

**Village of Elm Grove Committee of the Whole Meeting Minutes**

1. Committee of the Whole Call to Order

The meeting was called to order at 6:01PM.

Roll Call:

PRESIDENT PALMER

TRUSTEE KRESSIN

TRUSTEE DOMASZEK

TRUSTEE CORNELL

TRUSTEE HAAS

TRUSTEE MICHALSKI

TRUSTEE SAYAS – absent

DAVID DEANGELIS, VILLAGE MANAGER

MONICA HUGHES, FINANCE DIRECTOR

HECTOR DE LA MORA, VILLAGE ATTORNEY

TOM HARRIGAN, ZONING ADMINISTRATOR

MICHELLE LUEDTKE, VILLAGE CLERK

DAWN GUNDERSON SCHIEL, EHLERS SENIOR MUNICIPAL ADVISOR

President Palmer spoke about what happens at Committee of the Whole meetings. No action, discussion only. We do not have any public comment section for this meeting. Public Comments will be at a future meeting.

2. Review And Discussion On Possible Amendment To TIF2.

President Palmer referred to the packet and the two-page memo included.

Manager DeAngelis did an overview of the item. We currently have received \$500,000 in grant money. The original TIF2 was for the storm water project in the amount of \$13M - half funded by storm water utility and half by the TIF.

President Palmer included additional detail about the flooding in the 1990's prior to the project. He described the areas of the village that changed. The only part of the project that was not done but was recommended was the part of the creek that was underground in the village shopping center. The DNR wanted it daylighted at that time. We need to get the rest of this thing built. The underground tunnel is owned by the Sendik's. We are under requirement to do it. The DNR will not allow a fix when it fails.

Manager DeAngelis continued. He went over the grants and what they can be used for. We have applied for grants every year for the past 16 years. They have been working with MMSD and other entities to write the grants and pitch the grants. Good news – there are funding for these types of projects. The bad news is that the money is sent to the State. The State says where it goes. We have letters of recommendation from the DNR. We will also have some ARPA money.

President Palmer added what keeps us at a higher priority is that we are the last piece left in a long line of restoration. We have also been doing this since 2005. Recently, steel head salmon were stuck in the creek. This has not been seen in a long time.

Manager DeAngelis continued. We have talked with the Joint Review Board to amend this TIF and fund this project. We have the ability to extend it three additional years. The project is between \$4 and

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\$4.5M depending on land acquisition. The land owner for Martinizing is objecting to the 2nd assessment. The other property is the abandoned railroad corridor. The railroad is requiring us to buy the whole corridor. This is the last portion in the area. We would need an updated appraisal. We know roughly what that value is going to be. In order for us to stay on track – we need to be under construction in 2023-24. Looking at one year for land acquisition. We have the opportunity to extend this project three years. We asked down to put together an amendment for the TIF district and show how it would work.

Ms. Gunderson from Ehlers went over her presentation.

Domaszek asked why there is no calculation for the value added portion of the breakdown. Manager DeAngelis indicated we want it to be as conservative as possible. Keeping it at zero allows for market changes. Kressin indicated if you can get it covered with the increment that covers it. President Palmer reiterated this is a conservative number. Ms. Gunderson said if it increases in value you pay it off early or you may not need to the extension of time.

Finance Member Kender asked about the standing of the current TIF. If what was projected was where the project currently was. And if it was performing as it should. President Palmer and Trustee Domaszek indicated we are right on time. Finance Director Hughes added it did not meet the expectations but it will pay itself off.

Ms. Gunderson continued. She reviewed the historical data.

Manager DeAngelis and President Palmer reiterated that there is a difference between storm water utility and sewer utility.

Trustee Kressin asked for more than a 5% contingency based on the age of the original estimates. Manager DeAngelis and President Palmer agreed the numbers will need to be refreshed, but closer to when construction will begin to get the most accurate data.

Trustee Haas asked if benches and items were factored in. Manager DeAngelis and President Palmer confirmed they were not added. There is no final design yet. The major components are included. No design elements.

