



City of Verona

111 Lincoln Street
Verona, WI 53593-1520
COMMON COUNCIL

Monday – June 22, 2020 – 7:00 P.M.

www.ci.verona.wi.us

Due to the COVID-19 pandemic, the Verona Common Council will hold its meeting as a virtual meeting. The Common Council will not meet at City Hall, 111 Lincoln Street. Members of the Common Council and Staff will join the meeting by using Zoom Webinar, as described immediately below.

Members of the public can join the meeting using Zoom Webinar via a computer, tablet, or smartphone, or by calling into the meeting using phones, as described immediately below. Those requiring toll-free options are asked to contact City Hall for details prior to the meeting at adam.sayre@ci.verona.wi.us or 608-848-9941.

Join the meeting via computer, tablet, or smart phone:

<https://zoom.us/j/91600429877>

Webinar ID: 916 0042 9877

Join the meeting via phone by dialing:

312-626-6799

Webinar ID: 916 0042 9877

Watch live on the City's YouTube Channel: <https://www.youtube.com/user/VeronaWIMeetings>

The online meeting agenda and all support materials can be found at <https://www.ci.verona.wi.us/>. In addition to the public, all Council members and staff will also be participating remotely. Anyone with questions prior to the meeting may contact the City at (608) 848-9941 or adam.sayre@ci.verona.wi.us.

PUBLIC SPEAKING INSTRUCTIONS

- **WRITTEN COMMENTS:** You can send comments to the City Council on any matter, either on or not on the agenda, by emailing adam.sayre@ci.verona.wi.us or in writing to Common Council, 111 Lincoln Street., Verona, WI, 53593.
- For public comments, including comments during the public hearing, register and speak: Those wishing to speak during the virtual meeting **MUST** register by 7:00 PM in advance of the meeting

start time by emailing adam.sayre@ci.verona.wi.us or calling 608-848-9941. You will be given information on how your speaking opportunity will be coordinated.

1. Call to order
2. Roll Call
3. Public Comments
4. Approval of Minutes from the June 8, 2020 Common Council meeting.
5. Mayor's Business
6. Announcements
7. Administrator's Report
8. Engineer's Report
9. Committee Reports

A. Public Safety and Welfare Committee

- (1) Discussion and Possible Action Re: An application for a Class "B" Fermented Malt Beverages license from Hop Haus Brewing Company, 231 S. Main Street, Verona, WI 53593, Philipp Hoechst, Agent
- (2) Discussion and Possible Action Re: An application for a Combination Class "A" Fermented Malt Beverages and "Class A" Intoxicating Liquor license for Kwik Trip, Inc., d/b/a Kwik Trip #1075, 233 Wildcat Way, Verona, WI 53593, Juan Alfonso Primo, Agent
- (3) Discussion and Possible Action Re: An application for a Cigarette and Tobacco Products Retail License for Kwik Trip, Inc., d/b/a Kwik Trip #1075, 233 Wildcat Way, Verona, WI 53593
- (4) Discussion and Possible Action Re: A temporary premises description amendment for Tavern and Bar, LLC d/b/a Cahoots, 102 W. Railroad Street, Verona, WI 53593
- (5) Discussion and Possible Action Re: A temporary premises description amendment for LBO, Inc., d/b/a 5th Quarter, 161 Horizon Drive, #110, Verona, WI 53593

B. Finance Committee

- (1) Discussion and Possible Action Re: Acceptance of City 2019 Financial Statements – presentation by Baker Tilly
- (2) Discussion and Possible Action Re: Resolution No. R-20-021 Initial Resolution authorizing General Obligation Bonds in an amount not to exceed \$670,000 for street improvement projects
- (3) Discussion and Possible Action Re: Resolution No. R-20-022 Initial Resolution authorizing General Obligation Bonds in an amount not to exceed \$410,000 for parks and public grounds projects
- (4) Discussion and Possible Action Re: Resolution No. R-20-023 Initial Resolution authorizing General Obligation Bonds in an amount not to exceed \$4,600,000 for sewerage projects
- (5) Discussion and Possible Action Re: Resolution No. R-20-024 directing publication of Notice to Electors relating to bond issues
- (6) Discussion and Possible Action Re: Resolution No. R-20-025 providing for the sale of \$5,680,000 General Obligation Corporate Purpose Bonds, Series 2020A

C. Community Development Authority

- (1) Discussion and Possible Action Re: Resolution No. R-20-026 authorizing Staff to work with a developer on the redevelopment of the Sugar Creek/New Century School sites located at 420 Church Street

10. New Business

- A. Discussion and Possible Action Re: Resolution No. R-20-027 honoring the life of George Floyd with our actions
- B. Discussion and Possible Action Re: Collective Bargaining Agreement with Local 311 of the International Association of Professional Firefighters, AFL-CIO
The Common Council may convene in closed session as authorized by Section 19.85(1)(e) of the Wisconsin Statutes for the purpose of deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Common Council may reconvene in open session and take action on the closed session item.

11. Adjournment

Luke Diaz, Mayor

POSTED: Miller's Market
Verona City Hall
City Website @ www.ci.verona.wi.us

IF YOU NEED AN INTERPRETER, MATERIALS IN ALTERNATIVE FORMATS, OR OTHER ACCOMODATION TO ACCESS THE MEETING, PLEASE CONTACT THE CITY CLERK AT 845-6495 AT LEAST 48 HOURS PRECEDING THE MEETING. EVERY REASONABLE EFFORT WILL BE MADE TO ACCOMMODATE YOUR REQUEST.

CITY OF VERONA
MINUTES
COMMON COUNCIL
June 8, 2020
Verona City Hall

Due to the COVID-19 pandemic, the Verona Common Council held its meeting as a virtual meeting. The Common Council did not meet at City Hall, 111 Lincoln Street. Members of the Common Council and Staff joined the meeting by using Zoom Webinar. Members of the public were able to join the meeting using Zoom Webinar via a computer, tablet, or smartphone, or by calling into the meeting via phone.

1. Mayor Diaz called the meeting to order at 7:03 p.m.
2. Roll call: Alderpersons Kate Cronin, Charlotte Jerney, Chad Kemp, Katie Kohl, Christine Posey, Heather Reekie, Charlie Ryan and Evan Touchett were present. Also present: City Administrator Adam Sayre; City Engineer Carla Fischer; Police Chief Bernie Coughlin; Community Development Specialist Katherine Holt; and City Clerk Ellen Clark.
3. Public Comment:
 - Nat Long, 239 Ridge View Trail, Verona, spoke in support of the Black Lives Matter movement. She suggested several ways for the City Council, as well as Verona businesses and residents to show support for racial justice.
 - Jesse Charles, President of the Verona Area Historical Society, spoke regarding the New Century School. He asked that a deed restriction be placed on the building protecting it from demolition in the future, and that the building be placed on the National Register of Historic Places.
4. Approval of the minutes from the May 26, 2020 Common Council meeting. Motion by Touchett, seconded by Kohl, to approve the minutes of the May 26, 2020 Common Council meeting. Motion carried 8-0.
5. Mayor's Business:
 - A. Presentation by Chief Coughlin regarding City of Verona police data, procedures and accountability.

Diaz stated we were all shocked by what we saw in Minneapolis. He would like to believe it would never happen here, but he believes in transparency. He feels Chief Coughlin is doing a good job as Police Chief here in Verona.

Chief Coughlin presented the Dane County Chiefs of Police Association statement to the community in response to the George Floyd case and the many questions that have come about based on citizens' concerns. His personal response to the George Floyd incident was that it was troubling and difficult to watch.

Coughlin presented 2017 – 2019 statistics related to City of Verona Police Department's enforcement efforts. Data is categorized by ethnicity, race, sex, call origination, offenses charge, citations issued, victims, and top five cities in which people having contact with the police department reside. In cases in which an

individual is arrested for more than one offense, only the most serious charge is listed. Conversely, all traffic citations are listed. In 2017, far more calls originated from citizens than from officers. Of the top five home cities, the vast majority of those having contact with the police department are Verona, Madison and Fitchburg residents.

Kemp thanked Chief Coughlin and complimented him on the department's Staff and good leadership. He fully supports the police department. With respect to the data, it looks like the highest number of contacts between the police department and African American males is with those aged 17 to 19. He asked if that means most of those contacts take place at the high school.

Coughlin replied that does have something to do with the numbers. The department issued approximately 56-59 citations to high school students in 2016, and one of those incidents was reported by a police officer. Call origination is very important. Most of the police department's action is reactionary to a call from someone else. The majority of the department's interaction with black youth is related directly to the high school. The black population at the high school is at a higher percentage than that of the City of Verona.

Ryan thanked Nat Long for speaking, and encouraged more civic engagement. He thanked Chief Coughlin for being at tonight's meeting. He commented that the Madison Teacher's Union has requested removal of School Resource Officers (SROs) and replacing them with more counselors, social workers and mental health specialists. In addition, there are six security guards in Verona schools. He asked Coughlin what his feelings are about removing School Resource Officers from the schools.

Coughlin replied there have been some preliminary conversations with Administrator Sayre, and Mayor Diaz regarding this topic. In Verona, the position is titled Police School Liaison Officer (PSLO). He thinks removing the PSLO from the school would be a mistake; however, he respects that it is the school district's decision to make. The police department will provide the best service possible, whether or not a PSLO is assigned to the school. Without a PSLO in the school, the opportunity for any proactive or educational work is lost.

Ryan asked if the PSLO is a uniformed officer, and if they are armed while in school.

Coughlin replied the PSLO wears an abbreviated version of the police uniform. They do carry a firearm on their belts. Visibility of a PSLO at the school has been increased lately because of the increased violence in schools. If the shooter knows a police officer is there, there is less likelihood of violence. PSLOs are sworn police officers, with all of the responsibilities of any officer.

Ryan stated a number of communities are contemplating creating a Community Oversight Committee to review complaints toward police officers. He asked Coughlin for his thoughts about such a committee, and what the current process is for reviewing complaints toward officers.

Coughlin replied he is aware of the Community Oversight Committee movement. It is not new. He has concerns about a citizen appointed committee, as it is difficult to

determine the members' qualifications and motives. In Wisconsin, Police and Fire Commissions serve as Community Oversight Committees. The Commission handles officers that are performing below standard, those that are committing violations of the law, and those that need to be removed from their positions. Each Commissioner is appointed to a 5-year term, reducing potential bias associated with any particular elected official. In addition, Commissioners are citizens of the community in which they serve, giving them a vested interest in the outcome of their decisions. There is also a citizen complaint process in place.

Ryan stated we all have an inherent bias, and asked Coughlin what training is provided to the police force to avoid issues of inherent bias.

Coughlin replied the department already provides a fair amount of that training, and will continue to do so. However, there is always room for improvement, and he is always looking for additional training, and is hoping for the support to continue to provide more.

Ryan asked if this training is something that is provided annually, or just once.

Coughlin stated in July 2018 call origination was no longer able to be tracked because the department began using computer aided dispatch. The only way to track origination is to go into every call file and extract it. As a result, the call origination numbers began to move from citizen originated to officer initiated. Most often, a victim, teacher, or witness originates the call for help.

Coughlin explained the department's training process. The State of Wisconsin requires each officer to complete a minimum of 25 hours of recertification training annually. The City of Verona is one of five agencies in a training consortium through which this training is completed each year. Officers involved in the consortium receive a minimum of 40 hours of training per officer per year, most of which is mandatory training. De-escalation is almost always an option for training, and is incorporated in a vast majority of their in-services. In addition, each officer receives approximately 40 hours of specialized training per year. Workshops and conferences are also offered to officers throughout the year.

Diaz declared a 5 minute recess of the Common Council at 7:55 p.m.

The Common Council reconvened at 8:02 p.m.

Coughlin explained the Defense and Arrest Tactics (DAAT) System. The system is backed by two concepts: incident response and disturbance resolution. It is designed to handle every scenario that law enforcement encounters. This training is the basis of the department's defense and arrest tactics training.

Coughlin presented the Verona Police Department's Mission, Statement of Values, and Police Officer's Oath of Honor. His vision is policing in partnership with the community. He also explained the Eight Can't Wait Campaign. The eight recommendations of the campaign are: ban choke holds and strangle holds; require de-escalation; require warning before shooting; exhaust all alternatives before shooting; duty to intervene; ban shooting at moving vehicles; establish use of force continuum; and require all force to be reported. The Verona Police Department supports and conforms to all eight recommendations, as documented in the

department's Use of Force and Code of Conduct policies.

In summary, Coughlin presented a compilation of questions that were asked of him since the George Floyd incident, and the answers he provided.

Kemp stated it is good to see that the Verona Police Department focuses on training. He is interested in their support of community based policing. Departments that know the people in the community better serve the community and build trust.

Reekie thanked Chief Coughlin for his presentation. She asked what resources would be required to become accredited with the Eight Can't Wait Campaign.

Coughlin stated he and Mayor Diaz will be discussing the possibility of the department becoming accredited with the Eight Can't Wait Campaign. Verona Police Department policies are all Wisconsin Law Enforcement Accreditation Group compliant and certified. He estimates that one additional Staff member would be required to assist in policy development and standards of proof.

Diaz asked Coughlin for his opinion regarding the possibility of adding a mental health first responder to respond or aid police officers in calls related to mental health issues.

Coughlin replied mental illness, alcohol, and drugs amount to 80%-90% of their calls on a daily basis. Officers are trained in mental health issues and crisis intervention. In most cases, there is a combination of several reasons for the call or the crisis. He would prefer to see continued and improved training and seeing issues through to resolution in the end. It may also cause problems to label specific calls as mental health calls. It may be better for many resources to come together to help provide the best service possible.

Diaz stated the rules in Minneapolis were in place, but were not being followed. Accountability starts with the Police Chief. Coughlin holds his Staff accountable.

Coughlin thanked the Council members for their support.

6. Announcements:

- Kohl thanked Nat Long for speaking, and thanked citizens for contacting their Alderpersons regarding the Sugar Creek development.
- A Verona March for Racial Justice is scheduled from 5:30 – 7:30 p.m. on Wednesday, June 17th. The march will begin at Veteran's Park, proceed on Verona Avenue and Main Street, and return to Veteran's Park. The common desire is to include Verona voices in the current protests in support of Black Lives Matter and racial justice. Several speakers will also be involved at the Veteran's Park gathering place.

7. Administrator's Report:

- The City is interested and willing to work with restaurants and drinking establishments during the COVID-19 pandemic to allow or expand outdoor seating. Outdoor seating areas will still require fencing and limitations on hours of operations. Any amendment will require review by the Public Safety Committee and approval by the Common Council.
- On Monday, June 8th, Waste Management will resume normal curbside bulk waste collection. Bulk collections were temporarily suspended due to COVID-19. The

temporary green dumpsters located at Public Works will be removed on Friday, June 12th. Public Works will no longer accept bulk waste after the dumpsters are removed. Fee items, such as electronics or tires, are still not accepted as the Public Works offices remain closed to the public.

- Due to the elections, the August 10th Council meeting will be changed to August 12th. Please mark your calendars accordingly.

8. Engineer's Report:

- Well 6 Pumping Station Construction: The contractor is coordinating switchover from temporary to permanent electric power and installation of natural gas. Sidewalk is planned for this week and asphalt paving by late June. Startup of the well is now expected in late June to mid-July.
- Verona Area High School Construction Traffic Improvements: Outside lanes on W. Verona Avenue are closed while electrical and finishing items are completed. Asphalt paving is taking place the week of June 8th on West End Circle and North Nine Mound Road. Work is continuing on the side roads, and is planned to be completed in the next month or two. Closure of Military Ridge State Trail is complete.
- Liberty Park Phase 4 Construction
The gas main along Liberty Drive and Ambition Street was installed on June 3rd. Grading for the curb and sidewalk on the south side of Whalen Road is in progress.
- Fireman's Park Construction
The Bruce Street Basin has been seeded and erosion mat has been placed. Concrete and asphalt warranty repairs are in progress.
- 2020 Asphalt Rehabilitation Project
The asphaltic surface on Northern Lights Road between Epic Staff Park A and Park B will be replaced the weekend of June 19th. If rain is forecasted, the project will be pushed to the following weekend. Northern Lights Road will be closed from Breckenridge Road to Nine Mound Road during paving.
- 2020 Chip Seal Project
This project consists of chip sealing streets in the Westridge Estates, Thompson Heights and Cross Country Heights subdivisions. Depending on weather, the start date is planned for June 9th, with work lasting only a few days.

9. Committee Reports

A. Public Safety and Welfare Committee

- (1) Discussion and Possible Action Re: An application for a combination Reserve "Class B" Intoxicating Liquor and Class "B" Fermented Malt Beverages license from Mr. Brews Taphouse Verona, LLC, d/b/a Mr. Brews Taphouse, 611 Hometown Circle, Suite 104, Verona, WI 53593, Ryan Swanson, Agent. Motion by Reekie, seconded by Kohl, to approve a combination Reserve "Class B" Intoxicating Liquor and Class "B" Fermented Malt Beverages license for Mr. Brews Taphouse Verona, LLC, d/b/a Mr. Brews Taphouse, 611 Hometown Circle, Suite 104, Verona, WI 53593, Ryan Swanson, Agent. Mr. Brews Taphouse, LLC currently carries Class "B" Fermented Malt Beverage and Class "C" Wine licenses. If this application is approved, the Class "C" Wine license will be

replaced by a “Class B” Intoxicating Liquor license, which will allow for the service of any intoxicating liquor, versus wine only. The current licenses will be surrendered to the City before the new licenses will be issued. Motion carried 8-0.

(2) Discussion and Possible Action Re: A temporary premises description amendment for the liquor license of Toot & Kate’s LLC, d/b/a Toot & Kate’s Wine Bar, 109 S. Main Street, to include the front stoop area. Motion by Reekie, seconded by Cronin, to approve a temporary premises description amendment for the liquor license of Toot & Kate’s d/b/a Toot & Kate’s Wine Bar, 109 S. Main Street, to include the front stoop area only, with four tables for seating, and restricted to 107 and 109 S. Main Street until October 1, 2020. Toot & Kate’s, LLC has applied for a temporary premises description amendment to include the business’s front stoop area. This will allow them to serve more customers, while adhering to required social distancing guidelines. The original request was to include some seating on the sidewalk. The Committee chose not to allow seating on the sidewalk, but instead allowed an additional table on the stoop. Motion carried 8-0.

(3) Discussion and Possible Action Re: Approval of alcohol license applications for the 2020-2021 licensing period. Motion by Reekie, seconded by Kemp, to approve alcohol license applications for the 2020-2021 licensing period, as presented by the City Clerk, contingent upon completion of building and fire inspections, and with the exception of n+1 Coffee and Beer Bar, 507 Bruce Street. Thirty-two applications for 2020-2021 retail alcohol license renewals were received by the City Clerk. Premises inspections by the building inspection and fire departments are ongoing, as they were delayed by COVID-19 restrictions. Approval of the applications will be contingent upon completion of building and fire inspections. A list of applicants is included in the Council packet. Of those, the following has an unpaid invoice from the City for Police Department special event services in 2019:

- n+1 Coffee and Beer Bar, 507 Bruce Street

The alcohol license application for this applicant cannot be approved until the delinquent invoice has been paid in full.

Motion by Reekie, seconded by Touchett, to amend the original motion to read as follows: Approve alcohol license applications for the 2020-2021 licensing period, as presented by the City Clerk, contingent upon completion of building and fire inspections, and with the exception of n+1 Coffee and Beer Bar, 507 Bruce Street. Motion carried 8-0.

Motion by Reekie, seconded by Jerney, to approve the alcohol license for n+1 Coffee and Beer Bar, 507 Bruce Street, contingent upon completion of building and fire inspections, and payment in full of unpaid invoices to the City. Motion carried 8-0.

(4) Discussion and Possible Action Re: Approval of cigarette and tobacco retail license applications for the 2020-2021 licensing period. Motion by Reekie,

seconded by Jerney, to approve cigarette and tobacco products retail license applications for the 2020-2021 licensing period as presented by the City Clerk. Eight applications for 2020-2021 cigarette and tobacco products retail licenses were received by the City Clerk. The list of applicants is included in the Council packet. Motion carried 8-0.

B. Community Development Authority

- (1) Discussion and Possible Action Re: Developer submissions for Sugar Creek Elementary School development project.

Sayre explained on May 18, 2020, the CDA interviewed four (4) of the six (6) RFP applications, which included Gorman and Company, Northpointe Avante, McKenzie Apartment Company, and Steve Brown Apartments. On June 2, 2020, the CDA reviewed the applications of the four (4) developers and asked various questions. At the end of the meeting, the CDA recommended that McKenzie Apartment Company and Steve Brown Apartments proposals are the CDA's top two proposals for the property. The developers are prepared tonight to give a five minute presentation regarding their proposals to the Common Council followed by questions and answers. Once a developer is selected, the selected proposals will still need to go through the development process, including but not limited to planning, rezoning, site plan review, and development agreements in addition to public hearings with the Plan Commission and Common Council. Ideally, the development review process will occur prior to the November closing on the property.

McKenzie Apartment Company

John McKenzie delivered the McKenzie Apartment Company presentation. McKenzie compared and contrasted the two proposals. He stated his company did not propose commercial mixed use space, as he thinks it is a risky proposition at this time, however if the City is interested in mixed use, they will do it. He proposed the alternative of detaching a portion of the northeast corner of the site and selling it to Steve Brown Apartments, allowing Steve Brown to develop a mixed use area, as was included in their original proposal for the site. The biggest difference between the two proposals is the inclusion of a community pool in the McKenzie proposal. In addition, McKenzie's TIF request is \$2 million, versus Steve Brown Apartment's request for \$9 million in TIF. His proposal for converting the New Century School into a skilled trades training facility will create a better use for that building that Brown's proposal of a children's museum. Both companies do a good job with housing.

Steve Brown Apartments

Dan Seeley, Joe Alexander, Brian Munson, Margaret Watson, Matt Meier, and Scott Watson delivered the Steve Brown Apartments presentation. Alexander stated their plan was built off Verona's aspirations for downtown. To address issue of TIF, they are conservative in their initial presentations, so they don't have to come back to their community partners later asking for a change in financing. Theirs is not really a TIF request; it is a financing gap to help provide infrastructure and 100 affordable housing units.

Munson stated their goal is to create a vibrant community destination. Their proposal includes all the elements of the RFP, and creates a significant tax base. Regarding the New Century School building, they are comfortable with the deed restriction, and are planning to place it on the National Historic Register. The use for the renovated building should be a public decision. A pool was not included their proposal due to the cost, permanent operating expense, large land impacts, and lost opportunities for other uses created by a community pool. The gap in financing is developed somehow.

Watson stated the Steve Brown team is the most flexible and committed team, and is passionate about this project.

Ryan asked both developers for a breakdown of the proposed number of 1, 2, and 3 bedroom units, as well as the proposed rents for both market-rate and affordable housing.

McKenzie replied at this time, they have no 3- bedroom units, but they would consider it if the City requests it. Their current rental rates are \$1,200 for 1- bedroom units and \$1,500 - \$1,700 for 2-bedroom units.

Seeley replied Steve Brown is contemplating 3-bedroom units. Meier stated the typical 1-bedroom market-rate units rent for approximately \$1,300. Affordable housing units rent for \$825-\$975 for 1-bedroom units, and \$990-\$1,175 for 2-bedroom units.

Kemp stated he likes the idea of trades training, but the New Century School building is a community building. He asked McKenzie if the building would also be open to other members of the community to use if it were used as a training facility,

McKenzie replied it is a school now, but if there is some adaptive use for the community, that is fine.

Kemp asked both developers if townhomes were considered as part of their proposals.

Meier replied for Steve Brown, stating that in terms of the affordable component, their product is similar to a townhome from the exterior, with garages facing an inner courtyard.

McKenzie replied he did not feel there was room for them on this site.

Kemp asked McKenzie if he would consider purchasing the piece of property now on the northeast corner of the site, now owned by Steve Brown, and convert it to retail. Conversely, he asked Steve Brown what their plans are for that corner of the site if they are not chosen for this project.

McKenzie replied he does not feel people will be shopping in the same way in the future. He doesn't think retail would be a prudent use of the property at this time

Watson replied for Steve Brown, stating there are a lot of people wanting commercial space in Verona. They see retail as an opportunity. Seeley stated they are developing for the long term. He is not sure a pool is a good investment at this time.

Touchett asked Brown how many properties they already own in Verona, and how many of those are developed.

Seeley replied for Steve Brown, stating they own the West End Apartments, the Market 5 project, and a couple smaller units on Main Street and Marietta Street. They own about 2,000 properties in the Dane County area. Market 5 is only ground-up property in Verona so far.

Touchett stated the City has an opportunity to create a working space that can bring people in and bring people together. He believes the City will be squandering the property if all of it is not used for the community. Fifty percent of these projects are residential. That seems like too much.

