

CITY OF VERONA
MINUTES
COMMON COUNCIL
February 26, 2018
Verona City Hall

1. Mayor Hochkammer called the meeting to order at 7: 04 p.m.
2. Pledge of Allegiance
3. Roll call: Alderpersons Luke Diaz, Elizabeth Doyle, Sarah Gaskell, Jack Linder, Heather Reekie, Brad Stiner and Evan Touchett present. Also present: City Administrator Jeff Mikorski, City Planning and Development Director Adam Sayre, Community Development Specialist Katherine Holt, City Attorney Bryan Kleinmaier, Public Works Director Theran Jacobson, and City Clerk Ellen Clark.
4. Public Comment:
 - Patrick Anderson, Deerfield, WI introduced himself as the new Director of the Fitchrona EMS.
 - Tom Duerst, 7313 Schaller Road, Town of Verona, spoke on behalf of the Verona School Board regarding the school district's response to the Common Council's term sheet regarding a possible contribution from the city for infrastructure costs pertaining to the new high school construction. Mr. Duerst also spoke as a citizen, thanking the Mayor for his confidence in the school district and reminding the Common Council that the delays in this project cost the citizens of the community. He stated that the school district has been begging for information about how project cost allocations have been determined, and that he found it shameful that the Common Council was not able to get a quorum together to hold a meeting. He would like the city and the school district to try to work together.
 - Evan Touchett, 612 E. Hillcrest Dive, spoke as a citizen. He explained that he was unable to attend the last two Common Council meetings because of work and family obligations. He also stated that the school district's frustration with getting answers from the city is unfounded, and that we are working with them. He feels that when spending public money, it is smart to take the time to make sure it is being spent wisely.
5. Approval of Minutes from the February 19, 2018 Common Council Meeting:
Motion by Linder, seconded by Gaskell, to approve the minutes of the February 19, 2018 Common Council meeting. Motion carried 7-0.
6. Mayor's Business:
 - Mayor Hochkammer stated that Chad Kemp is willing to accept the Council's appointment to fill the vacant District 1 Alderperson seat for the remainder of the current term, but he is unable to do so prior to March 1st. Since only one candidate took out nomination papers for District 1, it makes sense to appoint Mr. Kemp to the council to fill that vacant seat. The Council's appointment will be on the agenda for the next meeting.

7. Announcements:

- Mr. Stiner reported that the annual Senior Center report was presented today. The center is operating well. He also stated that the Parks and Recreation Committee is working on the Fireman's Park project.

8. Administrator's Report:

- DCCVA meeting March 7th at :00. Legislative issues ongoing at the state, etc. Listen to this.
- Alliant Energy is doing a multi-million dollar upgrade to its facilities in the City of Verona
- Shawn Hillstead and Debbie Woods from Alliant Energy updated the Council on the company's multi-million dollar upgrade to its facilities in the City of Verona. The goal of the project is to convert to a higher voltage to get more efficiency out of the electricity. To complete the process, power outages will be necessary around the city. The company is sending letters, using auto-dialers, and placing articles in the newspaper and on social media sites to inform residents of the times and duration outages.

9. Engineer's Report:

- Contracts have been sent out to the contractors for the four projects awarded at last week's Common Council meeting.
- AECOM is working on the project documents for Well 6.
- There were some flooding issues exacerbated by the construction at Pollow Road.

10. Committee Reports:

A. Finance Committee

- (1) Discussion and Possible Action Re: Payment of Bills. Motion by Doyle, seconded by Linder, to approve the payment of bills in the amount of \$145,096.89. Motion carried 7-0.

B. Public Safety and Welfare Committee

- (1) Discussion and Possible Action Re: Ordinance No. 18-910 amending Section 10-1-26 of the Code of Ordinances, relating to parking on Commerce Parkway. Motion by Touchett, seconded by Reekie, to approve Ordinance No. 18-910 amending Section 10-1-26 of the Code of Ordinances, relating to parking on Commerce Parkway. Employees of Duluth Trading Company have been parking on Commerce Parkway, sometimes limiting or blocking access to the Pure Sweet Honey Farms loading dock driveway. This ordinance is intended to restrict parking on Commerce Parkway to allow access to the loading dock during business hours. Motion carried 7-0.
- (2) Discussion and Possible Action Re: An Intergovernmental Agreement to continue a Police-School Liaison Officer (PSLO) program. Motion by Touchett, seconded by Gaskell, to approve the Intergovernmental Agreement to continue a Police-School Liaison Officer (PSLO) program. The previous agreement expired June 30, 2017. This agreement between the City of Verona and the Verona Area School District (VASD) continues the PSLO program to June 30, 2018, and includes a \$3.00/hour pay incentive to the Police School Liaison Officer provided by VASD. Motion carried 7-0.

