

November 15, 2016 (Special Village Board Meeting)

**DENMARK SPECIAL VILLAGE BOARD MEETING
TUESDAY, NOVEMBER 15, 2016
4:30 P.M., DENMARK VILLAGE HALL**

CALL TO ORDER/ROLL CALL

President Mleziva called the meeting to order at 4:30 p.m. at the Village Hall, 118 East Main Street, Denmark, WI 54208

Present: Susan Selner, Vince Wertel, Milt Bielinski, Alan Schilke, Paul Hergarten, Mary Jo Bielinski, Gregg Mleziva

OFFICIALS/STAFF PRESENT

Clerk Sherri Konkol, Treasurer Kim Coogle, Public Works Director, Erika Sisel

REMARKS/COMMENTS BY VILLAGE PRESIDENT

President Mleziva welcomed all present. He recapped the rules of an open meeting and cited the two opportunities outlined in the agenda where pre-registered citizens or anyone present could speak

President Mleziva informed the Board that the Public Hearing for the 2017 Proposed General Fund Budget has been pushed back from the original anticipated date of November 21 to Tuesday, November 29. The Public Hearing will be held from 5:00 p.m. to 5:30 p.m. and the Board meeting will be at 5:30 p.m. The next regularly scheduled meeting is Monday, December 5, 2016 at 4:30 p.m.

President Mleziva explained to the Board the reasons for calling a special meeting.

1. A decision needs to be made on the new Village Garage with the consideration of the possibility of leasing the Village Garage. With the Budget Public Hearing fast approaching, the decision needs to be made whether or not it can be built into the 2017 Budget.
2. If the Board decides to accept the proposal for leasing from the McMahon Associates, Inc. and Integrated Public Resources (IPR) a target date to start construction is 10 days after the Board accepts and acts on the proposal.

President Mleziva turned the floor over to the representatives here from McMahon Associates, Inc. and IPR.

BOARD DISCUSSION/ACTION ON NEW VILLAGE GARAGE

President Mleziva shared the new Village Garage will be built next to the Waste Water Treatment Plant on Mahlik Lane and will house all Village owned vehicles and Public Works equipment and supplies.

President Mleziva turned the floor over to the representatives here from McMahon Associates, Inc. and IPR.

Matt Greely, McMahon Associates, Inc. and T.J. Lamers, Integrated Public Resources here to answer questions the Board may have regarding the lease proposal that was submitted on October 28, 2016. After the bidding process, with all the bids coming in over \$1,000,000.00 and the targeted cost was \$700,000.00, McMahon and IPR approached the Village to present the option of leasing verses rebidding the project.

- Proposal is a rent to own concept
- The garage will be built on Village owned property
- The Village can take over ownership at any time after the minimum lease period is met
- It is easier to manage the budget
- The lease proposal is very flexible

Discussion

Could the Village finance at a cheaper rate and take a loan out on their own?

One Board member feels that the project should be rebid after the first of the year because the white sheet wages will be down.

- Contractors working for McMahon aren't required to pay start wage rate, so the Village is already capturing a cost reduction because this a private verses public project.

One Board member questioned if it is more expensive to build the garage in the winter.

- No one knows what the market will be in the spring, and the cost could be higher based on the previous bid attempt.

Will the entire building be heated?

- Yes, and it is a 6 bay garage.

Will the interest rate change if the Village decides to do a 20 year term?

- The interest rate will be built into the agreement for the period of the lease. Any change in interest rate will be the responsibility of the lessor.

A suggestion was brought up to make all the garage doors tall.

Has Mc Mahon worked with any other municipalities doing lease proposals?

- McMahon and IPR have around 10 municipalities they are working with now, and feel leasing to own is the way projects will be done in the future due to continued cuts in state aid.

Hargarten/Wertel moved to accept the proposal of the McMahon Group and Integrated Public Resources and enter into a 20 year lease agreement.

Discussion

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One Board member has concerns with deterioration of the building due to construction in the winter.

- During the full term of the lease, McMahon has 100% responsibility to maintain the physical condition of the building. Any deterioration that might occur will be McMahon's responsibility not the Villages.

Motion carried.

ADJOURN

Selner/Mary Jo Bielinski moved to adjourn at 5:46 p.m. Motion carried.

Minutes submitted by Sherri Konkol, Village Clerk