

VILLAGE OF EAGLE REGULAR BOARD MEETING MINUTES

June 11, 2015

Approved

Call to Order/Open Meeting Law requirements:

R. Spurrell called the meeting to order at 7:00pm.

Roll Call:

G. Hein, J. Hoefakker, R. Spurrell, G. Scheff, P. Jones, L. Neuburg, J. Frisch all present

Pledge of Allegiance:

Pledge of Allegiance was led by R. Spurrell

Review/Approval of Minutes:

Motion to approve minutes for the Regular Board Meeting held May 14, 2015 made by G. Scheff. Seconded by J. Frisch. Motion carried (7-0)

Review/Approval of Treasurer's Report, including regular monthly accounts payable:

Board members reviewed the Treasurer's and accounts payable reports. J. Frisch asked R. Spurrell about a check payment to the IRS. R. Spurrell stated that they were late filing fees paid for 2014. J. Frisch inquired as to how the cost will be off-set. R. Spurrell responded that it was considered an unbudgeted expense. Motion made by G. Scheff to approve the Treasurer's Report and monthly accounts payable. Seconded by L. Neuburg. Motion carried (7-0)

Clerk's Report:

Clerk C. Zindars reported that due to a scheduling error, the compost site was not opened timely on Wednesday evening. She explained that DPW Superintendent S. Deegan would try to accommodate those who were not able to get in if they contact him directly. She also reported that Kettle Moraine Days flyers were available in the Village Office and were posted online. She stated that she would be out of the office June 15th through 19th, but that the office would remain open its regular hours with coverage from B. Hoefakker and D. Bliese.

Citizen Comments/Concerns:

S. Royston, 330 Appletree Ln. – read a prepared statement to the Board regarding concerns found in the 2014 audit report *comments are attached to these minutes

B. Dingle, 116 South St. – asked that concerns be addressed regarding horse manure found in the streets. R. Spurrell suggested that he contact the Village DPW for potential clean-up.

L. Fejnas, 103 Eagle St. – expressed concern about that fact that a new noise ordinance has not been passed and that outdoor music events were coming up. She stated that she thought outdoor music should be stopped at 10 o'clock.

R. Spurrell stated that the Code & Ordinance Committee was working on refining the decibel levels related to the ordinance.

J. Steinhart, 523 E. Main St. – referred to minutes from a previous meeting where \$500 bonus compensation was given to D. Bliese and that the minutes also referred to the same compensation being given to B. Hoefakker. She expressed concern over the potential of a conflict of interest because J. Hoefakker and R. Spurrell were Board members and both of their wives worked in the Village Office. She inquired as to how often bonuses were given to office employees.

R. Spurrell stated that he could recall three bonuses being given over his 12 year history with the Board. When J. Steinhart inquired as to how much the total for these bonuses was, R. Spurrell replied that he believed that each was \$500, however, without looking back at the minutes, he could not be certain.

Announcements:

Chief Presiding Officer: None

Board Members: L. Neuburg made an announcement that Sgt. G. Bruckner had attended the graduation of two students she had helped with drug issues. J. Frisch announced that the Historical Society's Memorial Dedication was well presented and well attended. L. Neuburg announced that the Library had started its summer reading program.

Police Dept. Representative: Cpt. S. Lesniewski spoke about the Police Department's participation, along with the Fire Department in the Library's HERO program, stated that they would also be participating in a career night in June also involving the hosting of some lunches with officers. He also summarized some repairs that needed to be done to the department's garage.

Fire Dept Representative: S. Kugel outlined some involvement with the Library's HERO program, the introduction of "Sparky" the Fire Dog, and a coin drive competition between the FD and PD to raise money for charity. He presented a copy of an approved fireworks permit for Kettle Moraine Days to the Board. He stated that a roofing project was approved for the fire house and that a new ATV was approved and purchased, which he hoped would arrive in time for the KMD parade. He also announced that the annual ISO audit was done and that the received an excellent rating, putting the department in the top 1/3 of the State. He explained an issue with the misreporting of the rating at an insurance company, which was remedied, however cautioned resident to check their homeowner's insurance statements.

