



**Village of Cambridge
VILLAGE BOARD AGENDA**

Tuesday, October 25, 2016 | 6:30 p.m.

Cambridge High School, 403 Blue Jay Way, Room 214

- 1. Call to order/Roll Call**
- 2. Pledge of Allegiance**
- 3. Proof of Posting**
- 4. Public Appearances:**
 - a. McFarland Senior Outreach Presentation
 - b. Library Board – Cambridge Community Library Budget
- 5. Approval of Consent Agenda**
 - a. Approval of Village Board Minutes: October 11, 2016
 - b. Operator’s Licenses: Carol Farr, Nicholas Johnson: Stop N Go
- 6. Reports**
 - a. President’s Report
 - b. Water and Sewer Committee
 - c. Joint Law Enforcement Committee
 - d. Economic Development Director Report
 - e. Administrator’s Report
 - f. Financial Report
- 7. Bills**
- 8. Unfinished Business:**
- 9. New Business:** Discussion and possible action regarding:
 - a. Amundson Center Remodeling
 - b. Discussion regarding roles and duties of Village President and Trustees
 - c. Amendments 3 and 4 to the Vineyards at Cambridge Developer’s Agreement
 - d. Distillery Incentive Agreement
- 10. Correspondence**
- 11. Meeting Announcements:** Personnel /Public Works /Audit and Finance Committees, October 31; Library Board, Nov 2; Election Nov 8; Village Board Thursday Nov 10; Plan Commission, Nov 14; Water and Sewer, Nov 15; Village Board, Nov 22
- 12. Questions, Referrals to Staff or Future Agenda Items**
 - a. Closed session regarding Village Attorney duties/performance
 - b. CSM for RRPCS, LLC
 - c. Amundson Parking lot lights
 - d. 2017 Budget
 - e. League of Wisconsin Municipalities presentation for Municipal Boards : “in the Scope of Your Authority”
- 13. Adjournment**
 - 1) Persons needing special accommodations should call 608-423-3712 at least 24 hours prior to the meeting.
 - 2) More specific information about agenda items may be obtained by calling 608- 423-3712.
 - 3) Final Village Board agendas are typically posted by 4 PM on the Friday preceding the regular meeting at the Amundson Community Center, Cambridge Post Office, Cambridge News office and Cambridge State Bank and Village of Cambridge Web site at www.ci.cambridge.wi.us.

Lisa Moen, Village Clerk



Village of Cambridge
VILLAGE BOARD MINUTES
Tuesday, October 11, 2016 | 6:30 p.m.
Oakland Town Hall, N4450 Country Road A

1. **Call to order/Roll Call:** President Struss called the meeting to order at 6:30 p.m. Members present: Trustees: Christianson, McNally, Hollenbeck, Kumbier, Mihajlovic and President Struss; Members excused: Trustee Cunningham. Others present: Lisa Moen, Veronica Rudychev, Linda Begley Korth: Village Staff; Travis Hasse; Mary Behling; Greg Johnson, Ehlers; Dean Lund; Dwight Christianson.
2. **Pledge of Allegiance**
3. **Proof of Posting:** The Agenda was posted in the upper level of the Amundson Community Center, the Cambridge News Office, Cambridge Post Office, United Community Bank and the Village Web Site.
4. **Public Appearances:** Dean Lund has comment on items 9A and 9B. President Struss said he would be able to speak during the agenda items.
5. **Approval of Consent Agenda**
 - a. Approval of Village Board Minutes: September 27, 2016
 - b. Approval of Village Board Minutes: September 29, 2016
 - c. Operator's Licenses: Gary Pfeifer, Stop-N-Go
 - d. Establishing Trick or Treat Hours – October 31, 2016, 5:30 – 7:30 p.m.
 - e. Appointment of Meg Theno as an Election worker

Trustee Kumbier made a motion to approve the consent agenda, seconded by Trustee Hollenbeck. Motion carried.

6. **Reports**
 - a. **President's Report:** Gorman will be paying three installments of \$500 each so the full amount will be paid by years end. He is working on an agreement/contract with US Cellular.
 - b. **Library Board:** A majority of their discussion was regarding the 2017 budget. The lights in the parking lot have not been working. Ready Electric has come in and temporarily hooked them up to the library. The Board felt that these lights should be the Villages responsibility.
 - c. **Plan Commission:** Scott Farm CSM is on the agenda, action will be postponed until the next meeting.
 - d. **Audit and Finance Committee:** Met today. Discussed the Auditing Service, on this agenda.
 - e. **Administrator's Report:** H&H has started work on the HVAC system. They have been on premise since Monday morning. The Election work has kept us busy. There have been a lot of registrations and early voters. There will be a joint Audit/Personnel/Public Works meeting to discuss the budget.
7. **Bills** Administrator Rudychev presented the bills in the amount of \$125,597.96. Police services were over \$44,000. Other large payments included interest on loans, and road work. \$4,500 was paid to H&H for the work they did on creating the plans for the Amundson Center. It was requested that we keep a running tally of the work on the Amundson Center.

Trustee Hollenbeck made a motion to approve the bills in the amount of \$125,597.96, seconded by Trustee Kumbier. Motion carried on a 6-0 vote.

8. **Unfinished Business:** None

9. New Business: Discussion and possible action regarding:

- a. **Streets in the Winery Development:** This discussion is two-fold: the bike path and final layer of asphalt on the roads in phase one and the final grading of the development. The 2nd amendment to the developer agreement gave them until December 1, 2016 to finish the second layer of asphalt. Our Engineer, however, had requested that it be completed by October 15 to ensure that it isn't hindered by the weather. During discussions with the Developer, staff was informed that he was not going to do the asphalt, because the Village did not approve his apartment plans. Payne & Doyle did contact us stating that they could do it in the end of November. There is currently \$55,000 in an escrow account. We could use some of this money to do the asphalt, leaving enough to cover the light poles if they are not installed. The remainder of the cost could be taken from any incentive payments the Developer would receive from the Village. Dean Lund questioned the weight limits for the roads. Will they be able to handle the trucks going into the distillery? Mr. Hasse did comment that they are to Village standards. We did accept the first layer with the expectation that the second would be done before the snow plowing this year.

The as-built grading was to be completed by the spring of 2016. The Village engineer has requested the plans numerous times, but has not yet received them. There have been some issues with run off in the development. After discussions between staff, the engineer and the attorney, it is being recommended that we freeze all building permits in the development until the grading is completed. President Struss felt that we are financially tying their hands by not allowing them to build. Trustee Hollenbeck responded that they have not met the requirements of the Developer's Agreement and that we are trying to work with them in good faith – both sides have to follow the agreement. Trustee Christianson commented on the use of specific names being used in the agreements. It was agreed that titles should be used rather than names, i.e. the developer, Public Works Director, Village Engineer, etc.

Trustee Hollenbeck made a motion to place a hiatus on issuance of building permits for the Vineyard Development until grading work is completed per the Village Engineer's standards, with the exception of any permits that have already been submitted; and that the Village board move to provide until June 1st, 2017 for the completion of the final layer of asphalt to the Village Engineer's standards. If work is not complete at such time, the village would pursue completion of the work and would use a combination of escrow funds and withholding of Development incentive to pay for the work; incentive would be withheld until such time as this work is completely paid for, seconded by Trustee Kumbier. Motion carried.

Staff was further directed to send communications to the Developer outlining these stipulations.

- b. **Discussion regarding Distillery Incentive Agreement and Amendments 3 and 4 to the Vineyards at Cambridge Developer's Agreement:** Included in the packet for background and review were the Original Developer's Agreement, 1st and 2nd agreement, proposed amendments 3 and 4, and Proposed distillery agreement. We have been working with Ehlers to look at the budget implications of the whole development as a whole. Greg Johnson has prepared an analysis which is also included in the packet and which he presented to the Village board.

Distillery: The proposal would require the developer to generate taxable value of \$800,000 by January 1, 2017. The assessed value on January 1, 2016, is \$445,000. The Village assessor has estimated that it could have a final value of approximately \$1.4 million. The Village would retain the first \$3,500 of tax revenue from the distillery. If the \$800,000 is achieved, the Village would provide an incentive of \$100,000 up front, less the \$3,000 attorney fees. The Village would need to borrow these funds. The Village portion of taxes (less the \$3,500) would go towards paying \$100,000 to the Vineyards developer, for a maximum of 10 years, after which will still pay up to \$200,000 to the Distillery for a maximum of 20 years. For a home valued at \$225,000 it is estimated that it will cost the taxpayer an additional \$11 on their property taxes to fund this proposal. This will vary for homeowners based on the value of their home.

Distillery Financial Analysis: Based on an assessed value of \$1.4 million, the distillery is projected to generate \$70,588 over 10 years to apply towards the vineyards infrastructure reimbursement, capped at \$100,000. The Village will need to levy a tax to pay for debt service for the \$100,000 incentive; the levy will

increase an estimated \$7,026 per year. For a home valued at \$225,000 it is estimated that it will cost the taxpayer an additional \$11 on their property taxes. This will vary for homeowners based on the value of their home. The Village can start recouping levied funds for debt service once the reimbursements to the vineyards and the distillery are satisfied, potentially 30 years from now. It is projected to take until 2059 to recoup these costs.

Vineyards: Greg provided an over view of the original Agreement and the first two amendments. The Village will use tax revenue to pay up to \$1,050,000 of public infrastructure costs over 17 years. Payments are scheduled to begin in 2017, upon receipt of documentation of work completed and prices. Payments are capped at the amount of Village taxes generated from the development. The Developer will pay the Village \$365,000 for land contributed by the Village. The Village will withhold 20% of the Village generated taxes from the development over 7 years to apply towards the land reimbursement, after the 7 years the balance will be paid in full. The Village was to contribute \$200,000 towards acceleration/deceleration lanes; these funds have since been reallocated to the Lagoon Road improvements. These are additional funds that will need to be borrowed. The developer, through Village taxes generated by the development, pays the interest only on the funds burrowed.

Amendments 3 & 4: Proposes that the Village pay for costs associated with bedrock excavation related to infrastructure work. It was further proposed that the Village not allow other property developers to connect to infrastructure funded by the developer without reimbursement to the vineyard developer for these costs. The cost is not defined and left blank. An estimated cost is \$20,000. States that the Distillery in not included as part of the properties where Village tax revenue is paying the infrastructure costs up to \$1,050,000. However, the proposed distillery incentive agreement states this parcel is paying up to \$100,000 towards the infrastructure at the vineyards.