Attorney De La Mora asked about the window to extend the TIF. Manager DeAngelis indicated 2026.

Trustee Kressin asked about a land acquisition line. Manager DeAngelis indicated that we need to have the property appraised in order for it to be included. We still need to obtain easements to fill in existing creek. We don't anticipate paying for any of that. There are 5 easements for this project.

Manager DeAngelis continued asking the group for direction. Asking to amend the TIF2 to add daylighting. If we don't do it as part of the TIF, we will need to use tax dollars in some other way.

President Palmer finalized the discussion and asked for direction. Manager DeAngelis is to move forward with amending TIF information gathering.

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3. Review And Discussion On Possible Transportation Utility. To include pathway information.

President Palmer summarized the item. We have had an issue funding our roadwork. He spoke about the referendum option. The limited tax options. Other communities in the state have formed this transportation utility. This is an added line on your tax bill under the sewer bill. He added that paths are very expensive no matter where you are building them. We have tried to accommodate both road items and paths. We went to Ehlers and asked them to educate us about transportation utility plus and minuses. How would we do this? How much would we generate? We can't manage the capital needs of transportation on a five year capital budget. It needs to be a longer window. We can jump in and talk about the detail.

Manager DeAngelis indicated Ehlers did the evaluation and the study along with the full report that identifies means and methods as part of that the last committee of the whole – increasing the dollar amount to get more roads done. As part of that process, Finance Director Hughes came up with an idea as it relates. Currently our sewer is billed on the tax bill. We are the only community left that does it on the tax bill. The other communities that were on the same program have changed. Finance Director Hughes indicated we should put that on the utility fee. Take tax levy from sewer to transportation. Advantages include: separate transportation to carry money forward that we don't expend. We get the benefits counted towards transportations aids. It also takes away form of the potential conflict points about the creation of a transportation utility. It is a new construct. Challenges to methods along with legality questions. We all feel it is legal, but there are those who believe it is unethical.

Trustee Domaszek clarified that the Finance Director does not want a transportation utility. He clarified the funds would be taken out of the levy and placed as a transportation fund. Only for transportation needs. Manager DeAngelis confirmed.

President Palmer added that this would allow us to do long term planning. It is less funny money and trying to explain to residents. It is still us paying for our stuff. It is a question of how many roads you fix and how fast. Public works compiled a list of ten years' worth of repairs. The problem with that was the planning out that far. It was all arterials. None of the neighborhood streets. Some are in very bad shape. We asked public works to update the ten year plan and include neighborhood streets. We asked Reukert & Mielke to price out all of the pathways.

Manager DeAngelis added that this year we were able to do additional streets with what we saved on Highland Ave. This is the kind of flexibility we would get from the transportation fund.

Finance Director Hughes explained her excel sheet. With regards to the transportation utility – it became clear with such a high level of residential, there was no way to set a fee that was equitable to everyone. Finance Director Hughes went over her memo with her recommendation to utilize something other than a transportation utility.

President Palmer added information about MMSD and the history with Elm Grove. Finance Director Hughes continued.

Manager DeAngelis indicated this plan is already in the capital budget which will be reviewed at Friday's Capital Budget meeting. Two items still need to happen after this meeting. We still need to rerate the streets and the pathway conversation still needs to take place at the ad hoc committee.

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President Palmer indicated we need the pacer rating to tell how the streets are.

Manager DeAngelis and Finance Director Hughes were given the go ahead to stop researching the transportation utility and to put their efforts in the transportation fund instead. They dubbed it the "Monica Method".

4. Update On Mandel TIF Request Timing And Possible Scheduling Of Future Joint Committee Of The Whole/Finance Meeting.

Ms. Gunderson indicated the report should be available by next week Monday or Tuesday.

Manager DeAngelis indicated a poll would be sent out to find availability to meet on the report after it has been received.

5. Other Business – None.

6. Adjournment - There was no further business. The meeting adjourned at 7:43PM.

Minutes transcribed by: Michelle Luedtke

Minutes Approved on: 9/27/2021