Munson replied for Steve Brown, stating they believe people will walk from the neighborhood to the retail units and the green space. In addition, their plan gives everyone reasons to come downtown, regardless of the season.

McKenzie stated his plan includes a park area with a bandstand, as well as an open space for farmers markets. An ice rink could be put there in the winter. For all of the various retail and commercial components to work, you need people living there, as well. Residences also generate tax revenue for the community, while community facilities do not.

Posey stated community feedback has been pretty much a 50/50 split regarding a pool. She asked McKenzie what alternatives he may have if it is decided that there will be no pool. She likes their concept for the school building, but is not sure that what is currently being proposed for a pool will meet the needs of the community.

McKenzie replied initial community response indicated that the community wanted a pool. If there came to be some alternate use, there would probably be a reduction of the TIF request or delivery of money to the City, because the cost of the project would be reduced.

Posey asked the Steve Brown team what they would shift to if the City asked for less retail space included in the project.

Seeley replied Steve Brown is proposing in the neighborhood of 10,000 square feet of retail space, which has an impact, but is not an albatross. It may be that the retail that is in Verona may be in the wrong form, versus there being too much retail. Watson stated they will be flexible and will work through the process transparently with the community. She agrees that density will help drive the downtown.

Posey asked what Steve Brown's retail rent will be.

Watson replied the market rate rent for retail in Verona is approximately \$18-\$22 per square foot. Properties closer to downtown will likely be slightly less to promote the right mix of retailers and activate the site as quickly as possible.

Posey asked about parking.

Seeley replied they are contemplating parking behind the retail off Marietta, as

well as street parking.

Posey asked both developers what their process is for raising rents as time goes on.

McKenzie replied they use an algorithm. Their rents usually go up a couple percent a year.

Meier replied for Steve Brown, stating the affordable housing rents are based on a percentage of the median income. Seeley stated their rent increases for market-rate units are typically inflationary and based on the market.

Jerney asked both developers how they determined the land acquisition cost.

Watson replied for Steve Brown, stating the proposal was no cost for the land acquisition, with the understanding that almost half the site would remain public, and would be contributed to the public at no cost.

McKenzie replied he valued the property at \$12,000 per market-rate unit, and \$6,000 per affordable unit.

Ryan stated his concern regarding the Steve Brown proposal is that we already have vacant retail and pockets of retail in the City; there is no contiguous downtown area. As it relates to McKenzie, this is not the proper location for a community pool or aquatic center. The two mandates he was given by the community were affordable housing and a vibrant, walkable downtown. He asked both developers how their proposals address those things.

McKenzie replied both proposals have affordable housing components. He believes this is a great central location for a pool that would be sufficient for city swim meets and appropriate for a city the size of Verona. Richard Arnesen added that Stonehouse does the nicest affordable housing in Dane County, and that it is virtually indistinguishable from market rate housing.

Watson replied for Steve Brown, stating creating this destination space may bring people into the city center. Munson stated retail has to be positioned correctly and be partnered with open space as a destination. They see this as an opportunity to be an anchor for the downtown. Meier added they have been doing affordable housing since the program started in 1986, and are some of the best in the country.

Diaz declared a 5 minute recess of the Common Council at 10:02 p.m.

The Common Council reconvened at 10:07 p.m.

Cronin stated her constituents are literally split down the middle regarding these proposals. She would like to combine the two proposals into one to make everyone happy. She has been a proponent of high density housing, but there has been some resistance to that in Verona. She does not think this is the right place for a pool; it is not big enough for what the City is looking for. She is very excited about the prospect of affordable housing in Verona.

Kemp thanked both development teams. He echoed Cronin's comments regarding taking elements from both proposals and combining them into one.

He believes the Council needs to take more time to reassess and look at these plans. He asked if the developers will still be able to meet those deadlines if the Council decides to table this tonight and vote on it at a later date.

Sayre replied he believes the timeline is the end of June. The potential is still there to be able to apply, but they may not hit the deadline for this year. At the end of the day, we want to make the right decision.

Ryan echoed Kemp's statements. He is not in favor of making a hasty decision. A pool downtown is not a good use of the space. He would like to see something that can be used more year-round. He is leaning toward the Brown proposal, though he would like to see the retail be in the form of nice restaurants and local small businesses. He is in favor of preserving the New Century School building and finding a good use for it. He agrees with Cronin and Kemp that it would be nice to combine the most desirable items from each proposal into one.

Reekie stated her constituents also supported both proposals equally. Over half that contacted her regarding the McKenzie proposal did so because of the pool included in that proposal. She believes Steve Brown has more potential for listening to the public, and willingness to change. She would like to vote tonight, so the developers can proceed with the project and submit required applications on time.

Touchett stated he is not in a position to pick one proposal or the other right now. This land is very valuable to the City of Verona, and he does not want to give up City space if at all possible. He is in favor of postponing a vote.

Jerney asked if the City can begin the deed restriction process now for the New Century School.

Sayre replied that will be part of the development agreement.

Posey stated she believes both proposals can be flexible. She does not think a six or eight lane lap pool is what the community wants. We need a facility that will meet the needs of everyone. She would like some more time to digest the financial side of these proposals.

Motion by Kemp, seconded by Touchett, to table this item to the June 22, 2020 Common Council meeting.

Diaz stated he prefers the Steve Brown proposal, as he is interested in establishing a walkable downtown district. Though he understands wanting to take some time to make a decision on these proposals, he believes it is useful to keep the process moving. There will be months of negotiation even after a developer is chosen, with a chance for more public input.

Ryan asked people to give input to their Alderpersons before the next meeting.

Motion carried 7-1, with Alder Cronin voting no.

10. New Business

- A. Discussion and Possible Action Re: Payment of bills. Motion by Kemp, seconded by Cronin, to pay the bills in the amount of \$99,007.61. Motion carried 8-0.

B. Discussion and Possible Action Re: Creation of a Sustainability Committee.

Sayre explained in April of 2019, the City adopted a sustainability resolution to help focus sustainability efforts in the City. While the City continues to direct sustainable efforts to be consistent with the adopted resolution, other communities in Dane County have sustainability committees or task forces and dedicated Staff to run these committees. Staff is requesting feedback and direction from the Council on the creation of a sustainability committee or task force. If directed to create a committee or task force, Staff will bring ideas to the Council at a future meeting.

Diaz stated it's better to fully integrate sustainability efforts into what the City is doing in general, however, he has consistently heard from members of the public that they are interested in being part of it.

Kohl stated it is important that these ideas permeate the other committees, but she would like to see a more focused effort. It would be good to create a committee that includes community members, as well.

Touchett asked how this committee would integrate with what we're doing now as a City. He agrees that citizen involvement is great, but would hate for the committee to be formed, just to have them spin their wheels.

Sayre replied several area communities have committees of various types and sizes, as well as a newly formed task force in Sun Prairie and a 501c3 group in Stoughton. Some of this is policy driven; some comes from more of a holistic planning standpoint. It depends on what the Council wants to make of this.

Ryan stated it is important that we use our voices to amplify the cause. He is in favor of this, and agrees that we do not need a large committee.

Touchett asked if we have anyone in mind for chairing this committee that already has a good deal of experience and interest in this area.

Diaz replied not as of this date.

Sayre stated we are still short staffed in the Planning Department and we have to be realistic on Staff workloads. Other communities have dedicated Staff for this sort of thing.

The Common Council took no action on this item.

C. Discussion and Possible Action Re: Lease agreement between the City of Verona and Redeemer Bible Fellowship Church.

Sayre explained the City and Redeemer Bible Fellowship Church signed an original lease in 2014. The Redeemer Bible Fellowship Church, located at 130 North Franklin Street, is proposing to create a third addendum to this lease extending their term until September 30, 2022. The two-year extension includes an increase in the lease rate from \$4,950 per month to \$5,000 per month. Staff recommends approval of the lease agreement between the City and Redeemer Bible Fellowship Church. Motion by Cronin, seconded by Kemp, to approve a lease agreement between the City of Verona and Redeemer Bible Fellowship Church. Motion carried 8-0.

D. Discussion and Possible Action Re: Ordinance No. 20-966 amending Title 7, Chapter 2

of the Code of Ordinances, City of Verona, concerning operator's licenses.

Clark explained the 2019 Wisconsin Act 166 allows a municipal governing body to delegate authority to issue operator's licenses to a designated municipal official, with no requirement for approval of the licenses by the governing body. This ordinance delegates that authority to the City Clerk or their designee. The Police Department will continue to conduct investigations of the applicants, and the Chief of Police will recommend approval or denial of the applications. Upon approval, the City Clerk or their designee will issue the operator's license. Motion by Reekie, seconded by Touchett, to approve Ordinance No. 20-966 amending Title 7, Chapter 2 of the Code of Ordinances, City of Verona, concerning operator's licenses. Motion carried 8-0.

- E. Discussion and Possible Action Re: Designation of alternate locations and extended hours for requesting and voting absentee ballots for the August 11, 2020 Partisan Primary and November 3, 2020 General Election.

Clark explained Council action is needed to designate alternate locations for requesting and voting absentee ballots. Staff is requesting approval from the Council to designate the Verona Public Library, 500 Silent Street, and the Senior Center, 108 Paoli Street, Verona, WI, as alternate absentee voting locations. Staff also requests informal approval of extended absentee voting hours. Because of possible ongoing COVID-19 restrictions, and unknowns surrounding the mailing of absentee ballot request forms to all eligible voters, no formal absentee voting schedule has been developed at this time. Motion by Touchett, seconded by Kohl, to approve alternate locations and extended hours for requesting and voting absentee ballots for the August 11, 2020 Partisan Primary and November 3, 2020 General Election. Motion carried 8-0.

- F. Discussion and Possible Action Re: George Floyd.

Diaz explained he has generally not cared for the City of Verona to weigh in on national or international incidents. However, because so many people have had something to say about this, he is concerned that not saying anything may make a statement, as well. He would like to hear the Council's thoughts.

Jerney mentioned the March for Racial Justice. She would support any statement in support of Black Lives Matter.

Ryan stated silence is complicit and unacceptable. We need to send a message to the people of color in Verona that we care about them. It is important that people know that their leaders care about them. He would like to see a resolution created for this.

Kohl agrees with Ryan regarding silence being complicit. Now is the time for Verona to stand up and say that Black Lives Matter. We have an obligation as leaders in this community to look at our policies and make them as anti-racist as possible. She believes the City needs to put out a statement and look at our policies

Cronin is in favor of the City of Verona issuing a statement that we stand in opposition of police brutality taking people's lives. The time to look away and not make statements is over. It is time to make a concrete statement that we want to make a safe community for everyone who lives in Verona.

Kemp stated he grew up in Verona and has always felt welcome here. This is a time for personal reflection. It is one thing to put out a statement, but he strongly encourages everyone to not only stand behind a political statement or phrase, but to think about what it is like to walk in someone else's shoes. He is in favor of any resolution.

Posey stated making the statement is an important thing, but we have to have some sort of follow-up, as well. We need to look at policies and have some teeth behind this. Ongoing efforts need to be made.

Reekie stated in trying to reduce and/or eliminate racism, we need some introspection. She would like to put financial resources into this; for example training all City Staff in anti-bias and offering other educational opportunities.

Touchett stated we face challenges of unintentional bias every day. He agrees with Alder Kemp that it is important to walk a day in someone else's shoes. He is in full support of a resolution or statement from the Council.

Motion by Ryan, to adopt a resolution stating that the City of Verona condemns excessive use of force towards primarily people of color, that we stand with our African American brothers and sisters and other people of color in our community, and welcome and support them here in Verona.

Sayre stated the Council can approve drafting the resolution tonight, and formalizing it at the next meeting.

Kohl doesn't feel it is appropriate to come up with something on the spot.

There was no second to the motion.

The consensus of the Council was to direct Staff to draft a resolution based on Alder Ryan's comments, which will be voted on by the Council in two weeks.

- G. Discussion and Possible Action Re: Approval of operator's licenses for the 2020-2021 and 2020-2022 licensing periods. Motion by Touchett, seconded by Kohl, to approve operator's licenses for the 2020 -2021 licensing periods. Motion carried 8-0.

11. Adjournment:

Motion by Cronin, seconded by Touchett, to adjourn at 11:16 p.m. Motion carried 8-0.

Ellen Clark
City Clerk

Administrator Report for June 22, 2020

Upcoming Meetings/Events

- Plan Commission – July 6th

COVID-19 Updates

As Dane County moves into Phase 2 of the Forward Dane Plan, Staff is making changes and adjustments to City buildings and facilities. Some of those changes include:

Library – The Library reopened to the public with limited services on June 15th. The public can pick up Library materials on hold, browse new books, and use computers, copiers, fax machines, printers, and WIFI. Curbside pickup is still being offered. Visitors are encouraged to wear masks. The current Library hours have been slightly reduced from the normal hours and are: Monday through Thursday 9-7PM, Friday 9-6PM, and Saturday 9-4PM.

City Hall – City Hall is targeting a July 6th reopening to the public with social distancing and protective plastic barriers.

Public Works – Public Works is planning a July 6th reopening to the public with social distancing and protective plastic barriers.

Senior Center – The Senior Center is anticipating a limited reopening in July with appointment based scheduling for services.

Splash pad/Fireman's Beach – Splash pad is planning a July 15th reopening with Fireman's Beach to reopen on July 20th. Staff will continue to monitor crowds and guidance from Dane County and make changes as necessary.

August Council Meeting

Due to the elections, the August 10th Council meeting will be changed to August 12th. Please mark your calendars accordingly.

2020 Census

The 2020 Census is underway. Wisconsin is second in the United States with a response rate of 68.5%. Minnesota is leading with 71% and Iowa and Michigan are behind Wisconsin with 67%. As of June 15, 2020, the City has an 81.8% response rate with 76.2% of the responses by the internet. In 2010, the City had an 87% response rate, which was only done by mail in questionnaires. As a reminder, the Census data that is collected will help determine funding allocations for the next ten (10) years.

CITY OF VERONA ENGINEER REPORT

for June 22, 2020

CONSTRUCTION PROJECTS

WELL 6 PUMPING STATION CONSTRUCTION

COVID protocols are still being followed by the contractor and subcontractors to minimize chances of more than one trade in the same area at the same time. Permanent electric power has been connected and the natural gas connection is currently being coordinated. The sidewalk has been poured. The flooring coating is planned for June 15-19. Generator exhaust piping, HVAC, and electrical items are anticipated to be completed June 22-27. The contractor plans to begin testing and pumping of the well, HVAC and electrical controls on June 24th. Asphalt paving, finish carpentry (cabinets, ceiling trims, caulking, door hardware, etc.), and well start-up are anticipated for late June to mid July.

VERONA AREA HIGH SCHOOL CONSTRUCTION – TRAFFIC IMPROVEMENTS

Work summary has been broken down by street as follows:

- W. Verona Avenue – Outside lanes are closed through the project area while electrical and finishing items are completed.
- West End Circle – Final asphalt paving is planned in the next couple of weeks. Traffic will be shifted to accommodate this work. After paving is complete, traffic will be placed in its final location and lane closures will occur to complete finishing items.
- Wildcat Way and Stewart Woods Road – Asphalt paving and finishing items are planned.
- North Nine Mound Road – Final paving is complete and finishing items remain.
- Side Roads (Paoli Street / Legion Street / Wall Street / Westridge Parkway) – Work is continuing and is planned to be completed within the next month or two.
- Military Ridge State Trail – Closure is complete and work along the trail is complete. Work on each side of the trail will still be occurring but should not impact trail use.
- Signals at Verona Ave / West End Circle and Verona Ave / Nine Mound – have the potential to be activated in the next couple of weeks but the date is TBD.

CTH M CONSTRUCTION

The Contractor's crews are addressing various punch list activities throughout the project limits.

CTH PD CONSTRUCTION – WOODS ROAD TO CTH M

During the week of June 22nd, the lower layer of asphalt paving is scheduled to be completed for the new westbound lanes. Traffic will then be split (placed on their appropriate side) and median lane closures will occur to begin the removal of the traffic crossovers at each end of the project. Then median work can begin in those locations, including excavation, crushed aggregate base course, concrete curb and gutter, and asphalt paving. Once median work is completed, traffic will be moved to the median lanes so that the remaining work along the outside lanes can be completed.

LIBERTY PARK PHASE 4 CONSTRUCTION

The excavation to subbase and placement of base course has been completed on the south side of Whalen. The electric utility lines are in progress as of June 17th. The curb pour is scheduled for the week of June 22nd.

FIREMAN'S PARK CONSTRUCTION

Maple Leaf Landscaping seeded & placed erosion mat on the Bruce Street Basin. Concrete and asphalt warranty repairs are in progress.

RAPID RECTANGULAR FLASHING BEACON PROJECT

The project will consist of the installation of RRFBs at four intersections within the City listed below:

- North Main Street and St. Andrews Church Driveway
- North Nine Mound Road and Edward Street
- South Nine Mound Road and Military Ridge State Trail
- Whalen Road and Military Ridge Drive

The project is anticipated to begin soon and be completed by August 14th.

2020 ASPHALT REHABILITATION PROJECT

The project will consist of replacing the asphaltic surface on Northern Lights Road between Epic Staff Park A and Epic Staff Park B. This work was originally planned to start on the night of Friday, June 19th and finishing paving on Saturday, June 20th, but due to the anticipated rain, it is now scheduled to start the night of Friday, June 26th and finish paving Saturday, June 27th. Northern Lights Road will be closed at that time from Breckenridge Road to Nine Mound Road during the weekend work.

2020 CHIP SEAL PROJECT

The project consists of chip sealing streets in the Westridge Estates, Thompson Heights, and Cross Country Heights Subdivisions. The chip sealing work by the contractor is completed and has been swept but continued sweeping will occur to clean everything up. This sweeping should last another week.

KETTLE CREEK NORTH PHASE 3

Esker Drive has had the binder layer of pavement placed, and the lots and terrace have been seeded. The project is virtually complete, except for a couple of punch list items.

MAJOR DESIGN PROJECTS

EAST SIDE INTERCEPTOR DESIGN

90% Construction plans are being submitted to City staff for review the week of June 22nd. Easement acquisition has commenced with property owners. Permits have been submitted to Wisconsin Department of Natural Resources and comments are being addressed by SEH. Coordination with Dane County and Ice Age Trail are continuing.

LINCOLN STREET STORMWATER FACILITY DESIGN

Final design is kicking off the week of June 22nd and will involve a combination of staff from Brown and Caldwell and AECOM to finalize the pond design and modeling, pond embankment (dam) design and permitting, and corresponding hydraulic and water quality modeling.

MEMORANDUM

To: Mayor and Council Members

From: Adam Sayre, City Administrator

Date: June 19, 2020

Re: Administrator's Memo – June 22, 2020 Common Council Meeting

Listed below is an explanation of items on the June 22, 2020 Common Council agenda:

PUBLIC SAFETY AND WELFARE COMMITTEE

- 1. Discussion and Possible Action Re: An application for a Class “B” Fermented Malt Beverages license from Hop Haus Brewing Company, LLC d/b/a Hop Haus Brewing Company, 231 S. Main Street, Verona, WI 53593, Philipp Hoechst, Agent.**

Hop Haus Brewing Company, LLC is requesting a Class “B” Fermented Malt Beverages license effective July 1, 2020. This license will be in addition to the Class “C” Wine license renewing on July 1. Hop Haus Brewing Company will once again be considered a brewpub, which requires the business to hold a Class “B” license. Nothing will change regarding hours or service.
- 2. Discussion and Possible Action Re: An application for a Combination Class “A” Fermented Malt Beverages and “Class A” Intoxicating Liquor license from Kwik Trip, Inc., d/b/a Kwik Trip #1075, 233 Wildcat Way, Verona, WI 53593, Juan Alfonso Primo, Agent.**

Approval of these licenses will allow the new Kwik Trip convenience store on Wildcat Way to sell alcohol. The license will be effective July 27th, with store opening scheduled for July 30th.
- 3. Discussion and Possible Action Re: An application for a Cigarette and Tobacco Products Retail License for Kwik Trip, Inc., d/b/a Kwik Trip #1075, 233 Wildcat Way, Verona, WI 53593.**

Approval of this license will allow the new Kwik Trip convenience store on Wildcat Way to sell tobacco products.
- 4. Discussion and Possible Action Re: A temporary premises description amendment for Tavern and Bar, LLC d/b/a Cahoots, 102 W. Railroad Street, Verona, WI 53593.**

Tavern and Bar, LLC has applied for a temporary premises description amendment to include a portion of the front parking lot. This will allow them to serve more customers, while adhering to required social distancing guidelines. The amendment will be effective through October 1, 2020.

5. Discussion and Possible Action Re: A temporary premises description amendment for LBO, Inc., d/b/a 5th Quarter, 161 Horizon Drive, #110, Verona, WI 53593.

LBO, Inc. has applied for a temporary premises description amendment to extend the existing patio into the front parking lot. This will allow them to serve an influx of customers expected during their annual golf tournament. The request is for July 1st – July 20th.

COMMUNITY DEVELOPMENT AUTHORITY

1. Discussion and Possible Action Re: Resolution No. R-20-026 authorizing Staff to work with a developer on the redevelopment of the Sugar Creek/New Century School sites located at 420 Church Street.

A detailed memo was included in the packet for this item.

NEW BUSINESS

A. Discussion and Possible Action Re: Resolution No. R-20-027 honoring the life of George Floyd with our actions.

At the June 8th Council meeting Staff was directed to draft a Resolution honoring the life of George Floyd. The proposed Resolution recognizes the City is a welcoming community, that the Council endorses peaceful unification opposing acts of violence against persons of color, and those of different ethnicity, religions, beliefs, or expressions. Further, the Resolution directs the Personnel Committee to review all internal employee and hiring policies to ensure the City has a diverse workforce that is reflective of our community.

B. Discussion and Possible Action Re: Collective Bargaining Agreement with Local 311 of the International Association of Professional Firefighters, AFL-CIO

City Staff has been negotiating with Local 311 of the International Association of Professional Firefighters, AFL-CIO, since November of 2019 on a new collective bargaining agreement. Staff is requesting a closed session with the Common Council to provide an update on the negotiations and to obtain feedback/direction from the Common Council.

Click mouse in 1 of the license period beginning field to begin and tab throughout. Use mouse to check appropriate boxes, spacebar or enter.

Save Print Clear

Original Alcohol Beverage Retail License Application

(Submit to municipal clerk.)

For the license period beginning: 7/1/2020 ending: 6/30/2021
(mm dd yyyy) (mm dd yyyy)

To the Governing Body of the: Town of } Verona
 Village of }
 City of }

County of Dane Aldermanic Dist. No. _____
(if required by ordinance)

Check one: Individual Limited Liability Company
 Partnership Corporation/Nonprofit Organization

Applicant's Wisconsin Seller's Permit Number 456-1028526614-02	
FEIN Number 47-1889590	
TYPE OF LICENSE REQUESTED	FEE
<input type="checkbox"/> Class A beer	\$
<input type="checkbox"/> Class B beer	\$ <u>100</u>
<input checked="" type="checkbox"/> Class C wine	\$ <u>100</u>
<input type="checkbox"/> Class A liquor	\$
<input type="checkbox"/> Class A liquor (cider only)	\$ N/A
<input type="checkbox"/> Class B liquor	\$
<input type="checkbox"/> Reserve Class B liquor	\$
<input type="checkbox"/> Class B (wine only) winery	\$
<input type="checkbox"/> Cigarette & Tobacco	
CIB fee	<u>14.00</u>
Publication fee	\$ <u>17.50</u>
TOTAL FEE	\$ <u>231.50</u>

Name (individual / partners give last name, first, middle; corporations / limited liability companies give registered name)
Hop Haus Brewing Company, LLC.

An "Auxiliary Questionnaire," Form AT-103, must be completed and attached to this application by each individual applicant, by each member of a partnership, and by each officer, director and agent of a corporation or nonprofit organization, and by each member/manager and agent of a limited liability company. List the full name and place of residence of each person.

President / Member Last Name Hoechst	(First) Philipp	(Middle Name) Simon	Home Address (Street, City or Post Office, & Zip Code) 1105 Tamarack Way, Verona, WI 53593
Vice President / Member Last Name Hoechst	(First) Sara	(Middle Name) Greene	Home Address (Street, City or Post Office, & Zip Code) 1105 Tamarack Way, Verona, WI 53593
Secretary / Member Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
Treasurer / Member Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
Agent Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
Directors / Managers Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)

1. Trade Name Hop Haus Brewing Company Business Phone Number 608-497-3165
 2. Address of Premises 231 S. Main Street, Verona Post Office & Zip Code 53593

3. Premises description: Describe building or buildings where alcohol beverages are to be sold and stored. The applicant must include all rooms including living quarters, if used, for the sales, service, consumption, and/or storage of alcohol beverages and records. (Alcohol beverages may be sold and stored only on the premises described.)
2400 sq foot total space. Seating/bar area approx 1200 square feet, outdoor patien 250 square feet
Beer is stored in out large walk-in cooler in the brewery. Beer that is currently being served is in th
walk-in cooler in the kitchen area.