Vineyards financial analysis: The assessed value of the vineyards development as of 1/1/2016 is \$1,791,000. Projection of tax revenue going forward is based on 3 single family homes constructed per year, and the two condo units already approved. This is based on the amount of homes built in the last year. Over 17 years, the projected amount applied towards the vineyards infrastructure reimbursement is \$979,412. This combined with the \$70,588 projected from the distillery would satisfy the \$1,050,000. A tax levy will be required to pay the debt service; this is projected to increase the levy on average \$22,000 per year. For a home valued at \$225,000 it is estimated that it will cost the taxpayer an additional \$34 on their property taxes. The Village can start recouping levied funds for debt service once the reimbursements to the vineyards are satisfied, potentially 17 years from now. It is projected to take until 2035 to recover these costs.

Impact on Debt Capacity: The Village currently has 61% of its borrowing capacity remaining, or \$2.7 million. If these incentives are funded, projected projects including \$200,000 for the Amundson Center and \$1,000,000 for HWY PQ, the Village would reach 72% of its borrowing limit. It is not recommended to exceed that amount. These agreements, both those already passed and those proposed, would require the Village to borrow funds. The only revenue source identified in the agreements is the Village's portion of tax revenue generated from these developments. If this revenue is insufficient to cover these commitments, the Village would need to levy taxes on all Village taxpayers to cover any shortfalls. The prioritization of how the tax revenue is pledged in these agreements is weighted in favor of the developers. Other than the \$3,500 withheld from the distillery and 20% of taxes generated from the vineyards withheld for 7 years to go towards the land reimbursement, the payments go first to the developer. The Village is left to fund the debt service requirement and there is no obligation to the developers to cover these costs, putting more risk on the Village.

Discussion ensued. Numerous questions were raised.

- Trustee McNally – Was in favor of and questioned the need for outside legal review. There are multiple agreements/amendments, some passed/some proposed, all intertwined. How do they all work together?
- \$20,000 figure? There have been no invoices provided. It is all lumped together with the project

costs. Questioned if they could break this down.

- Discussions that we pay cost, place a lien or include in the \$1,050,000. Questions on how we can place a lien on future developments. President Struss provided the example with the Kenseth lift station. However, we owned the land. This would be two private land owners. Are future developments in the Village limits?
- Dean Lund shared his concerns of the increased tax levy. The school will be having a referendum; there are other taxing entities, the Village's levy for general spending could all add to the tax bill as well.
- Trustee McNally had a number of questions. Again questioned the possible need for outside legal review.

Trustee McNally made a motion to retain outside legal counsel to review the distillery agreement, and the vineyard agreement and amendments, seconded by Trustee Christianson. Motion failed with Trustees McNally and Christianson voting aye, Hollenbeck, Kumbier and Struss voting in the negative, and Mihajlovic abstaining.

- Greg Johnson clarified that debt service would come out of the general fund. Taxes collected from the project would first go to the developers, with the exception of the \$3,500 that is retained.
- Trustee Hollenbeck questioned who approved the bedrock, the Amendment states that the Village wished for this to happen. Staff responded that no action was taken by the board. They will research this to verify.
- Money had promised to both entities, the 4th amendment allows for the distillery agreement.
- McNally questioned the language of owners of the vineyards- what if new owners took over. Mary Behling clarified that there is language that all successors would be included.
- Statement of purpose – best use of lots.
- Binder layer has been accepted. In the original agreement the 2nd layer was to be complete in 2015, amendment 2 pushed it back to December 1, 2016. This was the reason for this evening's discussion and action.
- McNally questioned the Surety Bond. The second amendment allowed for escrow on the lots sold rather than a surety bond. 10% of the lot sale shall be placed in escrow.

These amendments and the Distillery Agreement will be placed on the next agenda. Staff was directed to work with the attorney and the developer on the bedrock amendment. Look at options of including it as part of the \$1,050,000 public improvements, or if it could be worked with payments and/or liens.

- c. **Scott Farms CSM:** Richard Scott is having the surveyor add an access easement to the east side of the parcel. It will be brought before the board when it is ready. Plan Commission did recommend this action.

Trustee Hollenbeck made a motion to postpone for reasons described, seconded by Trustee Kumbier. Motion carried.

- d. **Auditing services RFP:** The Audit and Finance Committee met prior to the Village Board meeting. We had received 4 responses to the RFP: Kerber Rose, Baker Tilly, Johnson Block and Hawkins Ash. Administrator Rudychev gave an overview of the process and the proposals, including an explanation on how she came to her recommendation of accepting the proposal from Baker Tilly. This is an increase over the amount we are currently paying for our auditor, Jim Frechette. Audit and Finance did recommend approval of the Baker Tilly proposal.

Trustee Kumbier made a motion to approve the Baker Tilly for our auditing service for the next three years at the price quoted, seconded by Trustee Hollenbeck. Motion carried on a unanimous vote.

- e. **Cambridge Resolution 2016-11 – Dane County Library 2017 funding Resolution:** These resolutions are acted on annually to allow us to receive County funds. It makes us aware of the numbers.

Trustee Kumbier made a motion to approve Resolution 2016-11, relating to 2017 Dane County Library Funding, seconded by Trustee Hollenbeck. Motion carried on a unanimous vote.

f. Cambridge Resolution 2016-12 – Jefferson County Library 2017 funding Resolution:

Trustee Hollenbeck made a motion to approve Resolution 2016-12, relating to 2017 Jefferson County Library Funding, seconded by Trustee Mihajlovic. Motion carried on a unanimous vote.

10. Correspondence: None

11. Meeting Announcements: Water and Sewer, Oct 18; Joint Law Enforcement, Oct 25; Village Board Oct 25,; Library Board, Nov 2; Election Nov 8; Village Board Thursday Nov 10; Plan Commission, Nov 14; Personnel /Public Works /Audit and Finance Committees TBD

12. Questions, Referrals to Staff or Future Agenda Items

- a. McFarland Senior Outreach presentation
- b. Library Board – Cambridge Community Library budget
- c. Distillery Agreement
- d. Amendments 3 and 4 to the Vineyards Agreement

Keystone listening session will be cancelled due to the late hour.

13. Adjournment: Trustee Christianson made a motion to adjourn, seconded by Trustee Kumbier. Motion carried. President Struss adjourned the meeting at 8:42 p.m.

Lisa Moen, Village Clerk

Application for an "Operator's" License

To Serve or Sell Fermented Malt Beverages and Intoxicating Liquors
Cambridge, WI

New **Renewal**

Date 10-18, 2016

I, the undersigned, make application to the local governing body of the Village of Cambridge, Counties of Dane and Jefferson, Wisconsin for a License to serve and/or sell, from date hereof to **June 30, 2017** inclusive (unless sooner revoked), Fermented Malt Beverages and Intoxicating Liquors, subject to the limitations imposed by Section 125.32 (2) and 125.68 (2) of the Wisconsin Statutes and all acts amendatory thereof and supplementary thereto, and hereby agree to comply with all laws, resolutions, ordinances and regulations, Federal, State or Local, affecting the sale or service of such beverages and liquors if a license be granted to me.

Answer the following questions fully and completely:

Name of Applicant CAROL LOUISE FARR Phone 724-256-7036
First (legal) Middle Last

Address of Applicant 113 SANDY HILL RD LAKE MILLS WI

*Date of Birth 6/26/58 *Sex F *Race W

*Driver's License Number [REDACTED] State issued out of PA.

*Social Security Number [REDACTED]

As required by WI Statutes Section 125.17 (6), have you completed the Beverage Server Training Course? YES

If so, where? STOP-N-GO LAKE MILLS

Have you been convicted of a felony or any alcohol-related or drug-related misdemeanor? NO YES

If yes, date of such conviction _____ Name of Court _____

Nature of offense _____

Have you been convicted of violating any law or ordinance regulating the sale of Fermented malt beverages or intoxicating liquors?

NO YES - Nature of violation _____

Have you ever had a license to serve alcohol beverages suspended or revoked, or surrendered the license in lieu of suspension or revocation? NO YES If yes, provide the place and date _____

Have you been convicted of operating a motor vehicle while intoxicated? NO YES - Date(s) _____

Name of employer for which license is intended STOP-N-GO

Fees : \$35.00 annual or \$60.00 for two years. I understand that the fee is not refunded if this application is denied.

* We request this information so we can verify your criminal and driving history.

STATE OF WISCONSIN
Dane and Jefferson County

_____, being first duly sworn on oath says that (s)he is the person who made and signed the foregoing application for an operator's license; that all the statements made by the applicant are true.

X Carol Louise Farr
Applicant sign here

Subscribed and sworn to before me this 18
 day of October, 20 16
Lisa Moen
 Notary Public, Dane County, Wisconsin

The Cambridge Police Department conducted a background check on: <u>10/19/16</u>	
Recommendation: <input checked="" type="checkbox"/> I recommend approval of the license <input type="checkbox"/> I recommend refusal of the license	Records: <input type="checkbox"/> records attached <input checked="" type="checkbox"/> no record
Explanation:	
Officer Signature: <u>DEP. C. LAURITSEN #1123 DABD</u>	Approved by Village Board: _____

Application for an "Operator's" License

To Serve or Sell Fermented Malt Beverages and Intoxicating Liquors
Cambridge, WI

New

Renewal

Date 10/11/16

I, the undersigned, make application to the local governing body of the Village of Cambridge, Counties of Dane and Jefferson, Wisconsin for a License to serve and/or sell, from date hereof to **June 30, 2017** inclusive (unless sooner revoked), Fermented Malt Beverages and Intoxicating Liquors, subject to the limitations imposed by Section 125.32 (2) and 125.68 (2) of the Wisconsin Statutes and all acts amendatory thereof and supplementary thereto, and hereby agree to comply with all laws, resolutions, ordinances and regulations, Federal, State or Local, affecting the sale or service of such beverages and liquors if a license be granted to me.

Answer the following questions fully and completely:

Name of Applicant Nicholas Johnson Phone 608-515-7059
First (legal) Middle Last

Address of Applicant 809 East St. Fort Atkinson

*Date of Birth 6/13/79 *Sex M *Race W

*Driver's License Number [REDACTED] State issued out of WI

*Social Security Number [REDACTED]

As required by WI Statutes Section 125.17 (6), have you completed the Beverage Server Training Course? yes

If so, where? Fort Atkinson

Have you been convicted of a felony or any alcohol-related or drug-related misdemeanor? NO YES

If yes, date of such conviction 2010 Name of Court Dane & Richland

Nature of offense DUI + DUI

Have you been convicted of violating any law or ordinance regulating the sale of Fermented malt beverages or intoxicating liquors?
 NO YES - Nature of violation _____

Have you ever had a license to serve alcohol beverages suspended or revoked, or surrendered the license in lieu of suspension or revocation? NO YES If yes, provide the place and date _____

Have you been convicted of operating a motor vehicle while intoxicated? NO YES - Date(s) _____

Name of employer for which license is intended Stop-N-Go

Fees : \$35.00 annual or \$60.00 for two years. I understand that the fee is not refunded if this application is denied.
 * We request this information so we can verify your criminal and driving history.

