

**MINUTES ARE NOT OFFICIAL UNTIL NEXT SUBSEQUENT MEETING**

**Joint Village/Town Negotiation Committee Minutes  
July 8, 2013**

Town representatives present: Keith Seward, Bob Elkins and Dale Hustad. Village representatives present: Roger Truttmann, Kevin Budsberg and Dan Gartzke (6:01). Also in attendance: Village Administrator Nicholas Owen

1. Call to Order - Meeting was called to order at 6:00 p.m. by Chair, K. Seward
2. Announcement: All cell phones are to remain silent during the meeting
3. Approval of Agenda: Motion by D. Hustad to approve the agenda as presented, second by R. Elkins. Motion carried.
4. Approval of Minutes of 06/24/2013 Meeting: Motion by R. Truttmann, second by R. Elkins to approve the minutes as presented. Motion Carried.
5. Discussion - Proposed Amendments to Cooperative Plan: K. Seward reminded the members that D. Gartzke's motion was in regards to removing the Village to Town revenue sharing from the CBA.

K. Budsberg moved to return D. Gartzke's motion to the table, D. Gartzke 2<sup>nd</sup>. K. Budsberg asked if the Town's accountant had reviewed the motion and considered the consequences. K. Seward confirmed they had and stated that he would share the letter later in the discussion.

K. Seward read the original motion to the members: "D. Gartzke moved to delete page 8 section 7 B VI lines 13-31 and section 7 C V of the CBA draft dated 1/11 and if on further review if other sections need to be deleted or amended to not have revenue sharing paid from the Village to the Town on properties that are annexed to the Village after the end of the 20 years according to this agreement."

D. Hustad moved to amend the motion to delete all references that have to do with revenue sharing from the Town to the Village. K. Seward 2<sup>nd</sup>. Hustad prefaced his motion by explaining that the motion is for purposes of discussion, as he believed there is room for negotiation on both sides.

K. Seward shared with the group the response received by the Town's accountant, Kevin Krysinski of Johnson Block. In Mr. Krysinski opinion, the Village's argument that their 10- year payment would create a financial hardship was questionable given that the main assumption is that the service cost per residence would apply to the homes immediately upon annexation into the village. Krysinski concluded that some costs such as Fire and EMS which are currently split on value and/or population would transfer immediately from the Town to the Village. He felt it was questionable whether other costs such as police, streets, parks and administration would have an immediate impact.

K. Seward distributed a document showing what the remaining elements would be if both sides were to remove the revenue sharing element from the CBA.

Option I:

- a. Joint Storm Water Issues Addressed
- b. Road Improvements
- c. Road Maintenance

- d. Extension of S & W to Town Developments
- e. Planning Area Remains
- f. Residential Developments Annexed in the 21<sup>st</sup> year
- g. Other Annexation (C & I)
- h. Town Keeps Tax Base for up to 20 Years
- i. Joint C & I Development Promotion
- j. Joint Planning Commission
- k. Town Hall in New Library & Rental Fees
- l. Library Construction Contribution in Conjunction with Rental (\$42,000)
- m. Impact Fees
- n. Others?

Both R. Truttmann and K. Budsberg stated that they felt the Village Board was firm on their position to reject their revenue sharing from the agreement. K. Budsberg stated that the original CBA was a fairly negotiated agreement that the Town voted on. He disagreed with the consensus of the Village Board and feels there are areas of negotiation. He was not sure if the other members of the Village board based their decisions on the document that N. Owen prepared or if their motivation was elsewhere. The Village Board discussed that the Town believes very strongly that if the Village is not comfortable in years 21-30 then the Town Board is not interested in years 1-21. N. Owen noted that if the revenue sharing element were to be removed from the CBA the Village board would be willing to proceed with some of the elements of the CBA but there would be other elements that the Village Board would not negotiate.

D. Gartzke's perception was that if the revenue sharing money from the Town weren't there, there would be no Village annexation. They could do everything or strike a number of others off the list. Gartzke also commented that he did not agree with Mr. Krysinski assessment that street costs and police service would not be an immediate cost when homes are annexed. He felt that snow plowing and police service would have an immediate effect upon annexation. K. Seward clarified that Mr. Krysinski was referring to road construction costs and street staff additions immediately.

D. Hustad asked N. Owen if there were any developments annexed within the last 20 years. Hustad suggested that in discussions, we have based our projection on 20 homes. D. Hustad thought maybe, based on the Valle Tell subdivision, we should be using a number closer to 10-12 homes. N. Owen stated that with levy limits where they are, 10 or 12 homes would not effect their levy limit calculation.

Option II:

K. Seward asked if the Village would be interested in discussing developing a formula that would accommodate the impact of fire and EMS proportionate costs that Seward estimated to be approximately \$2,500 a year and their effect on the milrate as part of mitigating the Village's concern of not being able to cover their costs. N. Owen did not feel that an accommodation for fire and EMS would be enough to take back to the board. K. Seward stated that the both sides of this negotiating committee are tasked with being leaders and selling the CBA to the perspective boards. The question remains are you on-board?

