

Summary Notes

Meeting of the Pewaukee Merger Advisory Committee

Wednesday, January 6, 2010

6:00 p.m., Pewaukee City Hall

Roll Call

In attendance at the twelfth meeting of the Pewaukee Merger Advisory Committee were, representing the Village of Pewaukee, Village President Jeff Knutson, Trustee Paul Evert, citizen member Mark Muehl, citizen member Tom Houck, and Administrator Scott Gosse. Representing the City of Pewaukee were Mayor Scott Klein, Alderperson Roger Hathaway, citizen member Dan Sanford, and Administrator Tammy LaBorde. SEWRPC Advisor Phil Evenson chaired the meeting. Mr. Evenson reported that City of Pewaukee citizen member Dave Swan had asked to be excused. Also in attendance at the meeting was Christine Cramer from Ruckert & Mielke, Inc., representing the consultant team assisting the Committee.

Summary Notes of Prior Meeting

Mr. Evenson referred to the summary notes of the Advisory Committee's meeting of December 2, 2009. On a motion by Mr. Hathaway seconded by Mr. Houck and carried unanimously, the summary notes of the meeting of December 2, 2009, were approved.

Further Consideration of Draft Consolidation Ordinance

Mr. Evenson noted that all members of the Committee had been given the latest draft of the proposed consolidation ordinance dated December 9, 2009. He indicated that Attorney Kobza of the consultant team had discussed with the Pewaukee City Assessor the proper way in which to transition local Boards of Review during the interim consolidation period. This discussion led to the creation of a new Section 8 of the draft ordinance which basically terminates the two existing Boards of Review immediately upon creation of the new consolidated municipality. In their place, the ordinance would create an interim Board of Review to perform all of the statutory duties and functions until such time as the newly elected Common Council acts to establish a permanent Board of Review. The interim Board of Review would consist of the combined membership of the Boards of Review of the former City and Village.

Mr. Evenson asked if there were any questions relative to this or any other matters concerning the draft ordinance. He noted that substantial work remains to be done concerning the language to be inserted in Section 9 dealing with the consolidation payment/assessment issue. There being no questions or

comments, Mr. Evenson indicated that the record would show that the Committee was in agreement with the changes made to the draft ordinance relative to the Board of Review.

Consideration of a Consolidated Community Budget for 2010

Mr. Evenson noted that the two municipal administrators and Ms. Cramer had been very busy over the past several weeks preparing a consolidated community budget based upon the budgets recently adopted for both the City and Village of Pewaukee. He then asked Ms. Cramer to provide a brief overview of the end results of that work.

With the aid of a Power Point presentation, Ms. Cramer then provided the members of the Committee with a brief overview of the consolidated community 2010 budget. The two municipal administrators, she indicated, in making the assumptions relative to the consolidated community budget, were very conservative in so doing, noting in particular that it was being assumed that the consolidated community would be served by an expanded Village police department rather than by the Sheriff's Department under a service contract. In addition, the consolidated budget assumes that whenever existing municipal departments were merged together, wages, salaries, and benefits would be set at the higher levels involved, whether those higher levels presently existed in the Village or the City. Additional budget materials were distributed during the meeting, including a set of assumptions relative to the 2010 merged budget, general fund revenues, general fund expenditures, and a comparison of general fund revenues and expenditures between the hypothetically merged budget and the sum of the existing City and Village 2010 budgets.

Ms. Cramer observed that as a result of a number of changes made in both the City and Village over the past several months, the estimated general fund cost savings from consolidation would approximate \$331,000 annually, somewhat less than what was concluded when the 2009 budgets were theoretically merged. She noted that the hypothetical tax rate for the merged community would be slightly over \$3 per \$1,000 of equalized valuation. She also noted that the challenge would be to now find a way to reduce that merged municipal tax rate in order to achieve the objective of sharing cost savings with the taxpaying public in both communities.