4. Legal description (omit if street address is given above): _____

5. (a) Was this premises licensed for the sale of liquor or beer during the past license year? Yes No

(b) If yes, under what name was license issued? Hop Haus Brewing Company, LLC.

6. Is individual, partners or agent of corporation/limited liability company subject to completion of the responsible beverage server training course for this license period? **If yes, explain** Yes No
The agent (Philipp Hoechs) already completed this course.
-
7. Is the applicant an employe or agent of, or acting on behalf of anyone except the named applicant? Yes No
If yes, explain.
-
8. Does any other alcohol beverage retail licensee or wholesale permittee have any interest in or control of this business? **If yes, explain** Yes No
-
9. (a) **Corporate/limited liability company applicants only:** Insert state WI and date 4/2014 of registration.
- (b) Is applicant corporation/limited liability company a subsidiary of any other corporation or limited liability company? **If yes, explain** Yes No
-
- (c) Does the corporation, or any officer, director, stockholder or agent or limited liability company, or any member/manager or agent hold any interest in any other alcohol beverage license or permit in Wisconsin? Yes No
If yes, explain
Hop Haus Brewing Company is applying for a class B license with t
-
10. Does the applicant understand they must register as a Retail Beverage Alcohol Dealer with the federal government, Alcohol and Tobacco Tax and Trade Bureau (TTB) by filing (TTB form 5630.5d) before beginning business? [phone 1-877-882-3277] Yes No
11. Does the applicant understand they must hold a Wisconsin Seller's Permit? [phone (608) 266-2776] Yes No
12. Does the applicant understand that they must purchase alcohol beverages only from Wisconsin wholesalers, breweries and brewpubs? Yes No

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the signer. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000. Signer agrees to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted, will not be assigned to another. (Individual applicants, or one member of a partnership applicant must sign; one corporate officer, one member/manager of Limited Liability Companies must sign.) Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

Contact Person's Name (Last, First, M.I.) Hoechst, Philipp S.	Title/Member Owner/Member	Date 5/22/2020
Signature 	Phone Number 608-720-8858	Email Address phil@hophausbrewing.c

TO BE COMPLETED BY CLERK

Date received and filed with municipal clerk	Date reported to council / board	Date provisional license issued	Signature of Clerk / Deputy Clerk
Date license granted	Date license issued	License number issued	

SCHEDULE FOR APPOINTMENT OF AGENT BY CORPORATION/NONPROFIT ORGANIZATION OR LIMITED LIABILITY COMPANY

Submit to municipal clerk.

All corporations/organizations or limited liability companies applying for a license to sell fermented malt beverages and/or intoxicating liquor must appoint an agent. The following questions must be answered by the agent. The appointment must be signed by the officer(s) of the corporation/organization or members/managers of a limited liability company and the recommendation made by the proper local official.

To the governing body of: Town Village of Verona County of Dane
 City

The undersigned duly authorized officer(s)/members/managers of Hop Haus Brewing Company, LLC
(registered name of corporation/organization or limited liability company)

a corporation/organization or limited liability company making application for an alcohol beverage license for a premises known as Hop Haus Brewing Company

located at 231 S. Main Street, Verona, WI 53593
(trade name)

appoints Philipp S. Hoechst
(name of appointed agent)
1105 Tamarack Way, Verona, WI 53593
(home address of appointed agent)

to act for the corporation/organization/limited liability company with full authority and control of the premises and of all business relative to alcohol beverages conducted therein. Is applicant agent presently acting in that capacity or requesting approval for any corporation/organization/limited liability company having or applying for a beer and/or liquor license for any other location in Wisconsin?

Yes No If so, indicate the corporate name(s)/limited liability company(ies) and municipality(ies).

Is applicant agent subject to completion of the responsible beverage server training course? Yes No

How long immediately prior to making this application has the applicant agent resided continuously in Wisconsin? 7.5 years

Place of residence last year 1105 Tamarack Way, Verona, WI 53593

For: Hop Haus Brewing Company
(name of corporation/organization/limited liability company)

By: 
(signature of Officer/Member/Manager)

And: 
(signature of Officer/Member/Manager)

ACCEPTANCE BY AGENT

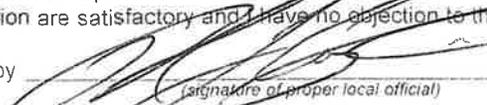
I, Philipp S. Hoechst, hereby accept this appointment as agent for the
(pnn/type agent's name)

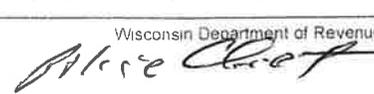
corporation/organization/limited liability company and assume full responsibility for the conduct of all business relative to alcohol beverages conducted on the premises for the corporation/organization/limited liability company.

 4/20/20 Agent's age 39
(signature of agent) (date)
1105 Tamarack Way, Verona, WI 53593 Date of birth 3/10/1981
(home address of agent)

**APPROVAL OF AGENT BY MUNICIPAL AUTHORITY
 (Clerk cannot sign on behalf of Municipal Official)**

I hereby certify that I have checked municipal and state criminal records. To the best of my knowledge, with the available information, the character, record and reputation are satisfactory and I have no objection to the agent appointed.

Approved on 04/27/20 by  Title Police Chief
(date) (signature of proper local official) (town chair village president, police chief)

AT-104 (R 4-09) 05/26/20  Wisconsin Department of Revenue


Auxiliary Questionnaire Alcohol Beverage License Application

Submit to municipal clerk.

RECEIVED
MAY 26 2020
VERONA POLICE DEPT.

Individual's Full Name <i>(please print)</i> <i>(last name)</i> Hoechst		<i>(first name)</i> Philipp		<i>(middle name)</i> Simon	
Home Address <i>(street/route)</i> 1105 Tamarack Way		Post Office	City Verona	State WI	Zip Code 53593
Home Phone Number 608-720-8858		Age 39	Date of Birth 3/10/1981	Place of Birth Madison, WI	

The *above named individual* provides the following information as a person who is *(check one)*:

- Applying for an alcohol beverage license as an **individual**.
- A member of a **partnership** which is making application for an alcohol beverage license.
- Member** of **Hop Haus Brewing Company, LLC.**
(Officer / Director / Member / Manager / Agent) (Name of Corporation, Limited Liability Company or Nonprofit Organization)

which is making application for an alcohol beverage license.

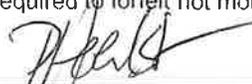
The *above named individual* provides the following information to the licensing authority:

- How long have you continuously resided in Wisconsin prior to this date? 7.5 yrs
- Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality? Yes No
 If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. *(If more room is needed, continue on reverse side of this form.)*
- Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality? Yes No
 If yes, describe status of charges pending.
- Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit? Yes No
 If yes, identify. Hop Haus Brewing Company, LLC. class C (Wine)
(Name, Location and Type of License/Permit)
- Do you hold and/or are you an officer, director, stockholder, agent or employe of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin? Yes No
 If yes, identify. Hop Haus Brewing Company, LLC 231 S. Main Street, Verona, WI
(Name of Wholesale Licensee or Permittee) (Address By City and County)

6. Named individual must list in chronological order last two employers.

Employer's Name	Employer's Address	Employed From	To
WI Dept of Correction	3099 E. Washington Ave, Mad	9/2012	3/2020
Concentra Health	829 Blake Street, Denver, C	1/2010	8/2012

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the undersigned states that each of the above questions has been truthfully answered to the best of the knowledge of the signer. The signer agrees that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000.


(Signature of Named Individual)

Auxiliary Questionnaire Alcohol Beverage License Application

Submit to municipal clerk.

RECEIVED

MAY 26 2020

VERONA POLICE DEPT.

Individual's Full Name (please print) (last name)		(first name)		(middle name)	
Hoechst		Sara		Greene	
Home Address (street/route)		Post Office	City	State	Zip Code
1105 Tamarack Way			Verona	WI	53593
Home Phone Number			Age	Date of Birth	Place of Birth
608-215-5130			39	12/8/1980	Madison, WI

The above named individual provides the following information as a person who is (check one):

- Applying for an alcohol beverage license as an **individual**.
- A member of a **partnership** which is making application for an alcohol beverage license.
- Member** of **Hop Haus Brewing Company, LLC.**
(Officer / Director / Member / Manager / Agent) of (Name of Corporation, Limited Liability Company or Nonprofit Organization)
- which is making application for an alcohol beverage license.

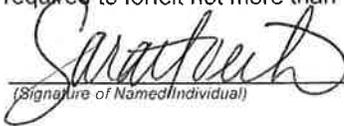
The above named individual provides the following information to the licensing authority:

- How long have you continuously resided in Wisconsin prior to this date? 7.5 yrs
- Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality? Yes No
 If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. (If more room is needed, continue on reverse side of this form.)
- Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality? Yes No
 If yes, describe status of charges pending.
- Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit? Yes No
 If yes, identify. Hop Haus Brewing Company, LLC. class C (Wine)
(Name, Location and Type of License/Permit)
- Do you hold and/or are you an officer, director, stockholder, agent or employe of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin? Yes No
 If yes, identify. Hop Haus Brewing Company, LLC 231 S. Main Street, Verona, WI
(Name of Wholesale Licensee or Permittee) (Address By City and County)

6. Named individual must list in chronological order last two employers.

Employer's Name	Employer's Address	Employed From	To
Tipsy Cow	102 Main St., Madison, WI	9/2012	11/2015
Employer's Name	Employer's Address	Employed From	To
Moody Insurance	8055 E. Tufts Ave, Denver,	2/2010	8/2012

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the undersigned states that each of the above questions has been truthfully answered to the best of the knowledge of the signer. The signer agrees that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000.


(Signature of Named Individual)

Application for Cigarette and Tobacco Products Retail License

Submit to municipal clerk.

MUNICIPAL USE ONLY

License Number
Period Covered
Date of Issuance

Applicant's Wisconsin 15-digit Sales Tax Account Number 456-0000287614-03
--

← This must be issued in the same Legal Name of the licensee below.

Legal Name (corporation, limited liability company, partnership or sole proprietorship) KWIK TRIP, INC.			Federal Employer Identification No. (FEIN) 39-1036365		
Trade or Business Name (if different than Legal Name) KWIK TRIP 1075			Telephone Number (608) 793-6262		
Business Address (License Location) 233 WILDCAT WAY		Business Located In <input checked="" type="checkbox"/> City <input type="checkbox"/> Village <input type="checkbox"/> Town		Business Telephone ()	
Municipality VERONA	State WI	Zip Code 53593	of: VERONA		County DANE
Mailing Address (if different than Business Address) PO BOX 2107			Municipality LA CROSSE	State WI	Zip Code 54602

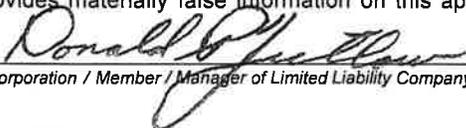
Organization (check one)

- Sole Proprietor
 Wisconsin Corporation – Enter date incorporated: 10/07/1964
 Partnership
 Out-of-State Corporation – Are you registered to do business in Wisconsin? Yes No
 Other (describe) _____

- Yes No 1. Does the applicant understand that they must purchase cigarettes and tobacco products only from distributors, jobbers, or subjobbers, who hold a permit with the Wisconsin Department of Revenue?
 Yes No 2. Does the applicant understand that they must obtain a Tobacco Products Distributor permit if purchasing untaxed tobacco products from an out-of-state company? (Tobacco Products Distributor permit is available from the Wisconsin Department of Revenue at 608-266-6701. See application form CTP-129, revenue.wi.gov/dorforms/ctp-129.pdf.)
 Yes No 3. Does the applicant understand that they cannot purchase/exchange cigarettes or tobacco products from another retailer, including transferring existing stock to a new owner?
 Yes No 4. Does the applicant understand that they must provide employees with tobacco sales training approved by the Wisconsin Department of Health Services? (<https://witobaccocheck.org>)
 Yes No 5. Does the applicant understand that they may not sell, give or otherwise provide cigarettes/tobacco products and nicotine products to minors (including electronic cigarettes containing nicotine)?
 Yes No 6. Does the applicant understand that they may not sell single cigarettes?
 Yes No 7. Does the applicant understand that cigarette and tobacco products invoices must be kept on the licensed premises for two years from the date of the invoice and be available for inspection by the Wisconsin Department of Revenue/law enforcement and that failure to comply can result in criminal penalties, including loss of cigarettes/tobacco products?
 Yes No 8. Does the applicant understand that only cigarettes and roll-your-own (RYO) tobacco products listed on the Wisconsin Department of Justice's website labeled "Directory of Certified Tobacco Manufacturers and Brands" at www.doj.state.wi.us/dls/tobacco-directory may be sold in Wisconsin?

Cigarettes / Tobacco will be sold over counter through vending machine both

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the applicant. Applicant agrees to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted, cannot be assigned to another. Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000.


 (Officer of Corporation / Member / Manager of Limited Liability Company / Partner / Individual)

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of September 19, 2019: Sections 134.65, 134.66, 139.321, 139.79, 139.76, 995.10, and 995.12, Wis. Stats.

Original Alcohol Beverage Retail License Application

(Submit to municipal clerk.)

For the license period beginning: 07/27/2020 ending: 06/30/2021
(mm dd yyyy) (mm dd yyyy)

To the Governing Body of the: Town of } VERONA
 Village of }
 City of }

County of DANE Aldermanic Dist. No. _____
 (if required by ordinance)

Check one: Individual Limited Liability Company
 Partnership Corporation/Nonprofit Organization

Applicant's Wisconsin Seller's Permit Number 456000028761403	
FEIN Number 39-1036365	
TYPE OF LICENSE REQUESTED	FEE
<input checked="" type="checkbox"/> Class A beer	\$
<input type="checkbox"/> Class B beer	\$
<input type="checkbox"/> Class C wine	\$
<input checked="" type="checkbox"/> Class A liquor	\$
<input type="checkbox"/> Class A liquor (cider only)	\$ N/A
<input type="checkbox"/> Class B liquor	\$
<input type="checkbox"/> Reserve Class B liquor	\$
<input type="checkbox"/> Class B (wine only) winery	\$
Publication fee	\$
TOTAL FEE	\$

Name (individual / partners give last name, first, middle; corporations / limited liability companies give registered name)
KWIK TRIP, INC., 1626 OAK ST., PO BOX 2107, LA CROSSE, WI 54602

An "Auxiliary Questionnaire," Form AT-103, must be completed and attached to this application by each individual applicant, by each member of a partnership, and by each officer, director and agent of a corporation or nonprofit organization, and by each member/manager and agent of a limited liability company. List the full name and place of residence of each person.

President / Member Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
ZIETLOW	DONALD	PAUL	2802 BERGAMOT PL., ONALASKA, WI 54650
Vice President / Member Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
Secretary / Member Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
Treasurer / Member Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
WROBEL	JEFFREY	JAMES	3633 BENTWOOD PL., ONALASKA, WI 54650
Agent Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
ALFONSO PRIMO	JUAN	DE DEIOS	9406 ANCIENT OAK LN., VERONA, WI 53593
Directors / Managers Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
ZIETLOW	DONALD	PAUL	2802 BERGAMOT PL., ONALASKA, WI 54650

1. Trade Name KWIK TRIP 1075 Business Phone Number _____

2. Address of Premises 233 WILDCAT WAY Post Office & Zip Code VERONA 53593

3. Premises description: Describe building or buildings where alcohol beverages are to be sold and stored. The applicant must include all rooms including living quarters, if used, for the sales, service, consumption, and/or storage of alcohol beverages and records. (Alcohol beverages may be sold and stored only on the premises described.)

ONE-STORY FRAME CONSTRUCTION WITH STORAGE IN LOCKABLE WALK-IN COOLER, ON SALES FLOOR, BEHIND SALES COUNTER.

4. Legal description (omit if street address is given above): _____

5. (a) Was this premises licensed for the sale of liquor or beer during the past license year? Yes No

(b) If yes, under what name was license issued? _____

6. Is individual, partners or agent of corporation/limited liability company subject to completion of the responsible beverage server training course for this license period? **If yes, explain** Yes No
7. Is the applicant an employe or agent of, or acting on behalf of anyone except the named applicant? Yes No
If yes, explain.
8. Does any other alcohol beverage retail licensee or wholesale permittee have any interest in or control of this business? **If yes, explain** Yes No
9. (a) **Corporate/limited liability company applicants only:** Insert state WISCONSIN and date 10/07/64 of registration.
- (b) Is applicant corporation/limited liability company a subsidiary of any other corporation or limited liability company? **If yes, explain** Yes No
- (c) Does the corporation, or any officer, director, stockholder or agent or limited liability company, or any member/manager or agent hold any interest in any other alcohol beverage license or permit in Wisconsin? **If yes, explain.** Yes No
KWIK TRIP, INC. HAS MULTIPLE RETAIL STORES IN WISCONSIN DOING BUSINESS
AS KWIK TRIP, TOBACCO OUTLET PLUS AND TOBACCO OUTLET PLUS GROCERY.
10. Does the applicant understand they must register as a Retail Beverage Alcohol Dealer with the federal government, Alcohol and Tobacco Tax and Trade Bureau (TTB) by filing (TTB form 5630.5d) before beginning business? [phone 1-877-882-3277] Yes No
11. Does the applicant understand they must hold a Wisconsin Seller's Permit? [phone (608) 266-2776] Yes No
12. Does the applicant understand that they must purchase alcohol beverages only from Wisconsin wholesalers, breweries and brewpubs? Yes No

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the signer. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000. Signer agrees to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted, will not be assigned to another. (Individual applicants, or one member of a partnership applicant must sign; one corporate officer, one member/manager of Limited Liability Companies must sign.) Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

Contact Person's Name (Last, First, M.I.) Zietlow, Donald P.	Title/Member President	Date 5-22-20
Signature 	Phone Number 608-793-6262	Email Address DHafner@kwiktrip.com

TO BE COMPLETED BY CLERK

Date received and filed with municipal clerk	Date reported to council / board	Date provisional license issued	Signature of Clerk / Deputy Clerk
Date license granted	Date license issued	License number issued	

Schedule for Appointment of Agent by Corporation / Nonprofit Organization or Limited Liability Company

Submit to municipal clerk.

All corporations/organizations or limited liability companies applying for a license to sell fermented malt beverages and/or intoxicating liquor must appoint an agent. The following questions must be answered by the agent. The appointment must be signed by an officer of the corporation/organization or one member/manager of a limited liability company and the recommendation made by the proper local official.

To the governing body of: Town
 Village of Verona County of Dane
 City

The undersigned duly authorized officer/member/manager of KWIK TRIP, INC.
(Registered Name of Corporation / Organization or Limited Liability Company)

a corporation/organization or limited liability company making application for an alcohol beverage license for a premises known as
Kwik Trip 1075
(Trade Name)

located at 233 Wildcat Way, Verona, WI 53593

appoints Juan Alfonso Primo
(Name of Appointed Agent)

9406 Ancient Oak Ln., Verona, WI 53593
(Home Address of Appointed Agent)

to act for the corporation/organization/limited liability company with full authority and control of the premises and of all business relative to alcohol beverages conducted therein. Is applicant agent presently acting in that capacity or requesting approval for any corporation/organization/limited liability company having or applying for a beer and/or liquor license for any other location in Wisconsin?

Yes No If so, indicate the corporate name(s)/limited liability company(ies) and municipality(ies).

Is applicant agent subject to completion of the responsible beverage server training course? Yes No

How long immediately prior to making this application has the applicant agent resided continuously in Wisconsin? Since June 2007

Place of residence last year 901 Saybrook Rd, Madison, WI

For: KWIK TRIP, INC.
(Name of Corporation / Organization / Limited Liability Company)

By:
(Signature of Officer / Member / Manager)

Any person who knowingly provides materially false information in an application for a license may be required to forfeit not more than \$1,000.

ACCEPTANCE BY AGENT

I, Juan Alfonso Primo, hereby accept this appointment as agent for the
(Print / Type Agent's Name)

corporation/organization/limited liability company and assume full responsibility for the conduct of all business relative to alcohol beverages conducted on the premises for the corporation/organization/limited liability company.

5/17/2020 Agent's age 39
(Signature of Agent) (Date)

9406 Ancient Oak Ln., Verona, WI 53593 Date of birth 6/30/1980
(Home Address of Agent)

APPROVAL OF AGENT BY MUNICIPAL AUTHORITY (Clerk cannot sign on behalf of Municipal Official)

I hereby certify that I have checked municipal and state criminal records. To the best of my knowledge, with the available information, the character, record and reputation are satisfactory and I have no objection to the agent appointed.

Approved on _____ by _____ Title _____
(Date) (Signature of Proper Local Official) (Town Chair, Village President, Police Chief)

Auxiliary Questionnaire Alcohol Beverage License Application

Submit to municipal clerk.

Individual's Full Name (please print) (last name)		(first name)		(middle name)	
Zietlow		Donald		Paul	
Home Address (street/route)		Post Office	City	State	Zip Code
2802 Bergamot Pl.		Onalaska		WI	54650
Home Phone Number			Age	Date of Birth	Place of Birth
608-779-0469			85	12/4/1934	Chaseburg, WI

The above named individual provides the following information as a person who is (check one):

- Applying for an alcohol beverage license as an **individual**.
- A member of a **partnership** which is making application for an alcohol beverage license.
- President** of **Kwik Trip, Inc.**
(Officer / Director / Member / Manager / Agent) (Name of Corporation, Limited Liability Company or Nonprofit Organization)
- which is making application for an alcohol beverage license.

The above named individual provides the following information to the licensing authority:

- How long have you continuously resided in Wisconsin prior to this date? All my life.
- Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality? Yes No
 If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. (If more room is needed, continue on reverse side of this form.)
 Please see reverse.
- Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality? Yes No
 If yes, describe status of charges pending.
- Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit? Yes No
 If yes, identify. Officer of Kwik Trip, Inc. which holds multiple retail alcohol licenses
in the State of Wisconsin. (Name, Location and Type of License/Permit)
- Do you hold and/or are you an officer, director, stockholder, agent or employe of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin? Yes No
 If yes, identify. _____
(Name of Wholesale Licensee or Permittee) (Address By City and County)
- Named individual must list in chronological order last two employers.

Employer's Name	Employer's Address	Employed From	To
Kwik Trip, Inc.	1626 Oak St., La Crosse, WI 54603	9/1/1989	Present
Gateway Foods	La Crosse, WI	1963	1989

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the undersigned states that each of the above questions has been truthfully answered to the best of the knowledge of the signer. The signer agrees that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000.


(Signature of Named Individual)
 Donald P. Zietlow

Auxiliary Questionnaire Alcohol Beverage License Application

Submit to municipal clerk.

Individual's Full Name (please print) (last name)		(first name)		(middle name)	
Wrobel		Jeffrey		James	
Home Address (street/route)		Post Office	City	State	Zip Code
3633 Bentwood Pl.		La Crosse		WI	54601
Home Phone Number		Age	Date of Birth	Place of Birth	
608-787-6596		59	7/16/1960	La Crosse, WI	

The above named individual provides the following information as a person who is (check one):

- Applying for an alcohol beverage license as an **individual**.
- A member of a **partnership** which is making application for an alcohol beverage license.

Treasurer of **Kwik Trip, Inc.**
(Officer / Director / Member / Manager / Agent) (Name of Corporation, Limited Liability Company or Nonprofit Organization)

which is making application for an alcohol beverage license.

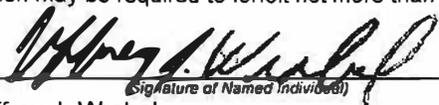
The above named individual provides the following information to the licensing authority:

- How long have you continuously resided in Wisconsin prior to this date? All my life
- Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality? Yes No
 If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. *(If more room is needed, continue on reverse side of this form.)*
- Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality? Yes No
 If yes, describe status of charges pending. _____
- Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit? Yes No
 If yes, identify. Officer of Kwik Trip, Inc. which holds multiple retail alcohol licenses in the State of Wisconsin.
(Name, Location and Type of License/Permit)
- Do you hold and/or are you an officer, director, stockholder, agent or employee of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin? Yes No
 If yes, identify. _____
(Name of Wholesale Licensee or Permittee) (Address By City and County)

6. Named individual must list in chronological order last two employers.

Employer's Name	Employer's Address	Employed From	To
Kwik Trip, Inc.	1626 Oak St., La Crosse, WI 54603	6/1/88	Present
Employer's Name	Employer's Address	Employed From	To
Rau Corporation	600 Sumner St., La Crosse, WI 54603	1983	1988

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the undersigned states that each of the above questions has been truthfully answered to the best of the knowledge of the signer. The signer agrees that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000.


(Signature of Named Individual)
 Jeffrey J. Wrobel

Auxiliary Questionnaire Alcohol Beverage License Application

Submit to municipal clerk.

