

# Municipal Consolidation Tax Rate Feasibility Analysis



Prepared for the City of Pewaukee and the  
Village of Pewaukee  
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**MUNICIPAL CONSOLIDATION TAX RATE FEASIBILITY ANALYSIS**

CITY AND VILLAGE OF PEWAUKEE  
WAUKESHA COUNTY, WISCONSIN

MARCH 2009

**TABLE OF CONTENTS**

<b>EXECUTIVE SUMMARY</b>	<b>1</b>
<b>INTRODUCTION</b>	<b>4</b>
<b>PREVIOUS WORK</b>	<b>4</b>
<b>PURPOSE OF THIS STUDY</b>	<b>5</b>
<b>PROPOSED MERGED BUDGET</b>	<b>5</b>
Table 1: Summary of Separate General Fund Budgets and Tax Levies, 2009	8
Table 2: Summary of Estimated Merged General Fund Budget and Tax Levy, 2009	9
<b>LEGAL FRAMEWORK</b>	<b>10</b>
<b>ANALYSIS OF FEASIBLE ALTERNATIVES</b>	<b>13</b>
Table 3: Village of Pewaukee Water and Sewer Utility Financials, 2007	15
Table 4: City of Pewaukee Water and Sewer Utility Financials, 2007	16
Table 5: Creation of a \$5.25 Million Tax Relief Fund Using Existing Utility Reserves – Projected Budgets and Tax Rates	17
Table 6: Creation of a \$3.5 Million Tax Relief Fund Using Existing Utility Reserves – Projected Budgets and Tax Rates	18
Table 7: Analysis of Street Expenditures per Road Mile, City and Village of Pewaukee	19
Table 8: Street Expenditures per Road Mile, Merged 2009 Budget	20
Table 9: Alternatives for Utility District Funding of Street Expenses	21
Table 10: Creation of Two Utility Districts to Fund Street Expenses – Projected Budgets and Tax Rates	22
Table 11: Creation of One Utility District to Fund Street Expenses – Projected Budgets and Tax Rates	23

Table 12: Street Expenditures per Road Mile Excluding Police Patrol, Merged 2009 Budget	25
Table 13: Alternatives for Utility District Funding of Street Expenses Excluding Police Patrol	26
Table 14: Creation of Two Utility Districts to Fund Street Expenses – Projected Budgets and Tax Rates Excluding Police Patrol Expenses	27
Table 15: Creation of One Utility District to Fund Street Expenses – Projected Budgets and Tax Rates Excluding Police Patrol Expenses	28
Table 16: Creation of a \$5.25 million Tax Relief Fund Financed by a Sewer Utility District	31
Table 17: Creation of a \$3.5 million Tax Relief Fund Financed by a Sewer Utility District	32
Table 18: Creation of a Consolidation Special District with Annual Payments	35
<b>CONCLUSIONS</b>	<b>36</b>

**EXECUTIVE SUMMARY**

Prior studies have shown that consolidation of the City and Village of Pewaukee would result in overall cost savings. However, these studies have also shown that the majority of these cost savings would inure to the benefit of Village taxpayers unless a different method of redistributing these cost savings between both City and Village taxpayers can be found.

In September of 2006, the City and Village of Pewaukee entered into a Memorandum of Understanding authorizing further discussion on the possible merger of the two communities in order to examine ways to better share the savings of consolidation so that both Village property owners and City property owners would realize property tax savings. The City and Village Administrators worked cooperatively to prepare a proposed budget for a consolidated municipality. Based on this proposed merged budget, it was estimated that the City and Village could realize a savings of approximately \$1.9 million per year in general fund expenses by consolidating. A Merger Advisory Committee was formed, comprised of the Village President, one Village trustee and two Village residents and the Mayor, one City alderperson and two City residents. The Executive Director of the Southeastern Wisconsin Regional Planning Commission (SEWRPC) served as the nonvoting Chair of the Committee. The City and Village Administrators were advisory, non-voting members. Municipal Economics & Planning, a division of Ruckert/Mielke, and the Boardman Law Firm were retained to conduct the formal study to research and develop potential alternatives for mitigating the increase in tax rates for City property owners.