D. Hustad asked if it was a fair assessment to say that if the Town says it's zero for zero. There won't be any contributions towards the new library's operating costs if the Village takes out their revenue sharing, that the Village is fine with that and are interested in moving on to discuss other elements of the CBA. N. Owen agreed that this was the scenario they originally discussed as a board. K. Budsberg thought it was more subtle than that. He recalled that the discussion was about if the town takes revenue sharing as a response to the village board taking revenue sharing then so be it. He did not think they talked about the other elements of the agreement. N. Owen remarked that it had been awhile, but they had discussed this issue and that the village board would still be interested in discussing storm water, road maintenance, road improvement,

planning, cooperation, commercial and industrial cooperation. He did not think anyone would have an issue if the town still wanted to be part of the new library. Seward clarified that in this scenario, the village board would not be interested in annexation or the tax base for 20 years i.e. the extension of sewer and water. Owen agreed.

D. Hustad stated that according to the original agreement, in exchange for the town's contribution for the library, the town gets two things back. One is potential revenue sharing at the end which could be \$0-\$100,000. The second is that the town would keep the tax base for part of those 20 years if and when any homes get built. Hustad concluded that by removing one of these components it lowers what the town might be willing to do for revenue sharing to the library. Maybe it doesn't have to be zero, maybe the tax base for this area is worth something.

### Option III:

After a short caucus, K. Seward suggested changing references in the agreement, "village annexation of residential development *shall annex* in the 21<sup>st</sup> year" to "*may annex* in the 21<sup>th</sup> year." If at the end of the 21<sup>st</sup> year the Village cannot afford to annex or refuses to annex those residential developments that are defined in this agreement, the properties would remain on the Town's tax roll. K. Budsberg asked if this clause would deter development in the Town since it would create uncertainty in what the taxes would be in year 20, he noted that the Village taxes are about double what the Town's taxes are. K. Seward clarified that from a developer's standpoint there are provisions that proposed developers are required to sign a pre-annexation agreement with the village plus anyone who purchases a lot must also sign a pre-annexation agreement with the village. D. Hustad noted that the overall taxes would double, only the town versus the village portion would be effected. K. Budsberg suggested that determining how the properties come in needs to be discussed in advance. D. Gartzke thought this was an interesting option worthy of discussing with the Village board. After a brief discussion the group felt the properties would need to be annexed as a whole and that the agreement could be reviewed and open for negotiation in the 15<sup>th</sup> year of the agreement.

R. Truttman proposed that if the revenue from the Town were bumped up from \$302,000 to \$500,000 over 20 years but they would like to see 90% going to the library and 10% going to the Village. If the town would agree to those terms, then the Village would agree to the revenue sharing in the last 10 years of the agreement. D. Gartzke noted that the split in percentage could be negotiated, but the village board is against the full amount of the revenue sharing going toward the library. Seward asked the Village caucus to put this proposal in writing for Town caucus review. N. Owen agreed to provide the town with a written proposal.

After a brief caucus, R. Truttman reported that although the option to change the wording from shall to may in regards to annexation, may be a good deal for the village at the end of the 21<sup>st</sup> year if no homes were built, if there were homes built it could be a technical nightmare deciding to annex or not annex. Truttmann also reported that they had discussed the introduction of the higher revenue sharing and felt that it seemed the group was not making any headway and suggested bringing in a mediator.

As part of the discussion, K. Budsberg suggested creating a 3 part motion that would combine elements from N. Owens's memo dated July 3, 2013 (detailed below), consenting to the utility surcharge and finally to agree to bring in a Department of Administration mediator to help reach an agreement.

That the town agrees to the following 4 technical revisions included by Village Attorney Larry Bechler that may make the CBA easier to read but have no real affect on the agreement:

1. Throughout the agreement Bechler changed references to the Village/Town ETZ ordinance to be Village ordinance over portions of the Town.

2. In several locations Bechler deleted repeating language and referenced the location the language was originally included to simplify the document.
3. Section 7.D.4) Bechler added language allowing the Village to approve the Town's nominee to the CDA.
4. Section 13.C) Bechler made the same revision as he made for the CDA allowing for the Village to approve the Town's appointment to the Library Board.

K. Seward called for a roll call vote on the Town's amendment, R. Truttman voted nay, D. Gartzke voted nay, R. Elkins voted nay, D. Hustad Voted aye, K. Seward voted nay. Motion failed.

K. Seward called for a roll call vote on Gartzke's motion. K. Seward voted nay, K. Budsberg voted nay, D. Gartzke voted nay, R. Truttman voted nay, D. Hustad voted nay, and R. Elkins voted nay. Motion failed.

K. Budsberg, moved to adopt the 4 technical revisions as outlined in Administrator Owen's memo dated July 3, 2013, additionally that this body eliminate 9f from the Cooperative Plan relating to the prohibition of the utility's ability to surcharge customers in the town and that this body utilize the mediation services of the department of administration to help reach an agreement, R. Truttman 2<sup>nd</sup>. After a brief discussion, K. Seward called for a vote: R. Elkins voted nay, D. Hustad voted nay, K. Seward voted nay, K. Budsberg voted aye, D. Gartzke voted aye and R. Truttman voted aye. Motion failed.