STATE OF WISCONSIN
Dane and Jefferson County

Nicholas K. Johnson, being first duly sworn on oath says that (s)he is the person who made and signed the foregoing application for an operator's license; that all the statements made by the applicant are true.

X [Signature]
Applicant sign here

Subscribed and sworn to before me this 11
day of October, 20 16
[Signature]
Notary Public, Dane County, Wisconsin

The Cambridge Police Department conducted a background check on: Recommendation: <input checked="" type="checkbox"/> I recommend approval of the license <input type="checkbox"/> I recommend refusal of the license		Records: <input type="checkbox"/> records attached <input type="checkbox"/> no record
Explanation: <u>[Signature]</u>		Approved by Village Board: _____
Officer Signature: _____		

**CAMBRIDGE WATER, SEWER AND STORMWATER COMMITTEE
COMMUNITY LIBRARY- LOCAL HISTORY ROOM
101 SPRING WATER ALLEY
MINUTES
6:30 pm
OCTOBER 18, 2016**

1. **Call to Order/Roll Call:** Steve Struss called the meeting to order at 6:36 pm. Members present: Ken Raymond, Ted Kumbier, Dwight Christianson, Steve Johnson, Steve Struss. Village Staff: Dan Dudley, Veronica Rudychev, Vicki Redford.
2. **Proof of Posting:** Agendas were posted in the upper level of the Amundson Community Center, Cambridge News Office, united Community Bank, Cambridge Post Office and the Village Website.
3. **Public Appearances:** none

4. **Approval Of Consent Agenda**

- a. Meeting Minutes: September 20, 2016

Christianson made a motion to accept the consent agenda as presented. Kumbier seconded the motion. Motion carried on a 5-0 vote.

5. **Approval of Bills:**

Kumbier made a motion to accept the bills in the amount of \$ 5,559.25. Raymond seconded the motion. Motion carried on a 5-0 vote.

6. **Old Business:**

- a. **Netwurx:** Mary Behling has been working with Netwurx on a new contract. Struss added that there were concerns that the percent increase was not included. Behling will continue working with them and the contract will come before the committee for final approval.
- b. **Road to Water Tower:** An access road was put in at the beginning of construction of the Winery. The discussion was this road is the Winery's responsibility. Fox will need to clean it up at the Winery's expense. No action taken.
- c. **U S Cellular:** Mary Behling has been reviewing a possible agreement with U S Cellular. Rent for the Village is now \$800 instead of \$700. Discussion followed that in order to paint the tower, equipment may need to be removed from the tower. Struss spoke to Dixon and they said you can leave equipment on the tower intact. President Struss indicated U S Cellular is holding their ground requiring the village to pay an estimated \$40,000.00 for the railing. Struss & Behling will continue to negotiate. The contract will come before the Water & Sewer committee for final approval.
- d. **Generator:** Kumbier started discussion with a bid from Rush Power Systems. The total did not include the concrete and was \$44,630.00 More discussion on Ready Electric and John Adsit doing the project. Their informal bid was \$20,137.00.

With an additional \$3415.00 to install the generator and get the permit. Because formal bids come at a large cost of around \$2000.00 or more, Administrator Rudychev didn't think getting formal bids on this project were necessary. *Kumbier made a motion to accept the Ready Electric agreement for the generator costing \$20,137.00 and \$3,415.00 for installation and permit. Raymond Seconded the motion. Motion carried on a 5-0 vote.*

- e. Grease Traps: President Struss met with Tom TeBeest to review our Grease Trap Ordinance. There was discussion that this ordinance just needs to be enforced. It was decided that a letter will be mailed out at the first of the year with instruction's.

7. New Business:

- a. Winery Agreement: This was said to be strictly an information update.

8. Reports:

- a. Water & Sewer Superintendent: None

9. Questions, Referrals To Staff Or Future Agenda Items: INI Study & budget for new business items.

10. Adjournment :

Christianson made a motion to adjourn the meeting. Kumbier seconded the motion. President Struss adjourned the meeting at 7:42 pm.

Vicki Redford
Utility Clerk



October Economic Development Report

Ongoing Projects

Cambridge Web Page Working with Three Cycle Media to fully utilize the current site capabilities and add functionality without increasing costs. Implementation is ongoing:

Identified unneeded pages. Created Standard Welcome Page. Clarified Section pages and Content headings. Established Economic Development Page. Creating Interactive Master Calendar. Developing Announcement Page along with interactive Question/Answer. Identifying photos for Welcome/Section pages.

Working with Ward's Mercantile to recruit business to fill loss of coffee shop.

Interviewing Main Street and Hwy 18 businesses to establish immediate/future needs and priorities.

Building cooperative relationships with CamRock Bike Trail Initiative and Cambridge Art Council to recruit and support emerging arts/sports businesses.

Business Recruitment and Retention

Working with downtown and Hwy 18 businesses to identify and recruit new/growing enterprises. Entrepreneur Café will return at 7:30 Thursday morning, November 17 at CamRock Cafe. The Café is an opportunity for local area businesses/start-ups/home businesses to network and explore ideas. November will feature a brief program concerning opportunities from the Connect Communities program or the Small Business Center in Madison. A regular meeting schedule for 2017 will be established along with program ideas.

Still working to place American Skillet Company and Jim's Carts and Parts (customized golf carts) in the community. Both are still looking for useable/affordable space. Negotiation continues. Advising new possible downtown business. Awaiting financing potential. Would be a good addition to the Village. Working with local group and CAP to establish more activity based opportunities for all ages.

Administrator and I met with Home Again group to explore reclamation possibilities allowing additional use of land for potential buildings and beautification. Opportunities also exist for planned walking/biking bridge to connect to downtown and create pathways to Highway 18 businesses with safe crossings. I am researching grant potentials with the aid of Joe DeYoung from MSA Engineering while Administrator is reviewing current TIF viability and future allowances. Home Again is identifying future needs.

Exhibited at In Business Expo. Shared a booth with Rowe Pottery and Chamber of Commerce. Showcased business properties in both the downtown and Hwy 18 areas. Rowe Pottery sponsored booth design. Vineyards

at Cambridge, Cambridge Winery and Dancing Goat Distillery also had a separate booth presence. Provided opportunities to catch up with our developers as well as promote the area and housing potential. Approximately 150 Cambridge/ Jefferson County brochures and local business literature was distributed along with opportunities to introduce people to the community. As usual, this is a very productive showcase resulting in opportunities for follow up discussions, village tours and other opportunities. The Vineyard businesses were also quite pleased with the solid connections they encountered. All in all, a very inspiring and successful day.



200 Spring St
Cambridge, WI 53523
Phone 608.423.3712
Web www.ci.cambridge.wi.us

ADMINISTRATION

To: Honorable President Struss and Village Board of Trustees
From: Veronica Rudychev, Administrator
Date: October 19, 2016
Subject: Administrator Report

ITEMS OF DISCUSSION

- *H&H:* Project continues to go as planned.
- *Baker Tilly:* Initial meeting occurred on 10.17.16. Recommendations from that meeting will be forthcoming to the Board.
- *HWY 12/18 Resurfacing:* DOT informed administration on 10.19.16 that they will be resurfacing the highway during the 2017 construction year. Road closure will not be necessary. This is very preliminary, more information to follow.
- *Melster Property:* Staff had a positive meeting with current At Home Again owner regarding possible expansion on the Melster site. Talks will continue and Village Board will be apprised once something of substance is received.
- *River Architects:* Met to discuss possible Village Hall remodel based on responses to Economic Development Director focus group results. This item is on the agenda under new business.
- *Elections:* Clerk Office continues to work diligently on the election. They have been handling higher than normal counter traffic for absentee voting.
- *Other items*

Veronica Rudychev
Village Administrator

	Fund: All Funds				
	2015 Actual 12/31/2015	2016 Actual 10/20/2016	2016 Budget	Budget Status	% of Budget
TAXES	1,105,282.62	1,126,607.78	1,225,619.00	-99,011.22	91.92
INTERGOVERNMENTAL REVENUES	311,100.23	199,793.88	332,782.00	-132,988.12	60.04
LICENSES AND PERMITS	105,535.28	73,234.91	77,255.00	-4,020.09	94.80
FINES, FORFEITS AND PENALTIES	10,009.56	17,170.45	10,750.00	6,420.45	159.73
PUBLIC CHARGES FOR SERVICES	1,282,457.59	911,250.52	1,422,893.00	-511,642.48	64.04
CONTRIBUTED CAPITAL	761,243.01	73,564.64	63,842.00	9,722.64	115.23
OTHER FINANCING SOURCES	835,543.32	0.00	25,000.00	-25,000.00	0.00
=====					
Total Revenues	4,411,171.61	2,401,622.18	3,158,141.00	-756,518.82	76.05

	Fund: All Funds				
	2015 Actual 12/31/2015	2016 Actual 10/20/2016	2016 Budget	Budget Status	% of Budget
GENERAL GOVERNMENT	299,065.83	269,218.99	284,943.00	15,724.01	94.48
PUBLIC SAFETY	276,671.92	199,680.67	423,287.00	223,606.33	47.17
PUBLIC WORKS	1,700,010.02	1,032,023.42	1,905,493.00	873,469.58	54.16
CULTURE, RECREATION AND EDU.	303,647.31	251,818.01	308,839.00	57,020.99	81.54
CONSERVATION AND DEVELOPMENT	495,323.91	54,340.14	53,983.00	-357.14	100.66
CAPITAL OUTLAY	1,037,170.53	7,449.86	0.00	-7,449.86	0.00
DEBT SERVICE	659,929.88	328,296.24	394,238.00	65,941.76	83.27
OTHER FINANCING USES	25,041.14	0.00	0.00	0.00	0.00
=====					
Total Expenses	4,796,860.54	2,142,827.33	3,370,783.00	1,227,955.67	63.57
=====					
Net Totals	-385,688.93	258,794.85	-212,642.00	-471,436.85	-121.70

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ALL Checks by Payee
NEW POOLED CHECKING***

Page: 1
ACCT

Dated From:

From Account:

Thru:

Thru Account:

