

**VILLAGE OF PLEASANT PRAIRIE
PLEASANT PRAIRIE VILLAGE BOARD
LAKE MICHIGAN SEWER UTILITY DISTRICT
9915 39th Avenue
Pleasant Prairie, WI
March 23, 2009
5:30 p.m.**

A Special Meeting of the Pleasant Prairie Village Board was held on Monday, March 23, 2009. Meeting called to order at 5:30 p.m. Present were Village Board members Monica Yuhas, Mike Serpe and Clyde Allen. John Steinbrink and Steve Kumorkiewicz were excused. Also present were Michael Pollocoff, Village Administrator and Jane Romanowski, Village Clerk.

1. CALL TO ORDER

2. ROLL CALL

3. CITIZEN COMMENTS

4. NEW BUSINESS

A. Consider a Relocation Order for the 85th Street Reconstruction Project.

Mike Pollocoff:

Trustee Yuhas, we have a relocation order that consists of four properties that have drainage easements that are going to be acquired as part of the 85th Street road improvement project. The road - as it moves across this area - there's going to be drainage behind the curb that's going to be required to get storm water into the storm sewer, and in one case we're going to be discharging from the storm sewer across some vacant land. This process allows us to put this project on notice with the Kenosha County Clerk so that should any transactions take place with this property that buyers will be aware of the impending easement acquisition. Because we could if we're unable to negotiate an easement acquisition, which I don't foresee being a problem, we'd have to proceed with eminent domain to acquire those easements. If there are any questions? Mike, do you have anything to add? It would be my recommendation that the relocation order be adopted and the Village President and Clerk be authorized to file it with the County Clerk.

Mike Serpe:

So moved.

Clyde Allen:

Second.

Monica Yuhas:

Mike motioned and Clyde seconded.

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SERPE MOVED TO ADOPT A RELOCATION ORDER FOR THE 85TH STREET RECONSTRUCTION PROJECT; SECONDED BY ALLEN; MOTION CARRIED 3-0.

- B. Consider an Agreement for Improvements to 57th Avenue between 85th and 84th Streets with the City of Kenosha.**

Mike Spence:

Before you you have the agreement that has been signed by the City of Kenosha. This is for the cost sharing of the stretch of 57th Avenue between 85th and 84th Street. The road is in disrepair, and we worked with the City of Kenosha to cost share on this and improve this as part of the 85th Street project. It will include paving, curb and gutter and drainage.

Mike Pollocoff:

Right now that entire road is in the City of Kenosha, but there's Village property on the west side and City property on the east side. It used to be when I first came here was Canal Street, and then they filled the canal in and paved over it and that's why it looks the way it is. There's no storm sewer improvements and the pavement is in tough shape. I think this enables, as long as we're putting out to bid a major project like 85th Street, we should be able to get some unit prices and get that thing fixes.

Our current agreement with the City of Kenosha is on these boundary streets we'll do them as we plan for them in each other's budget and notify the other government and do an agreement to provide for the pavement. In this case, even though the whole right of way is in the City, since the Cooper Road is being administered by the Village it only makes sense that the Village would administer the 57th project as well. So I'd also recommend that the Village President and Clerk be authorized to execute the agreement with the City of Kenosha.

Mike Serpe:

I would move to have that happen.

Clyde Allen:

I'll second.

Mike Serpe:

With a comment. What's left to do for this project to begin?

Mike Spence:

The design is I'd say pretty close to 90 percent complete. What we have to do is, as you had before you tonight, there's some storm water easements. We have the relocation order for the

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floodplain compensation, but we're pretty much there. The plan is to bid the project probably within a month once we get all the permitting and get all these easements.

Mike Serpe:

It will be completed before the end of the year?

Mike Spence:

Yes.

Monica Yuhas:

Motion by Mike, second by Clyde. Any other further discussion?

SERPE MOVED TO APPROVE AN AGREEMENT FOR IMPROVEMENTS TO 57TH AVENUE BETWEEN 85TH AND 84TH STREETS WITH THE CITY OF KENOSHA; SECONDED BY ALLEN; MOTION CARRIED 3-0.

5. VILLAGE BOARD COMMENTS

Clyde Allen:

Thank you. I've got two. One, I received an e-mail from a resident down on Lakeshore Drive. And the e-mail basically said my husband and I are hopeful that leaf burning will be banned by the Village especially now that leaves are picked up by the curb. I did call her, we talked a little bit. I explained that the Village is very eclectic and you won't find another one like it anywhere and because of the pockets and because of all the trees in some locations they can't be picked up. I understand the concern and I would bring up her e-mail to bring it up at a future date. Maybe we can ask residents to be considerate of their neighbors especially now that we have the vac. I said I'd bring it up and I did and she was happy with that response.

I have one more. First week of January I had asked about looking at reducing the interest rate on special assessments from 9 percent to whatever we could bear. I saw one of the preliminary sheets a couple weeks ago. I understand it's very, very difficult with all of the deferred projects, the TIDs. When you put off for two years, example 80th Street, the clocks don't start ticking for another year and a half yet, so before they get hit Carol Beach hasn't started yet, but that's the next one on the agenda. I would like to see this occur. Do you have anything further since then? I have not had a chance to talk to Kathy and get the status of that.

