

**CITY OF HARTFORD
COMMON COUNCIL
May 9, 2023**

The Common Council of the City of Hartford, Washington and Dodge Counties, Wisconsin, met for its regularly scheduled meeting on Tuesday, April 18, 2023 7:00 p.m., in the Common Council Chambers of Hartford City Hall, 109 North Main Street, Mayor Timothy Michalak presiding.

PLEDGE OF ALLEGIANCE

Mayor Michalak led the Common Council in the Pledge of Allegiance.

ROLL CALL

The Mayor and all Alderpersons were present, except Alderperson Webb who appeared via Zoom.

MAYOR'S APPOINTMENTS TO BOARDS, COMMISSIONS & COMMITTEES

1. Mayor Michalak announced that he will be the city liaison to the Chamber of Commerce. MOTION by Alderperson Carroll, seconded by Alderperson Fulop approving the appointment of Tim Michalak as city liaison to the Chamber of Commerce.
MOTION CARRIED UNANIMOUSLY.

UNANIMOUS CONSENT AGENDA

MOTION by Alderperson Rusniak, seconded by Alderperson Garza, approving the following item:

1. The Common Council minutes of April 11, 2023 and April 18, 2023.
MOTION CARRIED UNANIMOUSLY.

COMMUNICATIONS

1. City Clerk Shanna Kreilkamp announced the Mid-Moraine meeting will be Wednesday, May 24th at the Newburg Community Center. Reservations are needed by Friday, May 18th.

APPEARANCES/CITIZENS COMMENTS

1. Ben Madell appeared for BRH Enterprises, seeking a transient merchant license. A representative from the company will be going door to door to offer free roof inspections.
2. Mike Peters, from WPPI, appeared to present an annual update.

MAYOR'S REPORT

1. Mayor Michalak advised that he attended the State Joint Finance Committee meeting and testified regarding the shared revenue. Cavalier Johnson from Milwaukee also testified, and Mayor Michalak commented that when two representatives from opposite sides of the political spectrum testify to having the same problem and suggesting the same solution, the state really needs to examine what is going on. Mayor Michalak shared data on how the shared revenue has changed since 1997. The city's population has almost doubled and shared revenue has been cut by more than half since 1997. There is going to be some increase in what the city receives in shared revenue, but is not enough of an increase. A shared revenue increase would help with covering the cost of emergency services, which the city is working on increasing by adding paramedics to those services, which is not inexpensive. Mayor Michalak made a point that this money is coming from taxpayers and it should be returned to them to cover their needs. In the city, those needs are good roads and public safety. He urged residents to contact Speaker Voss and state legislators to let them know that the city wants more equitable funding with shared revenue.

ALDERMANIC REQUESTS

Alderperson Rusniak made an agenda item request for the next Public Works meeting. He said he, Alderperson Savage, and Alderperson Webb have been involved in an alley complaint on the east side of Grand Avenue, between Loos and Maple. There is a section of the alley that is in need of repair. Alderperson Rusniak has a petition from 30 citizens that will be presented at the next Public Works meeting.