Individual's Full Name (please print) (last name)		(first name)		(middle name)	
Alfonso Primo		Juan		de Dios	
Home Address (street/route)		Post Office	City	State	Zip Code
9406 Ancient Oak Ln.		Verona		WI	53593
Home Phone Number			Age	Date of Birth	Place of Birth
608-669-7737			39	6/30/1980	Jalapa, Mexico City: Minatitlán State: Veracruz Country: Mexico

The above named individual provides the following information as a person who is (check one):

- Applying for an alcohol beverage license as an **individual**.
- A member of a **partnership** which is making application for an alcohol beverage license.
- Agent** _____ of **Kwik Trip, Inc.**

(Officer / Director / Member / Manager / Agent) (Name of Corporation, Limited Liability Company or Nonprofit Organization)

which is making application for an alcohol beverage license.

The above named individual provides the following information to the licensing authority:

1. How long have you continuously resided in Wisconsin prior to this date? _____ Since June 2007

2. Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality? Yes No
If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. (If more room is needed, continue on reverse side of this form.)

3. Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality? Yes No
If yes, describe status of charges pending.

4. Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit? Yes No
If yes, identify. _____
(Name, Location and Type of License/Permit)

5. Do you hold and/or are you an officer, director, stockholder, agent or employee of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin? Yes No
If yes, identify. _____
(Name of Wholesale Licensee or Permittee) (Address By City and County)

6. Named individual must list in chronological order last two employers.

Employer's Name	600 Highland Ave., Madison, WI 53792	Employed From	To
UWHC		3/12	4/14
Employer's Name	1626 Oak St., La Crosse, WI 54603	Employed From	To
Kwik Trip, Inc.		11/10	12/12

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the undersigned states that each of the above questions has been truthfully answered to the best of the knowledge of the signer. The signer agrees that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000.

(Signature of Named Individual)
 Juan D. Alfonso Primo



June 30, 2020

**City of Madison
Class A Beer
Class A Cider
License No. LICLIA-2017-00825**



**KWIK TRIP INC
KWIK TRIP 952
LIQUOR/BEER AGENT: JUAN D ALFONSO PRIMO
2538 FISH HATCHERY RD
MADISON, WI 53713**

Expiration Date 06/30/2020
Date Issued 10/05/2017



Mayor



City Clerk

PURSUANT TO SECTION 38 OF THE MADISON GENERAL ORDINANCES AND CHAPTER 125 OF THE WISCONSIN STATE STATUTES.

Premise: One-story frame construction with storage in coolers, on sales floor, behind sales counter, in storage room.

Common Council granted 10/3/2017 and approved revised conditions on 7/10/18 with the following conditions:

1. No sale of glass containers of single beer or fermented malt beverages.
2. Must be closed between the hours of 11:00 pm - 5:00 am.

Expiration Date 06/30/2020

Not Transferable. Post entire license in a conspicuous place.



WISCONSIN DEPARTMENT OF REVENUE
 PO BOX 8902
 MADISON, WI 53708-8902

Contact Information:

2135 RIMROCK RD PO BOX 8902
 MADISON, WI 53708-8902
 ph: 608-266-2776 fax: 608-264-6884
 email: DORBusinessTax@wisconsin.gov
 website: revenue.wi.gov

Letter ID L1624590864

ATTN DEANNA HAFNER
 KWIK TRIP, INC.
 PO BOX 2107
 LA CROSSE WI 54602-2107

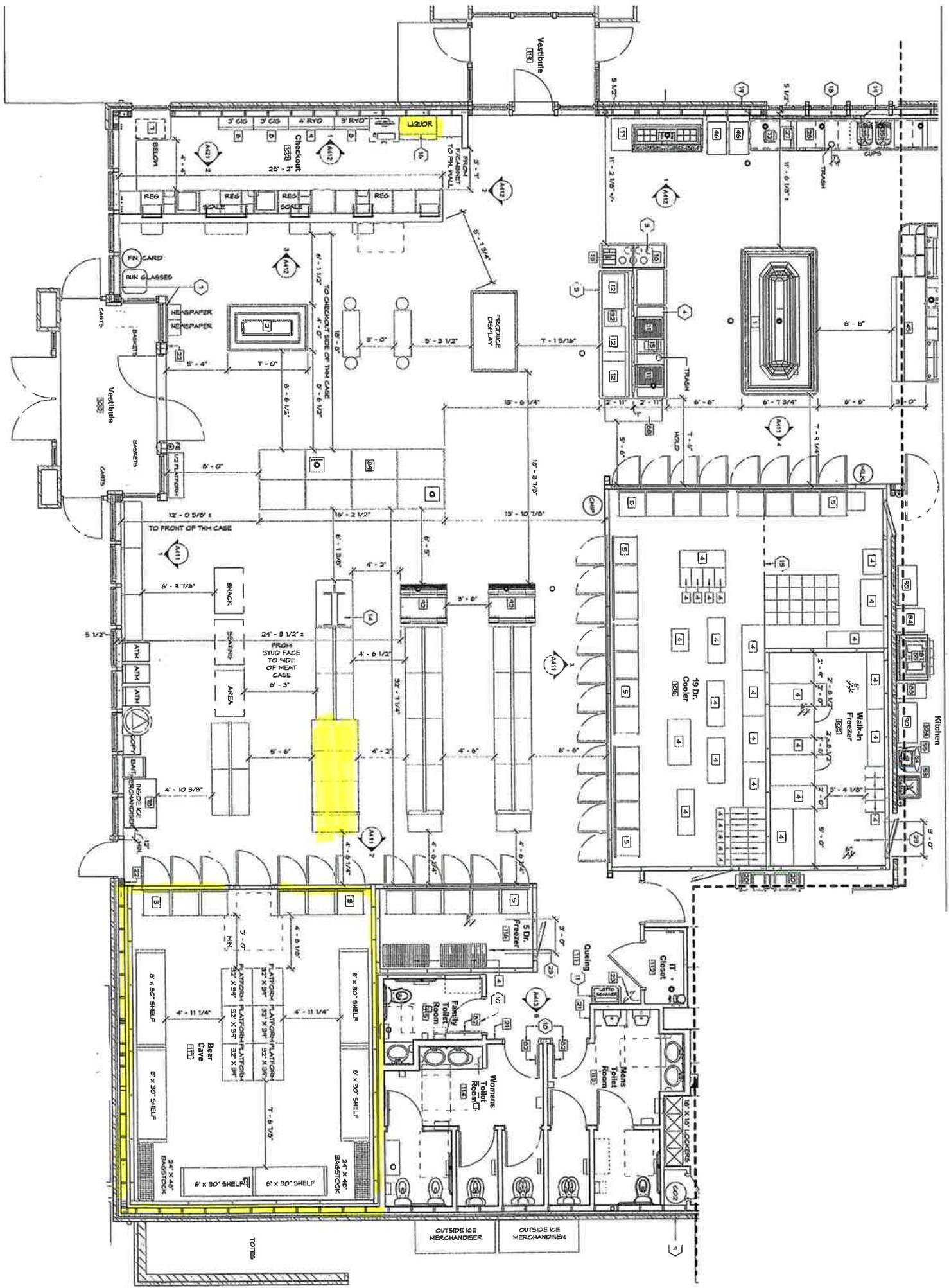
Wisconsin Department of Revenue Seller's Permit

Legal/real name: KWIK TRIP, INC.
Business name: KWIK TRIP 1075
 233 WILDCAT WAY
 VERONA WI 53593-0000

- This certificate confirms you are registered with the Wisconsin Department of Revenue and authorized in the business of selling tangible personal property and taxable services.
- You may not transfer this permit.
- This permit must be displayed at the place of business and is not valid at any other location.
- If your business is not operated from a fixed location, you must carry or display this permit at all events.

Tax Type	Account Type	Account Number
Sales & Use Tax	Seller's Permit	456-0000287614-03

NORTH



Liquor License Premises Amendment

Name of Establishment: Caboots

Address of Establishment: 102 W Railroad St

Name of Agent: Kurt Jurawicz Address: 1505 Green Valley RD Mt Horeb

Agent Phone Number: 608-279-1997 Establishment Phone Number: 497-1230

Premises Amendment Description:

Fencing off parking spots for
out door space.

**Please attach a drawing or visual of the proposed premises amendment*

Months/Days New Premises are Open/Used:

From (Month): June 2020 To: (Month): ??

Time Premises Used A.M.: 12pm To: P.M.: 10pm (Restrictions Apply)

Check Here if Added Premises are Open/Used Year Round:

Signature of Agent: 

Date: 6/8/20

Please Do Not Write Below This Area
MUNICIPAL OFFICE USE ONLY

CHIEF OF POLICE

Date Application Approved to Move Forward with Inspections: _____ Initials: _____

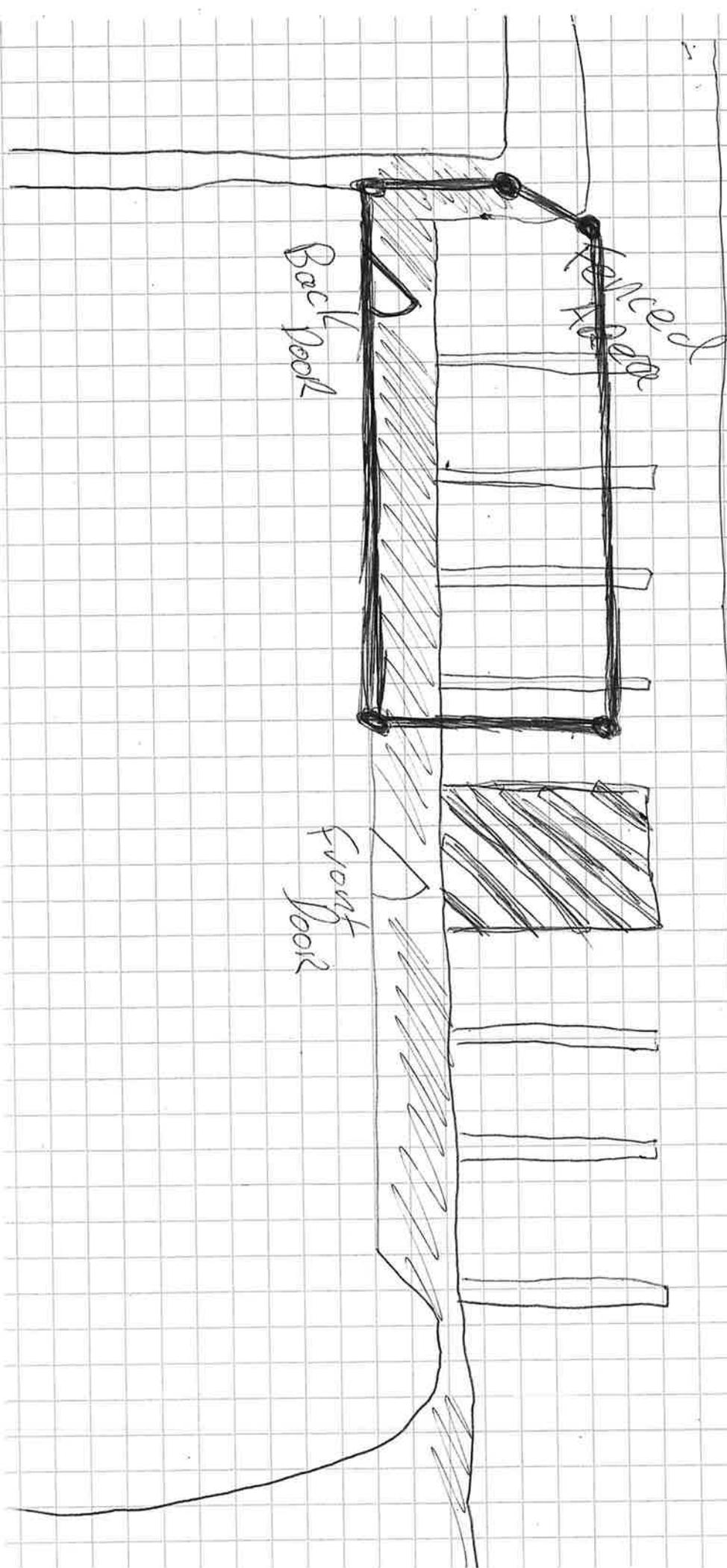
Notes for Building Inspection and Fire Inspection:

Road
102 W Railroad St

Back Door

Window

Front Door



Liquor License Premises Amendment

Name of Establishment: 5th Quarter

Address of Establishment: 161 Horizon Dr. #110

Name of Agent: Leann Butts Address: 412 W. Harriet St.

Agent Phone Number: 608-516-2671 Establishment Phone Number: 608-745-9690

Premises Amendment Description:

Extend Patio in to front Parking Lot

**Please attach a drawing or visual of the proposed premises amendment*

Months/Days New Premises are Open/Used:

From (Month): July 1 To: (Month): July 20

Time Premises Used A.M.: 10:00 To: P.M.: 10:00 (Restrictions Apply)

Check Here if Added Premises are Open/Used Year Round:

Signature of Agent: Leann Butts

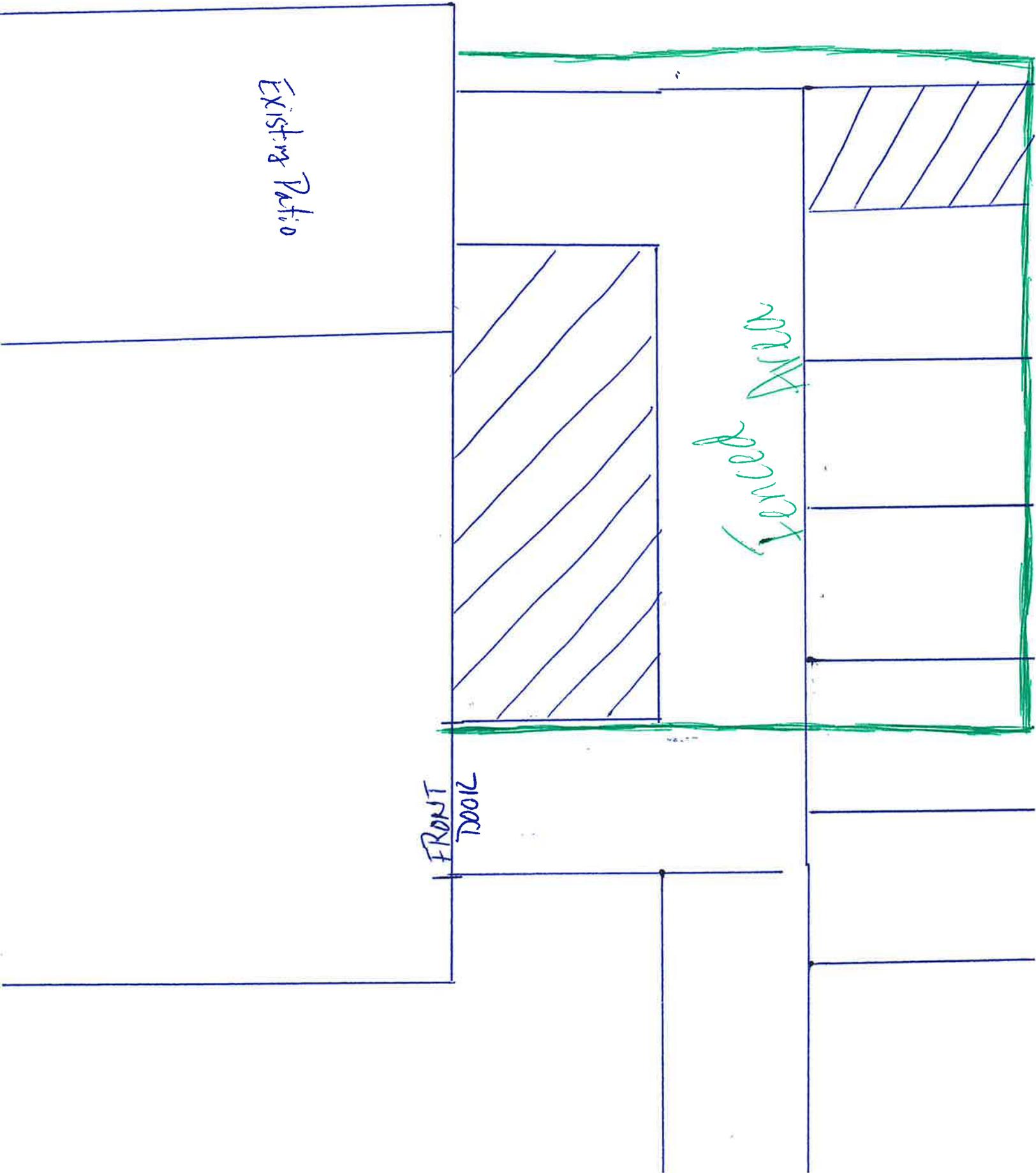
Date: 6/15/2020

Please Do Not Write Below This Area
MUNICIPAL OFFICE USE ONLY

CHIEF OF POLICE

Date Application Approved to Move Forward with Inspections: _____ Initials: _____

Notes for Building Inspection and Fire Inspection:



Existing Patio

Fenced Area

FRONT DOOR

Reporting and insights from 2019 audit:

City of Verona

May 11, 2020



Executive summary

We have completed our audit of the financial statements of the City of Verona for the year ended December 31, 2019, and have issued our report thereon dated May 11, 2020. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of the City's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas the City of Verona should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- John Rader, Firm Director: John.Rader@bakertilly.com or +1 (608) 240 2431
- Vasvi Joshi, Senior Manager: Vasvi.Joshi@bakertilly.com or +1 (608) 240 2453

Sincerely,

Baker Tilly Virchow Krause, LLP



John Rader, Firm Director



Vasvi Joshi, Senior Manager

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THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

Audit objectives



Audit objectives

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the City's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the city council:
 - Are free from material misstatement
 - Present fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the City council, including:

- Qualitative aspects of the City's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant difficulties encountered
- Disagreements with management
- Corrected and uncorrected misstatements
- Internal control matters
- Significant estimates
- Other findings or issues arising from the audit

Management's responsibilities

Management	Auditor
 <p>Prepare and fairly present the financial statements</p>	<p>Our audit does not relieve management or those charged with governance of their responsibilities</p>
 <p>Establish and maintain effective internal control over financial reporting</p>	<p>An audit includes consideration of internal control over financial reporting, but not an expression of an opinion on those controls</p>
 <p>Provide us with written representations at the conclusion of the audit</p>	<p>See Appendix B for a copy of management's representations</p>

Audit status



Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results



Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the City and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the City's current year results.

Implementation of GASB No. 84 reporting fiduciary activities

During the current year, your government implemented GASB Statement No. 84 – Fiduciary Activities. This standard was issued to provide a clear foundation and reduce inconsistencies in reporting of fiduciary activities. Implementation of this standard required the evaluation of various activities and application of specific criteria to determine the fiduciary activities that required reporting. As a result of this standard you will note the following changes in your financial statements from prior years:

- Reclassification of agency activities as custodial funds
- Change in the activity that is reported through the tax collection custodial fund
- Recognition of a liability to the beneficiaries in each fiduciary fund only when an event has occurred that compels the government to disburse fiduciary resources
- Presentation of additions and deductions on the statement of changes in fiduciary net position for the city's tax collection custodial fund
- Additional footnote disclosures
- Other

Implementation of GASB No. 88 certain disclosures related to debt, including direct borrowings and direct placements

During the current year, your government implemented GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. This standard was issued to provide essential information related to debt disclosures that may be relevant to the city including unused lines of credit, assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The City's footnotes have been updated accordingly.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor’s professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion

Other key areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other key areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures

Internal control matters

We considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements. We are not expressing an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by the city council. We identified the following deficiency as a significant deficiency:

- Financial Statement Close Process

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Material misstatements are identified and corrected during the normal course of duties.
- Complete and accurate financial statements, including footnotes, are prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered significant deficiencies surrounding the preparation of financial statements and footnotes and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles.

Other comments and recommendations

PRIOR YEAR POINT

- **TIF Compliance Audit**

The City presently has several active Tax Incremental Financing (TIF) Districts. In addition to the annual financial statement audit coverage, each district is also required by state statutes to have separate audits throughout their lifetimes of up to 27 years. These are known as TIF compliance audits and are required at the following times:

- After 30% of the project expenditures (in the project plan) are made.
- After the end of the expenditure period.
- After the termination of the district.

Each of the audits described contains three separate areas of coverage:

- Financial audit of the district from date of creation through the applicable date.
- Compliance of the district with the approved project plan (and amendments).
- Compliance of the district with state statutes.

Status (12/31/2019)

When this point was originally communicated to you several years ago, the City had not completed several of these required audits. Since that time those audits were completed with the exception of the 30% and 100% audit of TIF No. 6. We have been engaged by the City to complete these remaining audits this summer.

INFORMATIONAL POINT

- **Decentralized Cash Collections**

Many governments collect cash at numerous decentralized locations that are separate from the primary system of accounting procedures and controls. The opportunity for theft is often higher at those locations because one person is frequently involved in most, if not all, aspects of a transaction (i.e. lack of segregation of duties).

Examples in your government that fit this situation include: the senior center, library, parks and recreation (as part of the public works department), building permits, and police.

Management is responsible for designing and implementing controls and procedures to detect and prevent fraud. As a result, we recommend that management review its decentralized cash collection procedures and controls on a periodic basis and make changes as necessary to strengthen the internal control environment. Reviewing the adequacy of the controls is a responsibility of the governing body.

Below are example procedures and controls to consider that help mitigate the risk of loss at decentralized cash collection points. Controls that currently exist within city departments include:

- A centralized receipting process as much as possible with adequate segregation of duties
- For cash collections, ensure pre-numbered receipts are being used and all receipts in the sequence are being reviewed by someone other than the person receipting the cash and receipts tie to deposits
- Perform month-to-month or year-to-year comparisons to look for unusual changes in collections
- Require regular cash deposits to minimize collections on-hand
- Segregate duties as much as possible – the person receipting cash should be separate from the person preparing deposits and the person reconciling bank accounts should be separate from the cash collection activity

Other controls that the city should consider include:

- Perform surprise procedures at decentralized locations (cash counts, walkthrough of processes)
- If collecting from a drop box site, consider sending two people to collect the funds, especially during peak times

As always, the cost of controls and staffing must be weighed against the benefits of safeguarding your assets.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by City are described in Note 1 to the financial statements. As described in Note 1, the City changed accounting policies related to fiduciary activities of all state and local governments by adopting GASB No. 84 – *Fiduciary Activities* in January 2019. The City also changed accounting policies related to debt obligations of governments, including direct borrowings and direct placements by adopting GASB No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* in January 2019. Accordingly, the accounting changes have been retrospectively applied to the prior period presented. We noted no transactions entered into by the City during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the City or that otherwise appear to be unusual due to their timing, size or nature.

Other information in documents containing audited financial statements

Official Statements (or Other Equivalent Document)

The City's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The City can use the audited financial statements in other client prepare documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The Appendix includes copies of other material written communications, including a copy of a draft of the management representation letter.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the City's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the City that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the City's related parties.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Utility rate consulting
- Utility long range forecast
- Utility continuing property records project

In addition, we prepared GASB No. 34 conversion entries which are summarized in the “Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position” and the “Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities” in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

An aerial photograph of a winding asphalt road with white dashed lines, curving through a dense green forest. A rocky stream is visible in the upper right corner.

Accounting changes relevant to City of Verona

Accounting changes relevant to City

Future accounting standards updates

GASB Statement Number	Description	Potentially Impacts you	Effective Date
87	Leases	✓	12/31/20
89	Accounting for Interest Incurred before the End of a Construction Period	✓	12/31/20
91	Conduit Debt	✓	12/31/21

Further information on upcoming [GASB pronouncements](#)

Preparing for the new lease standard

GASB's new single model for lease accounting will be effective for the upcoming year. This standard will require governments to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard will result in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources.

