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AGENDA

City of Milton

Budget Workshop

And

Common Council Meeting

Tuesday, October 21, 2014

6:00 p.m.

MILTON CITY HALL

Council Chambers, 710 S. Janesville Street

1. Call to order and confirmation of appropriate meeting notice
2. Budget Workshop Presentations
 - a. Milton Youth Coalition Presentation
 - b. Police Department Presentation
 - c. Fire Department Presentation
3. Discussion and possible action on the 2015 Budget
4. Welcome citizens and address their questions and concerns not on the agenda
5. Update from McGuire/Mears on current development projects and realtor listing agreement in Crossroads Business Park
6. Approval of the Consent Agenda
 - a. Common Council Minutes – October 7, 2014 and October 16, 2014
 - b. Plan Commission Minutes – September 9, 2014
 - c. Community Development Authority Minutes – July 1, 2014
 1. Façade Improvement Grant Reimbursement – MaryAnn Knudsen, Studio FX, 655 College Street
 - d. Parks & Recreation Commission Minutes – September 15, 2014
 - e. Public Safety Committee Minutes – September 16, 2014
 - f. Personnel & Finance Committee Minutes – October 7, 2014
 1. Approval of issued Operator Licenses
 2. Minimum age for seasonal recreation employees
 3. Employee health insurance plan options
 4. Treasurer's Report – September, 2014
7. Old Business

Common Council Mission Statement: With integrity and involved citizens, the City of Milton Common Council will strive to preserve a high quality of life, meet the public's needs with cost effective services, and foster a community in which people are proud to live.

- a. Discussion and possible action on an Offer to Purchase an Easement and Lease Agreement on Clear Lake Avenue Water Tower
8. New Business
- a. Consideration of Resolution #2014-21 Approving an Amendment to the Project Plan and Boundaries of Tax Incremental District No.6, City of Milton, Wisconsin
 - b. Discussion and possible action regarding MCDC Initiative with Quarles & Brady
 - c. Discussion and possible action on Ordinance #402 – N. Janesville Street Speed Limit
 - d. Discussion and possible action on Ordinance #403 – “Class A” Alcohol License Quota
 - e. Discussion and possible action on consideration of the Milton Area Veterans Memorial Brick Application submitted by Retired Sgt. Miller
9. General Items
- a. Next meeting – Wednesday, November 5, 2014
 - b. Mayor/Aldersperson Reports
 - c. Staff Reports
 1. City Administrator
 2. City Finance Director
 3. Director of Public Works
 4. Chief of the Police Department
 5. Director of Library
 6. Chief of the Jt. Fire Department
10. Consideration of a motion to convene into closed session pursuant to Wisconsin Statute Section 19.85(1)(c) Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility Re: City Clerk/Deputy Treasurer Candidate
11. Reconvene into open session for possible action(s) on employment of City Clerk/Deputy Treasurer
12. Motion to Adjourn

**Please note that upon reasonable notice, at least 48 hours in advance, efforts will be made to accommodate the needs to disabled individuals through appropriate aids and services. For additional information to request this service, please contact the City Clerk's office at 868-6900, 710 S. Janesville Street, Milton, WI 53563.

Posted at: Dave's Ace Hardware, Piggly Wiggly, Milton City Hall

Common Council Mission Statement: With integrity and involved citizens, the City of Milton Common Council will strive to preserve a high quality of life, meet the public's needs with cost effective services, and foster a community in which people are proud to live.

**City of Milton
Common Council
October 7, 2014**

Call to order and confirmation of appropriate meeting notice

Mayor Brett Frazier called the October 7, 2014 meeting of the Common Council to order at approximately 7:00 p.m. Assistant Cushman confirmed the appropriate meeting notices were posted.

Present: Mayor Brett Frazier, Ald. Lynda Clark, Ald. Theresa Rusch, Ald. Don Vruwink, Ald. Dave Adams, and Ald. Nancy Lader.

Also Present: Finance Director/Treasurer Dan Nelson, Fire Chief Loren Lippincott, City Attorney Mark Schroeder, Director of Public Works Howard Robinson, Police Chief Dan Layber, City Administrator Al Hulick, and Assistant to the City Administrator Inga Cushman.

Excused Absence: Ald. Anissa Welch

Welcome citizens and address their questions and concerns not on the agenda

Mayor Frazier welcomed those in attendance and asked if there were any concerns not on the agenda.

Lucy Chwala, 138 E. Pine View Court, Town of Fulton. Ms. Chwala asked if any annexation paperwork was received from Bill Watson and if anyone had spoken with or met with Bill Watson or any other people involved in regards to a preannexation meeting he referred to at the Wisconsin Department of Transportation (DOT) meeting held on September 18, 2014.

Administrator Hulick stated that no annexation paperwork has been received at this time, and he has not had any discussion with Bill Watson since the meeting Ms. Chwala referred to on September 18, 2014.

Ms. Chwala then asked about the committee to study the interchange that Mayor Frazier discussed establishing prior to staffing changes at City Hall. Mayor Frazier stated that the Council hopes to narrow the City Clerk/Deputy Treasurer recruitment down to a final candidate. He stated the recruitment and the committee are separate issues.

Approval of the Consent Agenda

Ald. Adams motioned to approve the consent agenda. Ald. Lader seconded, and the motion carried.

New Business

Discussion and possible action regarding Municipal Court Forfeiture recommendation for Ordinance #401 – Creating Section 50-162 – Prohibiting Fraud

Chief Layber presented the recommendation from Municipal Court Judge Kristin Koeffler in regards to the forfeiture amounts for violations of municipal ordinance 50-162, Fraud on Hotel or Restaurant Keepers, Recreational Attraction, Taxi Cab Operator or Gas Station.