CITY ADMINISTRATOR'S REPORT

1. Discussion and consideration of Washington County Next Generation Housing Fund Memorandum of Agreement Between the Following Parties: Washington County and City of Hartford and Hartford Area Development Corporation.
 - a. City Administrator Steve Volkert introduced City Attorney Ian Prust and said he was instrumental in drafting the Memorandum of Agreement and that agreement helps support what was discussed at the last meeting regarding the Next Generation Housing in that it protects the city and provides off-ramps to the project without repercussions.
 - b. City Attorney Ian Prust clarified that the agreement was drafted by Washington County and he provided fine tuning to make sure the city's concerns were addressed within it. He said most of the agreement is framework for the project, including requirements for builders and the payment framework for the program. He then pointed out the section of the agreement that deals with disbursement of funds and that the county agrees they will not seek to recoup funds from a Next Generation Housing Coalition Partner. He also explained that when the county reviews funding requests, they will determine if the proposal fits within the NGH framework and then disburse the funds requested. At that point, the city will be able to move forward and not worry that any changes affecting the project down the road, would result in the county asking for those funds to be repaid by the city. Mr. Prust also pointed out that the agreement specifically names single family and twin/duplex style homes being subject to minimum quality home standards. He said there may be triplex and town home style homes, but those would not be specifically under the NGH quality standards as they are adopted today.
 - c. Tom Hostad came up and expressed his support for the Memorandum of Agreement for the Next Generation Housing project.
 - d. Mr. Prust then mentioned that he had a conversation with Alderperson Fulop regarding what the city's next step would be and where the next opportunity for review would be. He explained that the engineering work for the subdivision plat and roads would be next, and then proposals for a developer would be sought early in that process, which could potentially happen as early as July. Those preliminary proposals from developers would then come to the council.
 - i. Alderperson Turchi asked for clarification on this point, because in previous discussions, the city was named as the developer in this project. Mr. Prust corrected his statements, to exchange "developer" with "builder". The city is the developer for this project.
 - e. Alderperson Rusniak was encouraged that there are 9 builders who have expressed interest in this project.
 - f. Alderperson Kohler stated that it was his understanding that the county was paying for the engineering study and that it would be completed with two versions. One as originally proposed, and then a second with lower cost, more affordable homes. Part of the council agreeing to move forward with the study, was the understanding that regardless of what decisions were made afterward, the \$325,000 for the study was not going to be charged back to the city. Alderperson Kohler stated that he did not see that agreement specifically spelled out in the Memorandum of Agreement that is currently being presented.
 - i. Mr. Prust pointed out that in paragraph 6 of the Memorandum of Agreement, it states that the county agrees to not seek to recoup funds from a Next Generation Housing Coalition Partner. Alderperson Kohler then mentioned that the agreement referenced an attachment that outlined the framework for the Next Generation Housing Fund that was not located in the documents. Mr. Prust explained that in the beginning of paragraph 6, it explains how the grant process will work for obtaining funding. The request for funding of the engineering study has been reviewed through the county's grant process/policy and, contingent upon the council's approval of this Memorandum of Agreement, has been approved. Alderperson Kohler then mentioned that the county's approval would be contingent upon the city choosing a plan that fits within the Next Generation Housing plan. If the city chooses a route that doesn't fit within that plan, then the city could be responsible for that \$325,000. Mr. Prust then explained that the intent is that the county has reviewed the engineering proposal, they understand that this is necessary to move forward with the project, they are approving the

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engineering proposal, and upon that approval and the disbursement of the funds through the grant program, the agreement is that the county will not seek to recoup the funds from the city at that point. If, upon the study, the city finds that, for whatever reasonable reason, the project no longer fits within the Next Generation Housing parameters, the city has the option to change course without the county seeking to recoup those funds. As long as the intent is to continue within the parameters of the Next Generation Housing plan, the city should not have to worry about paying back funds. Alderperson Kohler then voiced that he is against this development and believes there is a better alternative. He also said that if that better alternative is selected, then the city wouldn't apply for the grant for the \$325,000. Mr. Prust stated that the city has already applied for and received the grant, pending approval of the Memorandum of Agreement. Deb Sielski, from Washington County, confirmed the request for funds was reviewed and approved by both the Next Gen Housing Committee and the County Executive Committee. The request included the engineering for the Next Gen Housing component, but also the engineering for all of the non-Next Gen Housing components.

- g. Alderperson Garza asked if the engineering reports showed two different types of development. Mr. Prust explained that there is flexibility built into the contract with R.A. Smith, the engineering firm, that will allow for options to be explored, but only after a builder is on board. Getting the builder involved is going to guide the discussion as to what is the best option for the space.
 - i. Alderperson Kohler commented that he would not be able to approve the Memorandum of Agreement to move forward, because it is not his intent to be in favor of the Next Generation Housing plan. He does not believe this is the best use of land, in this case.
- h. Alderperson Turchi expressed his concern that the council had previously asked for two options from the engineering study to consider for this project, and he feels the conversation about leaving the multiple options up to the builder was not part of what was previously agreed upon.
 - i. City Administrator Steve Volkert explained that there are still options, and R.A. Smith will present options according to what the council has requested. Alderperson Turchi then stated that it has not been clear as to what is going to be done and asked for clarification.
 - 1. City Engineer John Griffin explained that R.A. Smith needs to develop the plans for the alternative option, which they have not been paid to do yet. At about the 30% progress mark in the engineering contract, plans will be presented to the council, which will include at least one alternative to the originally proposed plan. Staff wanted builder input, so that engineering plans could be most realistic.
- i. Alderperson Fulop asked again when the next review point would be to determine whether or not this project is going to be beneficial. He doesn't believe the entire \$325,000 would need to be spent in order to get to that point.
 - i. Mr. Prust confirmed that point would be the 30% progress mark in the engineering contract.
 - ii. Alderperson Fulop then asked to confirm at that point, using maybe \$100,000 for the study, the council would be able to determine whether the mix of housing is right and whether the mix supports the Next Gen Housing initiative. And if it doesn't support the Next Gen Housing initiative, modifications can be made in order to take advantage of the funds from the county. Mr. Prust confirmed this is a piece of the entire project and the mix of uses is needed in order to get to the affordable housing goal.
- j. Alderperson Savage asked why a private developer wouldn't take this project on.
 - i. Mr. Prust explained that this is a cooperative project with the HADC, and the city holds the land, but the HADC owns the land. The HADC would not develop the land for residential use, but for the specific goal of this project. Mr. Volkert added that a private developer is in the business of making money. Slinger initially had a private developer involved in their Next Gen Housing project, but that developer decided they could make much more profit elsewhere.