We recommend the City review this standard and start planning now as to how this will affect your financial reporting. We recommend that you begin by completing an inventory of all contracts that might meet the definition of a lease. The contract listing should include key terms of the contracts such as:

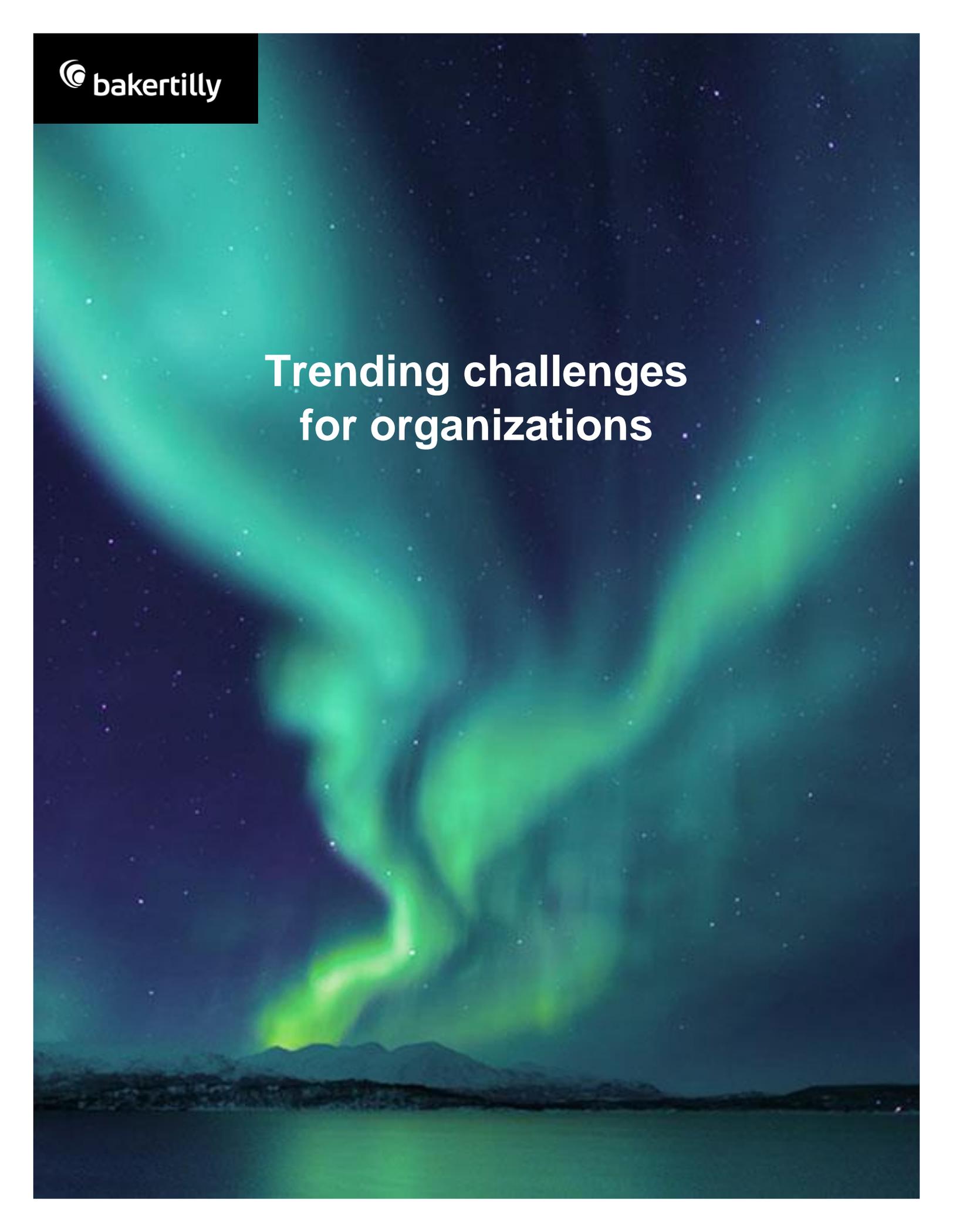
- Description of contract
- Underlying asset
- Contract term
- Options for extensions and terminations
- Service components, if any
- Dollar amount of lease

In addition, the City should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

Learn more about [GASB 87](#).

Planning for the new conduit debt reporting

Conduit debt includes arrangements where there are three separate parties involved including a third party that is obligated for payment, a debt holder or lender and an issuing party which is often a government. This standard provides additional criteria for identifying and classifying conduit debt with the intent of providing consistency in how the debt is recorded and reported in governmental financial statements. The City should identify any existing debt arrangements involving third party obligors and evaluate how those arrangements will be reported under the new standard in order to determine the potential impact of this standard on future financial reporting.

A photograph of the Aurora Borealis (Northern Lights) in shades of green and teal, dancing across a dark, starry night sky. The lights are reflected in a calm body of water in the foreground, with dark mountain ranges visible on the horizon.

Trending challenges for organizations

Trending challenges for organizations

Management and the governing body of the City must keep the future in mind as they evaluate strategies to achieve future growth. Keeping a balance between risk and sustainability is key, and organizations need to think beyond their immediate needs to their long term goals. Economic uncertainty, coupled with key risk areas and fast paced technology change, make strategic planning complex. Begin the discussion with your management team to find your path to your future.

2020 strategic risks for boards

Evaluating and mitigating the greatest risks



Public sector organizations face a multitude of internal and external risks in an evolving landscape. Risks can stem from strategy, finances, legal situations, operations, regulatory compliance, information technology, economic environment, and/or fraud, waste and abuse.

By employing a risk assessment, areas with the greatest needs and highest risks are evaluated. Then a risk mitigation plan can be developed and deployed.

Learn about [risk assessment](#) types, tools and strategies.

Cybersecurity

Operational reporting on cybersecurity effectiveness

As boards engage management in cybersecurity risk discussions, directors should expect management to produce reports on the effectiveness of the organization's cybersecurity-risk management program. Management can (and should) collect and analyze relevant performance measures and metrics to determine if cybersecurity safeguards and controls are operating as intended, and whether any corrective action should be taken to strengthen management's risk-mitigation approaches. While not an exhaustive list, some key processes on which management should report include these:

- Incident management
- Risk management and governance
- Independent assurance on the cybersecurity program

[Learn more](#) about cybersecurity risk management.



[WATCH: On demand webinar about board governance over cybersecurity.](#)

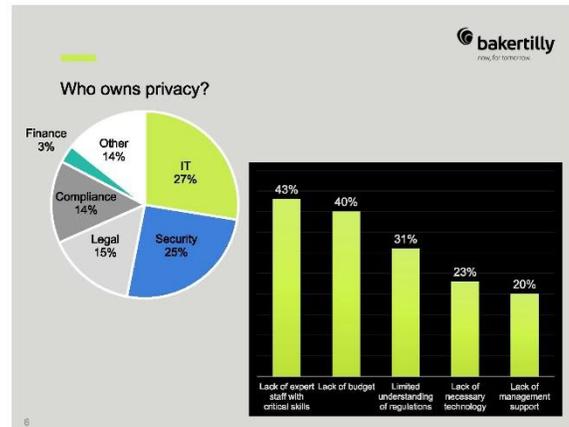
Data privacy

Elevating privacy risks to the forefront of board agendas

Organizations around the world are still scrambling to comply with the General Data Protection Regulation in the European Union, which went into effect in May 2018. While the data privacy regulatory environment changes rapidly, organizations can take proactive steps to ensure that they stay informed of the existing regulations and of those developing on the near horizon.

Adequate oversight remains a key part of staying on top of data privacy developments. Some regulations specify oversight requirements, and can depend on the type of the organization, the quantity and type of personal data processed, and the locations where operations take place. In many cases, a data protection officer (DPO) must lead the effort. Since the DPO is responsible for overseeing practices related to data protection strategy and implementation, having one in place early on will help ensure that the privacy program is comprehensive and consistent.

Learn more about [data privacy risk management](#).



[WATCH: On demand webinar about a risk-based approach to oversight, compliance and management of privacy](#)

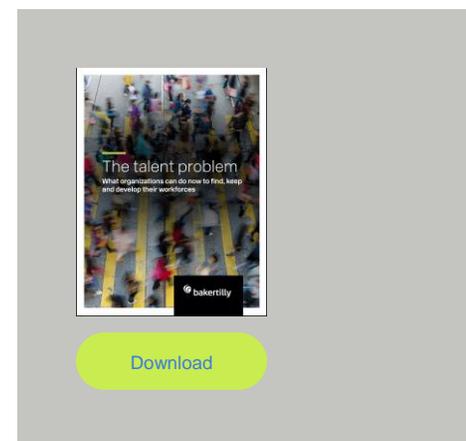
The talent problem

Establishing a lifeline for your shifting workforce

Employee recruitment and retention challenges are an all too common struggle in the public sector:

- Aging workers with institutional knowledge retire
- High demand for small qualified candidate pool
- Perception of geographic disadvantages
- Wage/benefit competition with private sector
- Lean operations exclude investments in recruitment, on-the-job training and technology
- Unclear growth and career advancement tracks

Sustainable organizations must have a robust workforce development and succession planning program. Learn how to get started and incorporate a workforce/succession planning program with existing operational practices.



Innovation

Anticipating disruptive innovation and digital transformation

To stay competitive and relevant in a rapidly changing business landscape, organizations in every industry must navigate an increasingly disruptive, technology-enabled environment. Companies that do not address and embrace new and emerging technologies will be less competitive or may even face obsolescence.

Given these challenges to companies, what does innovation mean in this era of digital transformation? Innovation now involves finding the right problems worth solving; building new offerings, business models, and experiences; and generating value at scale for customers.

Furthermore, the rapid digital transformation of advanced technologies such as blockchain, robotic process automation (RPA), and artificial intelligence (AI) now portend similar effects in industries from financial services and healthcare to communications and manufacturing. Boards must become knowledgeable about these digital disruption trends in order to be able to conduct meaningful oversight that management can use successfully as the organization embraces new technologies.

Anticipating Disruptive Innovation and Digital Transformation

To stay competitive and relevant in a rapidly changing business landscape, organizations in every industry must navigate an increasingly disruptive, technology-enabled environment.

[Read the blog post.](#)

Learn more about [innovation opportunities](#).

Public sector executive recruitment

Navigating recruitments and smart hiring

Competing for top executive talent in the public sector space takes industry knowledge, familiarity with the general applicant pool and experience navigating recruitments. Search consultants draw upon their understanding of organizational management and human resources to serve as a successful agent for government entities. In turn, public sector organizations can adopt a foundational understanding about search firms to ensure optimal collaboration on hiring opportunities.

[Read the three part series](#) to learn what your entity should be thinking about and how Baker Tilly can help.

Three part series on public sector executive recruitment

Navigate the changing workforce landscape with confidence, read the executive recruitment series.

1. [Five myths about search firms](#)
2. [Recruiting for difficult positions](#)
3. [Hiring recommendations for government entities](#)

Customer experience

Finding your edge in a competitive market

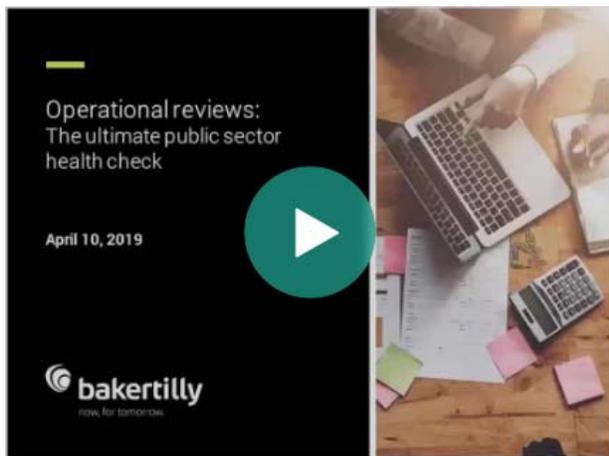
All industries are facing an increasingly competitive marketplace due to more connected consumers, partners and vendors. Where an organization may have had a geographic advantage in the past, they now need to be able to compete against non-local organizations.

One of the key factors in maintaining your place in the market is ensuring a positive, fast and easy customer experience. Whether this means enhancing your customer support services through online chat bots or developing a mobile app to allow your customer access to their information around the clock, your organization needs to take your customer experience strategy seriously. Management and board members should understand where your experience is currently and what strategies you are evaluating to enhance it.

Learn more about [why your customer experience is so important](#).

Operational and organizational sustainability

Aligning resources with strategy



As new demands confront the public sector industry, it's easy to solve an immediate problem instead of pausing to take a holistic view. Rippling inefficiencies, increasing financial pressures, taxing staff resources and plummeting constituent satisfaction can pile atop organizations already facing pressure to improve efficiency, effectiveness, relevance and financial viability.

An operational review follows a systematic, strategic approach to understanding an entity's operations and performance. Opportunities to improve processes, bolster internal controls and reduce costs are uncovered in order to realign organizational resources and strategic objectives.

Learn invaluable methods for [executing an operational review](#) while maintaining day-to-day operations.

Appendix A: Client service team



Client service team



John Rader, CPA

Firm Director

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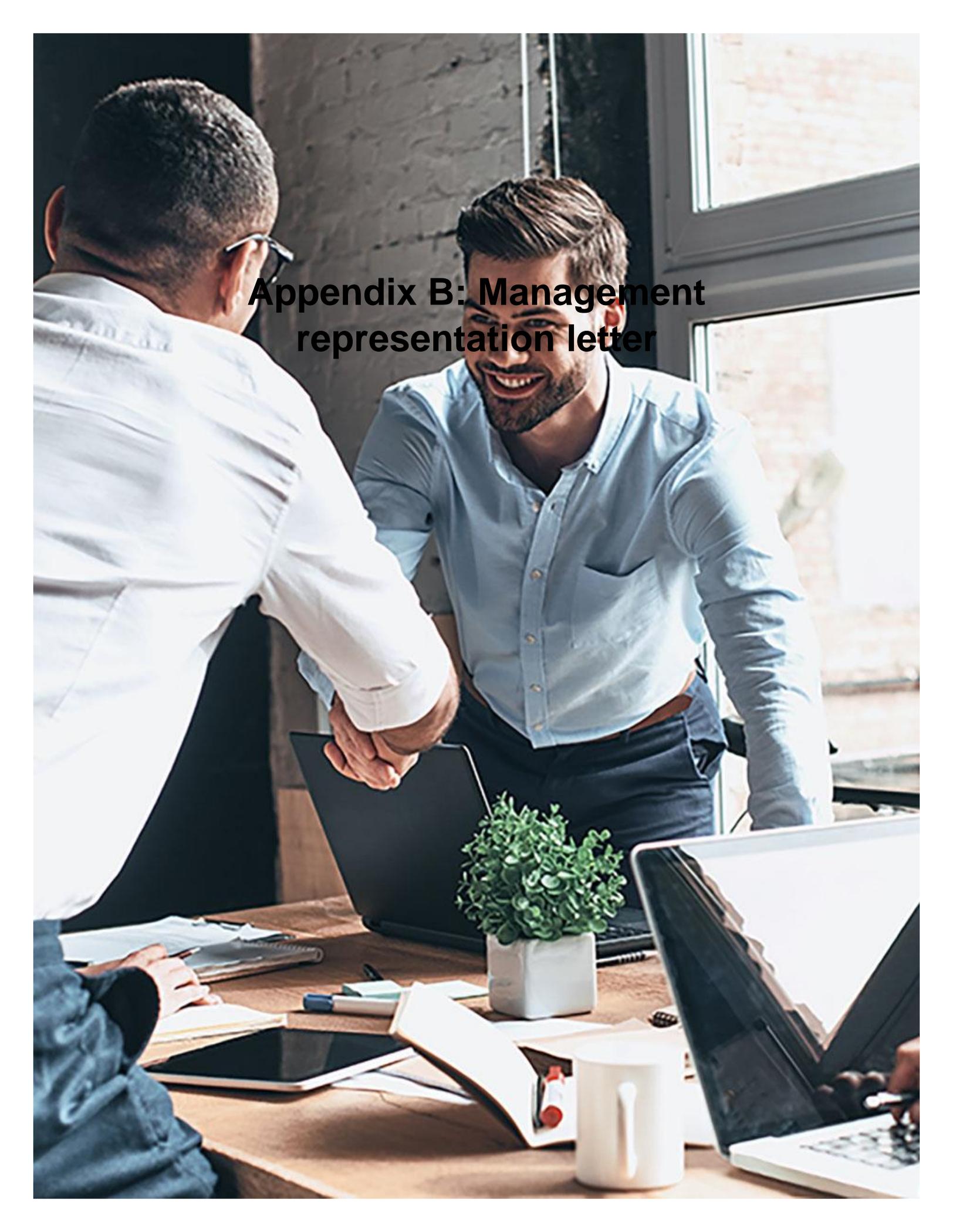


Jalissa Bishop, CPA

Manager

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Jalissa.Bishop@bakertilly.com

A photograph of two men in an office. The man on the left is seen from the back, wearing a white shirt and glasses. The man on the right is smiling and wearing a light blue shirt. They are shaking hands over a desk. On the desk, there is a laptop, a small potted plant, a white mug, and some papers. A window is visible in the background.

**Appendix B: Management
representation letter**



CITY OF VERONA

111 Lincoln Street
Verona, WI 53593

Telephone: (608) 845-6495

Fax: (608) 845-8613

www.ci.verona.wi.us

May 11, 2020

Baker Tilly Virchow Krause, LLP
Ten Terrace Court
P.O. Box 7398
Madison, WI 53707-7398

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of the City of Verona as of December 31, 2019 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Verona and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, if any, are reasonable.
- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 8) All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
- 9) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.

- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) There are no known related parties or related party relationships and transactions of which we are aware.

Other

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have a process to track the status of audit findings and recommendations.
- 19) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 22) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
 - d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

23) In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

- a) Financial statement preparation
- b) Utility rate consulting
- c) Utility long range forecast
- d) Utility continuing property records project

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

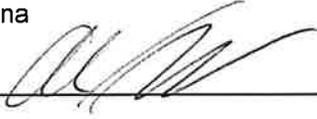
- 24) The City of Verona has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 25) The City of Verona has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 26) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 27) The financial statements properly classify all funds and activities.
- 28) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 29) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 30) The City of Verona has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 31) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 32) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 33) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 34) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 35) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 36) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.

- 37) Tax-exempt bonds issued have retained their tax-exempt status.
- 38) We have appropriately disclosed the City of Verona's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.
- 39) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 40) With respect to the supplementary information, (SI):
 - a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 41) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 42) We have evaluated and considered all potential tax abatements and believe all material tax abatements have been properly reported and disclosed.
- 43) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.
- 44) We believe that the OPEB liabilities are not material to the financial statements.
- 45) All activities that meet the criteria in GASB Statement No. 84 for presentation as fiduciary activities have been identified and presented as such.
- 46) Any direct borrowings, direct placements, lines of credit or debt default clauses have been identified and properly disclosed.

Sincerely,

City of Verona

Signed:

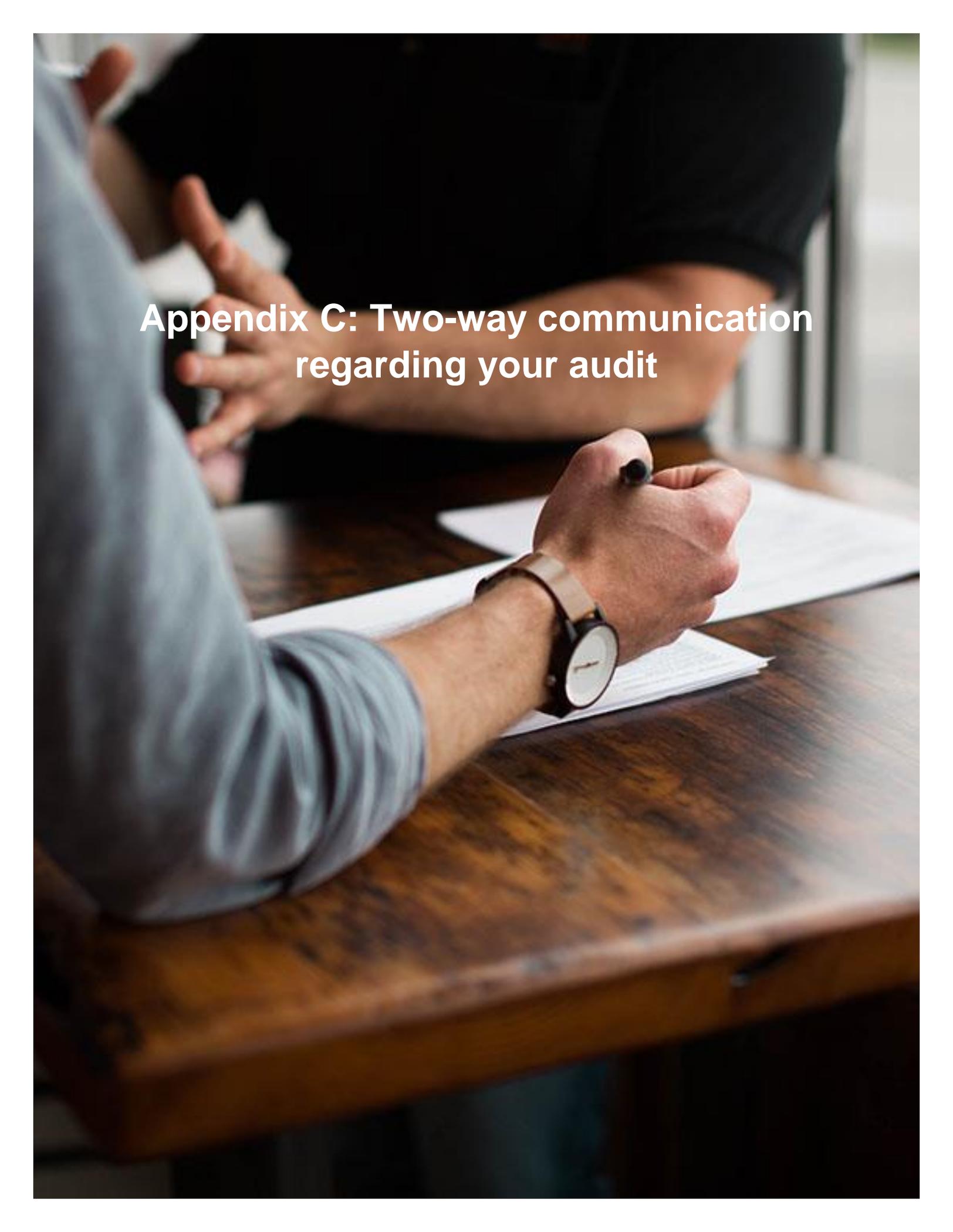


Adam Sayre, City Administrator

Signed:



Brian Lamers, CPA, Finance Director

A close-up photograph of a person's hands and arms at a wooden table. The person is wearing a light blue long-sleeved shirt and a black watch with a white face. They are holding a black pen and writing on a white document. In the background, another person's hands are visible, gesturing during a conversation. The scene is set in a meeting or office environment.

**Appendix C: Two-way communication
regarding your audit**

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness, and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. We perform preliminary financial audit work during the months of October-December, and sometimes early January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

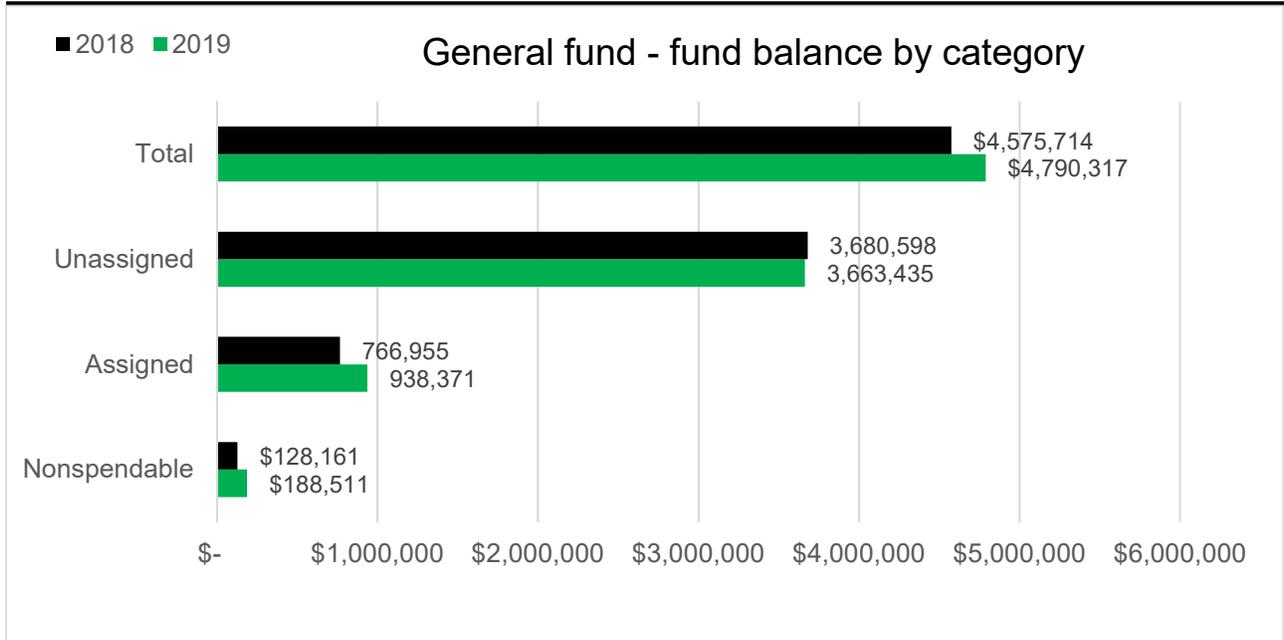
We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

Appendix D: Audit results



City of Verona

General fund results



Summarized income statement

	Actual	Final budget	Variance
Revenues and other financing sources	\$ 9,020,388	\$ 8,862,772	\$ 157,616
Expenditures and other financing uses	8,805,785	9,322,772	516,987
Net change in fund balance	<u>\$ 214,603</u>	<u>\$ (460,000)</u>	<u>\$ 674,603</u>

Fund balance category definitions

Nonspendable - amounts cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

Restricted - amounts that can be spent only for the specific purposes stipulated by an external source.