D. Hustad moved to ask their respective boards to apply for a 180 day extension, R. Truttman 2<sup>nd</sup>. After a brief discussion, K. Budsberg stated that he felt there were clear, long lived benefits of the CBA to both communities but felt that with the current composition of community leaders he did not foresee any significant changes within the next 6 months and he moved to amend Hustad's motion to file the request for extension be for 1 year. Seconded by D. Hustad. The vote was taken and K. Seward reported that the amended motion carried with a vote of 5 to 1 with D. Gartzke opposed. The vote was called on the original motion to ask the respective boards to apply for an extension of 180 days, amended to 360 days with the Department of Administration. The motion carried with a 5-0 vote with D. Hustad abstaining.

6. Set Target Meeting Schedule Through to Village Board Approval of Cooperative Boundary Agreement: without objection, the next Joint meeting or CBA will be at the Town Hall on August 7<sup>th</sup> at 6:00 p.m.
7. Adjourn: Motion by K. Budsberg to adjourn, second by D. Gartzke. Motion carried at 8:08 p.m.

Patricia I. Salter, Clerk-Treasurer  
Town of New Glarus

**Joint Village/Town Negotiation Committee Minutes  
June 24, 2013**

Town representatives present: Keith Seward, Bob Elkins (6:02) and Dale Hustad. Village representatives present: Roger Truttman and Dan Gartzke. Also in attendance: Village Administrator Nicholas Owen  
Absent: Kevin Budsberg

1. Call to Order - Meeting was called to order at 6:00 p.m. by Chair, K. Seward
2. Announcement: All cell phones are to remain silent during the meeting
3. Approval of Agenda: Motion by R. Truttman to approve the agenda as presented, second by D. Hustad. Motion carried.

4. Approval of Minutes of 06/05/2013 Meeting: Motion by D. Hustad, second by R. Truttmann to approve the minutes as presented. Motion Carried.

5. Discussion - Proposed Amendments to Cooperative Plan: N. Owen introduced a memo dated June 18, 2013 to the committee for discussion. The memo was in response to D. Gartzke's tabled motion to delete the payback provision from the agreement. The 6/18/13 document was meant to summarize why the Village believes the payback provision would cause a hardship to the Village. K. Seward reported that he had sent a copy of the document to the Town's accounting firm, Johnson Block and Associates and if the tabled motion were reintroduced, the Town would have limited response. He explained that the Town would not be in a position to act on the motion until the hearing back from their accountant. Without objection, the original motion will remain tabled and the group will discuss the June 18, 2013 memo and its implications.

K. Seward asked the Village if they had a policy for not annexing developed properties. Seward asked the Village if they should have a policy for this. Seward explained that based on the calculations presented in N. Owen's 6/18/13 document, the Village would immediately incur an expense greater than their ability to tax annexed developed properties under the current levy limits.

K. Seward used the following scenario, using the Mill Rate worksheet on page 3 of Nic's handout, to illustrate his point:

For illustration purposes, Seward assumed that the CBA did not exist and therefore the payment to the town of \$10,525 was not in effect .

The cost to the Village to annex a property with 20 homes \$31,580

The additional levy revenue to the Village \$21,050

Under this scenario, the Village would have a shortfall of \$10,530

Based on this illustration, and assuming the boundary agreement did not exist, Seward asked Owen if the Village would annex the property. Owen responded that the annexation would require Village Board review. Seward confirmed with Owen that the Village *could* annex the property because there is not a policy against it. K. Seward noted that from his perspective, the cost/benefit analysis prepared by N. Owen is without merit because the annexation of this type of property would be left to the judgment of the then Village Board.

D. Gartzke asked for clarification and K. Seward explained that the June 18, 2013 memo claims that the Village cannot afford to annex developed properties but that the Village Board may do it anyway in certain circumstances. N. Owen's 6/18/13 memo illustrates that the costs to annex are realized immediately, Seward argued that the lowest cost to service a property would be diminished by the impact of spreading the costs across the additional properties. In addition, K. Seward noted that if the Village were to annex those 20 homes, that they would not initially incur additional expenses such as an additional policeman, office staff or require additional road maintenance. Seward asked if the Village would agree that at some point there would be a cost distribution breakeven point to annexing. N. Owen replied that when they initially looked at this, the more homes they annexed the worse their costs. Owen agreed with K. Seward that they would not hire additional staff or police officers when annexing 20 homes, but felt there would be a tipping point when the additional staff would be necessary. The CBA has a provision that it would be the Town's obligation to keep the roads in the annexed areas up to a passer rating of at least 5.

From the Village's standpoint it is more advantageous to them to annex vacant land and realize the full value when the property is developed. D. Hustad noted that if the Village were to only annex vacant land there will be islands of developed land that will be surrounded by the Village. For instance, the Neuchatel land on Hwy 39 has already been annexed. If the land across from Hwy 39 were developed and annexed, there would be about 4-5 homes (Kristy Lane) that would be a Town of New Glarus island with their own sewer and water. D. Gartzke felt that under this scenario, and assuming the Village wanted to annex the properties within that island, the Village would lose money on the annexation, but not as much as they would if they had to pay the \$10,000 back to the Town of New Glarus under the CBA provision.