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- k. Alderperson Webb stated that he will support this project, as the council had received a letter from area businesses stating that this is a great need for their employee base.

MOTION by Alderperson Webb, seconded by Alderperson Carroll approving the Memorandum of Agreement between the following parties: Washington County and City of Hartford and Hartford Area Development Corporation.

Mayor Michalak requested a roll call vote.

ROLL CALL VOTE: AYE (4) Rusniak, Regan, Carroll, Webb NAY (5) Kohler, Fulop, Garza, Savage, Turchi

MOTION FAILED.

2. Discussion and consideration of authorizing the Mayor to execute the Site Assessment Grant Agreement between the WEDC and the City of Hartford for investigation and remedial planning for the 24-28 S. Main St. properties.
 - a. City Engineer John Griffin explained this property used to be a dry cleaner and is now a contaminated site. The project is estimated at \$200,000 for investigation and remediation of the contamination. The city would leverage \$10,000 to complete the \$200,000 investigation and remedial action planning with the receipt of grant funds from the WEDC.
 - b. Alderperson Savage asked if the site would remain a parking lot.
 - i. Mr. Griffin said it would, during the time it takes to complete the investigation and remediation. After that, it could be put up for sale or redeveloped.
 - c. Alderperson Fulop asked if this site would require continued monitoring per the DNR.
 - i. Mr. Griffin stated that a new study would determine that. The previous study completed last year determined that the contamination was moving offsite, toward the intersection of Main Street and Sumner Street, and was in the bedrock. The new study would determine how far into the bedrock the contamination has gone, by doing more borings. It has also been determined that the Pour House will require a radon mitigation system to remove vapors, and that system would be paid for by this grant.

MOTION by Alderperson Rusniak, seconded by Alderperson Regan authorizing the Mayor to execute the Site Assessment Grant Agreement between the WEDC and the City of Hartford for investigation and remedial planning for the 24-28 S. Main Street properties.

MOTION CARRIED UNANIMOUSLY.

3. Discussion and consideration of Approval of Appointment of the new City Director of Community Development per the recommendation of the hiring committee.
 - a. Mr. Volkert explained the hiring process, and recommended approval of the appointment of Jacob Maas. Mr. Maas currently works as a Planner for a community to the south of the city, and worked for Watertown before that. He has a lot of great experience and Mr. Volkert feels he is a good fit for the city.

MOTION by Alderperson Carroll, seconded by Alderperson Webb approving the appointment of Jacob Maas as the new City Director of Community Development per the recommendation of the hiring committee.

MOTION CARRIED UNANIMOUSLY.

4. Discussion of 4th Quarter General Fund Budget Review
 - a. Mr. Volkert reminded the council that the numbers presented are unaudited. Mr. Volkert then reported that the city was at 97.13% for total General Fund Revenues at the end of 2022 fourth quarter. This was lower than the prior six years due to a miscalculation on expected revenues from the PILOT from Utilities. This was corrected for the 2023 budget. If the difference had been added as budgeted, the city would have been within the previous years' range of 98-101%. The total General Fund expenses for the end of 2022 fourth quarter was 100.55% of budget. This was higher than previous years because the city spent \$233,000 on the unexpected cost for the new fire station property. Without that unexpected expense, the city would have been within the normal range of 95-98.5% of budget. Overall, the city budgeted \$252,081 to come from fund balance. However, with loss of expected revenues and overages of expenses, the total withdrawn from fund balance was \$375,183.59, which is a net decrease of fund balance of \$123,103. Each department head was made aware of overages in expenses or shortfalls in revenues, and corrections have been made for the 2023 budget. Because of these corrections, the city should be back on track to follow the previous six year trends.

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ADJOURNMENT

MOTION by Alderperson Savage, seconded by Alderperson Carroll for adjournment at 8:20 p.m.
MOTION CARRIED.

Respectfully submitted,
Lori Hetzel, City Clerk

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