Committed - amounts constrained for specific purposes that are internally imposed through formal action of the governing body.

Assigned - spendable amounts that are intended to be used for specific purposes that are not considered restricted or committed.

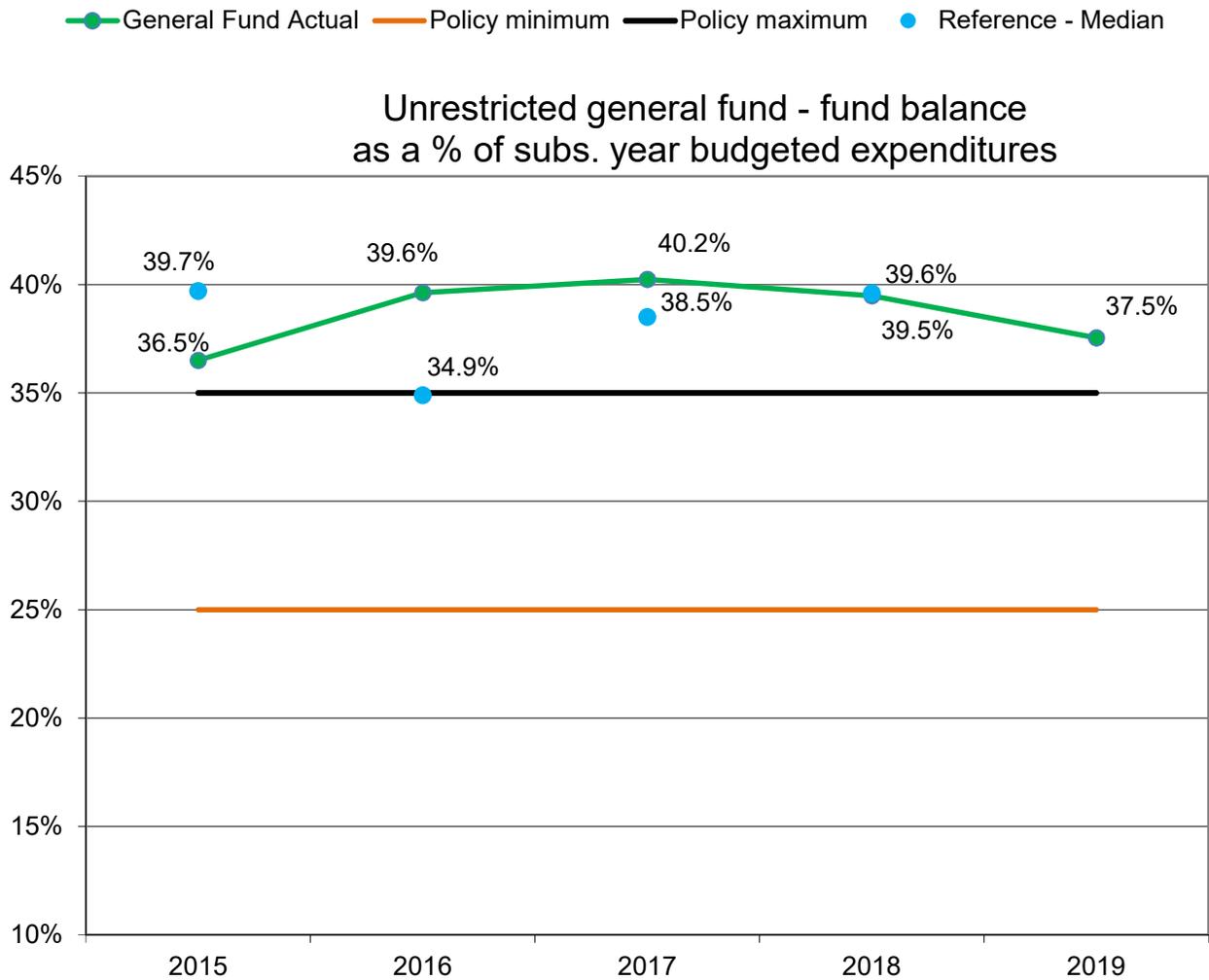
Unassigned - residual amounts that have not been classified within other categories above.

City of Verona

General fund - fund balance trends

Fund balance policy:

15-25% of general fund expenditures



Other reference values

GFOA recommends a minimum of no less than 2 months (16.7%) of general fund expenditures.

Median reference value generated from 2015 - 2018 Baker Tilly municipal client data for population ranges from 10,000 to 17,500.

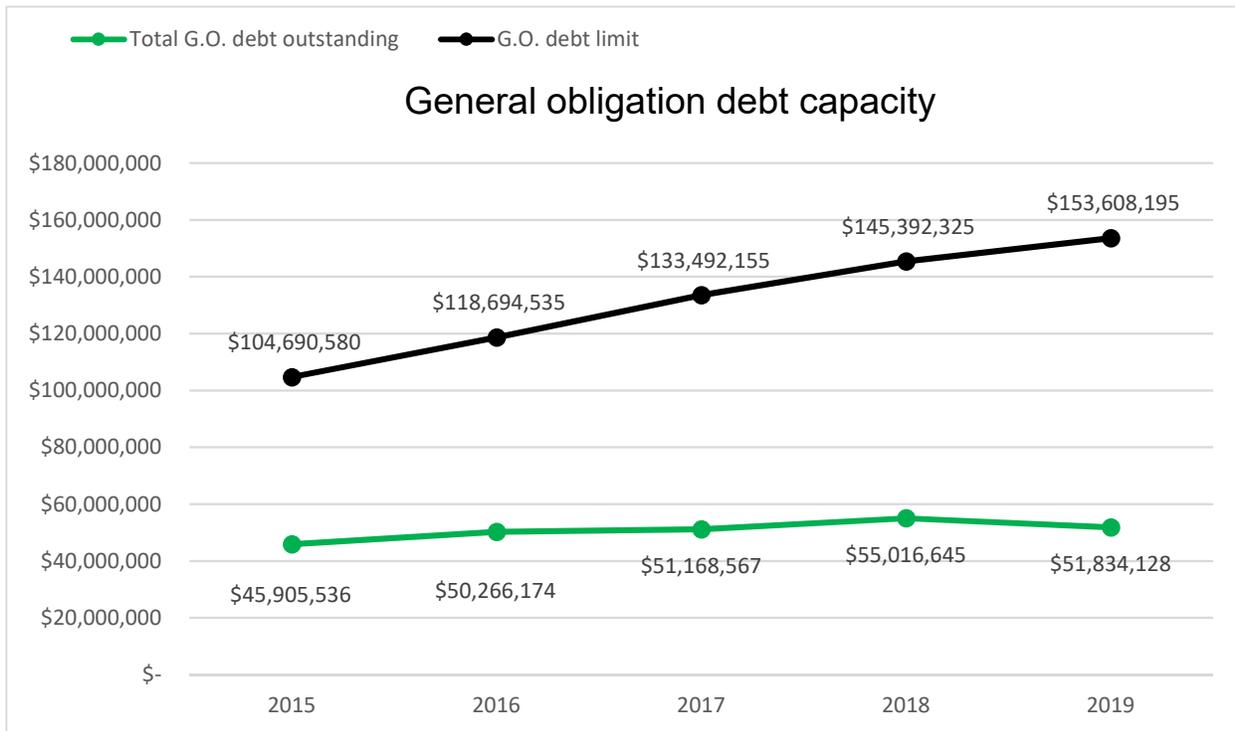
City of Verona

General obligation debt

Debt management policy:

The levy supported general obligation debt will not exceed 3.75% of the city's equalized value.

Actual percentage of debt limit at 12/31/19: **34%**



Total debt outstanding by type at 12/31/2019

	General obligation	Revenue debt	Comp abs	Total
City	\$ 47,194,128	\$ -	\$ 1,098,297	\$ 48,292,425
Utility	4,640,000	920,000	138,097	5,698,097
Total	\$ 51,834,128	\$ 920,000	\$ 1,236,394	\$ 53,990,522

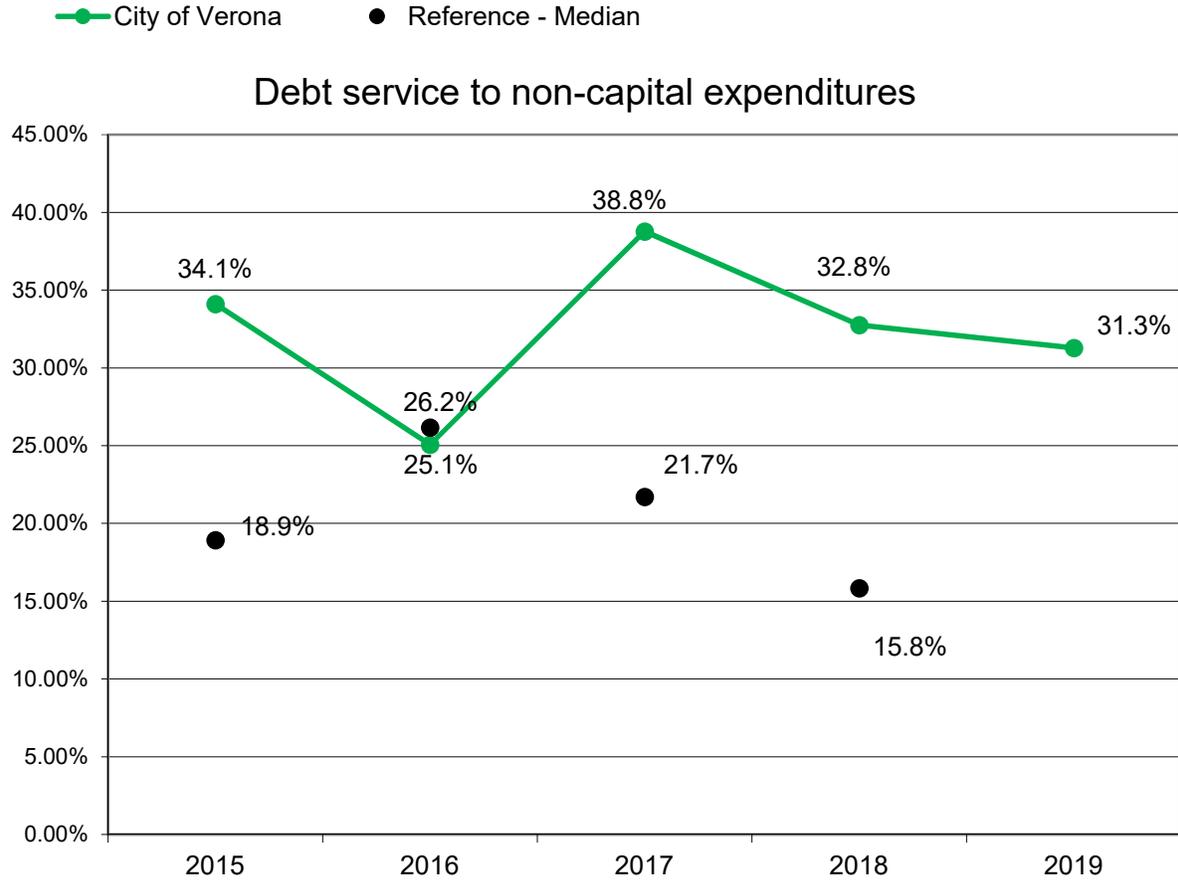
Comparative metrics available online through the Wisconsin Policy Forum.

<https://wispolicyforum.org/research/municipal-datatool-examining-and-comparing-wisconsin-cities-and-villages/>

Select "Debt" -- options for custom comparisons or comparisons by county

City of Verona

Governmental funds - debt service



Current and prior year data

	<u>2019</u>	<u>2018</u>
Principal	\$ 5,132,517	\$ 5,306,922
Interest	1,441,983	1,356,232
Total	<u>\$ 6,574,500</u>	<u>\$ 6,663,154</u>
Non-capital expenditures	<u>\$ 21,011,125</u>	<u>\$ 20,337,336</u>

Other reference values

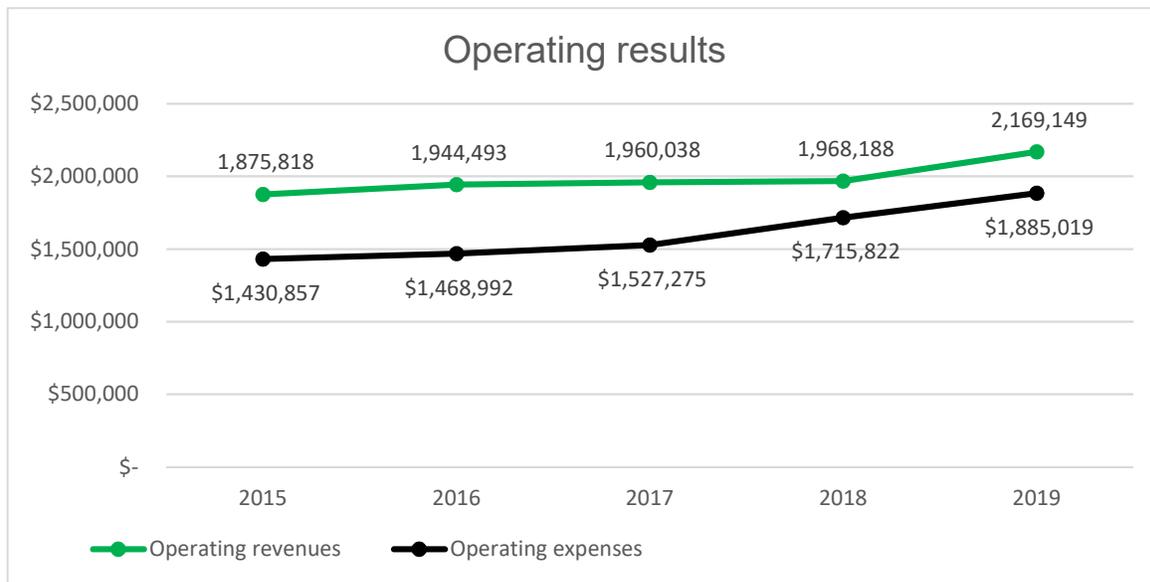
Median reference value generated from 2015 - 2018 Baker Tilly municipal client data for population ranges from 10,000 to 17,500.



Verona Utilities

Water Utility Results

	<u>Current Year</u>	<u>Prior Year</u>
Actual Rate of Return	-0.05%	-0.59%
Authorized Rate of Return	5.30%	6.50%



Unrestricted Reserves

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Year end balance	\$ 2,453,892	\$ 2,260,965	\$ 2,067,954	\$ 2,558,061	\$ 2,488,220
Months on hand	15.70	13.95	12.66	15.60	13.77

Debt Coverage - all utilities

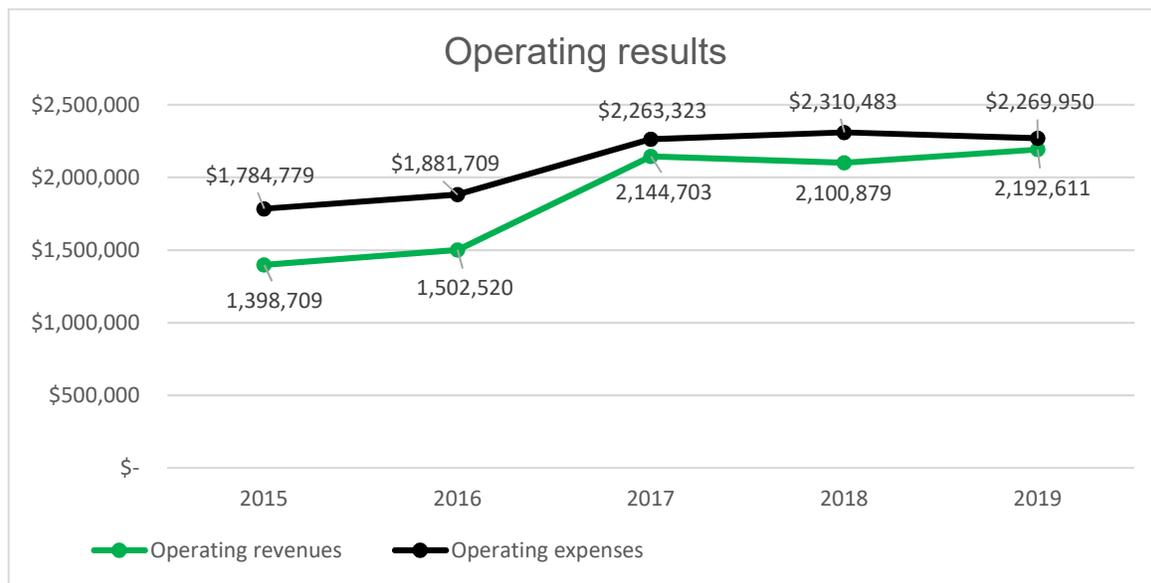
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actual	2.53	2.75	4.78	5.61	6.52
Required	1.25	1.25	1.25	1.25	1.25

Investment in Capital





Verona Utilities Sewer Utility Results



Unrestricted Reserves

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Year end balance	\$ 1,204,921	\$ 1,325,964	\$ 1,245,182	\$ 1,913,023	\$ 1,953,391
Months on hand	10.34	10.59	6.97	10.93	10.69

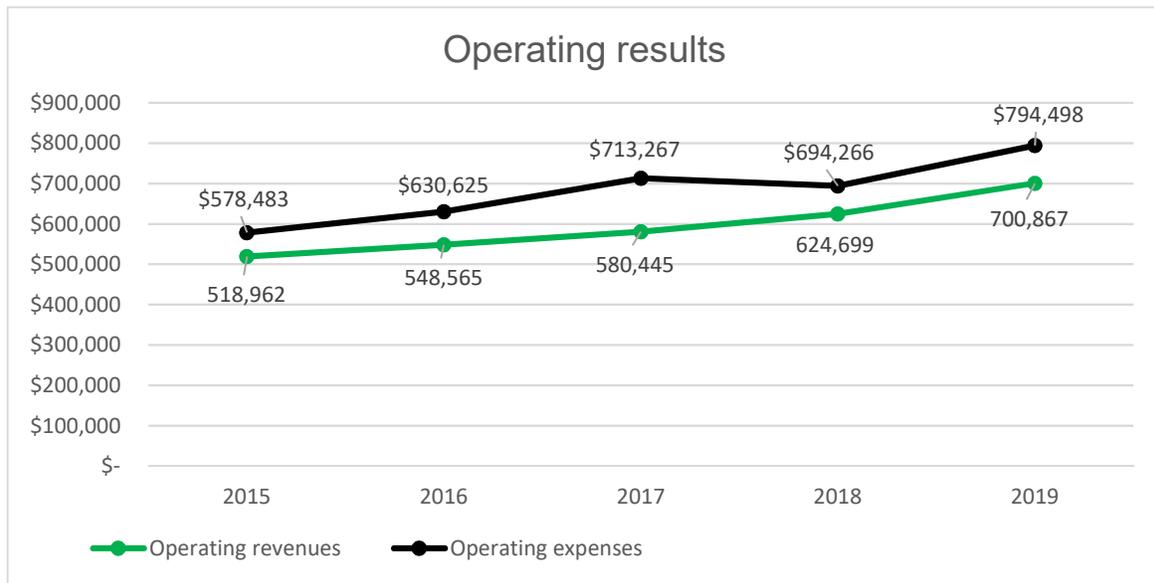
Investment in Capital





Verona Utilities

Stormwater Utility Results



Unrestricted Reserves

	2015	2016	2017	2018	2019
Year end balance	\$ 748,296	\$ 815,099	\$ 912,486	\$ 1,053,913	\$ 984,065
Months on hand	17.30	17.83	18.86	20.24	16.85

Investment in Capital



June 22, 2020

Pre-Sale Report for

City of Verona, Wisconsin

\$5,680,000 General Obligation
Corporate Purpose Bonds, Series 2020A



Prepared by:

Todd Taves, CIPMA
Senior Municipal Advisor

Dawn Gunderson Schiel, CPFO, CIPMA
Senior Municipal Advisor

Executive Summary of Proposed Debt

Proposed Issue:	\$5,680,000 General Obligation Corporate Purpose Bonds, Series 2020A (“Bonds”)
Purposes:	The proposed issue includes financing to pay the costs of street improvements, park improvements and sewer system improvements. Debt service will be paid from a combination of ad valorem property taxes and revenues derived from operation of the City’s sewer system which will be applied to abate the debt service for that portion of the issue that will fund sewer system improvements.
Authority:	<p>The Bonds are being issued pursuant to Wisconsin Statutes, Section 67.04 and will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p> <p>The Bonds count against the City’s general obligation debt capacity limit of 5% of total City equalized valuation. Following issuance of the Bonds, the City’s total General Obligation debt principal outstanding will be \$51.4 million, which is 33.5% of its limit. Remaining General Obligation Borrowing Capacity will be approximately \$102.2 million.</p>
Term/Call Feature:	<p>The Bonds are being issued for a total term of 19 years. Funds borrowed for sewer system improvements will be amortized over the full 19 term of the bonds. Funds borrowed for street and park improvements will be amortized over a 10-year term.</p> <p>Principal on the Bonds will be due on September 1 in the years 2021 through 2039. Interest is payable every six months beginning March 1, 2021. The Bonds will be subject to prepayment at the discretion of the City on September 1, 2029 or any date thereafter.</p>
Bank Qualification:	Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.
Rating:	The City’s most recent bond issues were rated by Moody’s Investors Service. The current ratings on those bonds are “Aa2”. The City will request a new rating for the Bonds. If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating if the bond rating of the insurer is higher than that of the City.

<p>Basis for Recommendation:</p>	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Bonds as a suitable option based on:</p> <ul style="list-style-type: none"> • The expectation this form of financing will provide the overall lowest cost of funds while also meeting the City’s objectives for term, structure and optional redemption. • The City having adequate General Obligation debt capacity to undertake this financing and anticipating any potential rating impacts.
<p>Method of Sale/Placement:</p>	<p>We will solicit competitive bids for the purchase of the Bonds from underwriters and banks and will include an allowance for discount bidding in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.</p>
<p>Premium Pricing:</p>	<p>In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or “discount”) but will pay the remainder of the premium to the City. For this issue of Bonds, any premium amount received that is in excess of the underwriting discount and any capitalized interest amounts must be placed in the debt service fund and used to pay a portion of the interest payments due on the Bonds.</p> <p>The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City’s objectives for this financing.</p>
<p>Other Considerations:</p>	<p>The Bonds will be offered with the option of the successful bidder utilizing a term bond structure. By offering underwriters the option to “term up” some of the maturities at the time of the sale, it gives them more flexibility in finding a market for your Bonds. This makes your issue more marketable, which can result in lower borrowing costs. If the successful bidder utilizes a term bond structure, we recommend the City retain a paying agent to handle responsibility for processing mandatory redemption/call notices associated with term bonds.</p>

<p>Review of Existing Debt:</p>	<p>We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time. The City’s Series 2011 General Obligation Corporate Purpose Bonds are currently callable, however \$1,915,000 of the \$2,185,000 principal balance outstanding is allocated to Tax Incremental District No. 6 which is expected to close in 2022 at which time it can redeem the remaining outstanding bonds with cash on hand.</p> <p>The City’s other currently callable obligations include its Series 2012A General Obligation Corporate Purpose Bonds and Series 2013B General Obligation Promissory Notes. A total of \$495,000 of the remaining principal balance of the Series 2012A Bonds is allocated to Tax Incremental District No. 6 which will redeem those bonds at the time of its closure. Both the 2012A Bonds and the 2013B Notes carry low interest rates ranging from 1.8% to 2.75% and would not generate savings if refinanced under current market conditions.</p> <p>We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.</p>
<p>Continuing Disclosure:</p>	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds and has contracted with Ehlers to prepare and file the reports.</p>
<p>Arbitrage Monitoring:</p>	<p>Because the Bonds tax-exempt obligations, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be defined in the Tax Exemption Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or contract with Ehlers to assist you.</p>
<p>Investment of Bond Proceeds:</p>	<p>To maximize interest earnings, we recommend using an SEC registered investment advisor to assist with the investment of bond proceeds until they are needed to pay project costs. Ehlers is a registered investment advisor and can assist the City in developing an appropriate investment strategy if needed.</p>
<p>Risk Factors:</p>	<p>The City expects to abate a portion of the City debt service with sewer utility revenues. In the event this revenue is not available, the City is obligated to levy property taxes in an amount sufficient to make all debt payments.</p>

Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Counsel: Quarles & Brady LLP</p> <p>Paying Agent: Bond Trust Services Corporation (if Term Bonds)</p> <p>Rating Agency: Moody's Investors Service, Inc.</p>
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Proposed Debt Issuance Schedule

Pre-Sale Review by City Council:	June 22, 2020
Conference with Rating Agency:	Week of July 13, 2020
Due Diligence Call to review Official Statement:	Week of July 13, 2020
Distribute Official Statement:	Week of July 20, 2020
City Council Meeting to Award Sale of the Bonds:	July 27, 2020
Estimated Closing Date:	August 20, 2020

Attachments

- Estimated Sources and Uses of Funds
- Estimated Proposed Debt Service Schedule
- Bond Buyer Index

Ehlers Contacts

Municipal Advisors:	Todd Taves	(262) 796-6173
	Dawn Gunderson Schiel	(262) 796-6166
Disclosure Coordinator:	Brendan Leonard	(262) 796-6169
Financial Analyst:	Kathy Myers	(262) 796-6177

The Preliminary Official Statement for this financing will be sent to the City Council at their home or email address for review prior to the sale date.