Baker Tilly Annual Audit Report:

W. Unger of Baker Tilly provided a handout to Board members and residents '2014 Financial Highlights Presented to the Village Board of the Village of Eagle June 11, 2015'. She outlined the Results of Operations Summary Financial Information for 2014 for the General Budget and Water Utility. She explained that Revenues overall for 2014 and cited some contributing factors, such as recycling revenues and police department fines were both coming in under budget. She continued by stating that expenditures were also under budget for 2014 and cited some contributing factors, such as the clerk expenses came in under budget, along with Police Department expenses; however, audit expenses were over budget. She also made remarks regarding the fact that 2014 began with a \$54,680 deficit, but ended with a \$20,201 surplus. She continued by summarizing the capital projects fund, stating that there was a total of \$52,500 for future projects. When summarizing the Water Utility accounts, she explained that water bills in general were less because consumption was down. She moved on to talk about some notes made in the 'Communication with those Charged with Governance and Management'. Regarding the note made on the segregation of duties within the clerk position, she explained that this was a very common issue in smaller municipalities. Complete segregation of duties, such as entering transactions into the system, collecting cash, making deposits, bank reconciliations, etc would require more staffing, which was not cost effective. She also explained that there were steps that could be taken by the Board to resolve some of these issues such as the Board reviewing journal entries, accounts payable, etc at monthly meetings. She stated that she believed that Clerk C. Zindars was working to take these steps. She also noted that bank reconciliations were not done for 2014, however she did not expect this to continue into 2015 as it was her understanding that bank reconciliations were being kept up on in this year. Other issues that were recapped in the report were issues regarding the issuance of a duplicate payroll to an employee, the non-issuance of 1099s, the lack of journal entry support and approval, and a duplicate uniform allowance produced. She also noted that the existing credit card policy was not adhered to and there was a significant amount of missing documentation, however, she explained that there was no evidence of unauthorized or illegitimate purchases made.

She also spoke about some general accounting improvements to be made, suggested a manual be produced for the Clerk/Treasurer position, and stated that impact fee spend down needed to be done. R. Spurrell stated that he believed that some police impact fees need to be reimbursed. G. Hein inquired as to what impact fees could be spent on and whether the fixes to the police garage would qualify. R. Spurrell did not believe that the repairs would qualify. W. Unger outlined some of the bulk of the journal entries done by the auditors, the majority being recording and clearing of the tax roll, which was very common. R. Spurrell made remarks regarding some of W. Unger's notes. He stated that bank reconciliations were being done timely by C. Zindars and the credit card policy was now being strictly adhered to – no items are to be paid until a receipt is produced. He also took responsibility for the duplicity errors in payroll and the uniform allowance and said that he is working to resolve the issues and obtain reimbursement. J. Frisch commented on how he thought C. Zindars was doing a good job in the office. G. Hein asked about how the uniform allowance and payroll errors occurred. R. Spurrell stated that uniform allowances were usually given at the end of the year. Because he was unaware that a uniform allowance was already used earlier in 2014, he had given the regular allowance at year end. He explained that A. Bonus had a separate payroll cut because R. Spurrell did not have a time card at the time regular payroll was done due to the fact that A. Bonus was out of the office. He explained that for a reason unknown to him, the next time he did payroll, her single payroll transaction was still in the system and had been duplicated. G. Hein asked for clarification on several other issues, which were clarified by R. Spurrell and W. Unger.

Consideration/Action regarding temporary picnic license for St. Theresa Church for dates listed on schedule of events attached to license request:

L. Neuburg made a motion to approve the application as submitted. Seconded by G. Scheff. Motion carried (6-0-1) J. Frisch abstained

Consideration/Action regarding business plan for Crazy Bears Enterprises LLC DBA Crazy Bears II:

R. Spurrell stated that the Planning Commission had recommended the business plan for approval at their last meeting and that this business would be in the same location as the former 'Tasty Z's'. Motion made by L. Neuburg to approve business plan as submitted. Seconded by G. Hein. Motion carried (7-0)

Consideration/Action regarding Liquor License applications:

R. Spurrell questioned J. and W. Suhm as to why no dates were submitted with their license application for events to be held at their Southwest lot. B. Suhm replied that he would like the lot licensed for use at any time such as community events and he would like to be able to offer to sell beer at the events. R. Spurrell and J. Hoefakker expressed concern over the fact that the railroad tracks divided the property and patrons would/could potentially walk on the sidewalk between the bar and lot with open intoxicants. L. Neuburg also asked how they planned to monitor those types of situations. B. Suhm explained that they had always adhered to the rules in the past by fencing/roping off the lot, and having security at the entry/exit point. Board members still expressed concern over the lot and building being separated by the railroad tracks and thought it may be hard for the police department to monitor unplanned events. J. Suhm explained to the Board that they had been responsible business owners for eight years, there have been no issues with their events in the past, and also stated that she believed it to be difficult to get approval for unplanned events, especially since there needed to be time for advertising. She also noted that the neighboring establishment owned by S. Dooley – Knuckleheads – had their lot licensed. R. Spurrell stated that once the Board makes the decision to approve a license it is very difficult to change, but that the real concern for her request was the separation by the railroad tracks. Discussion commenced between Board members regarding possibly approving for a certain number of events, how to approve, comparisons to S. Dooley's license, etc.

- a. Please take notice that Melissa Dooley, on behalf of Dooley Enterprises LLC, has filed an application in my office for a Class B Fermented Malt Beverage and a Class B Intoxicating Liquor license for premises that include the restaurant, bar and outside back dining area that is fenced in, small fenced in patio in front, garage, and basement at 105 W. Main Street, known as Coyote Canyon. Motion was made by R. Spurrell to approve the application as submitted. Seconded by L. Neuburg. Motion carried (7-0)
- b. Please take notice that Melissa Dooley on behalf of Stueber Enterprises, Inc. has filed an application in my office for a Class B Fermented Malt Beverage and a Class B Intoxicating Liquor license for premises that include the restaurant, bar, deck, basement and lot at 100 South Street known as Knucklehead Pub. Motion made by R. Spurrell to approve the application as submitted. Seconded by J. Hoefakker. Motion carried (7-0)
- c. Please take notice that Bruce Hanke, as agent for The Kettle of Eagle LLC, has filed an application in my office for a Class A Intoxicating Liquor and Class A Fermented Malt Beverage license for premises at 214 Grove Street, known as the Kettle Citgo, that includes the cooler, south wall of the convenience store and outside cooler. Motion made by R. Spurrell to approve the application as submitted. Seconded by L. Neuburg. Motion carried (7-0)
- d. Please take notice that Janis Suhm, as agent for Big Red's Enterprise, LLC, has filed an application in my office for a Class B Intoxicating Liquor and Class B Fermented Malt Beverage license for premises at 201 Kettle Moraine Drive, known as Suhmer's Saloon, that includes the saloon - first floor and outside walkway, restaurant - second floor restaurant, the outside cement porch and southwest parking lot. Motion made by R. Spurrell to approve the application for the saloon - first floor and outside walkway, restaurant - second floor restaurant, the outside cement porch, with the request for the Southwest parking lot denied, but waiving the fee for a new application submitted from Big Red's Enterprise, LLC with event dates for the Southwest parking lot. Seconded by L. Neuburg. Motion carried (7-0)
- e. Please take notice that Mary Beth Matuszewski, as agent for The Hen House LLC, has filed an application in my office for a Class B Intoxicating Liquor and Class B Fermented Malt Beverage license for premises at 110 E. Waukesha Rd, which includes restaurant dining area, kitchen and store room. Motion made by R. Spurrell to approve the application as submitted. Seconded by G. Hein. Motion carried (7-0)
- f. Please take notice that Robert A. Chapman, as agent for Chapman Oil Inc, has filed an application in my office for a Class A Intoxicating Liquor and Class A Fermented Malt Beverage license for premises at 101 South St, known as Chapman's BP, that includes the convenience store, coolers, storage rooms, and display floor. Motion made by R. Spurrell to approve the application as submitted. Seconded by L. Neuburg. Motion carried (7-0)