Voucher Nbr	Check Date	Payee	Amount
	10/25/2016	A1 TREE SERVICE	
INV #10-11-16		REMOVAL	
100-00-53311-230-000		PUBLIC WORKS - TREE & BRUSH	4,940.00
INV #10-11-16		REMOVAL	
		Total	4,940.00
	10/25/2016	ADVANCED DISPOSAL - FT. ATKINSON	
INV #A10000582986-		TRASH - SEPTEMBER	
350-00-53620-290-000		TRASH COLLECTION CONTRACTED	4,938.56
INV #A10000582986-		TRASH - SEPTEMBER	
350-00-53620-295-000		RECYCLE COLLECT- CONTRACTED	1,740.84
INV #A10000582986-		RECYCLING - SEPTEMBER	
		Total	6,679.40
	10/25/2016	ALLIANT ENERGY/WP&L	
ACCT#2523810000			
100-00-53420-000-000		STREET LIGHTS	36.00
ACCT#2523810000			
100-00-53420-000-000		STREET LIGHTS	57.35
ACCT#5431060000			
100-00-53420-000-000		STREET LIGHTS	133.31
ACCT#5706050000			
100-00-53420-000-000		STREET LIGHTS	18.28
ACCT#9239520000			
100-00-55200-220-000		PARK UTILITIES	10.41
ACCT#7244110000			
100-00-53420-000-000		STREET LIGHTS	9.13
ACCT#4803810000			
100-00-53311-220-000		PUBLIC WORKS - UTILITY & PHONE	119.58
ACCT#0341530000			
100-00-53420-000-000		STREET LIGHTS	312.24
ACCT#9380220000			
500-00-53700-620-000		POWER PURCHASED FOR PUMPING	1,140.43
ACCT#3967610000			
500-00-53700-620-000		POWER PURCHASED FOR PUMPING	499.59
ACCT#3994420000			
		Total	2,336.32

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NEW POOLED CHECKING***

Dated From:
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From Account:
Thru Account:

Voucher Nbr	Check Date	Payee	Amount
	10/25/2016	ARAMARK UNIFORM SERVICES INVOICE #1640151000	
100-00-51600-390-000		MUN BLDG - SUPPLIES INVOICE #1640151000	121.53
Total			121.53
	10/25/2016	CAMBRIDGE GAS AND MOTEL POLICE FUEL - SEPTEMBER	
100-00-52100-370-000		POLICE - SQUAD GAS/OIL POLICE FUEL - SEPTEMBER	387.72
100-00-53311-370-000		PUBLIC WORKS - FUEL PUBLIC WORKS FUEL - SEPTEMBER	384.01
800-00-58100-660-000		TRANSPORTATION EXPENSES STREET SWEEPER/STORM WATER	26.79
Total			798.52
	10/25/2016	CHARTER COMMUNICATIONS - PD ACCT POLICE DEPT INTERNET	
100-00-52100-310-000		POLICE - INTERNET POLICE DEPT INTERNET	34.99
100-00-51420-223-000		ADMIN - INTERNET VILLAGE HALL INTERNET	34.99
500-00-53700-681-000		OFFICE SUPPLIES & EXPENSES WATER DEPT INTERNET	17.49
600-00-53700-851-000		OFFICE SUPPLIES & EXPENSES SEWER DEPT INTERNET	17.50
Total			104.97
	10/25/2016	COMPUTER MAGIC, INC INV#20142682	
100-00-51420-280-000		ADMIN - COMPUTER MAINT/REPAIR INV#20142682	302.00
100-00-51420-280-000		ADMIN - COMPUTER MAINT/REPAIR SALES TAX CREDIT	-20.79
Total			281.21
	10/25/2016	DANE COUNTY TREASURER (WATER) CAM0916 -DISTILLERY, VINEYARD CONDOS,ETC	

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ALL Checks by Payee
NEW POOLED CHECKING***

ACCT

Dated From:

From Account:

Thru:

Thru Account:

Voucher Nbr	Check Date	Payee	Amount
200-00-57500-016-000		VINEYARDS SUBDIVISION	189.15
		CAM0916 -DISTILLERY, VINEYARD CONDOS,ETC	
Total			189.15

10/25/2016 DEAN HEALTH PLAN

NOV '16 PREMIUM - OLSON

100-00-53311-133-000		PUBLIC WORKS - HEALTH/DENTAL	2,091.49
		PREMIUM - OLSON	
100-00-51420-133-000		ADMIN - HEALTH/DENTAL INS	2,282.50
		PREMIUM - MOEN	
150-00-55110-133-000		LIB - HEALTH/DENTAL	1,031.56
		PREMIUM - BEHM	
500-00-53700-686-000		EMPLOYEE PENSIONS AND BENEFITS	1,055.79
		PREMIUM - DUDLEY/REDFORD	
600-00-53700-854-000		EMPLOYEE PENSIONS & BENEFITS	1,055.80
		PREMIUM -DUDLEY/REDFORD	
100-00-51420-133-000		ADMIN - HEALTH/DENTAL INS	401.78
		PREMIUM RUDYCHEV	
Total			7,918.92

10/25/2016 ELECTION SYSTEMS & SOFTWARE

INV#986475 FIRMWARE/HARDWARE

100-00-51440-390-000		ELECTIONS - SUPPLY & EXPENSE	300.00
		INV#986475 FIRMWARE/HARDWARE	
Total			300.00

10/25/2016 EMBROIDERY PROFESSIONALS LLP

INV#4267 CREW NECKS

100-00-53311-390-000		PUBLIC WORKS - MISC	54.00
		INV#4267 CREW NECKS	
Total			54.00

10/25/2016 GRAINGER

INV #924413036 REPAIRS

100-00-53420-000-000		STREET LIGHTS	22.44
		INV #924413036 REPAIRS	
100-00-51600-390-000		MUN BLDG - SUPPLIES	88.60
		INV#9244891470 STREET LIGHT	

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NEW POOLED CHECKING***

ACCT

Dated From:

From Account:

Thru:

Thru Account:

Voucher Nbr	Check Date	Payee	Amount
100-00-53420-000-000		STREET LIGHTS	22.44
		INV# 9244891470 REPAIRS	
100-00-51600-390-000		MUN BLDG - SUPPLIES	-88.60
		CM#924894198 RETURNED STREET LIGHT	
		Total	44.88
<hr/>			
	10/25/2016	JAMES R. FRECHETTE, CPA	
		AUDIT MEETING	
100-00-51510-210-000		AUDIT & ACCOUNTING	390.00
		AUDIT MEETING	
		Total	390.00
<hr/>			
	10/25/2016	MOEN, LISA	
		MILEAGE TO OAKLAND/DEERFIELD	
100-00-51420-330-000		ADMIN - TRAINING; CONFER.	19.33
		MILEAGE TO OAKLAND/DEERFIELD	
		Total	19.33
<hr/>			
	10/25/2016	MTAW - DISTRICT 4	
		DISTRICT MTG - L. MOEN, V. RUDYCHEV	
100-00-51420-330-000		ADMIN - TRAINING; CONFER.	50.00
		DISTRICT MTG - L. MOEN, V. RUDYCHEV	
		Total	50.00
<hr/>			
	10/25/2016	PUBLIC HEALTH MADISON DANE COUNTY	
		REMAINING BALANCE	
100-00-24300-000-000		DUE TO/FROM STATE & COUNTY	121.38
		REMAINING BALANCE	
		Total	121.38
<hr/>			
	10/25/2016	QUILL CORPORATION	
		INV# 9780407	
100-00-51420-310-000		ADMIN - OFFICE SUPPLY	19.99
		INV# 9780407	
500-00-53700-640-000		SUPPLIES AND EXPENSES	12.34
		INV#9780407	
600-00-53700-851-000		OFFICE SUPPLIES & EXPENSES	12.34
		INV#9780407	
100-00-51440-390-000		ELECTIONS - SUPPLY & EXPENSE	13.97
		INV#9780407	

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NEW POOLED CHECKING***

ACCT

Dated From:

From Account:

Thru:

Thru Account:

Voucher Nbr	Check Date	Payee	Amount
Total			58.64

10/25/2016 SERVPRO OF MADISON
5124205 MOLD REMEIDATION STRUCTURAL

100-00-51600-240-000	MUN BLDG - MAINT & REPAIR	23,029.43
	5124205 MOLD REMEIDATION STRUCTURAL	

Total 23,029.43

10/25/2016 SUPERIOR STATE ADMINISTRATORS INC
INV #39344- CLERK/TREAS

100-00-51420-134-000	ADMIN - FLEX BEN	11.50
	INV #39344- CLERK/TREAS	

150-00-55110-134-000	LIB - FLEX BENEFIT	11.50
	INV #39344 - LIBRARY	

500-00-53700-686-000	EMPLOYEE PENSIONS AND BENEFITS	5.75
	INV #39344 - WATER	

600-00-53700-854-000	EMPLOYEE PENSIONS & BENEFITS	5.75
	INV #39344 - SEWER	

Total 34.50

10/25/2016 UNITED COMMUNITY BANK
TRANSFER FROM BANK

Manual Check Nbr: LNN00500

110-00-58100-000-000	PRINCIPAL LONG TERM DEBT	13,223.18
	LOAN CL-000000084781 - PRINCIPAL	

110-00-58200-000-000	INTEREST LONG TERM DEBT	4,119.96
	LOAN CL-000000084781 - INTEREST	

Total 17,343.14

10/25/2016 VILLAGE OF DEERFIELD
POLICE SERVICE 8-21THRU 9-17-16

100-00-52100-120-000	POLICE - WAGES OT	14,801.44
	POLICE SERVICE 8-21THRU 9-17-16	

100-00-52100-370-000	POLICE - SQUAD GAS/OIL	188.35
	SQUAD EXPENSES FOR 8-21 THRU 9-17-16	

Total 14,989.79

10/25/2016 ZARNOTH BRUSH WORKS, INC.
INV#0161966-IN STREET SWEEPER

100-00-53311-350-000	PUBLIC WORKS - EQUIP REPAIRS	212.00
	INV#0161966-IN STREET SWEEPER	

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Thru Account:

Voucher Nbr	Check Date	Payee	Amount
			Total 212.00
			Grand Total 80,017.11

ALL Checks by Payee
NEW POOLED CHECKING***

ACCT

Dated From:
Thru:

From Account:
Thru Account:

	Amount
Total Expenditure from Fund # 100 - VILLAGE GENERAL FUND	50,912.79
Total Expenditure from Fund # 110 - DEBT SERVICE FUND	17,343.14
Total Expenditure from Fund # 150 - LIBRARY FUND	1,043.06
Total Expenditure from Fund # 200 - CAPITAL PROJECTS FUND	189.15
Total Expenditure from Fund # 350 - REFUSE & RECYCLING FUND	6,679.40
Total Expenditure from Fund # 500 - WATER UTILITY	2,731.39
Total Expenditure from Fund # 600 - SEWER UTILITY	1,091.39
Total Expenditure from Fund # 800 - STORMWATER UTILITY	26.79
Total Expenditure from all Funds	80,017.11



200 Spring St
Cambridge, WI 53523
Phone 608.423.3712
Web www.ci.cambridge.wi.us

ADMINISTRATION

To: Honorable President Struss and Village Board of Trustees
From: Veronica Rudychev, Administrator
Date: October 20, 2016
Subject: Amundson Center Remodeling

BACKGROUND

The Cambridge Community Library vacated their space upstairs next to the Village Hall in July of 2015. The space was subsequently rented by Lee Recreation. The tenant has informed the Village that they will be vacating the space in December of 2016.

At the direction of the Board, the Economic Development Director held round table discussions with various groups regarding the use of the upstairs space. The majority felt as though the space should be used for Village purposes.

