

## Summary Notes

### Meeting of the Pewaukee Merger Advisory Committee

Wednesday, February 4, 2009

6:00 p.m., Pewaukee Public Library

In attendance at the third meeting of the Pewaukee Merger Committee were, representing the Village of Pewaukee, President Chuck Nichols, 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 Dave Swan, and Administrator Tammy LaBorde. SEWRPC Advisor Phil Evenson chaired the meeting. Also in attendance at the meeting were the following members of the consultant team assisting the Committee: William J. Mielke and Christine Cramer from Ruckert & Mielke, Inc., and Lawrie Kobza from the Boardman Law Firm. Over two dozen members of the public also attended the meeting and were invited to make comments.

Referring to the summary notes of the December 17, 2008, Committee meeting, Mr. Swan observed that the notes failed to document that the consultant team had agreed to prepare a very short executive summary of its report, possibly no more than a few pages in length. Mr. Evenson agreed and indicated that he would amend the summary notes to so indicate and redistribute those notes.

Mr. Gosse reported that he and Ms. LaBorde had worked with members of the consulting team since the last Committee meeting to review the hypothetical joint City/Village budget for 2008 that the two Administrators had prepared, had taken to a public meeting in July 2008, and shared with the Committee at earlier meetings. The result of those discussions was the preparation of an updated hypothetical City/Village budget for 2009, taking into account the actual 2009 budgets of each municipality. Those discussions revealed an inadvertent double-counting of certain expenditures in the earlier budget. The net result of these changes was a finding that a consolidation of the two municipalities likely would yield general fund cost savings of about \$1.8 million annually, as opposed to the annual cost savings of about \$800,000 reported at the July 2008 public meeting. The updated joint City/Village budget for 2009, then, served as the starting point for the consulting team's analysis.

With the aid of a handout, Ms. Kobza then briefed the Committee members on her legal review of the different vehicles whereby it might be possible to achieve the desired end result of sharing the anticipated cost savings of consolidation with the two existing taxpayer groups. Included in her review were special assessments, fees or charges, special districts, utility districts, and an alternative that would create a

special “consolidation” utility district that would require new State legislation. The basic conclusion of her analysis was that there are techniques presently available under Wisconsin law to enable cost savings to be shared among taxpayer groups in a consolidation effort. Furthermore, it likely would not be too difficult to seek new legislation focused directly on consolidation objectives that would enable communities to create special utility districts as a vehicle to facilitate a transition period during a consolidation effort.

Using handout materials, Ms. Cramer then briefed the Committee, through quantitative illustrations based on the hypothetical 2009 joint budget, on a number of potential ways in which the techniques outlined by Ms. Kobza could be used to effect a consolidation of the Village and the City in such a way as to ensure that both groups of property taxpayers would share in the cost savings expected to be achieved. This included: 1) two illustrations that would create a tax relief fund using existing Village of Pewaukee utility reserves; 2) an illustration related to the creation of two utility districts to fund street expenses; 3) an illustration related to the creation of a single utility district to fund certain street expenses in the Village area; and 4) two illustrations that combine the two techniques of creation of a tax relief fund and a utility district. She noted that either or both of the two primary consolidation techniques laid out in the spreadsheets that support the analysis could be used to ensure that the cost savings anticipated through consolidation would be passed on to both the City and the Village groups of taxpayers. She made a point that no one can predict what the governing board of a consolidated municipality may do in future budget years relative to addressing municipal needs, but that it should be possible to ensure that whatever the future may bring in that respect, the cost savings associated with consolidation will be shared between the two existing groups of taxpayers. During and following Ms. Cramer’s presentation, there were a number of questions and comments from Committee members.

At the conclusion of the consulting team’s presentation, Mr. Evenson noted that the consultants would next prepare a formal report, including an executive summary, setting forth their findings and conclusions of this feasibility analysis of consolidation techniques. It is intended that this report be made available to Committee members and the general public no less than one week ahead of the next Committee meeting. At that meeting, the consultants would present their final report. The Committee will then be in a position to begin to take steps toward formulating a recommendation to its creating bodies – the Common Council of the City of Pewaukee and the Village Board of the Village of Pewaukee. (Note: That recommendation likely will be one of the following two positions: A. The Committee recommends that no further steps be taken to pursue a consolidation of the City and Village of Pewaukee; or B. The Committee recommends

that the consultant team be further engaged to prepare a detailed plan for consolidation assuming the use of either one of, or a blend of, the feasible techniques outlined in the report.)

A question and answer period then followed with members of the general public.

The Committee agreed that it would meet next at 6:00 p.m. on the evening of March 18, 2009. The meeting place would be the Pewaukee Public Library if it is available. If not, or if anticipated attendance by members of the public is too great to be accommodated at the Library, then an alternate meeting space would be sought.

Submitted by Philip C. Evenson

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