D. Hustad summarized that when the Town agreed to the CBA, it was their understanding that they would be paying \$10,000 per year to the Village until the new library is built and in exchange for the Village would pay \$10,000 to the town for 10 years after the properties are annexed. If the Village now decides that they cannot pay \$10,000 per year, the Town Board and Town Residents would request something in exchange. The Village, at this time, is not interested in offering anything else in exchange. Without objection the motion remains tabled.

6. Set Target Meeting Schedule Through to Village Board Approval of Cooperative Boundary Agreement: without objection, the next Joint meeting or CBA will be at the Town Hall on July 8th at 6:00 p.m.

7. Adjourn: Motion by D. Hustad to adjourn, second by D. Gartzke. Motion carried at 7:07 p.m.

Patricia I. Salter, Clerk-Treasurer  
Town of New Glarus

**Joint Village/Town Negotiation Committee Minutes  
May 9, 2013**

Town representatives present: Keith Seward, Bob Elkins and Dale Hustad. Village representatives present: Roger Truttman, Kevin Budsberg and Dan Gartzke. Also in attendance: Village Administrator Nicholas Owen

1. Call to Order - Meeting was called to order at 6:00 p.m. by Chair, K. Seward
2. Announcement: All cell phones are to remain silent during the meeting
3. Approval of Agenda: Motion by R. Truttman to approve the agenda as presented, second by D. Gartzke. Motion carried.
4. Approval of Minutes of 04/17/2013 Meeting: Motion by K. Budsberg, second by R. Elkins to approve the minutes as presented.

Discussion: K. Seward posed the question of whether or not the group would be able to get past differences in order to make the CBA work. He did not feel that dynamic was currently in place. R. Truttman stated that he felt the group should step back and start over. D. Hustad suggested that if that's the direction he wants to go, he would like the Village to outline what they would like to see in a new agreement.

K. Budsberg stated that the current CBA is no longer a goal.

D. Gartzke reported that what he heard at the Village Board was that their member's views have changed and he agrees with K. Budsberg that the agreement in its current form would not make it past Village Board approval and felt it might be better to start fresh.

R. Truttman stated that if the CBA were presented to the Village Board in its current state it would be voted down.

N. Owen's opinionioned that he felt there was merit to the document but he stated he worked for the Village and needed to represent their wishes.

K. Seward stated that the original focus was to put together an agreement that would allow the Village and Town to work together as a community. Revenue sharing was an important element of the agreement but that there were other elements.

R. Elkins elaborated on K. Seward's statement and noted that in the beginning there was also an element of defensive posturing in regards to annexation particularly in areas close to the Village. The Town was interested in a new library, stormwater control and working together on industrial development.

K. Budsberg opinionioned that he did not think that the current Village board is aware or interested in solving those issues.

D. Gartzke felt that a significant part of the CBA was to create a vehicle to help support a perceived equity of library support for use.

K. Budsberg felt the Village board needed to put together a synopsis of what the objectives of the CBA should be and see if they are still in line. He felt that if those objects had changed significantly, the Village board should to come up with an alternative to the current CBA.

After a brief caucus, K. Seward suggested that the Village negotiation team should re-approach the Village Board, determine their specific objectives and determine if they really wished to continue the negotiation process. Seward also suggested that both boards could meet and jointly to review their respective original goals and objectives, the negotiation process to date and discuss revised goals and objectives.

D. Hustad moved to cancel the May 20 meeting, D. Gartzke 2nd. The Village Board will meet on

May 21 and will review their original objectives, determine if the Village Board is still agreeable to those objectives, determine if the Village Board would find it useful to have a single purpose meeting between to two boards to discuss the CBA and finally, if the original objectives are no longer applicable, redefine them and report back to the Joint Negotiation Committee. Motion carried.

5. Set Target Meeting Schedule Through to Village Board Approval of Cooperative Boundary Agreement: without objection, the next Joint meeting or CBA will be at the Town Hall on June 5 at 6:30 p.m. ***Clerk's note: the motion to approve the minutes of 4/17/13 was not voted on and the motion should be revisited at the next Joint Negotiation Committee meeting.***

6. Adjourn: Motion by D. Hustad to adjourn, second by R. Truttmann. Motion carried at 7:45 p.m.

Patricia I. Salter, Clerk-Treasurer  
Town of New Glarus

### **Joint Village/Town Negotiation Committee Minutes April 17, 2013**

Town representatives present: Keith Seward, Bob Elkins and Dale Hustad. Village representatives present: Roger Truttmann, Kevin Budsberg and Dan Gartzke. Also in attendance: Village Administrator Nicholas Owen

1. Call to Order - Meeting was called to order at 6:00 p.m. by Chair, K. Seward
2. Announcement: All cell phones are to remain silent during the meeting
3. Approval of Agenda: Motion by K. Budsberg to approve the agenda as presented, R. Elkins second by. Motion carried.
4. Approval of Minutes of 03/06/2013 Meeting: Motion by K. Budsberg, second by R. Elkins to approve the minutes as presented. Motion Carried.
5. Discussion – Village's Interest and Intentions for Cooperative Boundary Agreement: K. Seward explained that with change in administration and other factors including recent Village intent not to reaffirm support of the \$1,000,000 financing of the new library, the Town was looking for direction from the Village on whether or not to continue working on a Cooperative Boundary Agreement. R. Truttmann stated that his understanding was that the Village submitted a memo to the Town Board listing their requested changes to the CBA, based on Attorney Bechler's recommendations and felt the items would need to be negotiated with the Town.