Ald. Vruwink motioned to approve the Municipal Court Forfeiture as presented. Ald. Lader seconded, and the motion carried.

Discussion and action on Equalized Value and Assessed Property Values

Director Nelson stated that in August the State of Wisconsin released equalized values for the City, and there was a large drop in commercial value for the City. Staff contacted the Wisconsin Department of Revenue (DOR), and they stated how the City could appeal the values. Director Nelson asked Accurate Appraisal, the City's contracted assessor, to compile some information needed for the appeal, but the information did not help the City's position. Director Nelson recommends to not pursue the matter as it is unlikely that the City would be successful in the appeal.

Ald. Clark asked if Director Nelson recently reviewed the contract with Accurate Appraisal. Director Nelson stated that the contract states that Accurate Appraisal will inspect 1/3 of the properties every other year, and the contract is for 6 years. Director Nelson stated he will work with Accurate Appraisal to make sure all properties are fairly assessed.

Ald. Clark requested that staff look into other appraisal companies. Director Nelson stated he will also look in the contract to see if there are any contract termination provisions.

No action was taken.

Discussion and action to appoint a City of Milton representative to the Joint Review Board

Administrator Hulick stated that each taxing jurisdiction needs to appoint someone to the Joint Review Board to review the TID #6 amendment. The Joint Review Board is scheduled to meet at 5:00 p.m. on Wednesday, October 15, 2014. Administrator Hulick asked the Council to appoint one of the alderpersons to serve on the commission.

Ald. Adams motioned to appoint Ald. Nancy Lader to the Joint Review Board. Ald. Vruwink seconded, and the motion carried.

Discussion and action on recommendation for the location of a new fire station

Administrator Hulick stated that at the Joint Fire Commission meeting two weeks ago, there was discussion on the location for the new fire station. The discussion centered around the current location, and the commission designated it as the preferred location. Joint Fire Commissioners from the City requested this item to be placed on the agenda for Council discussion.

Ald. Adams stated the only concern he has heard is that it doesn't conform to the long range plan for the area. Land acquisition costs would need to be added to the project for other locations. Ald. Adams said that Chief Lippincott has looked at various locations, and the current location appears to be the best option.

Ald. Clark motioned to approve the current Fire Station location and former Department of Public Works Garage as the future development site for a new fire station. Ald. Adams seconded, and the motion carried.

Discussion and action on accepting a donation from Lonnie Brown

Assistant Cushman stated that resident Lonnie Brown contacted staff regarding a donation of a piece of artwork to South Goodrich Park near the Goodrich Square Splash Pad in memory of her husband, Wally Brown. It will be a sculpture of a flower with a bee on top created by local artist John Dorn.

Ald. Vruwink said this project opens up potential for the City to add more art to the downtown area. Ald. Clark stated the City will need to remove a tree that is in poor health to install this piece of artwork at the preferred location.

Ald. Clark motioned to approve the acceptance of the donation from Lonnie Brown in honor and memory of Wally Brown. Ald. Vruwink seconded, and the motion carried.

Halloween Proclamation

Mayor Frazier read the Halloween Proclamation.

General Items

Next meeting – October 21, 2014

The next meeting of the Common Council will take place on October 21, 2014.

Mayor / Alderperson Reports

Ald. Lynda Clark reminded everyone that the Annual Crossridge Park Prairie Seed Collection is on Saturday, October 11, 2014.

Mayor Frazier stated that he will be attending the Eagle Scout Ceremony for Connor Martin on Sunday, October 12, 2014.

Staff Reports

1. City Administrator

Administrator Hulick stated that he has found there to be an excellent staff and work group in the City of Milton, and the community should be proud. Tuesday, October 14, 2014, is the first budget workshop. He also stated that staff will start working on the Capital Improvement Program again as well with Ruckert Mielke.

2. City Finance Director

Director Nelson stated that the budget document should be ready this week. He asked the Council to let him know if they would like a copy printed.

3. Director of Public Works

DPW Robinson stated that this week is sludge week at the treatment plant, which means there will be more odors than usual. Leaf collection started this week. The southbound lane on the former STH 26 will have concrete poured this week and the northbound lane should be done next week. Once that work is done, they will work on repaving High Street.

4. Chief of Police Department

Chief Layber stated that staff will continue to investigate the robbery that occurred at Junction Pub over the weekend. The department has received many tips from citizens, and he is confident arrests will be made.

5. Director of Library

No report.

6. Chief of the Jt. Fire Department

Chief Lippincott invited everyone to the pancake breakfast at the Fire Station on Sunday, October 12, 2014 from 7 a.m. to noon. There will be kids activities and rides on the fire truck. This is fire prevention week, so many tours are scheduled at the station.

Consideration of a motion to convene into closed session pursuant to Wisconsin Statue Section 19.85(1)(c) Considering employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility Re: City Clerk / Deputy Treasurer Interviews

Ald. Vruwink motioned to convene into closed session at approximately 7:29 p.m. Ald. Clark seconded, and the motion carried by a unanimous voice vote of the Common Council.

Reconvene into open session for possible action(s) on the City Clerk / Deputy Treasurer Interviews

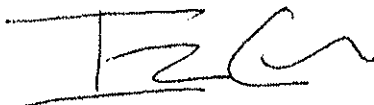
Ald. Clark motioned to convene into open session at approximately 9:42 p.m. Ald. Vruwink seconded, and the motion carried.

