

Village of Fall Creek
Minutes of Special Village Board Meeting
August 8, 2019

1. **Call to Order:** 6:40 p.m., Village Hall Meeting Room, 122 E. Lincoln Ave., Fall Creek
2. **Pledge to Flag**
3. **Roll Call:** Members Present: Village President Chester Goodman, Trustees Joyce Aldrich, Bob Jenkins, Matt Mattoon (via telephone), Karen Strasburg, Dane Zook. Members Absent: Trustee Tim Raap. Staff Present: Police Chief Chad Dachel, Public Works Director Bryan Kaatz, Clerk-Treasurer Renee Roemhild. Also Present: 1 citizen.
4. **Certify Open Meeting Law Requirements Have Been Met:** A notice of the meeting and an agenda was posted in the three public places and local newspapers were notified.
5. **Adopt Agenda:**
 - MOTION (Strasburg/Zook) to adopt the agenda as printed. PASSED, without negative vote.
6. **Consider Special Assessment Policy (and McKinley Ave Project):** President Chester Goodman thanked the members for coming to yet another meeting. He requested further discussion before the McKinley Avenue assessments were finalized. The concerns and factors that these proposed assessments have brought to light warrant additional consideration. The realization that the **wide fluctuation of construction prices can disproportionately elevate the cost of improvements compared to prior construction projects** is of primary concern. Since household incomes may not keep pace at the same level, this could result in “special assessing” property owners out of their home. More broadly, the adverse effects on the entire community could result in blighted areas and decreased appeal for new residents to make the Village of Fall Creek their home. The Village Board takes seriously its responsibility to determine not only the appropriate way to spend money, but also the proper way to collect money.

Wisconsin State Statutes allows a municipality to special assess private properties for local improvements (ex.-street, curb/gutter, sidewalk, etc.) because there is a **special benefit** to involved properties of a capital improvement project **above the benefit** to the entire community. Statutes outline two methods in which a municipality may do this: taxing power or police power. “Taxing power” means the assessment is based on the actual benefit accruing to the involved property. “Police power” is done by figuring a unit cost for the improvement and multiplying it by either the front footage or area (or a combination of both) of the property. In this way, the assessment is calculated by “measuring” the special benefit to be received by the abutted property. The Village of Fall Creek has traditionally used the “police power” method for all reconstruction projects.

Chapter 206 of the *Code of the Village of Fall Creek* specifies the “**cost-sharing” ratio in which this special benefit will be calculated.** For many years, this ratio has been 34% Village/66% Property Owner for cost-sharing street, sidewalk, curb and drive approach improvements. Extensive work was done in the spring of this year analyzing the special assessment policy in relation to other communities and in relation to the effect construction costs have had on that cost sharing percentage. An amendment was made to the ordinance in spring 2019 changing the cost-sharing ratio to 50% Village/50% Property Owner. Continued analysis, along with receiving the bid prices for the McKinley Reconstruction project, gave a better view of the concerns originally voiced in the spring.

The concern was highlighted by a comparison of past projects to the proposed project with respect to the cost assessed in relation to the property values. This comparison was done for each of the capital reconstruction projects within the last 15 years. What we found was that the 2006 Lincoln

Avenue, 2009 Liberty Street, and 2013 State Street capital projects showed an AVERAGE* assessment of 5-7% of assessed property values. *Average being defined as residential single family and duplex properties that are not on a corner lot and not vacant land. The same calculation for the proposed McKinley Avenue project resulted in assessments averaging 11% of property values. This indicated that increased construction costs had a greater impact on the McKinley Project. Not only does a comparison like this take into consideration the disproportionate effect construction costs can have, it can also be used to help equalize the differences in specific projects.

There are factors that impact individual projects in different ways. For example, the McKinley Avenue project is going to have additional cost (above a standard project) in order to bring uniformity to the street widths. The State Street project had lower costs due to the County paying a share. Likewise, the Lincoln Avenue project had lower costs due to the State paying a share.

If the Board were to use the above calculated 5-7% of property values as a guideline in determining the **cost-share percentages** for each project, that may be a method that would better withstand the test of time and take into consideration fluctuating construction costs.

The current ordinance already states the Village Board “may, in its discretion, deviate from the cost-sharing standards set forth in (the ordinance) and attribute a lesser or greater proration of the identified cost of a public improvement project to benefitted properties”. Therefore, if the Board were to decide tonight that they wanted to take into consideration the comparison described above for determining the **special benefit** for the McKinley Avenue Project, it would be within their discretion to do that.

- MOTION (Zook/Strasburg) to make a change to the Special Assessment Policy to consider the fluctuation of construction costs in relation to inflation. The Village will continue to assess construction projects using police power. PASSED, roll call vote: Goodman-yes, Mattoon-no, Raap-yes, Strasburg-yes, Zook-yes, Aldrich-yes.
- MOTION (Zook/Aldrich) acting on that policy and after review of past projects, we find construction costs have increased at a rate higher than inflation. Therefore, motion to set the cost-share rate for the McKinley Avenue Project at 75% Village/25% Property Owner and to retract the 4/8/19 motion (regarding a reduction in the property owner street share because of varying street widths) because the new policy takes that into consideration. PASSED, roll call vote: Mattoon-no, Raap-yes, Strasburg-yes, Zook-yes, Aldrich-yes, Goodman-yes.
- MOTION (Zook/Mattoon) directing the Clerk-Treasurer to prepare a first reading to amend Chapter 206 to state the Village Board’s new policy to consider the fluctuation of construction costs. PASSED, without negative vote.

7. Adjourn:

- MOTION (Raap/Strasburg) @ 8:23 p.m. PASSED, without negative vote.

Renee Roemhild, Clerk-Treasurer