C. Public Works/Sewer & Water Committee

- (1) Discussion and Possible Action Re: A Professional Services Agreement with AECOM for design of Project 2018-107, CTH M/Thousand Oaks/Liberty Drive Traffic Signals and Street Construction Improvements. Motion by Touchett, seconded by Diaz, to approve a Professional Services Agreement with AECOM for design of Project 2018-17, CTH M/Thousand Oaks/Liberty Drive Traffic Signals and Street Construction Improvements. Improvements include sidewalk extension from Technology Park to the intersection, signal timing for pedestrian crossings, designated left turn lanes off CTH M to business parks, traffic signals and pavement markings. The total fee is not to exceed \$58,000. The project will be funded by Tax Increment District #6. Motion carried 7-0.
- (2) Discussion and Possible Action Re: A Professional Services Agreement with AECOM for construction related services regarding Project 2016-105.2, Downtown Streets Reconstruction Phase II. Motion by Touchett, seconded by Diaz, to approve a Professional Services Agreement with AECOM for construction related services regarding Project 2016-105.2, Downtown Streets Reconstruction Phase II. This is a Consulting Services Agreement for construction staking, contract administration, product review, and shop drawing review of design services during construction. The cost is not to exceed \$29,100. Motion carried 7-0.
- (3) Discussion and Possible Action Re: A Professional Services Agreement with AECOM for construction related services regarding Project 2017-108, Parking Lot Reconstruction. Motion by Touchett, seconded by Diaz, to approve a Professional Services Agreement with AECOM for construction related services regarding Project 2017-108, Parking Lot Reconstruction. This is a Consulting Services Agreement for contract administration, product review and shop drawing review of the design services during construction. The cost is not to exceed \$9,600. Motion carried 7-0.

11. Old Business

- A. Discussion and Possible Action Re: Costs associated with public roads, public rights-of-way, and potential property purchase in partnership between the City of Verona and the Verona Area School District regarding the development of the new high school and property.

The Common Council may convene in a closed session, as authorized by Wisconsin Statute 19.85(1)(e), 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 deem a closed session necessary. The Common Council may reconvene in open session to discuss and take action on the subject matter discussed in the closed session.

Mr. Mikorski explained that this item is for discussion of the Verona Area School District's response to the term sheet provided them by the City regarding the costs associated with the roads, public rights-of-way and possible property purchase relating to the development of the new high school and property.

Ms. Doyle requested that we speak to as much as possible in open session.

Mr. Kleinmaier presented a comparison of the term sheets. One of the things that city staff is working on at this time is a timeline going back as far as April 2016. There have been some statements regarding city involvement in this process. The timeline is being created to give the public more information about this process. The city's involvement has been significant and very reasonable.

Mr. Kleinmaier gave an outline structured on the term sheet the city provided to the school district. At the January 28, 2018 meeting, the Common Council authorized staff to compose a term sheet regarding the city's contribution of \$5 million to the high school infrastructure project.

Mr. Touchett utilized a white board to follow along with the explanation of the allocation of the \$5 million.

Mr. Kleinmaier gave an outline structured on the term sheet the city provided to the school district. The city identified up to a \$5 million contribution by the city to the school district. Of that, the city attributed \$2.654 million to the acquisition of the Sugar Creek School property. The city utilized AECOM to identify what we believe to be the total costs of the road improvements associated with the new high school project. This information was provided to the school district's consultants. The allocation utilized by the city was based on a traffic study done in the area. That information was provided to the school district on February 23, 2018. This is all public record. Our study estimates a cost of \$2.346 million to the city for the road improvements. This amount is further broken down into three categories. Based on the traffic study, the city estimates that background traffic benefitting the city is worth \$1.058 million. \$367,000 is allocated to additional properties in the area that will be benefitted by the project, for which it was determined that it would not be reasonable for the city to seek contributions from the property owners. \$921,000 is allocated to the property owned by the Erbch Trust, as the city believes that to be the amount that the property will benefit from the proposed road improvements based on a traffic analysis done for the city. The city would pay those costs up front, with the idea that they would be collected from the property owner at a later date.

Mr. Jacobson stated original estimates for this project were done in October of 2015. However, the scope of the project has changed since then. The Department of Transportation (DOT) has stated that a connector off of Paoli Street is not an option. The DOT owns the access control there, so we had no choice in that matter. At the April 19, 2016 meeting of the Public Works/Sewer and Water Committee, the DOT's stance on the road's access point was reported and discussed. This has been a well-known point of interest to be evaluated since the beginning. DOT access controls have been discussed at open Public Works/Sewer and Water Committee meetings since July of 2017. We had good communication regarding this. The DOT does not provide waivers for access control, so as not to break the access control and interchange. Other options were to go through the Cleary property or the CPI property. However, those property owners would not allow any options through their properties. The costs for the roads were provided to the school district in the first week of February, 2018. Detailed cost

estimates were done in October of 2017 and passed on to the school district. Contingencies and the cost of design were added to the construction costs, resulting in the \$9.3 million estimated cost.