Ald. Rusch motioned to authorize City Administrator Al Hulick to negotiate the terms of an employment agreement with Elena Berg as the City Clerk/Deputy Treasurer. Ald. Clark seconded, and the motion carried with Ald. Adams dissenting.

Motion to Adjourn

Ald. Clark motioned to adjourn the October 7, 2014 meeting of the Common Council at approximately 9:43 p.m. Ald. Adams seconded, and the motion carried.

Respectfully Submitted,



Inga Cushman
Assistant to the City Administrator

City of Milton
Common Council Budget Workshop
October 16, 2014

Call to order and confirmation of appropriate meeting notice

Mayor Brett Frazier called the October 16, 2014 meeting of the Common Council to order at approximately 6:00 p.m. Assistant Cushman confirmed the appropriate meeting notices were posted.

Present: Ald. Lynda Clark, Ald. Don Vruwink, Ald. Brett Frazier, Ald. Dave Adams, and Ald. Nancy Lader. Ald. Anissa Welch arrived at 6:29 p.m.

Also Present: Janesville Assistant Transit Director Rebecca Smith, City Administrator Al Hulick, Finance Director/Treasurer Dan Nelson, Police Chief Dan Layber, Director of Public Works Howard Robinson, and Assistant to the City Administrator Inga Cushman.

Budget Workshop Presentations

a) **General Government Presentation**

R. Smith presented for the Janesville-Milton-Whitewater Innovation Express.

b) **Department of Public Works Presentation**

DPW Robinson presented for the Department of Public Works and Utilities.

Ald. Welch arrived at 6:29 p.m.

c) **Utilities Presentation**

This was presented simultaneously with the Department of Public Works Presentation.

d) **General Government Presentation (Continued)**

Administrator Hulick and Director Nelson presented the General Government.

Discussion and possible action on Budget Reductions

Ald. Clark stated it is important to remember that people enjoy Milton's high quality of life, and in the budget the City should incorporate more funding into celebrations and local organizations to improve the quality of life. Discussion followed.

Mayor Frazier suggested investing some dollars into a comprehensive strategic plan for the City, and he asked staff to research costs. Administrator Hulick asked for clarification on what the Council would like to see. The Council stated they are interested in a plan that would address events and marketing.

Ald. Clark asked that the Council consider giving additional funding to the nonprofit organizations. Mayor Frazier stated that at an upcoming meeting the Council will need to discuss how much funding to give to each of the nonprofit organizations.

Ald. Welch requested that the Milton Youth Coalition be placed on the agenda for Tuesday, October 21, 2014 to request funding and present to the Council.

Mayor Frazier asked about the Council's opinion on the Innovation Express funding. Discussion followed.

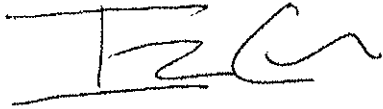
Next Meeting – Budget Workshop, Tuesday, October 21st at 6:00 p.m.

The next meeting of the Common Council will be held on October 21, 2014.

Motion to Adjourn

Ald. Clark motioned to adjourn the October 16, 2014 meeting of the Common Council at approximately 7:44 p.m. Ald. Vruwink seconded, and the motion carried.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Inga Cushman', written over a horizontal line.

Inga Cushman
Assistant to the City Administrator



Office of the City Administrator

To: Mayor Frazier, Common Council Members
From: Al Hulick, City Administrator
Date: October 21, 2014
Subject: Discussion and possible action on an Offer to Purchase an Easement and Lease Agreement on Clear Lake Avenue Water Tower.

Summary

At the September 16, 2014 Common Council meeting, the Council voted to reject the contract presented by Unison to lease the cell phone arrays on the Clear Lake Avenue Water Tower. Council directed staff to reevaluate the proposal and provide any additional findings regarding Unison and this type of agreement between municipalities and long term lease agreements.

Staff conducted a review of the proposal and reached out to additional municipalities who have entered into similar agreements. Based on these findings, and the information previously presented to Council, it is staff's recommendation to move forward with this agreement with Unison.

Background

The lease of water tower space for cell phone arrays is a very common practice that local governments exercise. Currently, the City of Milton leases space on the Clear Lake Ave. water tower to US Cellular for \$1,900 per month (\$23,000 annually). The lease has automatic increases of 4% annually. All lease revenues are placed in the Water Utility fund to help keep the costs of the water utility lower for users.

The proposed contract with Unison provides to \$215,000 up front for 20 years, with 50% of new tenant revenue paid to the City, as well as 50% of additional rent on the existing agreement, when it expires in 2026. The City is then to be paid an additional \$215,000, for a total of \$430,000 for the next 20 years (total agreement is for 40 years).

Analysis

The current US Cellular lease provides an "opt out" provision, whereby US Cellular can opt out of the lease with 30 days written notice. Given the ever-changing technology environment, it is possible that US Cellular could be purchased by another company, and the City could get more, or less revenue from a new owner.

Staff research has indicated these types of arrangements are disappearing as technology changes and providers need less arrays and are bought out by competitors who already have existing



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space. The State of Illinois has seen a dramatic decrease in the number of publicly owned cell phone arrays based on these two market conditions alone. US Cellular in particular has seen a dramatic decrease in the number of arrays being leased. US Cellular is being bought by Sprint and Verizon in many other States; however, their Wisconsin market remains strong. However, to say what will happen with US Cellular in terms of the cellular market at this point would only be speculation.