K. Seward referenced the revenue sharing as a critical issue. In his opinion, if the Village was not willing or able to participate in the revenue sharing at the end of the process, then the Town would likely not be interested in sharing revenue during the span of the agreement. K. Seward reminded the committee that the issue of revenue sharing has been an integral part of the negotiation talks from the beginning.

N. Owen clarified that based on the current shared revenue formula would be tough for the Village to follow based on the way the current tax levy limit worksheet treats annexations. The State formula states that the Village would only be able to raise their levy by the amount the properties were taxed the previous year. In addition, N. Owen explained that the Village would not be able to tax those properties that were newly annexed for services provided by the Village.

K. Seward stated that the Village would likely be gaining several million dollars in assessed valuation. Owen maintained that the Village would not be able to take full advantage of the annexations under the levy limits. The Village would only be able to increase the levy if there

was new growth elsewhere in the Village. Seward felt that the burden of increased taxes to provide revenue sharing, would be shared on both sides with the Town residents feeling the pressure during the process and the Village residents feeling the impact towards the end of the process.

The other issue is with whom is the Town negotiating? Is it Attorney Bechler, the Village Board or the negotiating team? N. Owen clarified that the Town would be negotiating through the negotiating committee in an advisory capacity and that the Village Board would make the final decisions. Seward explained that many of the issues Bechler identified had already been discussed and agreed upon in the agreement that the Town signed.

D. Hustad asked how much of the Village's 4/5/13 list is negotiable and what elements are deal breakers. He explained that it was his understanding that this group has been meeting for over 3 years and during that time they have gotten input from the Town Board. He understood that the payment guideline of the 10 year payment of the revenue sharing from the Village to the Town has been an integral part of the agreement from the beginning and in exchange for that, the Village would get financial support for the library. Hustad asked if the Village's commitment to their payment to the Town over the 10 years after annexation were removed, what would the Town get from the Village in exchange for their financial support of the new library?

D. Gartzke replied that not having land annexation to the Village during that period would be an advantage to the Town. Hustad felt this was an uncertainty whereas the payments for the library would be guaranteed. D. Hustad noted that if there were no annexations during this time, the Village would not owe the Town anything in exchange. N. Owen stated that everyone would benefit from having a better library and it was at the Town's priority that the funds received from this agreement would go directly to the library and not the Village.

K. Budsberg asked if all the Attorney's recommendations were agreed upon by the Town, would the Village Board adopt the CBA. R. Truttmann answered if the 4/5/13 list of items were accepted by the Town, the Village Board would most likely accept. He noted that only one board member has changed since the last time the agreement was presented. N. Owen noted that he didn't feel the Village Board would have asked him to forward the memo to the Town if they were not interested in going forward with the negotiations.

K. Seward expressed frustration with the Village Attorney's opinion coming in so late in the negotiations. He asked why the opinion came in so late. K. Seward felt that the last three bullet points on N. Owen's 4/5/13 memo were critical to the Town. Seward asked for a straw vote on whether the body wishes to continue negotiating the CBA. R. Truttmann replied yes, D. Gartzke said yes, D. Hustad said only if there would be movement on the last three items on the list,

K. Budsberg stated that in his opinion, the group took a significant step when this negotiation committee forwarded a "final draft" to their respective boards. He felt it was a greater step when the Town approved the last CBA draft. He felt that his intent for agreeing to an extension on this process was to work out minor differences of that draft not to re-negotiate major issues. He felt that if the memo from the Village were a list of demands he considered them more than minor adjustments to the agreement and felt the process would have to be restarted. In addition, he felt that the memo was an indication that the Village Board was unhappy with the direction the committee was taking and did not feel the committee could make progress in the negotiation process without clear direction from the Village Board. D. Gartzke suggested that an item be added to the next Village board meeting asking for direction.

D. Hustad suggested that based on his perception of the discussion, perhaps the Village could determine:

1. Are the items on the April 5 memo non-negotiable?

2. If the Village determined that they are non-negotiable and if the Town, in response to the last three bullets were to remove their additional support of the new library, would the Village still be interested in going forward with a Cooperative Boundary Agreement? K. Seward noted there would still be significant joint issues beneficial to both municipalities.

R. Elkins commented that he felt the Village Board was a bit late to the party and did not see how negotiations could continue without direction from the Village Board.

R. Truttmann asked K. Budsberg if he felt these issues should be brought back to Village Board for direction. Budsberg agreed that the Village Board needs to provide their representatives with clear direction.

K. Seward reiterated that many of the items on 4/5/13 memo had been already negotiated but felt that the last three items were critical to the Town's agreement of a CBA. R. Truttmann will take the memo back to the Village Board and ask for input at the next Village Board meeting scheduled for May 7, 2013 at 7:00 p.m. He will also seek support for the Joint Negotiation Committee to accelerate the process by meeting twice a month in an attempt to meet the extension deadline.

6. Consider Alternate Joint Negotiation Members by Town and Village Boards: K. Seward suggested that in view of the rapidly approaching deadline, that an alternate member be added to each side of the negotiation committee. K. Budsberg objected to adding alternate members and reiterated that he thought the purpose of the extension was to make minor adjustments to the agreement and that adding new members would complicate the process.