Mr. Kleinmaier explained that in their response to the city's term sheet, the school district has proposed that the Sugar Creek property be pulled out of the deal. The overall road construction cost listed on their term sheet is just over \$9.3 million. They propose that the school district's cost would be capped at \$3.5 million, and the city would pick up the remainder of the costs. Land acquisition costs that are necessary for one of the roads are not included in the \$9.3 million figure. The school district has had discussions with the Erbach Trust, which owns the property to be acquired. In order to come to a land acquisition agreement with the Erbach Trust, the school district is requesting a waiver from the city regarding assessments on the Erbach property for improvements to the property resulting from the road project. The city can grant the waiver, but if we do so, we should not pay the \$921,000 in improvement costs up front, as we had originally proposed in the term sheet. If the conveyance of Sugar Creek is out of the deal, the \$2.654 estimated value of that property should come out of the city's proposed contribution, as well, leaving a contribution of \$1.425 million.

Mr. Mikorski explained that in its response to the city's term sheet, the school district is asking the city for \$5.8 million plus the cost of property acquisition.

Mayor Hochkammer stated the money for this would have to be borrowed. Every dollar that we would borrow for this would be a dollar that couldn't be spent on other city projects.

Ms. Gaskell stated there has not been enough time for city staff or the Council to review the school district's response to the term sheet, and it is unreasonable to expect the Council to make any decisions this evening regarding the term sheet.

Mr. Sayre confirmed that the public hearing for the conditional use permit for the high school building and the certified survey map for the school property will be on the March 5, 2018 Planning Commission agenda for recommendation to the Common Council meeting of March 12, 2018. The site plan itself is also on that agenda. As a good faith gesture, the city has continued to move those forward even without the signatures from the Erbach Trust.

Mr. Touchett stated he is in support of a partnership with the school district, but he struggles with some of the school district's terms.

Motion by Touchett, seconded by Gaskell, to convene in a closed session, as authorized by Wisconsin Statute 19.85(1)(e), 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 deem a closed session necessary, regarding costs associated with public roads, public rights-of-way, and potential property purchase in partnership between the City of Verona and the Verona Area School District regarding the development of the new high school and

property. The Common Council may reconvene in open session to discuss and take action on the subject matter discussed in the closed session.

On roll call: Alder Doyle – Aye; Alder Gaskell – Aye; Alder Linder – Aye; Alder Reekie – Nay; Alder Stiner – Aye; Alder Touchett – Aye; Alder Diaz – Nay. Motion carried 5-2, with Alders Diaz and Reekie voting Nay.

The Common Council convened in closed session at 8:59 p.m.

CLOSED SESSION

Motion by Diaz, seconded by Doyle, to reconvene in open session at 10:09 p.m.

No action was taken by the Common Council in closed session.

Mr. Kleinmaier explained that the Common Council has directed city staff to provide a response to the school district by the end of the week in the form of an updated term sheet. The city will be providing three separate options for the school district to consider:

Option 1 – A \$1.5 million contribution by the city. The Sugar Creek School property is not part of the deal, and the city waives special assessments for improvements to the Erbach property.

Option 2 – A \$4.5 million contribution, in structured payments, by the city. The Sugar Creek School property is conveyed to the city in a clean state, and the city waives special assessments for improvements to the Erbach property.

Option 3 – A \$4 million contribution, in structured payments, by the city. The Sugar Creek School property is conveyed in as-is condition, and the city waives special assessments for improvements to the Erbach property.

The term sheet response will touch on all seven of the sections of the original term sheet.

B. Discussion and Possible Action Re: Development Agreement for Sugar Creek Commons Project in Tax Incremental District #9

The Common Council may convene in a closed session, as authorized by Wisconsin Statute 19.85(1)(e), 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 deem a closed session necessary. The Common Council may reconvene in open session to discuss and take action on the subject matter discussed in the closed session.

Mr. Mikorski stated that staff is requesting a closed session to update the Common Council on the discussions that have taken place with the developers of the proposed Sugar Creek Commons project in an effort to negotiate an agreement.

Motion by Linder, seconded by Gaskell, to convene in a closed session, as authorized by Wisconsin Statute 19.85(1)(e), 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 deem a closed

session necessary, regarding a development agreement for the Sugar Creek Commons Project in Tax Incremental District 9. The Common Council may reconvene in open session to discuss and take action on the subject matter discussed in the closed session.

The Common Council convened in closed session at 10:21 p.m.

CLOSED SESSION

Motion by Linder, seconded by Diaz, to move into open session at 10.39 p.m.

No action was taken by the Common Council in closed session.

- C. Discussion and Possible Action Re: Selection of a City Council Representative to the Planning Commission. Alder Linder nominated Alder Touchett as the City Council Representative to the Planning Commission. Alder Doyle nominated Alder Gaskell as the City Council Representative to the Planning Commission. On roll call: Alder Gaskell – Gaskell; Alder Linder – Touchett; Alder Reekie – Gaskell; Alder Stiner – Touchett; Alder Touchett – Touchett; Alder Diaz – Gaskell; Alder Doyle - Gaskell. 4 votes for Gaskell, 3 votes for Touchett. Motion failed.
12. New Business
- A. Discussion and Possible Action Re: Approval of Operator Licenses. Motion by Linder, seconded by Gaskell, to approve an operator license application for Kody A. Popenfus for Kwik Trip #456. Motion carried 7-0.
13. Adjournment:
Motion by Touchett, seconded by Reekie, to adjourn at 10:42 p.m. Motion carried 7-0.

Ellen Clark
City Clerk