A straight revenue analysis would show that if the City were to simply keep the current US Cellular agreement for the next 20 years, the City would make more revenue than as provided by the Unison contract. However, this assumes that US Cellular doesn't opt out of their lease over the next 20 years. Again, this is very speculative to assume this maintained revenue considering what is transpiring in other markets.

The \$215,000 guaranteed up front covers 9 years of the current lease situation "guaranteed". It removes the variable that US Cellular could option out of the current agreement. It also provides future revenue opportunity for the water utility fund, in that if new tenants locate on the water tower, the City would receive 50% of that new tenant revenue, also guaranteed by this agreement.

Recommendation

The City Administration recommends approval of the contract between the City of Milton and Unison to purchase an Easement and enter into a Lease Agreement for the Clear Lake Avenue Water Tower.

Attachments

- None.



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Office of the City Administrator

To: Mayor Frazier, Common Council Members
From: Al Hulick, City Administrator
Date: October 21, 2014
Subject: Consideration of Resolution #2014-21 Approving an Amendment to the Project Plan and Boundaries of Tax Incremental District No.6, City of Milton, Wisconsin

Summary

Resolution No. 2014-21 amends the Project Plan and Boundaries to Tax Increment Financing District No. 6 located in the Milton Crossroads Business Park. The purpose of this Amendment is to update the Project Plan to reflect actual expenditures during the life of the TIF, and update projected development that may occur within the district. Additionally, the boundary is being amended to add a 54.7 acre site adjoining the eastern boundary that has been annexed into the City of Milton and amend the western boundary to accommodate a new lot configuration along Sunnyside Drive.

This Amendment does not change the TIF breakeven date or obligate the City to expend any additional resources or infrastructure in advance of development. The City will continue to evaluate development proposals on a case-by-case basis with Plan Commission and Common Council approval.

The Joint Review Board, representing the overlying taxing jurisdictions, was held on October 15, 2014 to discuss this Project Plan and Boundary Amendment. The JRB will reconvene on November 12, 2014 to grant final approval to the Amendment.

Recommendation

The City Administration recommends the Common Council approve Resolution No. 2014-21 Amending the Project Plan and Boundary to Tax Increment Financing District No. 6.

Attachments

- Resolution #2014-21 Approving an Amendment to the Project Plan and Boundaries of Tax Incremental District No.6, City of Milton, Wisconsin
- Letter from City Attorney Mark Schroeder

RESOLUTION #2014-21

RESOLUTION APPROVING AN AMENDMENT TO THE PROJECT PLAN AND BOUNDARIES OF TAX INCREMENTAL DISTRICT NO. 6, CITY OF MILTON, WISCONSIN

WHEREAS, the City of Milton (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 6 (the "District") was created by the City on January 21, 2003 as an industrial district; and

WHEREAS, the City now desires to amend the Project Plan and boundaries of the District in accordance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law"); and

WHEREAS, such amendment will cause territory to be added to the District, providing incentive and opportunities for additional private development and redevelopment; and

WHEREAS, such amendment will also modify the categories, locations or costs of the Projects to be undertaken, providing incentives and opportunities for additional private development and redevelopment; and

WHEREAS, an amended Project Plan for the District (the "Amendment") has been prepared that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the amendment of the District promotes the orderly development of the City;
- k. An opinion of the City Attorney or of an attorney retained by the City advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Rock County, the Milton School District, and the Blackhawk Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the CDA, on October 15, 2014 held a public hearing concerning the proposed amendment to the Project Plan and boundaries of the District, providing interested parties a reasonable opportunity to express their views thereon; and

WHEREAS, after said public hearing, the CDA designated the boundaries of the amended district, adopted the Project Plan, and recommended to the Common Council that it amend the Project Plan and boundaries for the District.

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, before the Common Council may amend any tax incremental district, the CDA must designate the boundaries of such amended District and approve the Project Plan amendment for such District and submit its recommendation concerning the amendment of the District and the Project Plan to the Common Council;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Milton that:

1. The boundaries of the District that shall be named "Tax Incremental District No. 6, City of Milton", are hereby amended as specified in Exhibit A of this Resolution.
2. The territory being added shall become part of the District effective as of January 1, 2015.
3. The Common Council finds and declares that:
 - (a) Not less than 50% by area of the real property within the District, as amended, is suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101, and has been zoned for industrial use.
 - (b) Based upon the findings, as stated in 3.a. above, and the original findings as stated in the resolution creating the District, the District remains an industrial district based on the identification and classification of the property included within the District; and
 - (c) The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
 - (d) The equalized value of the taxable property within the territory to be added to the District by amendment, plus the value increment of all other existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
 - (e) The City estimates that approximately 35% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b).
 - (f) The project costs of the District relate directly to promoting industrial development in the District consistent with the purpose for which the District was created.
 - (f) Any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.
4. The amended Project Plan for "Tax Incremental District No. 6, City of Milton" (attached as Exhibit B) is approved, and the City further finds the Plan is feasible and in conformity with the master plan of the City.

BE IT FURTHER RESOLVED THAT the City Clerk is hereby authorized and directed to apply to the Wisconsin Department of Revenue, in such form as may be prescribed, for a "Determination of Tax

Incremental Base", as of January 1, 2015, pursuant to the provisions of Wisconsin Statutes Section 66.1105(5)(b) and to pay the fee(s) associated with such determination.

