

TOWN OF ARCADIA

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Barbara G. Tock, Supervisor No. 1 (608)323-3474
Nancy Rohn, Town Clerk/Treasurer (608) 323-7063

Town of Arcadia Minutes of Regular Board Meeting Thursday, April 14, 2016 at 7:00 p.m.

The board meeting was called to order by Chairman Jon Schultz at 7:01 p.m. Open meeting certifications were met. Roll call was taken. Board members present: Chairman Jon Schultz and Supervisors Barb Tock and Donna Brogan. A list of residents that attended the meeting is attached.

Jon Schultz led the pledge of allegiance.

A motion was made by Donna Brogan and seconded by Barb Tock to adopt the agenda. The motion carried unanimously with a voice vote.

A motion was made by Jon Schultz and seconded by Barb Tock to approve the minutes of the Regular Board Meeting on March 24th. The motion carried unanimously with a voice vote.

Clerk/Treasurer N. Rohn reviewed the disbursements for the timeframe of March 25th through April 14th. A motion was made by Jon Schultz and seconded by Donna Brogan to approve the disbursements as presented. The motion carried unanimously with a voice vote.

PUBLIC COMMENTS:

At 7:10 p.m. J. Schultz opened the floor to public comments for other topics that were not listed on the April 14th, 2016 agenda.

****Mike Chitko** – Stated that with long-time Town of Arcadia Mike Walske passing, he thought it would be appropriate to ask for a moment of silence in his memory. Jon Schultz carried out the request.

After the third call by Chairman Schultz the public comment section closed at 7:12 p.m.

AGENDA ITEMS:

- **Driveway Project – Greg Boland:** Mr. Boland was not able to attend so this agenda item was removed.

- Foreman's Update:** Jon Olson begin his update by stating that he and Donna Brogan attended a blacktop class recently. The instructor demonstrated a new technique called "wedging". Olson also spoke about a gravel road class where using a water truck and packing technique could help cut back on the amount of repairs needed. Road projects were then discussed; reviewed culverts, potholes, etc. Olson mentioned that blacktop will be available the last week in April. Thompson Valley needs gravel on shoulders, and Chairman Schultz was asked whether or not this cost would be reimbursed by Mississippi Sand. Schultz will check into. Barb Tock and Donna Brogan plan to review the Town roads on Monday, April 18th. Olson commented that he sees encroachment onto the right of way quite a bit. Tock stated that it would be a good idea to inform the land owners that they will no longer be allowed to be too close to the roads. The new loader will be completed next Wednesday (April 20th), and the Road Crew has been invited to attend. Nortrax has offered to pay expenses. The sander and plows will be delivered to Universal in the next few days. The plow for vehicle number 1 (Little Red) is in bad shape. There is a used one on the lot, and an estimate will be written. Olson also remarked that the new trucks will be delivered to Universal in August. He also stated that some tires will need to be capped and will have to purchase one new tire as a spare. He continued by saying that road sign theft and breakage continues. Each sign has a cost of \$66 to replace. Jon Schultz stated that maybe it is time to post a reward for catching the parties that are involved. A question was raised by Clerk/Treasurer N. Rohn regarding calls received about garbage in the ditches. Schultz remarked that the Road Crew will be dispatched to help clean up. Olson continued by stating that loose bearings were found on the brush mower, which is normal wear and tear. Mike Sokup will be hired once again to help with brushing projects. The Road Crew attended a digger's hotline class and they will also attend the County meeting on Monday, April 25th. Karen Geske asked a question regarding the practice of filling cracks near Plum Creek. Donna Brogan responded about the crack-filling process. Jon Schultz commented that cracks must be repaired before any sealcoating can be completed. Brogan continued with examples of roads throughout the area that are using this process. The discussion continued with Schultz asking if any community service people are available to help with projects. Currently there is no update.
- Discussion Regarding Upcoming Roadwork:** With Supervisors Brogan and Tock reviewing roads on Monday, April 18th Brogan asked if the Board members had a chance to review her road project spreadsheet yet. Brogan was reviewing what could possibly be worked on regarding Co-aid and Non-Co-aid roads. She continued by saying that not everything can be done so choices will need to be made and roads prioritized. She thought that decisions could be made after the road viewing.
- Discussion and Possible Action Regarding Equipment Financing:** Barb Tock led the discussion regarding equipment financing. Information was passed to the other board members as well as the clerk showing the repayment plans for either 5 or 7 years. The total amount of funds needed for the new equipment is \$398,078, so she worked with \$400,000 as the amount to be financed. She began by saying that she talked to the Arcadia Credit Union as well, but they do not offer any equipment financing. She also contacted the financial folks that DeBauche recommended, and found that