Village Hall has out grown the space currently being used. There are not secure offices for staff that deal with sensitive documents on a day to day basis. There is not adequate meeting space for staff use and often time's staff has to go off site for meetings or use the library space. There is not adequate waiting space for residents especially during heavy traffic times of the year such as the November Election. Further, there is not a vault for use for sensitive records and documents and above all, monies.

Staff had an initial meeting with River Architects, who is currently working on the Fire & EMS building and previously worked on the Library building. During that initial meeting, it was brought out that HVAC systems would have to be moved upstairs during the course of any remodel that might happen.

H&H was questioned regarding the movement of the HVAC system. They indicated that they would be moving the upstairs HVAC system as part of the current work on the system and would have to come back and move the system again if any remodel were to occur. In essence, the system would be getting moved twice. Further, moving the HVAC system for the second time could result in a cost of \$5-10,000.

H&H indicated they could pause the work upstairs for a while, but temperatures would not be comfortable for staff. Right now, work would be slated for the week of Halloween. H&H further indicated they could work from a layout plan to attempt to avoid possible duplication of costs.

RECOMMENDATION

Staff is looking for direction from the Board on how to proceed.



Veronica Rudychev
Village Administrator



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Cambridge, WI 53523
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Web www.ci.cambridge,wi.us

ADMINISTRATION

To: Honorable President Struss and Village Board of Trustees
From: Veronica Rudychev, Administrator
Date: October 19, 2016
Subject: Discussion Regarding Roles and Duties of Village President and Trustees

BACKGROUND

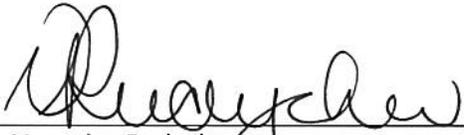
This item has been placed on the Village Board agenda at the request of Trustee Hollenbeck.

Trustee Hollenbeck has requested that she is recognized first by the Chair in order to introduce this item and explain why she has requested it be placed on the agenda.

Staff has provided some League of Wisconsin Municipality FAQ regarding roles and duties of Village President and Trustee to assist in discussion. It should also be noted that staff has reached out to the League of Wisconsin Municipalities and requested a presentation on this topic be given to the Board at a later date.

RECOMMENDATION

No staff recommendation.



Veronica Rudychev
Village Administrator

LEAGUE OF MUNICIPALITIES FREQUENTLY ASKED QUESTIONS

Can a member of a municipality's governing body hold another office or position of employment with the municipality?

With a few limited exceptions, the answer is no. The law prohibits the same person from holding two public offices or an office and a position where one post is superior to the other or where, from a public policy perspective, it is improper for the same person to hold both. *Otradovec v. City of Green Bay*, 118 Wis.2d 393, 347 N.W.2d 614 (Ct. App. 1984). In *Otradovec*, the court of appeals held that the office of alderman was incompatible with the position of appraiser in the city assessor's office because the alderman could vote on the contracts setting the terms of his employment and could vote on the appointment of his boss, the assessor. The court held that abstention would not cure the conflict. *Id.*

Thus, the general rule is that a governing body member cannot hold another municipal office or position unless it is specifically authorized by statute. This is because the governing body exercises control over such matters as the salaries, duties and removal or discipline of most other municipal officers and employees. Even where a department is under the control of a board or a commission, like the police and fire commission or a utility commission, the governing body still exercises budgetary and general supervisory control over the departments and appoints board or commission members. *Compatibility of Offices* 583.

What happens if someone takes an incompatible office or position of employment? Although case law establishes that a person taking a second, incompatible office is deemed to have vacated the first office (*Martin v. Smith*, 239 Wis. 314, 1 N.W.2d 163 (1941)), it is not clear what the result of holding an incompatible office and position of employment is. In *Otradovec*, the court of appeals went along with the circuit court's decision to allow the person to choose between the office and position and declined to decide whether a person taking an incompatible office would be deemed to have vacated the position or would be able to choose which to keep.

There are a few statutory exceptions to which should be noted.

- Governing body members may represent the governing body on city, village or town boards and commissions where no additional compensation other than a per diem if one is paid to other board or commission members is paid such representatives. Sec. 66.0501(2).
- A volunteer fire fighter or emergency medical technician or first responder in a city, village or town whose annual compensation, including fringe benefits, does not exceed \$15,000 may also hold an elected office in that city, village or town. Sec. 66.0501(4).
- A member of a governing body may also serve as county supervisor. Sec. 59.10(4). [See [Compatibility of Office FAQ 4](#) for a more detailed explanation of sec. 59.10(4).]

Do municipal officers, such as the mayor, city attorney, chief of police or municipal employees such as administrator, director of public works or village engineer have authority, without approval of the governing body, to enter into a contract binding the municipality?

No. The contract authority of a municipality is vested in its governing body and only the governing body or an officer or employee authorized by it to enter into a contract on behalf of the municipality, may

enter into a contract binding the municipality. See *Kocinski v. Home Insurance Company*, 154 Wis.2d 621, 452 N.W.2d 360 (1990) (city attorney cannot make valid contract on behalf of city unless he has prior authority from the common council to do so); *Probst v. City of Menasha*, 245 Wis. 90, 95, 13 N.W.2d 504 (1944) (city engineer lacked authority to modify city construction contract); 10 MCQUILLIN MUNICIPAL CORPORATIONS, sec. 29.15 (3d ed. 1999); League Legal Opinion Contracts 361. Accordingly, a municipal official or employee cannot bind a municipality to an agreement or other contract without the express authorization of the municipal governing body.

Is a village president a chief executive officer under state law?

No. A village president, unlike a mayor, is not designated as the chief executive officer by state law. Instead, a village president is declared a trustee with certain administrative responsibilities. These responsibilities include presiding at all board meetings and signing all ordinances, rules, bylaws, regulations, commissions, licenses and permits adopted or authorized by the board and all orders drawn on the treasury except as provided by Wis. Stat. sec. 66.0607. In addition, the village president is also directed to "maintain peace and good order" and "see that the ordinances are faithfully obeyed." The village president is also given authority to appoint special marshals in certain circumstances and is given charge of the village jail. In all other respects, the executive authority of a village president is a shared authority with all other members of the village board. Wis. Stat. sec. 61.24.

Are there limitations on governing body members seeking a paid position with their municipality during their term of office?

Yes. Three key statutes either prohibit or circumscribe village trustee or city council member attempts to obtain a paid position with the municipality during that member's term of office.

First, to avoid violating the state ethics code for local government officials, a governing body member must consider the need to resign prior to applying for any paid position with his village or city since application for paid employment may reasonably be found to be "using their public position or office to obtain financial gain or anything of substantial value for the private benefit of the official . . ." contrary to Wis. Stat. sec. 19.59(1)(a).

Second, Wis. Stat. sec. 66.0501(2) prohibits a governing body member from being appointed to a position that was created during the official's term of office irrespective of any resignation from the board or council.

Third, to avoid committing a Class E felony, a governing body member must resign before applying (informally or formally) for a position with the village or city that pays more than \$15,000 since pre-resignation discussion or submission of an application for such employment may constitute "negotiating" or "bidding" for a contract under circumstances proscribed by Wis. Stat. sec. 946.13(1)(a). See Pecuniary Interest 386, 383, and 363.2.



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ADMINISTRATION

To: Honorable President Struss and Village Board of Trustees
From: Veronica Rudychev, Administrator
Date: October 19, 2016
Subject: Amendment #3 and Amendment #4 to the Vineyards at Cambridge Development Agreement

BACKGROUND

Amendments have been renumbered. Previous Amendment #3 is now Amendment #4 and previous Amendment #4 is now Amendment #3.

Some points to highlight in Amendment #3:

- Lot 2 CSM 14029 (Distillery) is not included as part of the properties where Village tax revenue is paying the infrastructure costs up to \$1,050,000 for the Vineyard.
- Taxes are only Real Estate taxes and not personal property.
- Only residential lots are to be considered when determining that 25% of the lots in the development remain available for sale. This is when the developer must start paying 20% of the net proceeds from each lot sale to the Village on the Mortgage in the development agreement.
- Clarifies that first reimbursable year will be 2017. Period of reimbursement is 17 years.
- Specifies when the Developer will be paid.

Amendment #4 is not before you tonight as staff was not able to come to an amicable solution based on the direction of the Board from the previous meeting. Some points on Amendment #4:

- Staff was given direction at the Board meeting on 10.11.16 to come up with a solution to the Bedrock issue that would be both legal and administratively feasible.
- Staff was asked to work with the Village Attorney, Village Engineer, and the Developer.
- Staff has worked with the Village Attorney to come up with feasible and reasonable options to both present and further explore.
 - It should be noted, that the reimbursement of the Bedrock as part of the \$1,050,000 promised towards public improvements still stands to be the simplest and cleanest option as discussed by staff and Attorney.
 - Email regarding estimated costs is attached.

- Developer has not been willing to come to discuss with staff. See attached email.
- Staff is not able to work through the Developer Attorney to come to an agreement as no Attorney exists. See email from Village Attorney.
- Board members have questioned when the Bedrock issue came before the Board and what action the Board had taken. Staff has researched the issue. This issue was brought forward to the Water & Sewer Committee informally during a staff report. No action taken. Staff cannot identify anytime the issue came before the Board or any formal action taken on the issue.



Veronica Rudychev
Village Administrator

**THIRD AMENDMENT TO
DEVELOPERS AGREEMENT FOR
VINEYARDS AT CAMBRIDGE**

WHEREAS, the Village of Cambridge, hereinafter referred to “the Village” and The Vineyards at Cambridge, LLC, hereinafter referred to as “the Vineyards”, entered into a Developers Agreement dated March 27, 2014, for the development known as The Vineyards of Cambridge, hereinafter referred to as “the Developers Agreement”; and

WHEREAS, an Amendment to said Developers Agreement was entered into between the Village and the Vineyards and signed on April 21, 2015; and

WHEREAS, a Second Amendment to said Developers Agreement was entered into between the Village and the Vineyards and signed on March 21, 2016; and

WHEREAS, an Assignment and Assumption of such Developers Agreement was signed on or about April 22, 2015, which additionally bound Cambridge Development, LLC, and Cambridge Vineyard Apartments I, LLC, to the terms and conditions of said Developers Agreement (all three entities and William Ranguette and Frank Peregrine shall be referred to hereinafter jointly and severally as “the Developer”); and

WHEREAS, some issues and delays that require amendments and clarification have arisen since the signing of such documents regarding the Mortgage payments and incentive payments and the parties hereto have agreed that there should be some further amendments to said Developers Agreement to account for and clarify such issues; and

WHEREAS, the parties hereto have agreed on such amendments as being mutually satisfactory to all parties; and

WHEREAS, the parties hereto agree that there is sufficient consideration to support such amendments;

NOW, THEREFORE, the following amendments are agreed upon by the parties hereto:

1. The parties agree that the Village’s portion of the taxes generated by all property included in the original Project plan (74.13 acres inclusive except as stated below), whether or not any parcels or lots are sold to third parties, shall be subject to the Village’s obligation to reimburse the Developer for the original public improvements (capped at \$1,050,000), and shall be included in all calculations with respect to such reimbursement, with the exception of the taxes generated on Lot 2, CSM # 14029, Village of Cambridge, which taxes are subject to an agreement entered into between the Village and Cambridge Distilling Properties, LLC, and approved by the Developer. This means that all single family residential lots, the condominium lots, the apartment lot, and all commercial lots including the winery development and vineyards within such Project including the out lot marked for future expansion as shown in Exhibit G of the Developers Agreement, are included, provided such out lot is first transferred to the Developer under the terms of said Agreement, and excepting said Lot 2, CSM #14029 as stated above.

