

CITY OF SHULLSBURG
COMMON COUNCIL MEETING
FEBRUARY 3, 2010

A regular meeting of the Common Council of the City of Shullsburg was held at 6:30 p.m. February 3, 2010 in the Community Room of the Shullsburg Community Townsend Center, 190 N. Judgement Street, Shullsburg, Wisconsin. Mayor Tom Curran called the meeting to order at 6:30 p.m. Notice of the meeting was posted and given to the official newspaper. Roll Call- Darrell Morrissey, Carl Ballard, Dan Spillane, Carol Korn. All present. Others present: Tom Lethlean, Don White, Dan Morrissey, Jerry Shepherd, Jeff Russell, Roger Duffey, Harry L.Blackbourn, Cheryl Fink, Dennis Tonak, Dave Leahy, Howard Hodgson, Nancy Carrier, Bill Gile, Tom Rielly, Jill Reilly, Art Diedrich, Cheryl Mulcahy, Wayne Gehrt, Bart Neis, Bob Edge, Don Ahlstrom, Pam Wymore, Stan King, Donna Shepherd, Brad Wiegel, Patty Wiegel, Tom Pedley, Steve Staver, Ollie Cody, Kathy Ubersox and Sally Montgomery.

Motion by Spillane second by Korn to approve the minutes of the January 20, 2010 meeting. All aye, motion carried.

Committee Reports: Ald Ballard reported that the Police Committee is looking at the possibility of trading the 2003 Ford Explorer to another department. The Park and Utility Committees will be discussing the matter at the February 15th committee meetings. Ald Ballard reported that the Street Committee is getting costs for replacing the furnaces at the city garage. Ald Morrissey reported that the Park Committee had a question and answer meeting with contractors in regards to the repairs from the hail damage. Bids are due at the city office by 5:00 p.m. February 26th. Steve Woodworth and Al Brey arrived.

Motion by Ballard second by Morrissey to approve the bills for the water, sewer, electric, pool, museum and library funds. All aye, motion carried.

A discussion was held regarding the potential new Creamery facility. Bart Neis, Delta 3 Engineering, presented the council with cost estimates for the utility extensions to the Bader property located west of Shullsburg on State Highway 11. The costs are as follows: Sewer-Option #1- Gravity Flow- \$436,437.50, Option #2- Lift Station- \$231,412.50; Water-Option #1-Easement Miner Way to Site- \$46, 137.50, Option #2- Watermain on State Highway 11- \$121,975.00; Electric- \$3,000. Delta 3 Engineering also estimated the cost of the street access would be \$11,037.50.

Al Brey, Johnson Block & Company, presented the council with preliminary figures with regards to a TIF district. Brey estimated an annual TIF increment of \$71,000 based on the equalized value increase of \$3 million. Brey also estimated that an annual loan payment would be \$38,115 to \$60,337 based on a loan amount of \$518,000 to \$820,000. Based on these estimates the TIF increment would be sufficient to cover the annual loan payment. Brey also stated that it is common that the development agreement include a clause that states if the increment is not enough to pay the loan payment then the developer would make up the difference. This is an incentive for the developer to carry though with the project. Brey explained that the TIF #4 currently has positive increment of approximately \$100,000 that can be used to offset any new TIF expenses. Brey explained that when a TIF District is created the taxes generated by the increment stays in the city and does not get allocated to the other taxing jurisdictions. Brey also

stated that the creation of a new TIF or the amendment of a current TIF does not negatively impact the other taxing jurisdictions because the value of the building is not currently there and therefore there are no taxes generated. If the TIF works as it is intended to work, eventually the costs of the TIF will be paid, the TIF will be closed and the land will be returned to the regular tax roll. Brey stated that if a \$3 million building was constructed in a TIF District based on the costs estimates that he was given this would be a good financial decision because the increment would pay off those costs. Brey stated that one risk to this project is that the joint review board has to agree to amend a current TIF or to create a new TIF. Brey explained that if this project were not in a TIF District the cost to the taxpayer on a house valued at \$100,000 would be an annual tax increase of \$24.86 based on a \$150,000 land purchase. There would also be a water and sewer rate increase due to the cost to extend the utilities.

Dennis Tonak, Midwest Dairyman/Shullsburg Creamery, stated that the downtown packaging and the offices would stay in Shullsburg. Tonak also stated that they have received offers from other municipalities and although the offers are financially feasible, he feels it is not a fit because of the employees. They have looked at options from other municipalities in case it does not work out to locate the new facility in the Shullsburg area. Tonak stated that there is a board meeting February 17th and they need to have a location selected at that time. They do have a verbal commitment from Bader to sell them the land that they need.

A discussion was held regarding a Preliminary Resolution Declaring the Intent of the City of Shullsburg to Exercise Special Assessment Police Powers under 66.0703 WI Stats Relating to Proposed Installation of Concrete Curb and Gutter to serve Friendship Street Within the City of Shullsburg. The engineer report was approved by the Street Committee on February 1, 2010. Motion by Ballard second by Spillane to approve the resolution as presented. All aye, motion carried. A public hearing for the special assessments will be held February 17 prior to the regular council meeting.

Future Agenda Items: Ald Dan Spillane requested a special closed session meeting on Friday to discuss an agreement. It was decided that a special meeting will be held at 3:00 p.m. on Friday, February 5th.

Public Comments: Wayne Gehrt inquired about the special assessments. The clerk stated that as far as she understands it they can object but the city has the right to special assess.

There was no closed session.

At 8:16 p.m. a motion was made by Morrissey second by Ballard to adjourn. All aye, motion carried.

Marsha Einsweiler
City Clerk/Treasurer