The purpose of this study is to review and recommend options under which both City and Village taxpayers could see reduced or stable property tax rates as a result of

consolidation. This study uses the 2009 merged budget prepared by the Administrators and the 2009 actual City and Village budgets for its analysis, with certain limited adjustments discussed in the report. With these adjustments, the 2009 City tax rate would be \$2.60, while the Village's rate would be \$4.25 per \$1,000 of equalized value. The tax rate for a merged community would be \$2.81 per \$1,000 of equalized value.

The goal of the study was to demonstrate how to achieve a merged property tax rate of \$2.60 or less for the consolidated community. In order to accomplish this, the annual general tax levy for the consolidated municipality would have to be reduced by at least \$787,000.

The study examines legal constraints under which municipal bodies may collect revenue, and then identifies and analyzes a number of different alternatives for collecting revenue, with the objective of reducing the annual general tax levy for the consolidated municipality. The study concludes that there are a variety of ways the City and Village could consolidate, with the City and Village taxpayers seeing reduced or stable property tax rates as a result of consolidation.

If the City and Village choose to consolidate, the study recommends that the best and most straight-forward option for reducing or stabilizing property tax rates would be to obtain legislation to allow for the creation of a special taxing district for consolidation. The purpose of the district would be to impose a tax within the community that would otherwise receive the greater benefit from consolidation. In this case, the district would be created to include all of the property within the pre-consolidation Village limits. The district could be used to fund an annual transfer to the general fund that would be used to reduce the community-wide tax rate, or a lump sum payment that would be used to

establish a tax rate reduction fund. This approach offers a simple and straightforward link between the function of the special district and the purpose for which it is created. Property owners in the Village would benefit more financially from consolidation without the creation of such a district -- therefore a district would be created to impose a tax on these properties in order to more equally distribute the benefits. This type of district could have considerable flexibility in determining the amount of such payments and how they would be structured. Such legislation would facilitate an overall savings related to government operations and could be expected to garner strong legislative support.

If legislation to create a consolidation tax district is unsuccessful, the study recommends that the City and Village pursue a combination of (a) using a portion of Village utility reserves to offset the tax levy, and (b) creating and collecting funds through a street utility district which provides a higher level of street related service within the Village area. Under the street utility district concept, a street utility district would be created for the former Village area. This area receives a higher level of street related service than would be provided to the rest of the consolidated community. Property tax payers throughout the consolidated municipality would pay for a base level of street maintenance through the general fund, and property within the street utility district would pay an additional utility district tax for the higher level of service provided to that area. Property owners in the current City area would only pay the general property tax rate, while Village area property owners would pay the general tax rate plus the utility district tax rate. Further analysis would be needed to refine the amount of costs to include as utility district costs, and what the precise boundaries of the utility district would be.

Assuming a conservative approach is taken in allocating costs to the streets utility district, it is likely that a streets utility district alone will not be enough to sufficiently reduce the property tax rates to City area residents. It is therefore recommended that the City and Village use a portion of Village utility reserves to further offset the tax levy. The utility funds potentially available for this purpose will need to be determined by a study of the future capital projects needed for the utilities.

This report demonstrates that should the City and Village decide to consolidate, the consolidation can be structured so that the property tax rates for City and Village residents will not increase. Concerns regarding tax rate increases for City property owners can be overcome and should not, therefore, stand as an impediment to consolidation of the City and Village.

Should the City and Village choose to investigate consolidation further, two studies would be useful to evaluate and implement the options recommended in this report. First, a plan for the creation of a street utility district would be useful to determine the precise boundaries of such a district, the base level of street maintenance to be funded by all property taxpayers through the general fund, and the higher level of service and associated cost that is to be provided by the street utility district. Second, a study of the future capital projects needed for the sewer and water utilities, with and without consolidation, would help determine how much cash could be withdrawn from the Village utilities to create a tax rate reduction fund, and would provide more information about the benefits of consolidation. Both of these studies could be conducted while legislation is being pursued for the creation of a special taxing district for consolidation.