D. Gartzke moved that each side consider having an alternate member named to the committee that would be a non-voting member unless one of their regular members was absent, R. Elkins 2<sup>nd</sup>. D. Gartzke called the question. K. Seward asked for a roll call vote. K. Budsberg voted nay; R. Elkins voted aye; K. Seward voted nay; D. Gartzke voted aye; D. Hustad voted aye and R. Truttmann voted nay. Motion failed.

7. Set Target Meeting Schedule Through to Village Board Approval of Cooperative Boundary Agreement: without objection, the next two meetings will be at the Town Hall on May 9 at 6 p.m. and May 20 at 6 p.m.

8. Adjourn: Motion by K. Budsberg to adjourn, second by R. Elkins. Motion carried at 7:18 p.m.

Patricia I. Salter, Clerk-Treasurer  
Town of New Glarus

### **Joint Village/Town Negotiation Committee Minutes March 6, 2013**

Town representatives present: Keith Seward, Bob Elkins and Dan Gartzke. Village representatives present: Jim Salter, Kevin Budsberg and Dan Gartzke. Also in attendance: Village Administrator Nicholas Owen, Greg Thoenke and Peggy Kruse.

8. Call to Order - Meeting was called to order at 6:04 p.m. by Chair Jim Salter
9. Announcement: All cell phones are to remain silent during the meeting.
10. Seat Replacement of Town Representative: K. Seward introduced Dale Hustad as Gof Thomson's replacement as a resident member of the committee.

11. Approval of Agenda: Motion by D. Gartzke to approve the agenda as presented, K. Budsberg second by. Motion carried.

12. Approval of Minutes of 01/07/2013 Meeting: Motion by K. Seward, second by K. Budsberg to amend the minutes to clarify motions, correct omissions and correct minor typographical errors. K. Seward proposed the following:

- a. Under Recommendations to Village and Town Boards for Approval of Cooperative plan: bullet #'s 5&6: "Revisions: Under Recommendations to Village and Town Boards for Approval of Cooperative plan: bullet #'s 5 & 6. Bullet #5 shall read: The committee discussed the Town's request to cap their contribution to the Village at \$25,000 per year maximum. Seward stated that a cap is necessary in order to limit the Town's liability, just as the Village had put a limit on its liability set at the approximate level of its prior MOE. He stated this is a fairness issue. There was significant discussion, initiated by D. Gartzke, about some fair ratio of relative contribution levels. Gartzke came up with a ratio 1/6:1. The Village representatives opposed the cap as it limits the revenue potential for future funding. Town representatives presented the cap because the Village did not commit to additional funding for the Library in the Cooperative Plan. After discussion, Motion by Kevin Budsberg to set a cap at \$35,000 until occupancy of the Library, the cap would then expire when the new library is built or if after 10 years no library is built, seconded by Gartzke. Seward stated he could not support that proposal since it makes no sense to eliminate a cap just when expenses for a new library will be higher than with existing library. From the Town's perspective it makes no sense. Budsberg then stated to Seward, "Then amend the motion." Motion was made by Keith Seward to amend the Budsberg motion to set a cap @ \$25,000 per year allowing for an increase in the cap of 1/6 of \$1 in town contribution for every \$1 of increase in Village contribution above the \$150,703, second by Gartzke. Gartzke questioned whether the revenue cap, under this motion, would kick in at time new library was built. Nic Owen replied it would kick in immediately upon CBA approval. Gof Thomson objected to the escrow roll over for 2nd ten years payment to the Village. He felt this was excessive Town payment to Village and argued it would be ok if we did not approve the CBA but asked for an extension and took our time because we would still have time to revise the CBA and have the \$ issues kick in by 2014. Seward noted that the cap was also a quid pro quo for the Town's granting the escrow roll over to the Village and was needed in order to limit the Town's liability just as the Village has done. The library expenses will grow greater when a new Library is built and it makes no sense to remove a cap when a new library is built and when its expenses, translated onto revenues sharing, are increasing for the Town. The amended motion carried with Gof Thomson opposing.
- b. Bullet #6 shall read; Change \$10,00 to **\$10,000**.

Discussion: D. Gartzke asked how the minutes could show that several Village representatives thought the amendment to the original motion eliminated the cap when the library was built. K. Seward responded by clarifying that during the discussion portion of the last meeting it was stated several times that from the Town's perspective it did not make sense to drop the cap at the time expenses were expected to go up. Seward went on to say that Nic, Mark Roffers, and the Town Representatives present thought the revenue cap remained after the library was built. Seward was not clear on how the Village representatives got the impression that the cap would be removed. K. Budsberg recalled that when the motion was amended, the language did not address whether the revenue cap remained or was eliminated at the time the library is built. J. Salter stated that he was confused and thought that the cap was eliminated after the new library was

built. He also mentioned that the way the proposed amendment still did not address this issue. K. Budsberg stated that the committee does not vote on intent of a motion only the motion that is presented and he is satisfied with the way his motion is reflected in the minutes.

There were no additional comments and J. Salter asked the committee to vote on the motion to approve the amendment to revise the minutes. Motion carried unanimously.

