

## **KEY FINDINGS OF THE PEWAUKEE MERGER STUDY**

Since 2008, the Pewaukee Merger Advisory Committee has been exploring various ways a merger might impact all taxpayers and utility customers in a combined municipality. Analyzing the City and Village of Pewaukee water and sewer services, property tax rates, overall government operations and other issues, the committee's final report to the Pewaukee City Council and Village Board includes the following comments:

- A merger could save a conservative estimate of \$331,000 per year by combining government operations – resulting in lower taxes in the new City. These savings would decrease current Village property taxes \$85,000 per year and decrease current City property taxes \$245,000 per year based on current property values.
- Combining water utilities for the merged community could save up to \$8.3 million in capital improvement costs over the next 15 years.
- Combining sewer utilities could save \$31,000 per year in operation and maintenance costs. The current City could save significant capital costs by connecting undeveloped lands to the current Village sewer system rather than building sewer lines that would duplicate the Village's.
- The current Village's higher amount of utility reserves means it could contribute \$5.5 million to the merged City's general fund and still have funds remaining to match the utility reserves of the current City. This analysis takes into account annual operating costs, current debt and future capital projects.
- Property owners in the current Village could see a decrease in real estate taxes, estimated at \$1.66 per \$1,000 of property value in the first year. For example, a \$300,000 home could see a savings of \$498 in the first year. This is primarily due to the \$5.5 million withdrawal from the current Village's utility reserves which would be used as a debt service reduction fund.
- Property owners in the current City could see a decrease in tax rates, estimated at 16 cents per \$1,000 of property value in the first year. For example, a \$300,000 home could see a savings of \$48 in property taxes per year.
- The average current City property owner who is also a sewer and water utility customer could save approximately \$75 per year on their utility bills through a merged municipality. Current City property owners who have only sewer utility service or no utility service would not experience significant utility rate benefits since they don't share in the cost for service.
- A Street Utility District (SUD) tax assessed to current Village residents would provide a resource to maintain sidewalks, street lighting, brush collection and other additional services utilized by residents in the current Village. The assessed tax is estimated to be 33 cents per \$1,000 of property value, and is subject to change depending on future services to be allocated to the SUD by the new Council. For example, a \$300,000 home would be assessed an SUD fee of approximately \$99 per year. The SUD would not apply to current City properties.

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