BE IT FURTHER RESOLVED THAT pursuant to Section 66.1105(5)(f) of the Wisconsin Statutes, that the City Assessor is hereby authorized and directed to identify upon the assessment roll returned and examined under Wisconsin Statutes Section 70.45, those parcels of property which are within the District, specifying thereon the name of the said District, and the City Clerk is hereby authorized and directed to make similar notations on the tax roll made under Wisconsin Statutes Section 70.65e, pursuant to Wisconsin Statutes.

Adopted this 21st day of October, 2014.

Brett Frazier, Mayor

Leanne Schroeder, Acting City Clerk

CONSIGNY LAW FIRM, S.C.

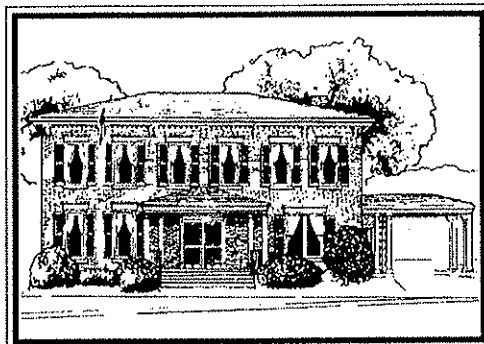
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OTHER OFFICE LOCATION
BRODHEAD, WI

October 17, 2014

Mayor Brett Frazier
City of Milton
430 E. High Street – Suite 3
Milton, WI 53563

RE: City of Milton Tax Incremental District No. 6 Amendment

Dear Mayor Frazier:

As City Attorney for the City of Milton, I have reviewed the Project Plan and in my opinion, have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Wisconsin Statutes Section 66.1105(4)(f).

Very truly yours,

CONSIGNY LAW FIRM, S.C.

By:

Mark A. Schroeder
Email: mschroeder@janesvillelaw.com

MAS:bk
cc Al Hulick (via email)
Leanne Schroeder (via email)



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Office of the Finance Director

To: City of Milton Personnel and Finance Committee & Common Council
From: Dan Nelson, Finance Director
Date: October 16, 2014
Cc: Mayor Frazier, City Administrator Hulick, Common Council Members
Subject: Engagement letter with Quarles & Brady

Discussion

The City was recently made aware of a new initiative by the U.S. Securities and Exchange Commission in which the City of Milton could potentially be found to have violated some aspects of past bond issues. Below is the official summary of what MCDC is:

The *Municipalities Continuing Disclosure Cooperative Initiative* (the "MCDC Initiative") is an initiative recently announced by the Division of Enforcement of the U.S. Securities and Exchange Commission (Division). The MCDC Initiative is meant to address what the Division has described as "potentially widespread violations of securities laws" by issuers and underwriters of municipal bonds, arising from potentially inaccurate statements in offering documents ("Official Statements") describing issuers' past compliance (or non-compliance) with their continuing disclosure agreements.

What does this mean for the City of Milton?

We contacted the City's two underwriters of the 2011 bonds/notes that were taken out in which this initiative could have a material affect for the City of Milton. We received a response from UMB Bank, stating the City **did not** file audit reports on a timely basis five separate times. After consulting with Ehlers and Associates, there was only one occurrence (2005 audit report was filed 89 days late). While this does not appear to a material (significant) issue, the City Administration believes the City should take all necessary steps to ensure our interests are protected in this matter. The SEC is giving municipalities until December 1, 2014 to self-report any non-compliance issues related to bond/note issues. This period would mitigate any penalties that could be placed upon the City of Milton.

Quarles and Brady (the City's bond attorneys), has offered to render an opinion as to the significance of any non-compliance and assist with filing any necessary documentation with the SEC if the City of Milton needs to report any information to the MCDC.

If Quarles and Brady renders an opinion stating the City does not need to file under the MCDC Initiative, the fees would be \$3,500 - \$5,000 (based on a phone conversation with Quarles and Brady). The maximum contract price is \$7,500 which includes research and filing assistance.

The City of Milton has been utilizing Ehlers and Associates since 2009 to file all required disclosures for the City's long-term bond and note issues that have gone out to market. The City has been in compliance over the past 8 years on all aspects of its debt issuances.

Staff Recommendation

Since time is of the essence, and Quarles and Brady is the only known law firm that is willing to do this type of work and issue a recommendation, we are recommending the City utilize an amount not to exceed \$7,500 from contingency to comply with the MCDC Initiative.

Attachments:

- Engagement letter from Quarles and Brady



411 East Wisconsin Avenue
Suite 2350
Milwaukee, Wisconsin 53202-4426
414.277.5000
Fax 414.271.3552
www.quarles.com

Attorneys at Law in
Chicago
Indianapolis
Madison
Milwaukee
Naples
Phoenix
Tampa
Tucson
Washington, D.C.

October 15, 2014

Via Email and Regular Mail

Mr. Dan Nelson
Finance Director / Treasurer
City of Milton
430 E. High Street
Milton, WI 53563

**Scope of Engagement - Reporting Under the Municipalities Continuing Disclosure
Cooperative Initiative**

Dear Mr. Nelson:

We would be pleased to have the opportunity to work with the City in connection with the *Municipalities Continuing Disclosure Cooperative Initiative* (the "MCDC Initiative") recently announced by the Division of Enforcement (the "Division") of the U.S. Securities and Exchange Commission (the "Commission"). Please note that the City, and no other party nor any individual officer or employee of the City, is our client for purposes of this engagement. The purpose of this letter is to set forth the role we propose to serve and the responsibilities we propose to assume under this engagement. If you have any questions about this letter or the services we propose to provide, please contact us immediately.