J. Salter moved to approve the minutes as amended, K. Budsberg 2<sup>nd</sup>. Discussion: K. Budsberg asked that his name be spelled correctly, should be “Budsberg”. Motion carried unanimously.

13. Consider Committee Chair Appointment: K. Seward reminded the committee that the intent of the group was to change the committee chairperson annually. Seward noted that J. Salter has chaired the committee for two years. J. Salter moved to nominate K. Seward as Chair, D. Hustad 2<sup>nd</sup>. Motion carried with K. Seward abstaining.

14. Discussion Existing Cooperative Boundary Agreement:

- a. Revenue Sharing Cap: J. Salter reiterated that he thought the revenue sharing cap would be removed when the library is built. Salter explained that it was originally his intent that per person the cost to use the library should be the same for both Village and Town residents. There was a formula created to do that, but the formula changed when the Town requested that the revenue be added to the library’s budget and not the general fund. Salter further explained that as soon as we hit a limit, any limit the calculation is thrown out of whack, defeating the whole idea that we are basing the revenue sharing on usage. He felt that putting a limit on this calculation is contrary to the premise of funding. D. Gartzke felt that by basing the calculation on use, it incorporates an inherent cap by tying the calculation to the proportion of town resident use. To put a dollar cap on it, could have a future affect of the Town not contributing to the budget in about the same proportion as the town residents use the library. Dan gave the example of using a \$25,000 shared revenue cap, residents using the library 22%, and a library budget of \$300,000 the shared use percentage would be lower than 22% which would defeat the basic principle intent that town residents would contribute proportionately to their use of the library.

N. Owen proposed using a different formula for a calculation that would do away the automatic escalation. Owen proposed using the following calculation:

$$\begin{aligned} & \text{Total cost for the library} \\ & \times \text{Town circulation} \\ & - \text{Amount Library receives from TNG residents in County Tax} \\ & = \underline{\text{Revenue Sharing Amount}} \text{ (recalculated annually)} \end{aligned}$$

K. Seward noted that this was the current calculation. Seward expressed concern that based on government's propensity to spend whatever comes in the door rather than manage it, our number would go up to some significant event and the numbers that were put together for the Village's discussion showed that if the Village did not increase their proportion over the life of the agreement, the Town would end up paying 88% of the library costs which is exactly why Seward felt a cap was needed.

Salter suggested that for calculating the revenue sharing payment, you would be starting with \$150,000 and adding \$17,500 so the next year's budget that you are calculating 23% of would be \$167,500. Salter suggested that the calculation should be based on the difference. It should be added on to the Village's contribution.

Example:

Year	Village Contribution	Town Contribution	Operating Budget
1	\$150,000	\$17,500	\$167,500
2	\$150,000	\$19,045	\$169,045
3	\$150,000	\$20,945	\$170,945

Operating Budget	Town Circulation	Less Town Taxes to the County	New Operating Budget
\$167,500	23%	\$38,525	\$169,045
169,045	23%	\$38,880	\$170,945

New Oper. Budget	Less Village Contribution	New Town Contribution
\$169,045	\$150,000	\$19,045
\$170,945	\$150,000	\$20,945

K. Budsberg suggested:

Amount paid = % circulation x Current year's village support. Under this formula, you should avoid the compounding operating budget.

K. Seward maintained that the cap allows the Village to increase the Town's contribution by increasing their contribution amount. In other words, the revenue sharing would be in place until the Town's contribution reaches \$25,000 at which time the Village can decide to increase their contribution at a 1/6<sup>th</sup> of a dollar to 1 ratio. K. Seward suggested using a flat number that starts where we are today and has an escalator. D. Gartzke noted that by doing that, you would not be maintaining the proportionate payment based on use. Seward agreed that this would waive the whole concept of the town's proportionate use.

Nic explained that he was trying to keep the payments in proportion to their use.

In K. Seward's opinion unless the Town can limit their liability to their taxpayer, the agreement would not go through.

D. Gartzke felt that the only way to limit the liability on both sides would be to use a calculation based on use.

K. Budsberg moved to revisit the calculation at the next meeting, D. Hustad 2<sup>nd</sup>. Motion Carried.

b. Village Review of Attorney's Concerns:

J. Salter reported that the Village had a closed session with their attorney to address his concerns. They asked the Attorney to mark up a copy of the CBA with his suggestions, considering the Village resident's best interests, and return a marked up copy to the Village for consideration. D. Gartzke noted that their board has not met nor agreed on the revisions. They were scheduled to meet 5/6 but the meeting was cancelled due to the snowstorm. The last changes that M. Roffers made are highlighted in yellow.

K. Budsberg moved to postpone review of the CBA until the next Joint Negotiation meeting, J. Salter 2<sup>nd</sup>. Motion carried.