Consideration/Action regarding Operator's License applications; a list of applicant is on file in the Clerk's office:

Motion made by L. Neuburg to approve all submitted Operator's License applications. Seconded by J. Frisch. Motion carried (7-0)

Consideration/Action regarding Cigarette License Applications:

Motion by L. Neuburg to approve applications for Chapman Oil Inc. and The Kettle of Eagle LLC as submitted. Seconded by J. Frisch. Motion carried (7-0)

Consideration/Action regarding Soda/Water Applications:

Motion made by L. Neuburg to approve soda/water applications for Chapman Oil Inc, The Kettle of Eagle LLC, Dooley Enterprises LLC, Stueber Enterprises Inc, The Hen House LLC, and Big Red's Enterprise LLC. Seconded by J. Hoefakker. Motion carried (7-0)

Committee Reports/Action Items: (Information on discussion and action taken at previous meeting(s), future agenda items and upcoming scheduled meeting(s):

a. Fire Commission

- 1. Update on meeting** – R. Spurrell stated that a joint meeting was held with the Village of Eagle, Town of Eagle, and Village of North Prairie Boards, including representatives from Eagle and North Prairie Fire Departments regarding the consideration of combining Fire Departments. A presentation was given by R. Spurrell, D. Samuels – Village of North Prairie Trustee, and J. Davis – Town of Eagle Supervisor regarding the proposed consolidation. Votes were taken for the Eagle Fire Department and North Prairie Fire Department on whether they desired to continue pursuing the consolidation. Majority vote determined that North Prairie Fire Dept desired to continue and that Eagle Fire Department did not. R. Spurrell explained that it would be up to the Municipal Boards to decide to whether pursuing the consolidation would continue.

b. Recreation Department

- 1. Update on Meeting** – P. Jones announced that the Recreation Department would have a burger stand at Kettle Moraine Days again this year and that they are looking for volunteers to work the stand.

c. Code & Ordinance

- 1. Update on Meeting** – J. Frisch announced that the noise ordinance was discussed at the last meeting and that they were working on decibel levels. Next meeting will be held Tues. June 16th at 6pm.

d. Nature Trail Committee

- 1. Update on Meeting** – J. Hoefakker announced that the garlic-mustard weed pull event held with local kids was very successful. L. Neuburg continued, stating that 1500 pounds of invasive species was removed from the trail area, 33 garbage bags total: 17 bags by Eagle Elementary School students and teachers. She also noted that an article was published in the Palmyra Enterprise and Lake Country Living Chief supplement regarding the event.

e. Library Board

- 1. Update on Meeting** – G. Hein spoke about the Library's summer reading program and also summarized an article in the Palmyra Enterprise regarding the Waukesha County Board passing an Ordinance to make a two County library system with Waukesha and Jefferson counties. He gave a brief budget update, stating that Library revenues were at 51% of budget and expenses were at 42%.

f. Police & Licensing

- 1. Update on Meeting** – last meeting was held June 1, 2015.
- 2. Consideration/Action regarding WisCops Contract** – L. Neuburg explained that the committee had recommended for approval a contract with WisCops at the last committee meeting. The program assists in the hiring of police officers, does not cost the municipality, the charges fall onto the applicants for being part of the program, and the Village is not required to use them – but if they do decide to use an agency for hire, the Village would need to use WisCops. Motion made by P. Jones to approve the contract with WisCops. Seconded by G. Hein. R. Spurrell moves to amend the motion on the floor, including that if there is any affiliation between WisCops and any current or past Eagle Police Department employees, WisCops would not be used due to conflict of interest. Seconded by L. Neuburg. Motion to amend carried (7-0). Original motion carried (7-0).
- 3. Consideration/Action regarding Police Garage Repairs** – L. Neuburg stated that the committee recommended approval by the Board for proposed garage repairs. She outlined what needed to be fixed – removal and blocking up of the West side door, water proofing of