The MCDC Initiative is an initiative of the Division intended to address what the Division has described as potentially widespread violations of securities laws by issuers and underwriters of municipal bonds arising from potentially inaccurate statements in official statements regarding issuers' compliance (or non-compliance) with their continuing disclosure agreements ("Continuing Disclosure Agreements"). Along with this letter, we are providing the City with an executive summary of the MCDC Initiative (the "Executive Summary"), attached to which is a copy of the Division's announcement describing the MCDC Initiative in detail (the "SEC Announcement") and a copy of two alerts published by the Government Finance Officers Association regarding the MCDC Initiative (the "GFOA Alerts"). We encourage you to carefully review these materials.

Scope of Services

In this engagement, we will assist the City in evaluating whether to participate in the MCDC Initiative. In this connection, we expect to:

- Assist the City in a review of the City's pertinent official statement(s) ("Official Statements") to assist the City in determining whether any such Official Statement contains potentially inaccurate statements regarding the City's compliance with its Continuing Disclosure Agreements in the relevant five-year period prior to the date of the Official Statement;
- Discuss the potentially inaccurate statements with the City and the underwriter(s), as appropriate, of the related municipal bonds; and
- Assist the City in evaluating whether it is advisable to report any such potentially inaccurate statements to the Division under the MCDC Initiative.

If the City elects to participate in the MCDC Initiative, we expect to:

- Prepare a resolution for the City's governing body to authorize the City's participation in the MCDC Initiative;
- Assist the City in completing a questionnaire ("MCDC Questionnaire") required to be submitted to the Division by issuers who choose to participate in the MCDC Initiative, which also may be used to explain the facts and circumstances surrounding related potentially inaccurate statements; and
- Provide the City with sample policies and procedures meant to help ensure future compliance. Adoption of such a policy is one of several undertakings required by the standardized settlement terms under the MCDC Initiative.

Limitations; No Responsibility for Future Compliance with Settlement Terms or Any Further Enforcement Actions

All matters and responsibilities other than those expressly set forth above are outside the scope of this engagement. We note that there are other steps required to be taken by issuers that participate in the MCDC Initiative for whom the Division recommends an enforcement action and standardized settlement terms. These steps, which are summarized in the Executive Summary and SEC Announcement, include:

- Establishing procedures and training (in addition to adopting appropriate policies) regarding continuing disclosure within a specified time period;
- Updating the issuer's delinquent filings on the Electronic Municipal Market Access ("EMMA") system within a specified time period;
- Providing the Commission with a compliance certificate on the one year anniversary date of institution of enforcement proceedings (if any) against the City; and
- Ensuring that any future City Official Statements in the five-year period following the City's participation in the MCDC Initiative disclose the related settlement terms in a clear and conspicuous fashion.

We expect to discuss these aspects of the MCDC Initiative with the City further as appropriate, and expect to highlight them for the City in further written correspondence, but the City will be responsible for taking actions necessary to satisfy these requirements.

Further, our engagement hereunder relates solely to the MCDC Initiative and related enforcement action, if one is sought by the Division, with the MCDC Initiative's standardized settlement terms. We do not undertake to represent the City in any other enforcement action or proceeding, nor will we provide assistance to the City with respect to any ongoing compliance matters, unless separately engaged to do so.

City Responsibilities

As noted above, we expect to assist the City in a review of the City's pertinent Official Statements to assist the City in determining whether any such Official Statement contains potentially inaccurate statements regarding the issuer's prior compliance with its Continuing Disclosure Agreements. In this regard, we expect to review the City's prior continuing disclosure filings on the EMMA system and other publicly available sources. If possible (and if necessary), will also seek to work with the City's financial advisor and/or underwriters to review filings that are not publicly available but may be available through certain data subscription services to which they may have access. Although we will perform a review as described above, we cannot guarantee that our review will identify all City filings or filing failures. Accordingly, we will expect the City to review its own records and provide assurances regarding facts relevant to the City's continuing disclosure filing history and facts relevant to the preparation of a MCDC Questionnaire for submission to the Division. Ultimate responsibility for these factual matters rests with the City.

Mr. Dan Nelson
October 15, 2014
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Conclusion of Representation

Our responsibilities with respect to this engagement will be concluded upon the filing with the Division of the MCDC Questionnaire if the City decides to participate in the MCDC Initiative, or upon the City's decision not to participate in the MCDC Initiative.

Diversity of Practice

We want to advise you that from time to time we represent underwriters of municipal obligations. We did not serve as counsel to the underwriter in any of the transaction(s) to which the Official Statement(s) relate, but we may have served as counsel to such underwriter(s) in other, unrelated transactions or matters. We may also be asked to represent such underwriters in future, unrelated transactions. By engaging our services under the terms of this letter, the City consents to our firm undertaking representations of this type.

Fees

Based on the duties we expect to undertake pursuant to this letter and the time we anticipate devoting to such matters, our fee for assisting the City as described herein will be \$7,500, if all the services described above are needed. If at any time we believe that circumstances require an adjustment to our fee above, we will consult with you. We expect to invoice the City for our fees at the conclusion of our representation hereunder.

We note that we do not expect to attend meetings of the City's governing body (or any committee thereof) or make presentations to such governing body in connection with this engagement and the fixed fee set forth above. If our attendance is required, we would expect to bill for that activity separate from the above fixed fee, at our prevailing hourly rates.

Limited Liability Partnership

Our firm is a limited liability partnership ("LLP"). Because we are an LLP, no partner of the firm has personal liability for any debts or liabilities of the firm except as otherwise required by law, and except that each partner can be personally liable for his or her own malpractice and for the malpractice of persons acting under his or her actual supervision and control. As an LLP we are required by our code of professional conduct to carry at least \$10,000,000 of malpractice insurance; currently, we carry coverage with limits substantially in excess of that amount. Please call me if you have any questions about our status as a limited liability partnership.