15. Consider and Appoint Alternate Joint Negotiation Members by Town and Village Boards: K. Seward explained that when D. Hustad was asked to continue with negotiations it might be a good idea to appoint alternates so that negotiations can continue when someone is not able to attend a meeting. Without objection, each side will consider the proposal and decide at the next meeting.
16. Consider Holding Joint Negotiation Meetings at the Town Hall for the Duration of Negotiations: K. Seward explained that based on the confusion of previous motions, it would be advisable to hold the meetings where they can be recorded. Seward suggested holding future Joint Negotiations meetings at the Town Hall and have them voice recorded. K. Budsberg moved to hold future meetings at the Town Hall, J. Salter 2<sup>nd</sup>. Motion carried.
17. Set Target Meeting Schedule Through to Village Board Approval of Cooperative Boundary Agreement: without objection, the next meeting will be at the Town Hall on April 17 at 6 p.m.
18. Adjourn: Motion by D. Hustad to adjourn, second by Keith Seward. Motion carried at 7:25 p.m.

Patricia I. Salter, Clerk Treasurer  
Town of New Glarus

**Joint Village/Town Negotiation Committee Minutes  
January 7, 2013**

Town representatives present: Keith Seward, Bob Elkins and Gof Thomson. Village representatives present: Jim Salter, Kevin Budsberg and Dan Gartzke. Also in attendance: Village Administrator Nicholas Owen and Mark Roffers.

Call to Order - Meeting was called to order at 6:00 p.m. by Chair Jim Salter.

Announcement: All cell phones are to remain silent during the meeting.

Approval of Agenda: Motion by Kevin Budsberg to approve the agenda as presented, second by Dan Gartzke. Motion carried.

Approval of Minutes of 12/7/12 Meeting: Motion by Keith Seward to approve the minutes as presented, second by Kevin Budsberg. Motion carried.

Recommendation to Village and Town Boards for Approval of Cooperative plan: The committee reviewed the proposed changes to Section 14 of the Cooperative Plan.

- On page 30, item G, lines 13-14 the committee agreed to remove the words “not including” and add the word “plus”
- Keith Seward presented language for section H on page 30 regarding the Town’s rental of space at the new library. Consensus of the committee was to add the following language: “The parties agree that funds collected by the Town and held in a fund entitled Park/Town Hall Sinking Fund may, with Town Board approval, be distributed to the Village for use by the NGPL for capital purposes as part of the NGPL fund raising function. In exchange for such distribution, the Town shall receive compensating value in the form of an offset to future rental and/or related costs for space from the NGPL.” The committee further agreed to add language requiring the town to submit the payment to the Village within 60 days of occupancy of the new library.
- Committee approved minor revisions on page 29 item D, line 1 adding “the first ten years” after the word “during” and line item D, line 13 adding “the Town shall cease escrowing further amounts at the end of the first 10 years of the planning period and” after the word “date”.
- The Town representatives withdrew their request for the addition of “as directed by Town” to the end of the last sentence in section 14)B).
- The committee discussed the Town’s request to cap their additional revenue sharing contribution to the Village Library at \$25,000. The Village representatives opposed the cap as it limits the revenue potential for future library funding. Town representatives presented the cap because the Village did not commit to additional funding for the library in the Cooperative Plan. After discussion motion by Kevin Budsberg to set the cap at \$35,000 until occupancy of the library, the cap would then expire when the library is built or if after 10 years no library is built, second by Dan Gartzke. Motion by Keith Seward to amend the motion to set the cap at \$25,000 allowing for an increase of 1/6 of \$1 in Town contribution for every \$1 of increase in Village contribution above the \$150,703, second by Dan Gartzke. The amended motion carried with Gof Thomson opposing.
- The committee discussed Section 14)D) Escrow for Annual Contribution. At the last meeting the committee agreed to have the revenue formula begin the first year after signing of the contract with \$10,00 going to library operations and any amount beyond this going into an escrow account held by the Town and after the 10<sup>th</sup> year of the agreement if no library is built the escrowed money would be paid out to the Village for library operation funds in equal amounts for the remaining term of the agreement. Town representatives are proposing an amendment to this section where if the library is built after year 10 the remaining escrow amount would revert back to the Town General Fund and the revenue sharing formula would commence for the remainder of the cooperative plan. After discussion consensus of the committee was to accept the proposed amendment by the Town. (Gof Thomson left the meeting at 8:35 p.m.)

Administrator Owen expressed his concern that the procedure for new non-residential development would not allow the Village to create a TIF to provide incentives for future developments and potentially cause New Glarus to miss out on new business opportunities. Mark Roffers stated that the current language is contrary to how a TIF is normally set up but he believes that State Statutes do allow for a TIF to be created prior to annexation if the provision is

included in a Cooperative Plan. Consensus of the committee was for Roffers to draft this language for inclusion in the final draft of the cooperative plan.

Motion by Keith Seward to recommend approval of the current draft of the Cooperative Plan, including the amendments approved at this meeting to the Village and Town Boards for consideration, second by Dan Gartzke. Motion carried.

Discussion: Next Steps in Cooperative Plan Process: The Town Board will consider the Cooperative Plan at their January 15<sup>th</sup> Meeting and the Village Board will consider the Plan at their February 5<sup>th</sup> meeting. Submittal to the DOA is required by February 14<sup>th</sup>.

Set Next Meeting Date and Agenda Items: No action taken.

Adjournment: Motion by Keith Seward to adjourn, second by Bob Elkins. Motion carried at 8:54 p.m.

Nicholas W. Owen, Administrator

**MINUTES ARE NOT OFFICIAL UNTIL NEXT SUBSEQUENT MEETING**