Mike Pollocoff:

Right now Finance has worked up an initial spread sheet showing the special assessment projects that are easy to get at where there isn't some research that's going to take place with respect to what the deferred projects are, what the interest rate was on bonds, what the collection rate has been, how much is delinquent. We don't have that. My directions to Kathy on that is to put this

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thing together but I want it to be comprehensive so that if we're going to make a policy change on how we set the interest rate that we're able to tell the Board what the financial implications are going to be across the board. Because if we miss it, it goes on the tax roll. That's something we'd have to pick up the spread on. But she's working on that. There's the initial numbers and it looks like something could be done but, again, we haven't—I guess my thought is if we're going to treat one group like that we should treat them all like that so we need to know what that impact is. I think the other thing you want to look at is the ability to offer a discount—

Clyde Allen:

I think that got pulled off. I thought that was conveyed to pull that off because I understand that isn't allowable.

Mike Pollocoff:

Right. We could obviously get a legal opinion if you still want to pursue it, but that's my initial feeling is that we can't do that. So in the beginning of the year finance is collecting taxes, doing year end, getting the audit set up so she's fitting it in as she can get it fit in.

Clyde Allen:

Just to touch on the subject, I know when Carol Beach came up I certainly supported the project 100 percent. I could not support the 9 percent interest. Maybe my request to look at 6 percent, looking at all the numbers, maybe 6 percent isn't a fit. Maybe 7 percent is. I'm not sure. It's pretty complex. The same with 80th Street I support the project. I did not support a 9 percent; I wouldn't support 9 percent. Just something that I don't think in this economic time that we charge that kind of interest. But I certainly don't want the burden to fall back on the Village or the taxpayers as a whole. I understand that. It's just something, now with 85th Street, that's why I brought it up was because 85th brings up that, no, we don't have assessment on special assessments. The Village doesn't.

Mike Pollocoff:

We do.

Clyde Allen:

Special assessments on 85th Street?

Mike Pollocoff:

I'm sorry, that one there isn't. There's special assessments on 85th Street but not related to the road construction.

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Clyde Allen:

Correct except for this one City parcel. But I guess I'd like to see something happen, some activity to move it down to what's fair, what's equitable.

Mike Serpe:

While we're talking about interest rates, a while back, quite a while back, we had a 12 percent interest rate that we reduced to 9 because everything was falling back so we scaled back as well. I guess my thought on what Clyde is talking about is there's a number of families, mostly young I would think, that cannot go to a lending institution for another dime for anything, whether it be a home equity line, a remortgage their home, and if we come forward with a special assessment on that property they have to come to the Village and right now they're going to be paying the 9 percent.

Like Clyde, I don't want to see the Village absorb the losses here, but if there's a chance that a better interest rate could be given to those out there that need to use us, I would certainly be in favor of that. And, Mike, I agree with you 100 percent this has to be comprehensive and one time for all. Something to think about when you get time. It probably wouldn't hurt to look at it. I do know people and some are close to me that cannot go to another lending institution for another dime. It's unfortunately they got themselves into that mess, but if something were to come up where they have to pay a special assessment they'd have to come to the Village.

Mike Pollocoff:

One of the things with special assessments, and I don't know how this is going to fit into the report, but I understand what you're saying is we might be able to offer an interest rate that they could get that would be less expensive. But if you undercut the banks on the interest rate we'll be the bank, and we have to be prepared to do that because it will increase the debt load we carry. And, secondly, if they can't afford it I think you have to think about that when you levy the assessment because that shows up on their mortgage, it shows up on their escrow. So sooner or later their bank is going to understand that they have an assessment that's on their property in addition to their property taxes or any charges that go on there so it's still going to show up as something they have to pay.

That's where typically some residents who haven't been able to secure outside interest rates that are competitive or secure any kind of outside mortgage to pay for any improvements they finance it with us and if they still can't pay for it then it's at that point where it triggers the Village to-- when they don't pay it we still have to pay the bond. We start paying the bond and really the source of this issue is where does that money come from?

So the good news is we really haven't done that many special assessments recently. We don't do nearly as many as we used to. But, if we're going to deal with it going forward, we need to deal with everybody going backwards to be equitable.

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Mike Serpe:

One follow up. I guess by just looking at this we may not even change it. But if somebody does mention it to us we have the ammunition to say, look, this was looked at and these are the reasons why we're not doing it or this is the reason we can do it, whatever. I think it's beneficial to us to have those answers.

Clyde Allen:

Obviously I don't want to undercut the bank. That's not the intent whatsoever. Something that is to their advantage, though, is if they go through the banks, second mortgage is tax deductible for them whereas the assessment interest, whether they claim it or not it's not. So our interest rate may be equal or competitive to it but obviously there's an advantage going to the bank. If they can we encourage that obviously. Thank you.

Mike Serpe:

Any employment information you have to give us?

Monica Yuhas:

None.

6. ADJOURNMENT

SERPE MOVED TO ADJOURN THE MEETING; SECONDED BY ALLEN; MOTION CARRIED 3-0 AND MEETING ADJOURNED AT 5:45 P.M.