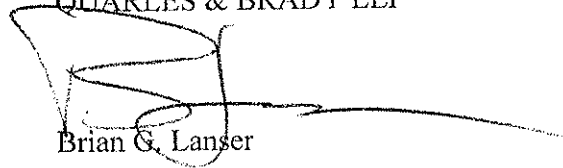
Mr. Dan Nelson
October 15, 2014
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Conclusion and Request for Signed Copy

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning the enclosed copy of this letter dated and signed by an appropriate officer, retaining the original for your files.

Very truly yours,

QUARLES & BRADY LLP



Brian G. Lanser

JDP:AGORE

Enclosures: Executive Summary, SEC Announcement and GFOA Alerts

cc: Mr. Jeffrey D. Peelen (via email)
Mr. Alex J. Gore (via email)
Ms. Peggy A. Hintz (via email)

Accepted and Approved:

CITY OF MILTON

By: _____

Its: _____
Title

Date: _____



CITY OF **M**ILTON
a community since 1838

Office of the Chief of Police

To: Mayor Frazier, Common Council Members
From: Dan Layber, Chief of Police
Date: October 17, 2014
Subject: Discussion and possible action on Ordinance #402 – N. Janesville Street Speed Limit

Discussion

Chief Layber submitted the following memo to the Public Safety Committee at their meeting on September 16th:

Mr. Murphy from N. Janesville St. in Milton has expressed some concern regarding the traffic speed on N. Janesville St. coming in to the city, and again, as it proceeds northbound out of the city. Mr. Murphy estimated that vehicles were traveling well in excess of the speed limits and he was concerned about the safety of traffic in this area as a result of the speeding. Mr. Murphy requested that the speed limit be adjusted from Nelson St. to Birdie St. in the Town of Milton. Chief Layber advised Mr. Murphy that we only control N. Janesville St. to Bowers Lake Rd., after which it is controlled by the Town. Chief Layber advised Mr. Murphy that the Police Department is active in the area with speed enforcement, however, this is only effective to a certain point due to the limited ability of officers to stay in the area due to call volume in other areas of the city. Chief Layber advised Mr. Murphy that he was in agreement with seeking a speed limit change on N. Janesville St. from Nelson Drive to Bowers Lake Rd. Chief Layber advised Mr. Murphy that changing the speed limit from 45 to 30 mph was reasonable and that it would be presented to the Public Safety Committee for possible action. Mr. Murphy was invited to the meeting if he wished to speak to the committee members.

At that meeting, the Public Safety Committee moved to authorize the City Attorney to amend the ordinance changing the speed limit on N. Janesville Street from Nelson Avenue to Bowers Lake Road from 45 mph to 30 mph.

After reviewing the draft ordinance, Director of Public Works Howard Robinson suggested amending Section 70-64(3) to “Janesville Street from McEwan Lane to the north city limits” since the speed limit in this area is currently 30 mph. The ordinance was amended per Director Robinson’s suggestion and is now presented for Common Council approval.

Staff Recommendation

To approve Ordinance #402 – N. Janesville Street Speed Limit.

Attachments

- Ordinance #402 – N. Janesville Street Speed Limit.

ORDINANCE #402
REPEALING SECTION 70-66(1) AND AMENDING
SECTION 70-64(3) OF THE CODE OF ORDINANCES
OF THE CITY OF MILTON REGULATING SPEED LIMIT

WHEREAS, the Public Safety Committee of the City of Milton having recommended to the Common Council of the City of Milton that the speed limit on North Janesville Street from Nelson Avenue to the north city limits be reduced from 45 miles per hour to 30 miles per hour for reasons of safety of the traveling public and residences adjoining N. Janesville Street; and

WHEREAS, the Common Council of the City of Milton having determined that it is in the best interests of residents and users of the streets of the City of Milton to adopt and enact the change in the speed limit on North Janesville Street recommended by the Public Safety Committee;

NOW, THEREFORE, the Common Council of the City of Milton do ordain as follows:

SECTION I. Sec. 70-66(1) of the Code of Ordinances of the City of Milton is hereby repealed.

SECTION II. Secs. 70-66(2) through (6) of the Code of Ordinances of the City of Milton is hereby renumbered Sections 70-66(1) through (5) of the Code of Ordinances of the City of Milton.

SECTION III. Sec. 70-64(3) of the Code of Ordinances of the City of Milton is hereby amended to read as follows:

(3) Janesville Street from McEwan Lane to the north city limits.

SECTION IV. This Ordinance shall take effect and be in force from and after its passage and publication.

APPROVED by the Common Council of the City of Milton this _____ day of _____, 2014.

CITY OF MILTON

Brett Frazier, Mayor

Attest:

Leanne Schroeder, Acting City Clerk

1st Reading:

2nd Reading:

3rd Reading:

Adopted:

Published:

Effect of Ordinance: Changes speed limit on N. Janesville Street from Nelson Avenue to the north city limits from 45 miles per hour to 30 miles per hour.



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Office of the City Administrator

To: Mayor Frazier, Common Council Members
From: Al Hulick, City Administrator
Date: October 21, 2014
Subject: Discussion and possible action on Ordinance #403 amending Section 14-400(c) of the Code of Ordinances of the City of Milton allowing the City Council to exceed the "Class A" alcohol license quota.

