trustee Abegglen.

President Gehrke stated that this was an appropriate place to discuss a TID-related tax bill issue that arose this week. He explained that Village and NOSD staff discovered an error on tax bills that affected the Village's aggregate assessment ratio. Administrator Jenkins gave a summary explaining how levy information is entered into the county's reporting software to calculate the mill rate. He said that the County Treasurer flagged that the Village hadn't added the TID levy. Ehlers advised that the TID levy should be added. When the adjustment was made, Administrator Jenkins stated that the resulting mill rate was higher than expected. At that point, Josh McDaniels, Finance Director at NOSD, also found that the school district's mill rate was incorrect. After consulting with Ehlers and the County Treasurer's office to confirm the amounts entered by the jurisdictions were correct, the generated mill rate was still higher than expected. Staff were able to narrow the issue to a Department of Revenue reporting error in manufacturing assessment relating to the Guy and O'Neil expansion. The value of their expansion wasn't captured in the appropriate year. If it had been, the Village's taxes would have been slightly higher last year. Instead, now it seems like two years' worth of TID levy are being collected this year. Administrator Jenkins said what doesn't fit is that it seems like Guy and O'Neil is only paying for one year and the second year is being levied across the tax base. The Village will be issuing an omitted tax bill to Guy and O'Neil for the missed year. Additionally, Mr. McDaniels identified that the calculated aggregate assessment ratio seems to be incorrect. Administrator Jenkins said he has been in contact extensively with the DOR; that there is a mistake at the State level being investigated internally, and he is waiting to hear from them what, if any, remedy can be offered. Mr. Taves added that the inputs into Ascent are DOR and assessor certified levies, and they are not numbers that can be manipulated. He stated that he also identified the same issue as Mr. McDaniels concerning the aggregate assessment ratio, but that it didn't necessarily resolve any issues. He shared a spreadsheet that illustrated what tax levies should have been had the Guy and O'Neil expansion been captured in the appropriate year. Administrator Jenkins stated that he can't wrap his head around the fact that Guy and O'Neil will be paying the full value of their tax bill over the last two years, when including the omitted tax bill, but it seems the residents are already paying to make up for the missed year. Mr. Taves agreed that the DOR still needs to answer those questions, but that the tax bills are correct. President Gehrke expressed frustration that, after all the messaging regarding lower taxes this year, that the bills will not be as low as expected. Mr. Taves stated that the DOR may issue a correction and there are corrections in every municipality almost every year, but Fredonia's situation is amplified because the error is roughly 5% of the tax base. Trustee Haas asked why the error was not discovered in 2022. Administrator Jenkins responded that manufacturing is self-reporting and assessed by the state, not our local assessor. He reassured the board that the DOR will have answers early next week. Trustee Haas stated that this error made the Village look incompetent. Trustee Bartz agreed. President Gehrke asked if the overall tax bills were decreasing. Administrator Jenkins said that the bills decreased, but not as much as the Village anticipated. Trustee Bartz asked what can be done moving forward to catch these types of issues. Administrator Jenkins responded that they would be checking in more frequently with other jurisdictions to compare numbers, but at the end of the day, the Village relies on the numbers from the DOR. Mr. Taves added there is a very brief opportunity in August, after the equalized values are released but before they are finalized that the Village has the opportunity to appeal or ask questions. Trustee Haas expressed frustration that all of the work done in the Finance committee was to ensure that resident's Village portion of taxes would decrease. He said mistakes at the DOR "wouldn't fly". President Gehrke said this mistake affects all of us. Trustee Dohrwardt said that the Village was expecting a larger decrease over all jurisdictions. Administrator

Jenkins stated that a correction would be put in place for next year. Trustee Bartz stated a very clear explanation from the DOR is necessary.

Passed by 6-0 roll call vote, one abstention.

President Gehrke: Aye

Trustee Paape: Aye

Trustee Haas: Abstained

Trustee Abegglen: Aye

Trustee Dohrwardt: Aye

Trustee Bartz: Aye

Trustee Meyle: Aye

- j) **Motion to Approve Resolution 2023-V Providing for the Sale of Not to Exceed \$5,210,000 General Obligation Corporate Purpose Bonds, Series 2024A** made by Trustee Dohrwardt.

Seconded by Trustee Abegglen.

Passed by 6-0 roll call vote, one abstention.

President Gehrke: Aye

Trustee Paape: Aye

Trustee Haas: Abstained

Trustee Abegglen: Aye

Trustee Dohrwardt: Aye

Trustee Bartz: Aye

Trustee Meyle: Aye

- k) Rezoning Requests:

1. **Motion to Approve Zoning Change to Eight Lots in the Village Green Subdivision, Parcel Numbers 09-089-00680.00, 09-089-00670.00, 09-089-00660.00, 09-089-00650.00, 09-089-0000.008, 09-089-00640.00, 09-089-00630.00, and 09-089-00620.00 From RS-1 Single Family Residential to RS-2 Single Family Residential; Applicant: Hillcrest Fredonia, LLC; Agent: Same** made by Trustee Paape.

Seconded by Trustee Haas.

Passed by unanimous voice vote.

2. **Motion to Approve Zoning Change at Property Address 483 N. Milwaukee Street, Fredonia WI, 53021, Parcel Number 09-026-01015.00, From RS-1 Single Family Residential to RS-2 Single Family Residential; Applicant: Cameron and Leah Bopp; Agent: Same** made by Trustee Meyle.

Seconded by Trustee Dohrwardt.

Passed by unanimous voice vote.

3. **Motion to Approve Zoning Change to One Lot in the Village Green Subdivision, Parcel Number 09-089-00790.00, From RS-2 Single Family Residential to RC-2 Two Unit Condominium Residential District; Applicant: Hillcrest Fredonia, LLC; Agent: Same** made by Trustee Dohrwardt.

Seconded by Trustee Meyle.

Trustee Paape asked if the lots were sized properly. Trustee Dohrwardt stated they were. President Gehrke said the Board was only approving the zoning change tonight, not the building of condos.

Passed by unanimous voice vote.

7. **Correspondence:** *President Gehrke asked staff to reach out to the Mid-Moraine Municipal Association to request switching the date that Fredonia is hosting from January 24th to May 22nd. Trustee Paape mentioned the Christmas trees look great.*

8. **Items for Future Consideration by Village Board:** None

9. Motion to Adjourn made by Trustee Abegglen.
Seconded by Trustee Bartz.
Passed by unanimous voice vote.