A lengthy discussion then ensued. Mayor Klein made the important point that what was being presented in the 2010 merged budget related only to general government operations and did not involve municipal utilities and any capital cost savings that might occur with respect to those functions should a merger ultimately take place. Alderman Hathaway made the point that while he viewed the end product of the two administrators as a reasonable approach to assuming what a future elected Council might do upon

consolidation, that Council will be free to make whatever assumptions it may choose in putting together a new budget.

At the end of that discussion Mr. Evenson indicated that because the Committee members had not gotten the merged community budget information in advance of the meeting, this item would be placed on the Committee's agenda for the January 13, 2010, meeting so that the members of the Committee would have time to reflect on the information provided before accepting it for use in the concluding work attendant to the merger study.

Further Consideration of Consolidation Benefits and Payments

Mr. Evenson asked Ms. Cramer to brief the Committee on where the consultant team was relative to the determination of the way in which a consolidation payment would be made to enable the necessary future tax rate reduction as concerns the present City taxpayers. Ms. Cramer reported that she and other members of the consultant team had been further developing the consolidation benefit statement and attendant payments using the conceptual framework previously reviewed by the Committee. That framework, she recalled, takes into account the assets and liabilities that both the City and the Village would bring to the merger process. She said that work on this matter is expected to be completed over the next several days and that she and Attorney Kobza would have a report and suggested draft ordinance language attendant to this matter ready for consideration by the Committee at the meeting scheduled for January 13, 2010. In response to an inquiry by Mr. Evenson, Ms. Cramer committed to getting that material out to the Committee several days ahead of the Committee meeting.

Report by Subcommittee on Public Education Materials

Mr. Muehl and Mr. Sanford cooperatively reported on the recent activities of the Subcommittee working with the consultant team to develop educational materials concerning the proposed merger. Based on the Subcommittee's work, they indicated that the following meetings have been or will be scheduled:

1. A joint meeting between the Village Board and Common Council and the Merger Advisory Committee which has been scheduled for 7:00 p.m. on Wednesday, January 20, 2010, in the auditorium of the Pewaukee High School. Prior to that meeting Mr. Sanford will develop a brief report updating the elected officials on the Merger Advisory Committee's recommendations.
2. A meeting of the Merger Advisory Committee with the staffs of the City and Village of Pewaukee to brief those individuals on the Committee's recommendations and the assumptions that lie behind the Committee's work. It will also give the staff members a chance to ask

questions. This meeting will be scheduled as soon as possible and will be videotaped so that those members of the staffs of the municipalities unable to attend the meeting can view the discussion at a later time.

3. Town Hall style meetings to begin to educate the general public of the City and Village about the merger recommendations of the Advisory Committee. These meetings will be scheduled in consultation with the elected officials.

They indicated that work is also progressing on the development of a newsletter to be distributed to the general public. In addition, the existing website put up by SEWRPC will be revamped by the communications consultant to change the emphasis from merger study documentation to providing public information relative to the proposed merger. To the greatest extent possible, they noted, it is desired that communications take place electronically both to save money and to communicate more quickly.

Public Comment

Mr. Evenson indicated that he would allow public comments throughout the entire meeting. Several members of the public made comments or asked for clarification of materials being discussed by the Committee. Mr. Evenson indicated that he would ensure that all materials handed out at the Committee meeting would be posted on the study website in short-order.

Next Meeting Date

It was agreed that the Advisory Committee would meet next on Wednesday, January 13, 2010, at 6:00 p.m. in the Pewaukee City Hall Council Chambers. Mr. Evenson reminded everyone that the Committee will meet jointly with the Village Board and Common Council at 7:00 p.m. on the evening of January 20, 2010, at the auditorium of Pewaukee High School. The Committee will also convene, he said, the following day, January 21, 2010, at 4:00 p.m. in the Council Chambers at the Pewaukee City Hall.

Adjournment

On a motion by Mr. Hathaway, and seconded by Mr. Houck, the meeting was adjourned at 7:28 p.m.

Submitted by Philip C. Evenson