the exterior, grind and tuckpoint south east corner, wire brush and prime existing steel beams above overhead doors, grind in riglet to receive new flashing, supply and install new flashing, stoop at side door and landscape work to be done after the mason work is done to include raising grade on east end and west end of garage using topsail to pitch grade away from the building, replant seed at stake grass mats to hold seed in place. There was also discussion regarding the state of the existing roof, which J. Frisch stated was in poor shape and would need repair soon also. J. Hoefakker inquired as to whether J. Frisch doing the work would be a conflict of interest, seeing as he was now on the Board. After some discussion between Board Trustees, the general feeling was that, since J. Frisch had been part of the project many months prior to his joining the Board, there was no need for worry on the conflict of interest issue. Motion made by G. Scheff to approve contracts for Police Garage Repairs pending proper bonding paperwork provided to the Village Clerk. Seconded by P. Jones. Motion carried (5-1-1) R. Spurrell opposed, J. Frisch abstained.

4. **Consideration/Action regarding hiring of part-time officers** – L. Neuburg explained that the committee has approved recommendation to the Board, the hiring of three part-time officers to help ease scheduling issues. She listed the three officers approved for hire: M. Thompson, R. Kuspa, and M. Bennett. R. Spurrell explained that the Police Department is budgets for hours worked, not the number of officers employed. Motion made by G. Scheff to approve the hiring of the three officers referenced. Seconded by G. Hein. Motion carried (7-0)
 5. **Consideration/Action regarding budgeted money for repairs to the police garage roof** – R. Spurrell stated that there was \$10,000 budgeted for garage repairs in 2015, because the cost to repair the roof will exceed what was budgeted, a request was made to transfer the unused as reserve for use next year. G. Hein inquired as to what would happen if something else came up for repairs. R. Spurrell stated that the item would need to come back to the Board. Motion was made by L. Neuburg to approve. Seconded by G. Scheff. Motion carried (7-0)
- g. Public Works & Property**
1. **Update on Meeting** – G. Scheff stated that the next meeting would be held before next month's Board meeting.
- h. Personnel & Finance**
1. **Update on Meeting** – R. Spurrell stated that HR Policies were being review for better process and practices

Adjournment: Motion to adjourn made by G. Scheff. Seconded by J. Hoefakker. Motion carried (7-0).
Meeting adjourned at 8:54pm

**Public Comment from Sharon Royston
Village Board Meeting of 6-11-15**

I received the Auditors document titled 2014 "Communication to those Charged with Governance and Management" and I am disappointed that the Village Board has not dealt with the material weaknesses and deficiencies that are documented in this 25 page 2014 audit supplement.

Taxpayers deserve accountability and resolution of all the deficiencies. The agenda item *Baker Tilly Audit Report* does not state that any discussion or action will take place at this meeting. I request that the Board hold a Special Meeting on this Audit to take action to resolve all deficiencies and weaknesses including considering hiring an Administrator to ensure that checks and balances, reports and policies are in place and monitored for the balance of this year and the future.

Here are some issues raised in the candid Audit Report:

- There are 3 pages stating the internal controls that are missing
- Reserves should be 15-25 % (same recommendation for 8 years)
- **Duplicate payroll** on March 4 & 10, 2014 to a Village employee who no longer works here (states that reimbursement has been pursued by the Village, note that this happened 15 months ago...successfully??)
- Police Department uniform allowance to one Officer was **duplicated** (states that reimbursement has been pursued...successfully??)
- Credit Card policies were not followed and supporting receipts were not able to be located or were not provided in 2014 allowing for possible fraud and abuse. The auditor practically wrote a policy for us in this audit!
- Need an Accounting System Manual for consistency
- Village did not issue IRS required 1099's for services in 2014
- List of material 2014 financial statement misstatements totaled nearly \$5,965,000. Auditor stated "Management has not prepared financial statements that are in conformity with generally accepted accounting principles".

I request that the document from the auditor titled "Communication to those charged with Governance and Management" be attached to this Board Meeting minutes and made available online to residents and taxpayers.

In addition, I feel that our Committee System of Government has failed. The four Committees do not meet regularly, are ineffective and do not serve this Village well with transparency. This audit more than proves my point.