Signatures and Notary Only

Personally came before me this ____ day of _____, 2016, the above-named **Steven R. Struss and Lisa Moen**, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public/State of Wisconsin
My commission expires: _____

THE VINEYARDS AT CAMBRIDGE, LLC, By:

DATED: _____

William W. Ranguette, Managing Member

DATED: _____

Frank Peregrine, Member

CAMBRIDGE DEVELOPMENT, LLC, By:

DATED: _____

William W. Ranguette, Managing Member

DATED: _____

Frank Peregrine, Member

CAMBRIDGE VINEYARD APARTMENTS I,
LLC, By:

DATED: _____

William W. Ranguette, Managing Member

DATED: _____

Frank Peregrine, Member

DATED: _____

William W. Ranguette, Individually

Signatures and Notary Only

DATED: _____

Frank Peregrine, Individually

STATE OF WISCONSIN)
) ss
COUNTY OF DANE)

Personally came before me this ____ day of _____, 2016, the above-named **William W. Ranguette and Frank Peregrine**, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public/State of Wisconsin
My commission expires: _____

This document drafted by:
BEHLING LAW OFFICE
Attorney Mary H. Behling
State Bar #01005733
PO Box 15
Cambridge, WI 53523
608-423-3286

Veronica Rudychev

From: struss@frontier.com
Sent: Wednesday, October 12, 2016 11:18 AM
To: Veronica Rudychev
Cc: Mary Behling
Subject: Fw: Vineyard Development - Rock Quantities

Veronica,

Here's Warren's response on the bedrock removal cost. He suggests that we ask the Developer for a breakdown of costs, but of course we have already done so. He also suggests that the engineering costs should have been minimal, yet one of Bill's emails indicated that it was \$2,400. Mary thinks her legal fees should not have added up to much, unless we include drafting Amendment #3, which I think we could. Again, this entire issue became clouded due to poor record keeping on the part of Fox Construction and the Developer. At this point I think our best option is to set the total cost at \$10,000.

Thanks,

Steve

From: Warren Myers
Sent: Monday, September 26, 2016 1:22 PM
To: struss@frontier.com
Subject: FW: Vineyard Development - Rock Quantities

Hi Steve;

In response to your earlier question about whether rock costs of \$10,000 is reasonable I found the email below from August 2015 when your email address was still wisconsin.gov. The initial estimate was \$8,000, based upon 90-100 cubic yards of rock and a price of \$80 per cubic yard. I don't recall that they hit any more than expected, so the \$10,000 figure seems a little high. There shouldn't be much in the way of engineering & legal fees. The design wasn't changed. So the only extra engineering was in getting our approval to go ahead and in writing a change order. I think 5% should cover that. There may be a little legal cost in drawing up a reimbursement agreement, but that should just consist of a letter.

I think what I'd do is ask them for a breakdown of the \$10,000 showing the number of cubic yards of rock and the price they are charging per cubic yard. A copy of the change order showing that they paid RT Fox in accordance with what they are requesting should be available. If they hit more than the anticipated 90-100 cubic yards, then perhaps the \$10,000 bill can be justified.

Warren

Warren O. Myers, P.E. – Senior Project Manager
warren@tcengineers.net
Town & Country Engineering, Inc.
2912 Marketplace Drive, Suite 103
Madison, WI 53719
(608) 273-3350 Fax: (608) 273-3391

From: Struss, Steve R - DATCP [<mailto:Steve.Struss@wisconsin.gov>]
Sent: Tuesday, August 18, 2015 3:43 PM
To: Warren Myers

Cc: Linda Begley-Korth (lbKorth@ci.cambridge.wi.us)
Subject: RE: Vineyard Development - Rock Quantities

Warren,

I say let's go for it and figure out the best way to pay for it. One idea would be to have the developer pay it, and then get reimbursed by the future development to the north. That's what we did with Matt's Plat extra depth, and it finally paid off for them when the winery came in. If Frank doesn't agree to it, we'll have to work some other kind of magic. I will approach Frank and Bill first.

Thanks,

Steve

From: Warren Myers [<mailto:warren@tcengineers.net>]
Sent: Tuesday, August 18, 2015 1:24 PM
To: Struss, Steve R - DATCP <Steve.Struss@wisconsin.gov>; strussr@gmail.com
Subject: Vineyard Development - Rock Quantities

Hi Steve;

They've done their potholing for the rock. It appears there is a rock ledge about 200-300 feet long, rising from below sewer invert level at one end to 5 feet above sewer invert level in the middle, then dropping down to below sewer invert level at the other end. The rock ledge is about midway on Winery Drive. There is no rock for the farthest north manhole-to-manhole stretch. Darryl Fox estimates that if we leave the sewer at the planned elevation there will be a total of about 90 to 100 cu. yds. of rock excavation. He is asking \$80/c.y., which is quite reasonable. Therefore, the total rock cost is estimated at \$8,000. (All this information is from Ryan Quam.) They hit the rock midway in the first stretch of sewer running north on Winery Drive from Kenseth Way, so they will have to excavate the rock at least to the next manhole. It's 3 ½ above the sewer invert at that point. So some rock cost is inevitable.

They would like a decision ASAP so that they can raise the sewer at the next manhole. It doesn't sound too bad to me, but I don't have to come up with the \$8000. What say you?

Warren

Warren O. Myers, P.E. – Senior Project Manager
warren@tcengineers.net
Town & Country Engineering, Inc.
2912 Marketplace Drive, Suite 103
Madison, WI 53719
(608) 273-3350 Fax: (608) 273-3391

Veronica Rudychev

From: Veronica Rudychev
Sent: Thursday, October 20, 2016 10:25 AM
To: 'Bill Ranguette'
Cc: 'Mary Behling'
Subject: FW: availability

Bill –

Reaching out again to see if you have time to talk today. I am in the process of getting the packets ready to go out for the meeting.

Thank you,

Veronica Rudychev
Village Administrator

From: Veronica Rudychev
Sent: Tuesday, October 18, 2016 5:29 PM
To: Bill Ranguette
Cc: Mary Behling
Subject: Re: availability

Bill -

I have been working with Mary. Board and staff had questions as it is drafted. We are trying to come up with a solution that will suite all parties. Mary and I have been in contact to throw some around.

I would like to further discuss with you per the Board.

Veronica Rudychev
Sent from my iPhone

On Oct 18, 2016, at 17:20, Bill Ranguette <branguette@gmail.com> wrote:

There shouldn't be any issues. Clarify with Mary.
The additional cost for us shall be reimburse if any future development taps into the line. Same way as the Kenseth lift station was written.
Bill

From: Veronica Rudychev [<mailto:veronica@ci.cambridge.wi.us>]
Sent: Tuesday, October 18, 2016 3:52 PM
To: Bill Ranguette
Subject: availability

Bill –

Would you have time available tomorrow for a phone call? Working through this Bedrock issue.

Please let me know.

Thank you,

Veronica Rudychev

Village Administrator

Village of Cambridge

E:veronica@ci.cambridge.wi.us

P: 608.423.3712

<image001.png>

Veronica Rudychev

From: Mary Behling <behlinglaw@frontier.com>
Sent: Wednesday, October 19, 2016 10:59 AM
To: Veronica Rudychev
Subject: RE: b. ranguette

As far as I know, NONE of them have legal counsel. Otherwise, of course, I wouldn't be dealing directly with any of them. We have always dealt directly with the individuals and they have never used counsel. We have asked in the past and they have said no. It's been a little frustrating.

Attorney Mary H. Behling
BEHLING LAW OFFICE
113 E. Main Street
PO Box 15
Cambridge, WI 53523
608-423-3286 (phone)
608-423-4696 (fax)
Reply to: behlinglaw@frontier.com

From: Veronica Rudychev [<mailto:veronica@ci.cambridge.wi.us>]
Sent: Wednesday, October 19, 2016 10:36 AM
To: Mary Behling
Subject: b. ranguette

Mary –

Please advise, who is legal counsel for Bill Ranguette and the Vineyard Development? Does his partner (Frank) have different legal or the same for the Winery?

How about Travis Hasse and the Distillery?

Thanks much,

Veronica Rudychev
Village Administrator
Village of Cambridge
E:veronica@ci.cambridge.wi.us
P: 608.423.3712





200 Spring St
Cambridge, WI 53523
Phone 608.423.3712
Web www.ci.cambridge.wi.us

ADMINISTRATION

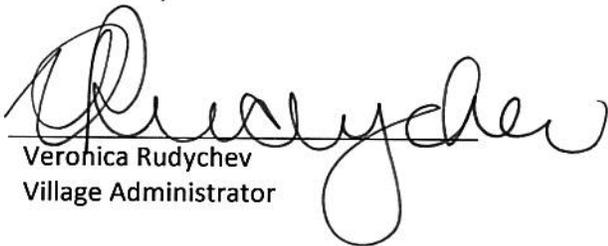
To: Honorable President Struss and Village Board of Trustees
From: Veronica Rudychev, Administrator
Date: October 19, 2016
Subject: Distillery Agreement

BACKGROUND

This item was previously a discussion only item on the Village Board agenda on 10.11.16

Some points to highlight in the agreement:

- Requires developer to generate taxable value of \$800,000 by 1/1/2017. Please note this is a change from previous draft where value was \$1,500,000 by 12/31/2016.
- The Village retains the first \$3,500 of tax revenue generated from the Distillery.
- If the \$800,000 of taxable value is achieved, the Village provides an incentive of \$100,000 up front, less \$3,000 for attorney fees. This will be borrowed funds.
- Village portion of taxes (less \$3,500) will first go towards paying up to \$100,000 to the Vineyards Developer. Payment for a maximum of 10 years.
- Village port of taxes (less \$3,500) then will go to pay \$200,000 to the Distillery for a maximum of 20 years.