Summary

The City of Milton has been approached by a potential development project that requested a "Class A" alcohol license which would allow the business to sell fermented malt beverages and intoxicating liquors at the premises. As currently written, Section 14-400(c) of the Code of Ordinances of the City of Milton prohibits issuing "Class A" licenses in excess of the quota of sub-part (a) concerning premises where retail sales of gasoline occur or permitting it only where fermented malt beverages and intoxicating liquor are produced on the premises. The proposed Amendment to the Ordinance removes prohibitions against issuing "Class A" licenses beyond the quota to premises where there are retail sales of gasoline, and removes requirement of having fermented malt beverages or intoxicating liquor produced on the premises to provide greater discretion of the Common Council in the issuance of "Class A" licenses.

Background

Crossroads Business Park was created in part to expand commercial activity along STH 59 towards the new STH 26 bypass. A developer has recently approached the City about constructing a convenience store operation and a retail out lot at the north east corner of Sunnyside Drive and STH 59. As part of their business plan, the operator of the convenience store intends to sell gasoline and would like to also sell fermented malt beverages. As currently written, the City Ordinance allows the Common Council discretion when exceeding the "Class A" quota, except in instances where the requestor also sells gasoline. The developer has indicated that without this "Class A" license they would likely reconsider their decision to locate in the City of Milton. The proposed development will have a total value of approximately \$5,000,000.

The City Administration has prepared an Amendment to the City Ordinance to allow the Common Council discretion in increasing the number of "Class A" licenses, irrespective of gasoline sales. This Amendment would still provide the Common Council with the final say in expanded alcohol sales, while still providing an environment to allow for greater commercial economic expansion and tax base generation.

Analysis

Currently, the City Code of General Ordinance 14-400 allows for one (1) "Class A" for every 1,500 residents. Based on this ratio, the City currently allows three (3) "Class A" licenses. The Ordinance further states "notwithstanding the quotas established in subsections (a)(1) and (a)(3) above, the Common Council may, by majority vote, grant or issue new licenses in excess of said "quotas" except in situations



CITY OF MILTON

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where “retail sales of gasoline occur on the premises.” The proposed ordinance would strike the later part of the previous provision.

An analysis of surrounding communities found the following information:

Community Name	Census Population (2010)	FMB Quota	IL Quota
Janesville	63,575	1/3500	1/3500
Kenosha	99,218	None	None
Appleton	72,623	None	None
Fond du Lac	43,021	1/1000	1/2000
La Crosse	51,320	None	None
Wausau	39,106	None	None
Oshkosh	66,083	None	None
Beloit	36,966	None	None
Racine	78,860	36	24
Green Bay	104,057	None	None
Eau Claire	65,883	None	None
Sheboygan	49,288	None	12
Wauwatosa	46,396	None	None
Waukesha	70,718	1/2200	1/2200
West Allis	60,411	20	None

As evidenced above, the regulations on alcohol permits vary greatly between no quota, a set quota, or a population based quota similar to Milton.

Recommendation

As Milton continues to diversify its economy and grow its economic tax base, the Common Council will continue to be faced with similar decisions moving forward. The City Administration is sensitive towards respecting existing businesses, but also cautions against creating governmentally sanctioned commodities. Ultimately the Common Council would still hold the final discretion over the expansion of the existing quota.

The Economic Development Commission, Personnel and Finance Committee, and MACC have all discussed this Ordinance change, and have expressed their support.

Therefore, the City Administration recommends the Common Council approve Ordinance #403 amending Section 14-400(c) of the Code of Ordinances of the City of Milton allowing the Common Council to exceed the “Class A” alcohol license quota.

Attachments

- Ordinance #403 – “Class A” Alcohol License Quota

ORDINANCE #403
AN ORDINANCE AMENDING SECTION 14-400(c)
OF THE CODE OF ORDINANCES OF THE CITY OF MILTON

WHEREAS, the Personnel and Finance Committee of the City of Milton having recommended to the Common Council that the restrictions in Section 14-400(c) of the Code of Ordinances of the City of Milton be amended to remove the prohibition on issuing Class A licenses in excess of the quota of sub-part (a) concerning premises where retail sales of gasoline occur or permitting it only where fermented malt beverages and intoxicating liquor are produced on the premises, so as to provide greater discretion of the Common Council in the issuance of Class A licenses; and

WHEREAS, the Common Council of the City of Milton having determined that it is in the best interests of the businesses of the City of Milton and the public to provide the Common Council with greater discretion in the issuance of Class A licenses under Section 14-400(c) of the Code of Ordinances of the City of Milton;

NOW, THEREFORE, the Common Council of the City of Milton do ordain as follows:

SECTION I. The second paragraph of Section 14-400(c) of the Code of Ordinances of the City of Milton is hereby amended to read as follows:

“The gross sales restriction required under Section 14-402 shall not apply to licenses issued pursuant to this sub-section. Any violation of the conditions for issuance of a license pursuant to this sub-section may constitute grounds for suspension, revocation, or non-renewal of such license.”

SECTION II. This Ordinance shall take effect and be in force from and after its passage and publication.

Approved by the Common Council of the City of Milton this _____ day of _____, 2014.

CITY OF MILTON

Brett Frazier, Mayor

Attest:

Leanne Schroeder, Acting City Clerk

1st Reading:

2nd Reading:

3rd Reading:

Adopted:

Published:

Effect of Ordinance: Removes prohibitions against issuing Class A licenses beyond the quota to premises on which there are retail sales of gasoline and removes requirement of having fermented malt beverages or intoxicating liquor produced on the premises.