they are a leasing company. They are willing to finance, but it would be considered a lease only with a 5 or 7 year payback and a 2.99% interest rate. The lease would have to be renewed every year. This option would include taking a lien on the equipment. The financing is very similar to what the State Bank offers, but she also stated that she is uncomfortable with leasing. Tock continued by explaining the State Bank of Arcadia financing. A 5 year loan would be at 3.15% interest rate. There were three scenarios presented...with \$100,000 down the annual repayment would be \$65,788; \$75,000 down the repayment would be \$71,271 a year; and a \$50,000 down payment would the annual payment would be \$76,754. Tock also relayed information regarding a 7 year loan, but she was not in favor of that timeframe. The interest would be 3.3% with annual repayments of \$48,700 (\$100,000 down); \$52,758 (\$75,000 down); or \$56,816 (\$50,000 down). The State Bank would consider the loan to be a municipal bond and would not place a lien on the equipment. There is also no pre-payment penalty. Karen Geske asked if there was a cost to writing a bond, and Tock responded by saying she thought there was a small fee of approximately \$200, but she will check with the Bank. The State financing program was also discussed. Tock said that there would be a mandate to raise taxes if a loan was financed through them, so it was decided that wouldn't be an option as the Board is not in favor of raising taxes. She felt that with the tax increase that was added in 2013 should provide enough funds to help make most of the annual payment. The Town's financial documents were thoroughly reviewed by Tock, and she presented her analysis to the audience. She stated that she felt the Township could afford a \$100,000 down payment, which would still leave \$100,000 for road repairs. Jon Schultz agreed with Tock's findings. Darlene Rossa asked about the Town needing a new crew truck, and wanted to know when the Board was going to look at replacing that vehicle. Tock replied that there is money in the Machinery Fund to help if needed. She agreed that funds will be tighter, but also commented that theoretically there should be less equipment repairs so less money should be spent. Jon Schultz stated that with the new purchases the only vehicle left to be replaced in the future would be the crew truck. Mike Chitko asked where the \$200,000 in uncommitted funds came from. Tock said that the Board didn't spend as much as anticipated on roads. Roads were repaired, but most of the expense came out of the Co-aid monies. Tock asked N. Rohn for her opinion on the extra funds. Rohn remarked that during last November's budget meetings it was stated that there would be a \$140,000 surplus of funds due to the less money being spent. She continued by saying that another \$50,000 came in during the tax season (referencing the 2013 tax increase). Schultz said that all the roadwork that was planned was completed. Donna Brogan reiterated that most of the expense came out of the Co-Aid funds. Schultz continued by saying that the original expenses that were listed in the 2015 budget were not tied to the Co-Aid funds. Chitko commented that as a taxpayer he would think that the budget categories for 2016 would have to be amended. He felt that any amending would have to be done at a public hearing. Brogan stated that the public only voted on the levy, not the budget. The Board created the budget and voted on the budget, and would if amending is needed it would have to be done at a public meeting. She continued by saying that it only has to be amended if we move the monies from the broad categories. Rohn also stated that she spoke to the WTA attorneys today and said that a resolution will have to be created