Veronica Rudychev
Village Administrator

**INCENTIVE AND DEVELOPMENT AGREEMENT
REGARDING
LOT 2, CSM# 14029, VILLAGE OF CAMBRIDGE**

Agreement entered into this ____ day of _____, 2016, by and between Cambridge Distilling Properties, LLC, hereinafter referred to as the "Owner", and the Village of Cambridge, a municipal corporation located at Cambridge Wisconsin and hereinafter referred to as the "Village":

RECITALS

WHEREAS, the Owner owns the property described as Lot 2, CSM #14029, in the Village of Cambridge, Dane County, Wisconsin; and

WHEREAS, the Owner is developing or causing to be developed on the property a distillery, warehouse, and retail/tasting room (hereinafter referred to as "the Project") comprised of no less than 16,000 square feet as outlined in the attached Site Plan attached hereto and incorporated herein by reference as Exhibit A; and

WHEREAS, it is agreed by both parties that there will be no public improvements installed by Owner on such property; and

WHEREAS, the Village has determined that to promote development and expand the tax base of the Village, to provide for job creation and retention, and spur tourism, it is willing to provide some financial incentive to the Owner to complete construction and commence operation, within the Village of Cambridge, of the Project as described in Exhibit A; and

WHEREAS, Owner has provided financial information sufficient to demonstrate to the Village Board that Owner has need of financial incentive for the construction and operation of the Project to be financially viable within a reasonable time frame and has stated that the pledge of financial incentive was a determinative factor in its decision to construct the Project within the Village of Cambridge; and

WHEREAS, prudent fiscal management by the Village requires that this incentive to the Owner be provided with appropriate assurances to the Village that the Project will be developed substantially as presented to the Village; and

WHEREAS, this Agreement is not for the benefit of contractors, laborers, supplies, or others providing work, services or material to the Project, and

WHEREAS, this Agreement is made for the mutual benefit of the Village and the Owner;
and

WHEREAS, the mutual promises, covenants, and obligations contained in this Agreement are authorized by state law and the Village of Cambridge Ordinances; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

SECTION 1

OWNER'S OBLIGATIONS

1.01 Construction Requirements:

The Owner agrees to construct the Project in such a manner and of such a size that there will be a minimum of \$800,000 in real estate taxable property value (including land and improvements, but not including personal property) on or before January 1, 2017. Final determination of the taxable property value each year will be determined by the assessor for the Village of Cambridge or the State of Wisconsin as appropriate.

- (a) Owner shall provide a Project timetable and estimated job numbers to the Village to be attached to this Agreement as Exhibit B prior to signing.
- (b) Owner has provided copies of written agreements with the owner of Lot 1, CSM#14029, Village of Cambridge, in forms acceptable to the Village, showing an access agreement for the shared driveway serving the Project and an agreement for the private installation, maintenance, and payment of necessary water and sewer pipes and appurtenances connecting the Project to the Village water and sewer utilities.
- (c) The Project will be designed, constructed, installed, and paid for by the Owner.
- (d) All construction, including the installation of the water and sewer pipes and appurtenances connecting the Project to the Village utilities, shall be designed, constructed and installed in accordance with the requirements and standards of the ordinances of the Village of Cambridge, Dane County and the State of Wisconsin as applicable.
- (e) Owner shall provide all copies of all permits (from local, State and Federal agencies) required for the construction and the operation of the businesses included in the Project.

1.02 Financial.

- (a) Owner has provided financial information sufficient to demonstrate to the Village Board that it has need of financial assistance for the construction and operation of the Project in order to be financially viable within a reasonable time frame and would not have constructed the Project within the Village of Cambridge but for the incentive payments agreed upon with the Village. Such financial information shall be kept confidential.
- (b) Owner shall contribute the sum of \$3,000 to the Village for its attorney fees for preparing this Agreement. Such contribution shall be made as a credit against the lump sum incentive payment to be made to Owner as provided in sec. 2.01(a) below. The Village shall remain responsible for any other administrative costs or expenses related to its evaluation and administrative of the Project and this Agreement, except as otherwise required by Village ordinances and state law.

SECTION 2

VILLAGE INCENTIVES

- 2.01 In consideration for the development and construction of the Project as stated in Section 1, above, and upon evidence that the Project (including land and improvements, but not personal property as stated in Section 1, above) has been assessed at a minimum of \$800,000 in taxable property value, the Village agrees to pay the following financial incentives to Owner:
- (a) A lump sum incentive payment shall be made to the Owner in the amount of One Hundred Thousand Dollars (\$100,000) (less credit for attorney fees as provided in sec. 1.02 (b) above) within sixty (60) days of such time as an occupancy permit is issued for the Project, or April 1, 2017, whichever occurs later.
 - (b) The Village shall pay to Cambridge Distilling Properties, LLC, a maximum of an additional Two-Hundred Thousand Dollars (\$200,000) over a period of Twenty (20) years, with the first year of payment to be established as specified below. The parties are aware and understand that there is a Developer's Agreement in place between the Village of Cambridge and The Vineyards at Cambridge, LLC. As a result of a compromised agreement between the Village and The Vineyards at Cambridge, LLC, that Agreement affects the timing and amount of annual payments to be made under this agreement. Accordingly, those parties and Cambridge Distilling Properties, LLC, agree as follows:
 - (1) The Village shall be entitled to retain Three Thousand Five Hundred Dollars (\$3,500)/year from the Village's portion of the real estate taxes generated by this Property. The balance of the Village's portion of the real estate taxes generated by this Project shall be paid to The Vineyards at Cambridge, LLC, under their Developer's Agreement with the Village of Cambridge for a period of up to ten (10) years or until The Vineyards has been paid a total of One-Hundred Thousand Dollars (\$100,000) from the Village's portion of the real estate taxes from this Project or The Vineyards has been reimbursed the total amount under its Developers Agreement with the Village (which is \$1,050,000), whichever occurs first, with payments from this Property and all other sources of payment from the Village to The Vineyards as set out in the Developers Agreement between those parties. Commencing with the year after the concluding date of the payments to The Vineyards as stated above, the portion of the Village's portion of the real estate taxes generated by this Property in excess of Three Thousand Five Hundred Dollars (\$3,500)/year shall be applied to the incentive for Cambridge Distilling Properties, LLC, as set out in paragraph (a), above for a period of up to twenty (20) years from the date such payments begin, or until such time as a total of Two Hundred Thousand dollars (\$200,000) is paid to Cambridge Distilling Properties, LLC, whichever comes first.
 - (2) Required annual payments shall always be capped at the amount of the Village's portion of the property taxes generated by the total taxable value of the Project each pertinent year (including land and improvements, but not personal property as stated in Section 1, above). This total incentive payment to Cambridge Distilling Properties, LLC, shall not exceed Two Hundred Thousand Dollars (\$200,000). In

addition, the Village's total obligation shall be capped at the total amount of the Village's portion of the real estate property taxes over the twenty-year period described above generated by and paid in full on total taxable value of the property (including land and improvements, but not personal property as stated in Section 1, above). Annual payments in this paragraph are contingent upon the Owner or its successor in title having made full payment of taxes assessed for the previous year.

- (3) By January 31st, 2018, and on January 31st of each relevant year thereafter, the Village shall provide the Owner a statement of the total amount of the Village's portion of the property taxes generated by the taxable value of the property (including land and improvements, but not personal property as aforesaid) together with a statement of the amounts intended to be withheld by the Village, paid to The Vineyards if applicable, and paid to Cambridge Distilling Properties, LLC, that year. Such payments shall then be made as stated within sixty (60) days of payment of the real estate taxes for the previous year, but no earlier than March 1 of each relevant year. If the taxes are paid in two installments/year, then there shall be two distributions by the Village/year, always based on actual tax amounts collected.

SECTION 3

MISCELLANEOUS PROVISIONS

- 3.02 Other Laws Apply. All applicable provisions of the Village of Cambridge Ordinances, and any other applicable ordinances or laws shall be adhered to with respect to the design, construction and installation of the Project.
- 3.03 No Release or No Waiver. Nothing set forth in this Agreement shall be construed as, nor is intended to be, a waiver or release of any obligations imposed upon the Owner by the Village of Cambridge Ordinances, or any state statutes, or administrative rules.

No waiver of any provision of this Agreement shall be deemed or constitute a waiver of any other provision, nor shall it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both Village and Owner; nor shall the waiver of any subsequent default or defaults of the same type. The Village's failure to exercise any right under this Agreement shall not constitute the approval of any wrongful act by the Owner.

- 3.04 Owner's Designated Project Manager. The Owner hereby appoints Travis Hasse, or his designee, as the Project Manager, said individual shall act as the Owner's representative during the Construction Phase of the Project. The Project Manager shall be available during construction hours on the job site or available by telephone. During non-construction hours the Project Manager shall be available for emergency situations at the following telephone number: 608-438-3800. The mailing address for this construction project shall be as follows: 7071 Kick A Boo Road, Waunakee, WI 53597.

SECTION 4

SUPPLEMENTAL GENERAL CONDITIONS

- 4.01 No Vested Rights Granted. Except as provided by law, or as expressly provided in this agreement, no vested right in connection with this project shall inure to the Owner. Nor does the Village warrant by this Agreement that the Owner is entitled to any other approvals required.
- 4.02 Amendment/Modification. This Agreement may be amended or modified only by a written amendment approved and executed by the Village and the Owner.
- 4.03 Entire Agreement. This written Agreement, and written amendments, and any referenced attachments thereto, shall constitute the entire agreement between the Owner and the Village as to the construction of the Project and the incentive payments to be made by the Village.
- 4.04 Severability. If any part, term, or provision of this Agreement is held by the courts to be illegal or otherwise enforceable, such illegality or unenforceability shall not affect the validity of any other part, term, or provision and the rights of the parties will be construed as if the part, term, or provision was never part of the Agreement.
- 4.05 Benefits. The benefits of this Agreement to the Owner are personal and shall not be assigned without the express written approval of the Village. Such approval may not be unreasonably withheld, but any unapproved assignment is void. Notwithstanding the foregoing, the burdens of this Agreement run with the land and are personal obligations of the Owner and also shall be binding on the heirs, successors, and assigns of the Owner. There is no prohibition on the right of the Village to assign its rights under this Agreement. No act of the Village shall constitute a release of the original Owner from his liability under this Agreement.
- 4.06 Immunity. Nothing contained in this Agreement constitutes a waiver of the Village's sovereign immunity under applicable law.
- 4.07 Notice. Any notice required or permitted by this Agreement shall be deemed effective when personally delivered in writing or three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified, and return receipt requested, and addressed as follows:
- If to Owner: Cambridge Distilling Properties, LLC
 7071 Kick A Boo Road
 Waunakee, WI 53597
- If to Village: Village of Cambridge
 P.O. Box 99
 Cambridge, WI 53523
- 4.08 Recordation. The Village may record a Notice of this Agreement in the Register of Deeds Office. All cost of recording shall be paid by the Owner.
- 4.09 Personal Jurisdiction and Venue. Personal jurisdiction and venue for any civil action commenced by either party to this Agreement shall be deemed to be proper only if such action is commenced in Circuit Court for Dane County. The Owner expressly waives his right to bring such action in or to remove such action to any other court whether state or federal.