Proposed 2020 G.O. Bond Sizing by Purpose

	Purpose #1 Street Improvements	Purpose #2 Park Improvements	Purpose #3 Sewer Improvements	Presale Estimate G.O. Bonds Series 2020A
Capital Projects & Equipment¹				
School Road Completion & Other Road Projects	655,000			655,000
Pedestrian/Bike Trail Improvements/Construction		400,000		400,000
Eastside Sewer Interceptor			4,500,000	4,500,000
Subtotal Project Costs	655,000	400,000	4,500,000	5,555,000
Estimated Issuance Expenses				
Municipal Advisor (Ehlers)	3,775	2,310	25,915	32,000
Bond Counsel (Quarles & Brady LLP)	1,474	902	10,123	12,500
Paying Agent (BTSC, if Term Bond Bid)	100	61	688	850
Rating Fee (Moody's Investors Service)	2,005	1,227	13,768	17,000
Maximum Underwriting Discount @ 1.25%	8,375	5,125	57,500	71,000
TOTAL TO BE FINANCED	670,730	409,626	4,607,995	5,688,350
Estimated Interest Earnings ²	(1,245)	(762)	(8,548)	(10,555)
Rounding	515	1,136	553	2,205
NET ISSUE SIZE	670,000	410,000	4,600,000	5,680,000

NOTES:

¹Projects to be financed taken from B. Lamers e-mail received on 5-5-2020.

²Estimated interest earnings assume two months temporary investment of proceeds at 1.14%. (LGIP rate as of March 2020).





Projected Series 2020A G.O. Corporate Purpose Bond Debt Service Allocations

Presale Estimate

Year	Street Improvements \$670,000			Park Improvements \$410,000			Sewer Improvements \$4,600,000			G.O. Corp Purpose Bonds, Series 2020A \$5,680,000 Dated 8-20-2020			Year				
	Prin (9/1)	Est. Rate	Interest	Total	Prin (9/1)	Est. Rate	Interest	Total	Prin (9/1)	Est. Rate ¹	Interest	Total					
2021	65,000	1.350%	10,383	75,383	40,000	1.350%	6,356	46,356	205,000	1.350%	89,429	294,429	310,000	1.350%	106,167	416,167	2021
2022	65,000	1.380%	9,198	74,198	40,000	1.380%	5,628	45,628	210,000	1.380%	84,010	294,010	315,000	1.380%	98,835	413,835	2022
2023	65,000	1.400%	8,301	73,301	40,000	1.400%	5,076	45,076	215,000	1.400%	81,112	296,112	320,000	1.400%	94,488	414,488	2023
2024	65,000	1.420%	7,391	72,391	40,000	1.420%	4,516	44,516	220,000	1.420%	78,102	298,102	325,000	1.420%	90,008	415,008	2024
2025	65,000	1.450%	6,468	71,468	40,000	1.450%	3,948	43,948	220,000	1.450%	74,978	294,978	325,000	1.450%	85,393	410,393	2025
2026	65,000	1.500%	5,525	70,525	40,000	1.500%	3,368	43,368	225,000	1.500%	71,788	296,788	330,000	1.500%	80,680	410,680	2026
2027	70,000	1.550%	4,550	74,550	40,000	1.550%	2,768	42,768	225,000	1.550%	68,413	293,413	335,000	1.550%	75,730	410,730	2027
2028	70,000	1.600%	3,465	73,465	40,000	1.600%	2,148	42,148	230,000	1.600%	64,925	294,925	340,000	1.600%	70,538	410,538	2028
2029	70,000	1.650%	2,345	72,345	45,000	1.650%	1,508	46,508	235,000	1.650%	61,245	296,245	350,000	1.650%	65,098	415,098	2029
2030	70,000	1.700%	1,190	71,190	45,000	1.700%	765	45,765	240,000	1.700%	57,368	297,368	355,000	1.700%	59,323	414,323	2030
2031					45,000	1.950%			245,000	1.950%	53,288	298,288	245,000	1.950%	53,288	298,288	2031
2032						1.950%			245,000	1.950%	48,510	293,510	245,000	1.950%	48,510	293,510	2032
2033						2.150%			250,000	2.150%	43,733	293,733	250,000	2.150%	43,733	293,733	2033
2034						2.150%			255,000	2.150%	38,358	293,358	255,000	2.150%	38,358	293,358	2034
2035						2.300%			265,000	2.300%	32,875	297,875	265,000	2.300%	32,875	297,875	2035
2036						2.300%			270,000	2.300%	26,780	296,780	270,000	2.300%	26,780	296,780	2036
2037						2.400%			275,000	2.400%	20,570	295,570	275,000	2.400%	20,570	295,570	2037
2038						2.400%			280,000	2.400%	13,970	293,970	280,000	2.400%	13,970	293,970	2038
2039						2.500%			290,000	2.500%	7,250	297,250	290,000	2.500%	7,250	297,250	2039
2040																	2040
TOTALS	670,000		58,814	728,814	410,000		36,077	446,077	4,600,000		1,016,699	5,616,699	5,680,000		1,111,589	6,791,589	TOTALS

NOTES
¹Estimated rates are City of West Bend (AA) 4-20-2020 sale results (reoffering yields) plus 0.25%.





Projected Debt Service Impact of Proposed Series 2020A G.O. Corporate Purpose Bonds

Existing Debt Only					
YEAR	Projected TID OUT EV	Annual P&I Payment ¹	Less Proj. Abatement ²	Net Levy for Debt Service	Net Rate for Debt Service
2020	2,969,335,200	6,946,845	(2,573,236)	4,373,610	1.47
2021	3,027,163,353	7,012,373	(2,449,172)	4,563,201	1.51
2022	3,084,991,506	6,761,595	(2,377,594)	4,384,001	1.42
2023	3,218,774,960	6,308,134	(2,076,737)	4,231,398	1.31
2024	3,310,155,513	5,252,257	(1,289,211)	3,963,046	1.20
2025	3,367,983,666	5,134,669	(1,192,432)	3,942,237	1.17
2026	3,425,811,819	4,258,376	(1,064,399)	3,193,977	0.93
2027	3,483,639,973	2,956,586	(621,026)	2,335,560	0.67
2028	3,541,468,126	2,715,780	(418,958)	2,296,823	0.65
2029	3,599,296,279	2,123,605	(414,033)	1,709,573	0.47
2030	3,657,124,432	1,906,199	(310,445)	1,595,754	0.44
2031	3,714,952,586	1,471,680	(263,873)	1,207,808	0.33
2032	3,772,780,739	1,471,484	(262,928)	1,208,556	0.32
2033	3,830,608,892	1,468,605	(261,960)	1,206,645	0.32
2034	3,888,437,045	1,463,400	(271,387)	1,192,013	0.31
2035	3,946,265,199	810,978	(74,465)	736,513	0.19
2036	4,004,093,352	683,588	(73,105)	610,483	0.15
2037	4,061,921,505	677,418	(76,638)	600,780	0.15
2038	4,119,749,658	335,775	(79,975)	255,800	0.06
2039	4,177,577,812				
2040	4,235,405,965				
2041	4,293,234,118				
2042	4,351,062,271				
TOTALS	52,812,501		(13,578,335)	39,234,165	

Estimated New Issue Debt Service						
YEAR	G.O. Corporate Purpose Bonds, Series 2020A \$5,680,000 Dated 8-20-2020		Total	Proj. Sewer Abatement	Net Levy for Debt Service	Net Rate for Total Debt Svc
	Prin (9/1)	Est. Rate ² Interest				
2020	310,000	1.350%	106,167	416,167	4,373,610	1.47
2021	315,000	1.380%	98,835	413,835	4,684,940	1.55
2022	320,000	1.400%	94,488	414,488	4,503,826	1.46
2023	325,000	1.420%	90,008	415,008	4,349,774	1.35
2024	325,000	1.450%	85,393	410,393	4,079,952	1.23
2025	330,000	1.500%	80,680	410,680	4,057,652	1.20
2026	335,000	1.550%	75,730	410,730	3,307,870	0.97
2027	340,000	1.600%	70,538	410,538	2,452,878	0.70
2028	350,000	1.650%	65,098	415,098	2,412,435	0.68
2029	355,000	1.700%	59,323	414,323	1,828,425	0.51
2030	245,000	1.950%	53,288	298,288	1,712,709	0.47
2031	245,000	1.950%	48,510	293,510	1,207,808	0.33
2032	250,000	2.150%	43,733	293,733	1,208,556	0.32
2033	255,000	2.150%	38,358	293,358	1,206,645	0.32
2034	265,000	2.300%	32,875	297,875	1,192,013	0.31
2035	270,000	2.300%	26,780	296,780	736,513	0.19
2036	275,000	2.400%	20,570	295,570	610,483	0.15
2037	280,000	2.400%	13,970	293,970	600,780	0.15
2038	290,000	2.500%	7,250	297,250	255,800	0.06
2039					0	0.00
2040					0	0.00
2041					0	0.00
2042					0	0.00
TOTALS	5,680,000		1,111,589	6,791,589	40,409,056	

 = Bonds Subject to Optional Redemption

NOTES

¹Total principal and interest due on outstanding General Obligation Bonds, Notes and State Trust Fund Loans issued by the City through December 31, 2019.

²Projected abatements reflect utility, park and tax increment district allocated G.O. debt, and library and public safety impact fees.

³Estimated rates are City of West Bend (AA) 4-20-2020 sale results (reoffering yields) plus 0.25%.

Presale Estimate



10 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates May, 2010 - May, 2020



Circle = Max BBI (5.41% on 1/24/2011), Diamond = Min BBI (2.25% on 4/17/2020)

The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.



and due by April 27, 2020. The City received six (6) proposals and Staff narrowed the proposals to four (4), which were interviewed by the CDA on May 18th. The CDA voted on June 2nd to forward the proposals from McKenzie Apartment Company and Steve Brown Apartments to the Council. Detailed information on the process, including YouTube video links, is located on the City's website: <https://www.ci.verona.wi.us/697/Sugar-Creek-Elementary-School-Site>

Project Comparison:

The comparison below is intended to provide a brief snapshot of each development proposal:

	McKenzie	Steve Brown
Market Rate	226	132
Affordable/ Work Force	92	104
Total Units	318	236
Types of Units	Studio, 1, 2 & 3 bedroom apartments	20 loft above retail; remaining 1, 2 & 3 bedrooms
New Century	Community use - potential use for nonprofit group	Public-private partnership options of Children's museum, community center, non-profit headquarters, or maker space; Can be flipped to private options if needed
Public Amenity	Pool, Community Center, Pool Building, Band Stand, Playground	Plaza: Community center or performance space; Central Space: lawn, pool, or pickleball options

Finances:

In reviewing the financial information, Staff attempted to focus on the total cost to the City. Below is a brief summary of that analysis:

	McKenzie	Steve Brown
Purchase Price	\$77,000	\$0
School Demo	\$750,000	\$650,000
Site Work Public Improvements (road, sewer, water)	\$1,168,000	\$2,500,000
Public Amenity Investment	\$1,770,000	\$2,000,000
Park Fees Waiver	\$540,600	\$0
Commercial	\$0	\$759,600
Affordable Housing	Not stated	\$2,952,000
Potential City Cost (identified by the developer)	\$2,963,600	\$8,861,600
Estimated developer investment	\$52,000,000	\$54,000,000

After the last Council meeting City Staff requested additional financial information from both developers and the table contains the most recent information. The estimated potential City cost for the McKenzie Apartment Company is \$2,963,600 and includes Tax Incremental Financing (TIF) and parkland fee waiver. The TIF funding would be for demolition, infrastructure improvements, and public facilities. Steve Brown Apartments has a gap of \$8,861,600 for the commercial space, site improvements, affordable housing, and public space. The potential City cost is the maximum amount of funding that is needed, but it could be less depending on other programs/funds. Any selected project with TIF funds will be negotiated by the City once a developer is selected.

Council Action:

Action by the Council authorizes Staff to work with the selected developer on refining their plans including public hearings, but does not approve the project. Further, once a developer is selected, Staff will work with Ehlers to complete a proforma analysis

as both projects contain a TIF request. Staff encourages the Council to ask the developers clarifying questions regarding the financial details.

Resolution No. R-20-021

INITIAL RESOLUTION AUTHORIZING
GENERAL OBLIGATION BONDS
IN AN AMOUNT NOT TO EXCEED
\$670,000 FOR STREET IMPROVEMENT PROJECTS

BE IT RESOLVED by the Common Council of the City of Verona, Dane County, Wisconsin, that there shall be issued, pursuant to Chapter 67, Wisconsin Statutes, general obligation bonds in an amount not to exceed \$670,000 for the public purpose of paying the cost of street improvement projects.

Adopted, approved and recorded June 22, 2020.

Luke Diaz
Mayor

(SEAL)

ATTEST:

Ellen Clark
City Clerk

Resolution No. R-20-022

INITIAL RESOLUTION AUTHORIZING
GENERAL OBLIGATION BONDS
IN AN AMOUNT NOT TO EXCEED
\$410,000 FOR PARKS AND PUBLIC GROUNDS PROJECTS

BE IT RESOLVED by the Common Council of the City of Verona, Dane County, Wisconsin, that there shall be issued, pursuant to Chapter 67, Wisconsin Statutes, general obligation bonds in an amount not to exceed \$410,000 for the public purpose of paying the cost of parks and public grounds projects.

Adopted, approved and recorded June 22, 2020.

Luke Diaz
Mayor

(SEAL)

ATTEST:

Ellen Clark
City Clerk

Resolution No. R-20-023
INITIAL RESOLUTION AUTHORIZING
GENERAL OBLIGATION BONDS
IN AN AMOUNT NOT TO EXCEED
\$4,600,000 FOR SEWERAGE PROJECTS

BE IT RESOLVED by the Common Council of the City of Verona, Dane County, Wisconsin, that there shall be issued, pursuant to Chapter 67, Wisconsin Statutes, general obligation bonds in an amount not to exceed \$4,600,000 for the public purpose of paying the cost of sewerage projects.

Adopted, approved and recorded June 22, 2020.

(SEAL)

Luke Diaz
Mayor

ATTEST:

Ellen Clark
City Clerk

Resolution No. R-20-024

RESOLUTION DIRECTING PUBLICATION OF NOTICE TO ELECTORS
RELATING TO BOND ISSUES

WHEREAS, initial resolutions authorizing general obligation bonds have been adopted by the Common Council of the City of Verona, Dane County, Wisconsin (the "City") and it is now necessary that said initial resolutions be published to afford notice to the residents of the City of their adoption;

NOW, THEREFORE, BE IT RESOLVED that the City Clerk shall, within 15 days, publish a notice to the electors in substantially the form attached hereto in the official City newspaper as a class 1 notice under ch. 985, Wis. Stats.

Adopted, approved and recorded June 22, 2020.

(SEAL)

Luke Diaz
Mayor

ATTEST:

Ellen Clark
City Clerk

RESOLUTION PROVIDING FOR THE SALE OF
\$5,680,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2020A

WHEREAS, the Common Council of the City of Verona, Dane County, Wisconsin (the "City") has adopted initial resolutions (the "Initial Resolutions") authorizing the issuance of general obligation bonds for the following public purposes and in the following amounts:

- (a) \$670,000 for street improvement projects;
- (b) \$410,000 for parks and public grounds projects; and
- (c) \$4,600,000 for sewerage projects.

WHEREAS, the Common Council hereby finds and determines that the projects described in the Initial Resolutions are within the City's power to undertake and therefore serve a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. Combination of Issues. The issues referred to above are hereby combined into one issue of bonds designated "General Obligation Corporate Purpose Bonds, Series 2020A" (the "Bonds") in an amount not to exceed \$5,680,000 for the purposes above specified.

Section 2. Sale of the Bonds. The Common Council hereby authorizes and directs that the Bonds be offered for public sale. At a subsequent meeting, the Common Council shall consider such bids for the Bonds as may have been received and take action thereon.

Section 3. Notice of Sale. The City Clerk (in consultation with Ehlers & Associates, Inc. ("Ehlers")) is hereby authorized and directed to cause the sale of the Bonds to be publicized at such times and in such manner as the City Clerk may determine and to cause copies of a complete Notice of Sale and other pertinent data to be forwarded to interested bidders as the City Clerk may determine.

Section 4. Official Statement. The City Clerk (in consultation with Ehlers) shall also cause an Official Statement to be prepared and distributed. The appropriate City officials shall determine when the Official Statement is final for purposes of Securities and Exchange Commission Rule 15c2-12 and shall certify said Official Statement, such certification to constitute full authorization of such Official Statement under this resolution.

Adopted, approved and recorded June 22, 2020.

(SEAL)

Luke Diaz
Mayor

ATTEST:

Ellen Clark
City Clerk

Memorandum

To: Plan Commission
From: Adam Sayre – City Administrator
Date: June 17, 2020
Re: **Sugar Creek/New Century Redevelopment**

On June 8, 2020, the Common Council reviewed development proposals from McKenzie Apartment Company and Steve Brown Apartments for the development of the Sugar Creek/New Century School sites. The Council postponed action and requested additional information from Staff. The purpose of this memo is to provide additional background information to the Council.

Background:

In 2018, the City and the Verona Area School District (VASD) executed a development agreement related to the road improvements for the new high school. As part of that agreement, the City agreed to pay the VASD \$4 million for improvements for the new high school. Further, the agreement requires the VASD to convey the Sugar Creek/New Century property to the City on or before August 1, 2021.

Due to the execution of the development and ultimate future transfer of the property, the City began working with Community Design Solutions (CDS) on creating concepts for the property in 2019. Those concepts were ultimately reviewed by the Community Development Authority (CDA), general public at a workshop in August, and the Plan Commission and Common Council at their respective meetings in September. The concepts created by the CDS included:

- A Mixed-use town center concept
- Town center community pool concept
- Community park makerspace

Links to the concept are located on the City's website:

<http://www.ci.verona.wi.us/674/Community-Design-Solutions>

The City issued the request for proposals (RFP) for the property in January of 2020, and provided tours to developers of the site in February. Proposals were submitted

and due by April 27, 2020. The City received six (6) proposals and Staff narrowed the proposals to four (4), which were interviewed by the CDA on May 18th. The CDA voted on June 2nd to forward the proposals from McKenzie Apartment Company and Steve Brown Apartments to the Council. Detailed information on the process, including YouTube video links, is located on the City’s website: <https://www.ci.verona.wi.us/697/Sugar-Creek-Elementary-School-Site>

Project Comparison:

The comparison below is intended to provide a brief snapshot of each development proposal:

	McKenzie	Steve Brown
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Estimated developer investment	\$52,000,000	\$54,000,000

After the last Council meeting City Staff requested additional financial information from both developers and the table contains the most recent information. The estimated potential City cost for the McKenzie Apartment Company is \$2,963,600 and includes Tax Incremental Financing (TIF) and parkland fee waiver. The TIF funding would be for demolition, infrastructure improvements, and public facilities. Steve Brown Apartments has a gap of \$8,861,600 for the commercial space, site improvements, affordable housing, and public space. The potential City cost is the maximum amount of funding that is needed, but it could be less depending on other programs/funds. Any selected project with TIF funds will be negotiated by the City once a developer is selected.

Council Action:

Action by the Council authorizes Staff to work with the selected developer on refining their plans including public hearings, but does not approve the project. Further, once a developer is selected, Staff will work with Ehlers to complete a proforma analysis

as both projects contain a TIF request. Staff encourages the Council to ask the developers clarifying questions regarding the financial details.

**CITY OF VERONA
RESOLUTION NO. R-20-26**

**A RESOLUTION AUTHORIZING CITY STAFF
TO WORK WITH XXX
FOR THE DEVELOPMENT OF THE SUGAR CREEK ELEMENTARY SCHOOL
AND NEW CENTURY CHARTER SCHOOL SITES
LOCATED AT 420 CHURCH AVENUE**

WHEREAS, Sugar Creek Elementary School and New Century Charter School are located at 420 Church Avenue (Property); and

WHEREAS, the Verona Area School District (VASD) agreed as part of a Developer's Agreement to convey the Property to the City for \$1 in an as-is condition; and

WHEREAS, the City shall determine in its sole discretion how the Property is to be used, and it is the City's intention to not demolish or remove New Century School; and

WHEREAS, the City issued a Request for Proposals (RFP) for the Property on January 6, 2020; and

WHEREAS, the City received six (6) proposals from developers requesting to acquire and develop the Property; and

WHEREAS, four (4) developers were interviewed by the Community Development Authority (CDA), and the CDA reviewed their proposals based upon the criteria established in the RFP; and

WHEREAS, on June 2, 2020 the CDA voted to recommend the Common Council consider the proposals from McKenzie Apartment Company and Steve Brown Apartments; and

WHEREAS, on June 8th the Common Council interviewed and reviewed proposal from the McKenzie Apartment Company and Steve Brown Apartments.

NOW, THEREFORE, BE IT RESOLVED, that the City of Verona Common Council hereby

Passed, signed and dated this _____ day of _____, 2020.

CITY OF VERONA

SEAL

Luke Diaz, Mayor

Ellen Clark, City Clerk

SUGAR CREEK ELEMENTARY SITE

Vision for Verona's Next Dynamic Community Hub



Alexander
Company

Thank You.

Thank you again for the opportunity to present our vision for the Sugar Creek site. With our team having extensive experience in both urban planning and successfully executing urban infill projects, we are confident our proposal includes the appropriate mix and scale of housing, retail, and community space. Unfortunately, a community meeting is not always the best format to communicate complex information, so we wanted to address several items we understand may require further clarification.

Financing Gap, TIF, and Feasibility.

The initial request for proposal asked developers to provide sources and uses of funds along with financial viability of the project, which our team took very seriously and investigated each aspect. We did not want to assume that we would receive funding that is beyond our control (e.g. funding with competitive applications) but instead show that the project is viable on its face. To that end we calculated an overall **gap** in the financing of the project and a tax increment analysis to show that, absent any other forms of funding, the increment generated from this project alone could cover the financing gap. We have stated repeatedly that the \$8.8M gap in our financing is **not a TIF request**, just a way to demonstrate that the project is feasible as requested in the RFP. TIF is just one tool in the toolbox that we could potentially use to fill that gap.

Our companies have used dozens of sources of financing over the years and will endeavor to identify those sources that will fill the gap without adversely impacting the project. We have included some information in an addendum to try to demonstrate the differences between the proposals although it is difficult since the competing project's budget is incomplete. We will not know what the project will need, if anything, for TIF until we have worked with the community on scope and have exhausted other potential financing sources. An important point of distinction regarding the other proposal is that it lacks any depth in terms of outlining financial viability for the affordable component of the project, nor did it include a TIF request – although we understand they have since changed that to request \$2M in TIF.

Acquisition.

We understand that the other proposal is offering a purchase price for the property, whereas we have assumed that we will acquire it for no consideration. On its face we can certainly see why this is attractive to the city; however, we would like to point out that the other proposal also assumes that the City uses most, if not all, of those funds to pay for public improvements and infrastructure. Essentially, those costs have been removed from sources and uses and replaced them with acquisition. This is a distinction without a difference. Similarly, we could revise our proposal to mimic this approach however, functionally it is simply a financial pass through. As stated above, we presented a complete financial picture in a manner that reflected the guidelines of the RFP and to demonstrate our proposal's long-term financial viability. We believe our method is more realistic and, most importantly, transparent.

Mixed-Use Component.

There has been much discussion about the proposed commercial space and whether it is viable. People are changing the way they shop, no question, but there is still an overwhelming need for community-level establishments. These are NOT national fast-food chains, but rather the bakeries, restaurants, brewpubs, yoga studios, coffee shops and experiential services that help activate a walkable community. You have only to look at examples in Middleton, Sun Prairie, and Waunakee to see that it can work. We have no desire to build commercial space that will sit vacant and, as we have said, intend to view the retail as a loss leader. We will likely provide space at reduced rental rates of up to 30% from market, or as low as \$15 per square foot, to attract local businesses that are an asset to the community. We see this as an investment in this micro-community as well as an extension to the broader community. This accounts for the approximately \$750,000 of the gap identified in our sources and uses.