when any equipment is being purchased as well as moving funds from one area to another. For example, if monies had to be moved from the machinery fund to the general fund a resolution would be needed (reference Wisconsin statute 65.90.5). In other words, there are a number of steps that must be followed. She also reiterated that any budget amendment would have to be done at a public meeting. Tock stated that she would still like the Town to invest the \$100,000 for the down payment. Donna Brogan stated that her thoughts were to put less money down so that there would be some reserves if needed. She continued by saying that if extra money could be paid towards the loan it would be. Karen Geske asked what the difference would be between a 5 year and 7 year loan. Brogan answered that a 7 year loan would mean a smaller annual payment, approximately \$50,000 a year which was what the Town had asked for when raising taxes in 2013. Darlene Rossa stated that we don't know what's going to happen so reserves are needed, and agreed that if there is extra money in the future it should be applied to the loan. Brogan commented that we don't want to be in a position where we would have to borrow funds if an issue arose and we didn't have the reserves. Jon Schultz stated that there would be an approximate \$12,000 difference in interest paid between a 5 year loan and a 7 year loan. "We have to weigh the pros and cons of retaining that flexibility". Jon Olson stated that there will be money needed to pay for small bridge inspections. Rohn brought up the issue with the second Rainey Valley Bridge as an example. Schultz wanted to understand what the concerns were with the bridge. Rohn continued with what she had heard regarding the bridge issues. Barb Tock stated that the Town needs to move forward with the loan process as the loader will be delivered soon. Barb Tock then made a motion that the Town of Arcadia finance the new equipment with a 5 year loan through the State Bank of Arcadia, with \$100,000 down payment. Jon Schultz seconded. Further comments were made by Jon Schultz who reiterated Donna Brogan's comments, but felt that the Board needs to make a commitment. Tock stated that she was worried about the discipline to pay extra on the loan, and thought that the Town would be able to make the payments without problems. Clerk/Treasurer Nancy Rohn was asked her opinion regarding the amount of down payment. She stated that she agreed with trying to keep more money in reserves as she knew how tight things were in the past, and didn't want to run into the same situation. Rohn continued by saying that \$100,000 down payment makes her a little nervous, but it was only an opinion as treasurer... she is not a Board member. Following a small amount of continued discussion Barb Tock amended her previous motion to borrow \$325,000, with a \$75,000 down payment for 5 years with 3.15 interest. Jon Schultz seconded. The motion was called to question and it carried unanimously. Schultz then brought up an issue he wanted to clarify. During prior meetings DeBauche indicated that they would match the specifications, but later it was shown that they listed the extra features as options. All three of the vendors were told what the specifications were. Due to this issue, the price is slightly higher (\$6788.33) than what was quoted at the meeting. Tock felt that this was a misrepresentation as we agreed to buy a vehicle that wasn't identical to the specifications, and Schultz agreed. Jon Olson explained what happened at the time (specifications versus options). Schultz stated that the details should have been worked out at the meeting. He will talk to DeBauche to ensure that the truck is identical, and that they honor the price

by adding the options without extra cost. He also stated that the Board gave DeBauche 24 hours to ensure that everything was correct. Donna Brogan agreed that they should be spoken to. She also commented that in the future when a purchase needs to be made that it could be discussed, but in a more general way...purchase equipment than work out the details later.

- **Update on Audit:** N. Rohn stated that the auditor is going over the information with his manager, Rob Ganschow. Mr. Ganschow also came to the office to help with the state CT form. Lynn Axness stated that she needed to make a few corrections to the general journal entries yet, and then send that information to the auditor. Schultz remarked that he heard that other entities are off by large amounts, but in our Township's case our numbers were very close. Axness expounded that the final numbers for the state CT form were originally off by \$952, but after a correction it was updated to \$236. Rob Ganschow, one of the WIPFLi partners, stated that he was glad to see that both Rohn and Axness wanted to ensure that the form was correct. Axness also stated that there was a possibility of an increase in the state aid as there was information in the incorrect categories. Rohn stated that they are hoping to get final audit information by the next meeting.
- **Update on Mill Road Project:** Jon Schultz commented that Dave Pantzloff is working on a one year extension, and that plan is moving forward. When further information is obtained this will be placed on an upcoming agenda.
- **Discussion Regarding Wiersgalla Property Water Issue:** Jon Schultz stated that the City of Arcadia had a closed session meeting regarding the Wiersgalla property. He has not heard the outcome as of yet. Donna Brogan comments that she wanted this topic on the agenda as she feels that H. Wiersgalla needs clean water. His family is having a family gathering on Memorial Day, and she feels that somehow he needs to have access to water. Barb Tock said that he had asked for a cistern in the past. Brogan added that the DNR said that a new well could be safely drawn. He needs a remedy to the situation. Schultz said that this is a legal issue between Wiersgalla and the City. He believes that they are working on it, and will call Wiersgalla to see what is happening.

CORRESPONDENCE: N. Rohn proceeded to review all other correspondence... Worker Zone and Flagger Safety Seminar on May 3rd; the deadline for the Arcadia Community Garden is May 16th; Gundersen Lutheran is conducting a DOT Drug and Alcohol supervisor training on Tuesday, April 26; Riverland Annual meeting on the 16th; Riverland Clean-up day will be held May 10th; Small bridges will need to be inspected and a response is needed by the 22nd; there will be a County Highway meeting on April 25th; the Town's Annual Meeting will be held on Tuesday, the 19th; the spring road review will occur on the 18th; WTA unit meeting on Tuesday, the 26th; Fire Board meeting on the 27th.

Future agenda items: Cindy Winnie – variance; annexation update; Darrell Haines – Countryside Coop driveway; website upgrade; review of township road plan.

Confirm next meeting date: The next Town Board meeting will be held Thursday, April 28th at 7:00 p.m. The meeting was adjourned at 8:41 p.m.

Respectfully submitted by,

Nancy Rohn
Town of Arcadia Clerk/Treasurer