- 4.10 Effective Date. This Agreement shall be effective as of the date and year first written above.
- 4.11 Warranty of Title. The Owner warrants that he has good title to the property described in this agreement and has full right and authority to make this agreement.

VILLAGE OF CAMBRIDGE, By:

DATED: _____

Steven R. Struss, Village President

DATED: _____

Lisa Moen, Village Clerk

STATE OF WISCONSIN)
) ss
COUNTY OF DANE)

Personally came before me this _____ day of _____, 2016, the above-named Steven R. Struss and Lisa Moen, to me known to be the persons and officers who executed the foregoing instrument and acknowledged that they executed the same as such officers by the Village's authority.

Notary Public/State of Wisconsin
My Commission is permanent/expires: _____

CAMBRIDGE DISTILLING PROPERTIES, LLC, By:

DATED: _____

*

(Print Name and Title)

STATE OF WISCONSIN)
) ss
COUNTY OF DANE)

Personally came before me this _____ day of _____, 2016, the above-named _____, to me known to be the person who executed the foregoing instrument and acknowledged that he executed the same as an authorized signer for Cambridge Distilling Properties, LLC.

Notary Public/State of Wisconsin
My Commission is permanent/expires: _____

Approved by:

THE VINEYARDS AT CAMBRIDGE, LLC, By:

DATED: _____

William W. Ranguette, Managing Member

DATED: _____

Frank Peregrine, Member

CAMBRIDGE DEVELOPMENT, LLC, By:

DATED: _____

William W. Ranguette, Managing Member

DATED: _____

Frank Peregrine, Member

CAMBRIDGE VINEYARD APARTMENTS I, LLC,
By:

DATED: _____

William W. Ranguette, Managing Member

DATED: _____

Frank Peregrine, Member

DATED: _____

William W. Ranguette, Individually

Incentive and Development Agreement

Page 8 of 8

Signatures and Notary Only

DATED: _____

Frank Peregrine, Individually

STATE OF WISCONSIN)

) ss

COUNTY OF DANE)

Personally came before me this ____ day of _____, 2016, the above-named **William W. Ranguette and Frank Peregrine**, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public/State of Wisconsin

My commission expires: _____

This document drafted by:
BEHLING LAW OFFICE
Attorney Mary H. Behling
State Bar #01005733
PO Box 15
Cambridge, WI 53523
608-423-3286



Baker Tilly Virchow Krause, LLP
Ten Terrace Ct, PO Box 7398
Madison, WI 53707-7398
tel 608 249 6622
fax 608 249 8532
bakertilly.com

October 13, 2016

To the Village Board
Village of Cambridge
200 Spring Street
Cambridge, WI 53523

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor. There are auditing standards that are intended to provide communication to you as the people charged with governing the village.

Specifically, we are required to communicate certain things during the planning and completion phases of the audit. The following items are presented to you for your consideration. You do not need to take any action on this letter unless you wish to contact us with relevant information as noted later in this document.

- a. The auditor is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of those charged with governance are presented fairly, in all material respects, in conformity with generally accepted accounting principles.
- b. The audit does not relieve management or those charged with governance of their responsibilities.
- c. An audit performed in accordance with generally accepted auditing standards is designed to obtain reasonable but not absolute assurance that the statements are free of material misstatement.
- d. Our consideration of Internal Control is to determine a basis for designing audit procedures and not for the purpose of expressing an opinion on internal control.
- e. The auditor is responsible for communicating significant financial statement related matters to those charged with governance; however, the auditor is not required to design procedures to find such matters.
- f. The financial statement document may also contain other information for which we have the following responsibility:
 - 1) Supplementary Information – “In relation to” audit coverage
 - 2) Required Supplementary Information – Limited procedures

With regard to the audit of your December 31, 2016 financial statements, the following points are an overview of our scope and timing:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.

- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
- > Identify types of potential misstatements.
 - > Consider factors that affect the risks of material misstatement.
 - > Design tests of controls, when applicable, and substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing body has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness, and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here are some general observations. If necessary, we may do preliminary audit work during the months of December or January. Our final fieldwork is scheduled during February or March to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff and the finance committee. This is typically 4-8 weeks after final fieldwork, but may vary depending on a number of factors.

Village Board
Village of Cambridge

October 13, 2016
Page 3

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what it means, or wish to provide other feedback. We welcome the opportunity to hear from you. Please contact your engagement partner, Carla Gogin, at 608 240 2460 or email at carla.gogin@bakertilly.com. We look forward to hearing from you.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

A handwritten signature in cursive script that reads "Baker Tilly Virchow Krause, LLP".

Carla A. Gogin, CPA, Partner

Toward a better politics? Options for disillusioned and alienated voters

History may show that the 2016 campaign set records for unbecoming discourse and voter dissatisfaction. Those seeking a new direction could examine a variety of election reforms, including nonpartisan redistricting; an end to party primaries; multi-member legislative districts; redesigned ballots that end “winner-take-all”; a part-time, citizen legislature; and gubernatorial power to shorten campaigns.

Voters tell pollsters they are tired of professional politicians, partisan gridlock, and expensive, endless campaigns. There are solutions, however, if they look to other states and nations.

No foxes in Iowa henhouse

Rather than let partisan foxes in the redistricting henhouse, Iowa uses an independent, nonpartisan commission to draw congressional and legislative districts.

Wisconsin leaves the task to state lawmakers where, when given the chance, both Democrats and Republicans have resorted to gerrymandering. Self-interested incumbents craft one-party districts that benefit themselves and their party, while dividing municipalities.

By comparison, Iowa’s results have, for decades, been positive and nonpartisan. Districts are compact, politically competitive, and familiar, as they respect county and municipal boundaries.

Washington ends party primary

Another popular reform comes from Washington state. There, partisan primaries were long ago replaced with a single primary in which all candidates run and the top two vote-getters, regardless of party, advance to the general election.

The “blanket” primary, as it is called, recognizes the deficiencies of the party primary where nominees are chosen in low-turnout, summer elections dominated by well-funded interest groups and unforgiving party activists.

Since Wisconsin primary victors often face no November opposition, accountability to the general electorate suffers. Primary victors need only heed the wishes of a small cadre of primary voters.

The result is gridlock where the two parties move toward the ends of the political spectrum. Party leaders discourage bipartisan collaboration and punish caucus dissent. The Washington-style primary tempers some of these failings.

Kinder elections, better ballots?

In the U.S., elections are won by the single candidate with the most votes. Political scientists have shown that this “winner-take-all” system leads to two-party dominance. Ample evidence exists that the two parties then collude to write election laws that disadvantage independent and third-party candidates.

There are reforms that give supporters of all candidates a role in choosing public officials—and encourage candidate appeals to a wide range of general election voters.

■ *Multi-member districts.* One example used in Illinois until the early 80s is multi-member districts. Under this approach, if five candidates contest three seats representing one district, electors have three votes to cast in any way they choose for one, two, or three candidates they favor. This often meant that a heavily Democratic (or Republican) district was represented by two majority-party and one minority-party or independent legislator.

In Illinois, now fiscally and politically dysfunctional, a number of well-known political veterans of both parties urge a return to the productive lawmaking days of multi-member districts.

■ *Multi-choice ballots.* An approach found at the municipal level in the U.S. and in several other countries is instant run-off voting (IRV). With IRV, there is no need for a primary. Voters rank their candidate preferences (1-2-3, etc.). When computers tally ballots, the candidate with the fewest first-place votes is dropped and those ballots are reallocated to voters’ second choices. Instantaneous counting continues until one candidate emerges with a majority.

An easy-to-understand alternative to IRV is acceptability voting. Again, no primary is needed, and electors vote for every candidate they find “acceptable.” The candidate rated most acceptable is elected.

A citizen legislature

If a part-time, citizen legislature is desired, New Hampshire’s hybrid solution offers one model. There, the small, upper house consists of 24 senators. It is balanced by a lower house with 400 members elected from 204 districts (many multi-member) that, unlike Wisconsin, follow county lines. Each house member represents about 3,300 people.

What would a hybrid Badger legislature look like? The senate could remain full-time, dropping from 33 to 23 mem-

bers, while the part-time, reduced-pay assembly could grow from 99 to 299.

Critics note that this change requires a constitutional amendment, but proponents cite several advantages. Wisconsin would no longer be one of a dozen or so states with a full-time, professional legislature. Increased difference between the houses would enhance the checks and balances of a bicameral legislature. Smaller assembly districts (under 20,000 vs. almost 60,000 now) would be easier for part-timers to represent; senators would continue to be on full-time call.

An assembly with three times as many districts, each with one-third the

constituents, has potential campaign benefits: Running for office would be cheaper and less time-consuming; candidate numbers and diversity would likely increase; and, greater citizen-candidate contact coupled with more districts might reduce the effectiveness of anonymous, special-interest expenditures.

Shorter, cheaper campaigns

Another way to cut campaign costs is found in parliamentary systems. A governor (limited to two terms of up to six years each) could have the option of, at most once during his or her tenure, dissolving the legislature and resigning, scheduling a general election within 60 to 90 days.

This might also reduce voter fatigue, stimulate public interest, and provide the governor a tool to end legislative gridlock and seek renewed public support.

Finally . . .

A final change that is popular is term limits. Supporters like the turnover and new ideas the term limits promote, while others worry about the resulting lack of lawmaking expertise.

Another form of limit sets the length of legislative sessions. Wisconsin has no limit, but many states do. One advantage is that session limits make it possible for part-time, citizen legislators to serve. □



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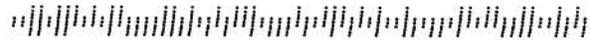
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Capital Notes

■ The 2017-19 state budget process has begun. The governor issued budget instructions to agencies this summer; they returned their requests by Sept. 15.

■ In the UW System request, officials asked for \$42.5 million (m) in state funding to improve the "educational pipeline" toward graduation and employment. The UW is foregoing a typical cost-to-continue increase, which usually reflects inflationary costs such as utilities. Such increases have averaged

\$88m per two-year cycle over the past six budgets, the UW said.

■ In addition to their requests, a new state law requires agencies to show how they would implement possible 5% spending cuts. Proposed reductions include: selling "one or more transportation aircraft to better align with historic flight trends," (Dept. of Administration); eliminating the ability for the Office of Emergency Management to replenish sandbags after flooding and closing

National Guard armories (Military Affairs); eliminating a second license plate on vehicles, ending license plate renewal notices, closing all but one seasonal waysides, and reducing pavement marking, crack filling, and chip sealing (Transportation); ceasing investigations of election law violations (Elections Commission); and shifting \$5.5 billion in asset management from internal fund managers to external managers (State Investment Board).