One point to note is that the other proposal has offered to sell a portion of the lot to Steve Brown Apartments so that we could build only the mixed-use portion of the project. That is not something we would entertain. As we have said, we look at the commercial space as a loss leader and investment to benefit the overall site activation – it just wouldn't make sense for us to make that investment independently from the rest of our vision for the site.

Public/Private Partnership and Community Space.

Our team approached this project as a true public/private partnership, and it is imperative that we work with stakeholders to determine how to best use the space for the community's benefit. We maintain our strong commitment to flexibility and will work with the City to achieve their desired outcome with respect to the public components of the site. Alderperson Kemp mentioned his desire to pick different parts of each proposal, and we would like to express our willingness to make that happen. We applaud some suggestions the other proposal has brought to the table; however, none of these ideas are proprietary. We have a long history of working with and supporting non-profit organizations as well.

Historic Adaptive Reuse.

The Alexander Company has more than 35 years of experience in historic preservation and adaptive reuse, with no shortage of industry awards supporting the success of those efforts. We know exactly what it takes to get a property listed on the National Register of Historic Places, and what it means. We have been through the historic renovation process with the National Park Service on more than one-hundred projects and have even acted as a consultant to the Secretary of the Interior regarding the Historic Tax Credit program. We know the pitfalls one can encounter in historic adaptive reuse projects, are undoubtedly one of the most experienced historic developers in the country and certainly able to tackle this important aspect of the project.

In short, our Steve Brown Apartments/Alexander Company Team is extremely excited about this project! We have engaged a team who not only understands the important links to fitting the site into a broader downtown movement but are also actual members of the Verona community and understand its needs. We have considered how the density and scale of the project relate to the surrounding neighborhoods and planned accordingly. We look at this project as more than just a housing development – it is a transformative investment in the City **to create an identity for a vibrant and walkable downtown Verona for all to enjoy**. We are experienced, flexible and want to work with the City to provide opportunities, not liabilities.

Please let us know if you have any other questions or need further clarification on anything.

Sincerely,

Steve Brown Apartments



Margaret Watson
Chief Executive Officer

The Alexander Company



Joe Alexander
President

SUGAR CREEK ELEMENTARY SITE

Vision for Verona's Next Dynamic Community Hub

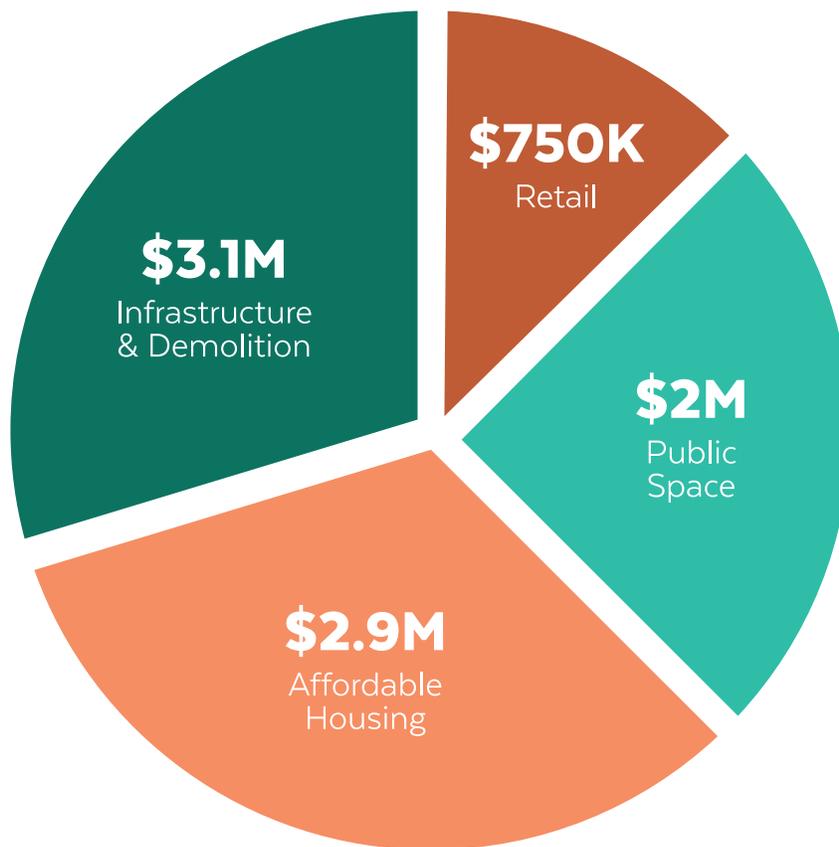


Alexander
Company

FINANCIAL GAP

Steve Brown Apartments / The Alexander Company

(Not a TIF Request)



POTENTIAL GAP FILLING OPTIONS

- Affordable Housing Tax Credits (change to 9%)
- Pending legislation to increase 4% credit
- Community Development Block Grant Funds
- Subordinate Loan and Gap Programs
- Federal Home Loan Bank
- HOME Funds
- TIF

SUGAR CREEK ELEMENTARY SITE

ECONOMICS COMPARISON of Proposals in Consideration

Steve Brown Apartments/
The Alexander Company
Financial Gap

\$8.8M

LESS

Other Proposal
TIF Request and
Waived Impact Fees

\$2.7M

EQUALS

GAP
Variance

\$6.15M

LESS \$1.8M VARIANCE



**\$1.6M Infrastructure
Variance**

Ours: \$2.5M | Theirs: \$791k

**\$230K Public Space
Variance**

Ours: \$2M | Theirs: \$1.77M

GAP Attributable to
Private Development

\$4.3M

**POTENTIAL FUNDING
ALTERNATIVES TO TIF:**

+ \$2.95M Pending 4% tax credit legislation or
change to 9% tax credit application

+ \$1.36M Subordinate Loans/Grants, WHEDA,
HOME, CDBG, County, and/or FHLB

Why is there a variance?

This is attributable to either a lesser
scope or inaccurate budgeting.

NOTE: This comparison may be incomplete given the lack of financial viability information provided in the other proposal.



MCKENZIE
APARTMENT COMPANY

CITY OF VERONA SUGAR CREEK RFP

McKenzie Apartment Company

Dear Verona City Council Members,

We want you to know how much this project matters to us and how we have listened to you.

OUR FAMILY HAS DEEP ROOTS IN VERONA

- My 92-year-old father's first apartment development was in Verona in 1960. He partnered with our neighbor, Dan Neviaser, who had moved from Virginia to become the sales manager at Carnes Corporation. That was my first exposure to real estate.
- My son and partner, Jack, and his wife, Sarah, met at school in Verona and graduated from Verona High. Sarah grew up in the Cross Country Heights neighborhood.
- Our two longest-term employees, Michelle Booth (now Hegg), who has been with us for 21 years, and Susan Hageman, who has been with us for 14 years, both grew up in Verona.
- We are very proud of our Siena Ridge apartments which we built on Ineichen Drive in 2012-2013. We worked hard to make it a beautiful project that would fit in with the Harmony Hills neighborhood.

McKenzie Apartment Company is a third generation family business. We have never sold anything we have built and we never will. My children will own 50% of this project if we are selected. They participate in the business and they too will never sell. We only do one or two projects at a time and we will personally be on site every day until it is done right. We are guided by pride of ownership and operate with a determination to earn the trust of our residents.



CITY OF VERONA SUGAR CREEK RFP

McKenzie Apartment Company

The last meeting on June 8th was interesting. We heard some reactions that we expected and some that we did not. This is what we heard:

- 1) You have mixed feelings about the commercial space.
- 2) You have mixed feelings about density.
- 3) You want 3 bedroom units.
- 4) You want the space to be a destination and would like multi-season use.
- 5) You like the skilled trades training facility.
- 6) You have mixed feelings about each plan and you wish you could combine the best features of each into a single plan. I was asked if we are flexible and what we would offer if the council decided they didn't want a pool at that location.

We would like to take one last opportunity to respond to these issues and give you a look at an alternative plan that doesn't include a pool

COMMERCIAL MIXED-USE

The Steve Brown Apartments (SBA) proposal includes 10,000 sq. ft. of commercial space in a mixed-use building. We do not propose adding commercial space at this time. Mixed use buildings are challenging. The only other one I am aware of in Verona is Velocity on Nine Mound Road. The ground-floor commercial there has never rented in the approximately five years since it was built. As for commercial on Verona Avenue, it is important to recognize the amount that has been built or approved already. Our assessment of the market at this time concludes that absorbing this space will be daunting.

This is what you already have:

MARKET 5 - This project, which is nearing completion, has just under 29,000 sq. ft. of commercial space. Only one lease has been signed to Summit Credit



CITY OF VERONA SUGAR CREEK RFP

McKenzie Apartment Company

Union which is in a separate building. It should be a serious concern that Market 5 and the high school are essentially complete and the storefronts are empty.

SUGAR CREEK COMMONS - This project has 26,000 sq. ft. of commercial space. It has a fence around it with no construction activity. This is a bad sign.

NORTHPOINTE - The property near the Klassik has been assembled by Northpointe and they are planning to build an undetermined amount of commercial space.

TRUE STUDIO - On the other end of Verona Ave a 10,000 sq. ft. building has been completed and two-thirds is still vacant and not leased.

Is this the right time to add more commercial space? The commercial/retail market which was soft anyway, may look much worse post-COVID19.

If we have been unable to persuade you against additional commercial space and Verona still feels the need to add it at the corner of Verona Ave. & Marietta, we would be willing to detach and sell that portion of the Sugar Creek site that SBA has identified in their proposal so they could proceed. Verona and SBA could have additional commercial space even if McKenzie Apartment Company is selected to do the Sugar Creek project.

3 BEDROOM APARTMENTS

More than once I was asked about 3 bedroom apartments. The 92-unit affordable apartments by our partner, Stonehouse, will include 3 bedroom units. Our original plan for market-rate apartments did not include 3 bedroom units. It is apparent to us now that we should include 3 bedroom units in the market rate buildings as well to accommodate families. We have learned 3 bedroom apartments are hard to find in Verona. We plan to revise the plan to include 3 bedroom units.

DENSITY

One Alder stated that he preferred low density and therefore gave an edge to SBA. Respectfully, I would like to make the following points in favor of density.



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CITY OF VERONA SUGAR CREEK RFP

McKenzie Apartment Company

1. More units = more taxable revenue for Verona.
2. More units = more customers for Verona merchants. This not only benefits existing businesses but will be crucial in enhancing the chances that vacant and approved but unbuilt commercial space will get absorbed.
3. Walkability - This was mentioned as a desired feature of a development plan. To be walkable you need people in the area to do the walking.
4. Density has environmental benefits because of shorter commutes. Spreading people out increases traffic and air pollution,
5. Density helps create a more lively and diverse community.

SKILLED TRADES

As I have said, the boards of both Madison Area Builders Association (MABA) and Boy & Girls Club of Dane County have voted to move forward on a partnership to build a skilled trades facility. This is an initiative that I started and have been working on for over two years. We had planned to build it in Sun Prairie at the McKenzie Family Boys & Girls Club. I have encouraged the parties to consider the New Century School and they have both reacted favorably if McKenzie Apartment Company is selected on the Sugar Creek site. If we are not selected, we will proceed with the Sun Prairie location.

I feel strongly that a skilled trades awareness and training facility will be a huge benefit to young people and businesses. Construction trade jobs are well paying and in great demand. Not everyone can or should go to college. These jobs are crucial to our future. We need more young people entering the trades because the workforce is getting older. We see great opportunity to partner with Verona High School. Along with MABA we can enhance training, education and provide job opportunities to Verona High School students and graduates.

We intend to offer this building also for general community use. We have done this with the facility in Sun Prairie and this has been very well received.



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CITY OF VERONA SUGAR CREEK RFP

McKenzie Apartment Company

POOL PLAN OR AN ALTERNATIVE

During the discussions the council had after the meeting on June 8th, some members suggested that the pool we have proposed is too small and asked what we would do in place of a pool. Accordingly, we have designed an alternative plan. Either plan is acceptable to us and we are willing to explore any other options that you like. In either case, our TIF request is significantly less than the SBA proposal.

OPTION A - POOL

Both Page 37 of the Comprehensive Outdoor Recreation Plan for Verona and the public input phase prior to issuing the RFP indicated that respondents' top priorities include a municipal pool. We have proposed a pool that can be expanded.

SBA superimposed on the site an outline of the Middleton Aquatic Center and the Goodman Pool in Madison showing that that they are much larger than our proposed pool. Bear in mind that Middleton has twice the population of Verona and Madison's population is 25 times larger. Naturally they would have larger facilities.

Another consideration should be the likelihood of finding a site large enough for a large Aquatic Center and the means to fund it. The Sugar Creek site, with its central location, is ideal because it is a quick, safe bike ride from many Verona neighborhoods. An alternative location will likely be more remote. The cost to the taxpayers of Verona would be substantial for a large Aquatic Center and may not fit into the budget for many years, if ever. This is a historic opportunity to provide a size appropriate, centrally located outdoor community pool that the residents can start to enjoy within the next couple of years. We have done research on the area pools since the last meeting and we believe there is sufficient area to build a pool the size of the city of Monona's community pool.

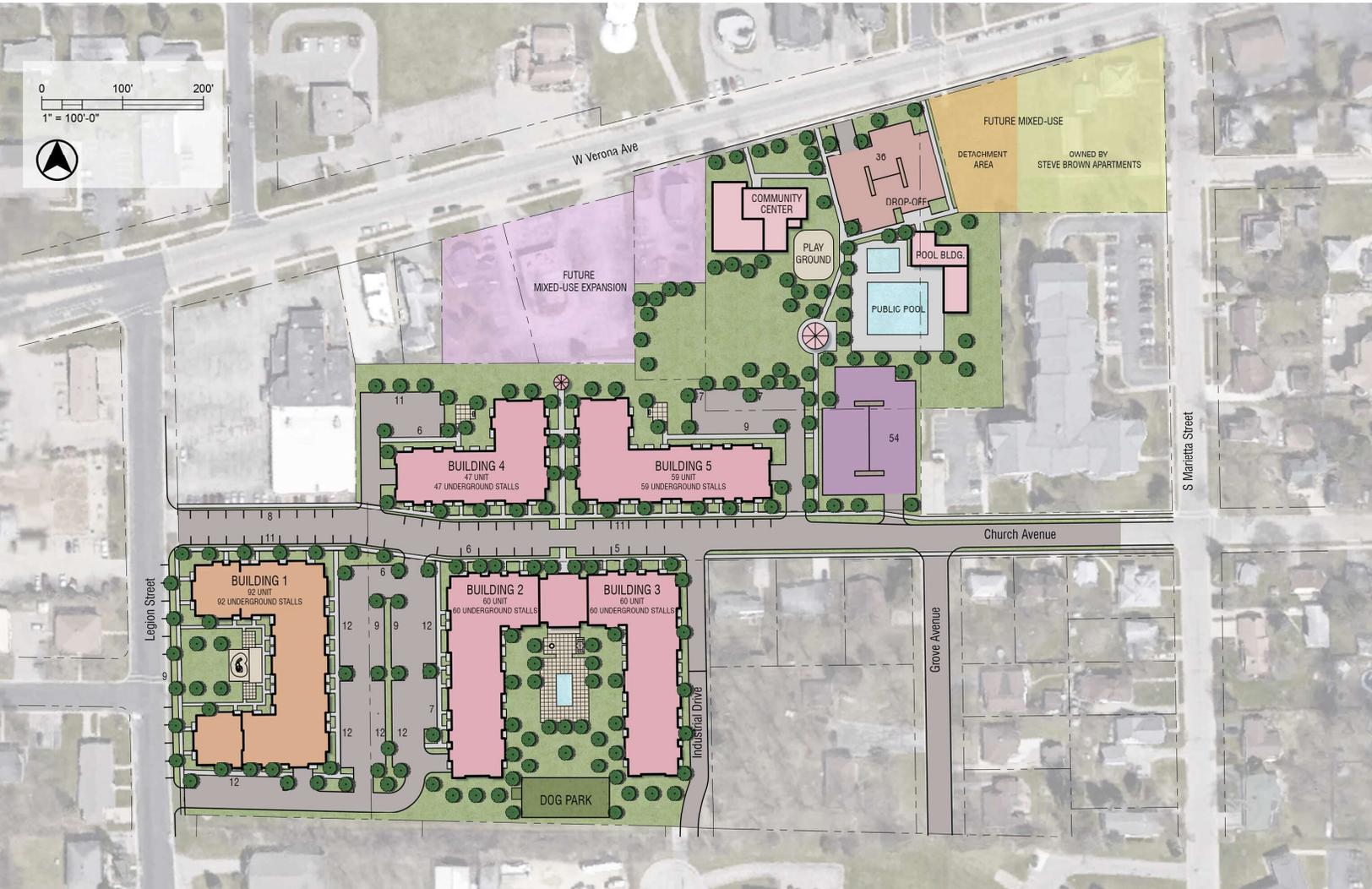


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CITY OF VERONA SUGAR CREEK RFP

McKenzie Apartment Company

SUGAR CREEK REDEVELOPMENT - OPTION A





CITY OF VERONA SUGAR CREEK RFP

McKenzie Apartment Company

OPTION B - FOUR-SEASON PLAN

This new plan responds to the desire to expand public space options with an alternative to a Community Pool. Some Alders expressed a desire for four-season use and walkability. As you can see, the plan includes an ice rink, similar to the one at the Edgewater in downtown Madison, and extensive walkways. We have included a pavilion that can be used in all seasons. It features restrooms and a concession area that could include skate rental, lounge space and a warming area for skate changing. This ice rink area has summer use in combination with the Community Green for an expansive Arts and Craft Fair or a Farmer's Market. The Performance Green with a bandstand will have contoured, elevated seating areas with an amphitheater feel to enhance theatre and concert performances.

Our previous proposal made a Community Pool the centerpiece of our public area plan, however, we are equally enthusiastic about this alternative Option B. Although we have not had adequate time to obtain final pricing, it is our expectation that we can deliver it for close to our original \$2,000,000 TIF request but certainly no more than \$2,500,000.

We hope that by preparing this alternate plan you will see that we are flexible and responsive to your input. We know if we are selected the final design will be a collaborative effort with the Council & the community at large. We look forward to this process because we ultimately all want this to be the best it can be and a significant enhancement to life in Verona.

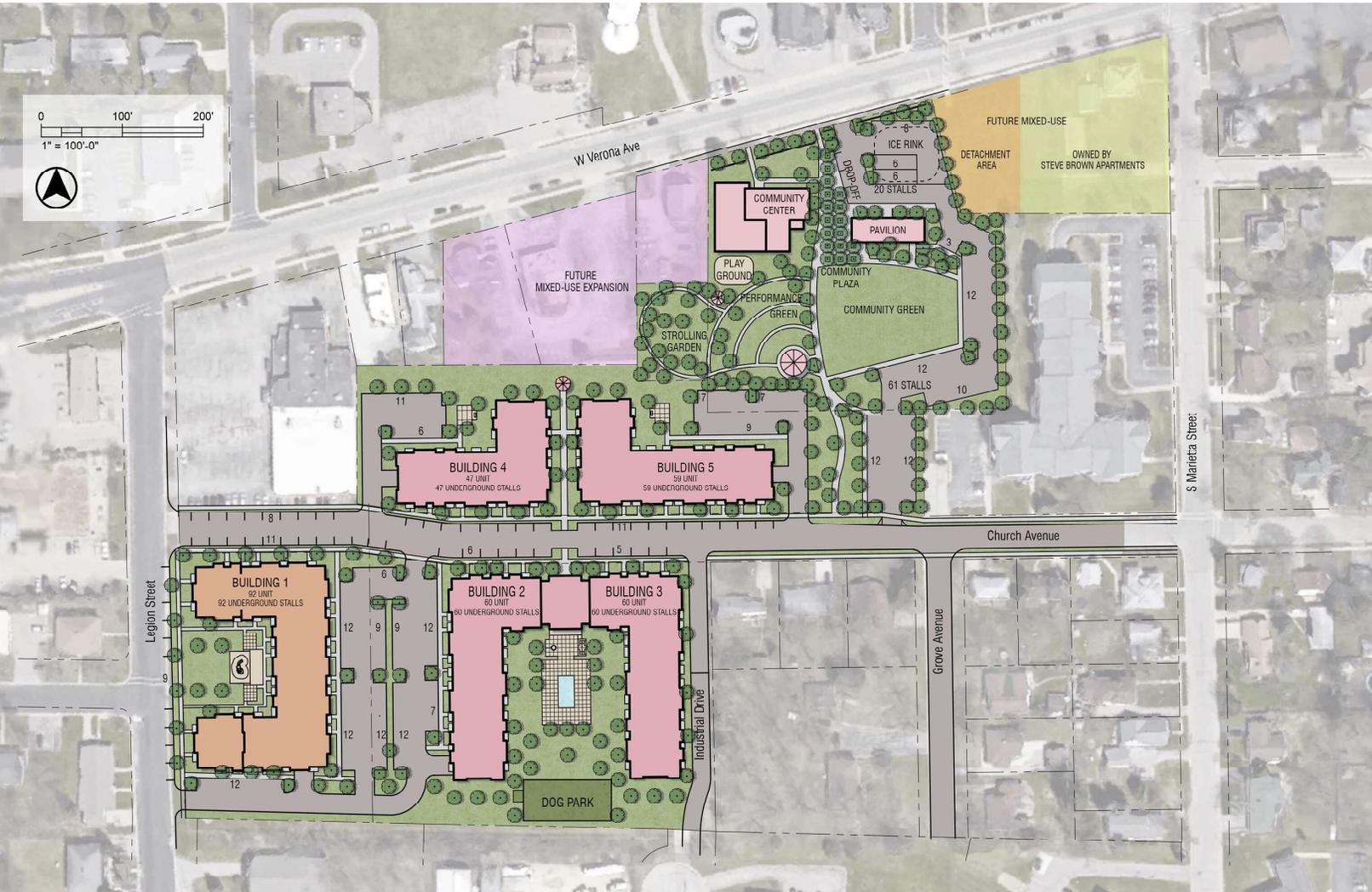


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CITY OF VERONA SUGAR CREEK RFP

McKenzie Apartment Company

SUGAR CREEK REDEVELOPMENT - OPTION B





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CITY OF VERONA SUGAR CREEK RFP

McKenzie Apartment Company

We hope that this has provided helpful food for thought as you sort through the costs and benefits of the two proposals. This is truly an important decision point that will impact the City of Verona for years to come.

Obviously, we hope you choose to work with McKenzie Apartment Company on the development of this special property. In any event, we respect the faith and trust that the residents of Verona have placed in their elected officials and will respect your decision knowing that we have done our best to persuade you.

Respectfully,
John McKenzie





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CITY OF VERONA SUGAR CREEK RFP

McKenzie Apartment Company



**CITY OF VERONA
RESOLUTION NO. R-20-027**

**A RESOLUTION HONORING THE LIFE OF
GEORGE FLOYD WITH OUR ACTIONS**

WHEREAS, on May 25, 2020, George Floyd, an African American man, died at the hands of four Minneapolis, Minnesota, police officers; and

WHEREAS, the actions of those four (4) Minneapolis, Minnesota, police officers do not represent the thousands of men and women that serve and protect their respective communities with the highest levels of professionalism, but their actions do impact the relationships between most communities and their police departments; and

WHEREAS, this act of intolerable violence and other similar acts that have occurred across this country are unpardonable and must serve as a wake-up call to every human being that recognizes life as both a gift and human right.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Verona, Dane County, Wisconsin, that:

- 1) The Common Council, the City Administrator, the Verona Police Department and all City employees join with America in sharing its sorrow; and
- 2) The Common Council recognizes that we all come from a common thread as a single human race and call on our country to recognize the value of human life; and
- 3) The Common Council fully supports and strongly endorses peaceful unification throughout this country opposing acts of violence against persons of color and those of different ethnicity, religions, beliefs or expressions, both now and in perpetuity; and
- 4) The Common Council calls upon our community to join with us in committing to introspective evaluation of ourselves as public servants, citizens and as fellow members of the human family; and
- 5) The City of Verona is a welcoming community and welcomes all persons of color and those of different ethnicity, religions, beliefs or expressions; and
- 6) The Common Council commits itself and the City Staff to be deliberate and intentional in its efforts to engage the community in constructive, honest, and substantive dialogue to better understand where racism exists and to adopt policies to abolish it. These actions must be concrete and intend to bring about

real change and we will consistently measure our success or failure to bring it about.

- 7) The Common Council directs the Personnel Committee to review all internal employee and hiring policies and goals to ensure the City has a diverse workforce that is reflective of our community.

CITY OF VERONA

SEAL

Luke Diaz, Mayor

Ellen Clark, City Clerk