**Summary of Alternatives**

Alternative	Implementation	Ongoing Administration	Source of Funds	Income-Tax Deductibility	Post-Consolidation Tax Rates		Duration	Impact on Water and Sewer Utilities
					City Area	Village Area		
Use of utility reserves to offset the tax levy	Study of future utility capital improvements to determine how much could be drawn from reserves; draw funds from Village utilities to establish a "tax rate reduction fund"	City Council would determine how much to draw from the tax rate reduction fund each year	Existing Village utility reserves	Not tax-deductible	At or below current City property tax rates	Same as post-consolidation City area tax rates; much lower than current Village tax rates	10-15 years; depends on the amount of funds drawn and the desired level of tax rate reduction	Could merge utilities or keep utilities financially separate for a period of time, depending on which option would result in lower rates for City customers
Creation of a street utility district for the Village area	Prepare a plan for district boundaries and costs to be charged to the district; need a public hearing and resolution to establish the district	City Council would determine how much cost to allocate to the street utility district each year; need additional accounting for utility district fund	Utility district property tax levy - Village properties only	Tax deductible	By itself, this alternative could achieve 50-100% of the desired reduction (tax rates at or lower than current City rates), depending on which costs could be included	Higher than City-area tax rates, but lower than current Village tax rates	Indefinite; would continue until service levels are the same throughout the consolidated city or the consolidated city dissolves the district	Could merge utilities
Issue debt to create a tax rate reduction fund and create a Village sewer utility district to finance the debt	Create 2 utility districts for City area and Village area; prepare plans for district boundaries and costs; City and Village would hold public hearings and pass resolutions to create the districts; Village utility district issues debt and uses proceeds to establish "tax rate reduction fund"	City Council would determine how much annual O&M to allocate to each sewer utility district; allocation of future capital costs between districts; additional accounting for 2 utilities vs. one utility	Utility district property tax levy - Village properties only	Tax deductible	At or below current City property tax rates	Higher than City-area tax rates, but lower than current Village tax rates	10-15 years; depends on the amount of debt issued and the desired level of tax rate reduction	Would have to keep sewer utilities financially separate until the debt was retired
Seek legislation to allow the creation of a consolidation tax district	Draft legislation and find sponsors; prepare a plan for a consolidation tax district (district boundaries, amount of funding, structure of payments); legislation could require a referendum to create the district	Additional accounting for the district fund	Consolidation tax district property tax levy - Village properties only	Tax deductible	At or below current City property tax rates	Higher than City-area tax rates, but lower than current Village tax rates	Flexible; time period could be set by agreement between the City and Village	Could merge utilities

## **INTRODUCTION**

Prior studies have shown that consolidation of the City and Village of Pewaukee would result in overall cost savings. However, these studies have also shown that the majority of these cost savings would inure to the benefit of Village taxpayers unless a different method of redistributing these cost savings between both City and Village taxpayers can be found. The purpose of this study is to review and recommend options under which both City and Village taxpayers see reduced property tax rates as a result of consolidation.

## **PREVIOUS WORK**

### **2002 Study**

Since 2001, the City and Village of Pewaukee have intermittently discussed and studied the consolidation of the two municipalities. A consolidation study was prepared by Ruckert/Mielke and submitted to the City and Village in January 2002. This study found that consolidation would result in significant cost savings, both in operational costs and capital costs, as well as improved levels of service and other benefits.

The 2002 study also found that, due to differences in the fiscal capacity (equalized property value per capita) and tax rates of the City and the Village, consolidation would initially increase the property tax rate for City property owners and decrease it for Village property owners. The study also found that a decrease in utility rates would likely more than offset this increase in property taxes for a majority of City property owners, although there is a minority of City property owners who do not receive municipal sewer and/or water service. These property owners, therefore, would receive a tax increase from consolidation with no offsetting utility rate savings.

The main reason the City's tax rate would increase as a result of consolidation relates to the fact that the City's property value per capita is more than double the Village's property value per capita. In addition, the Village's expenses are higher for certain items, such as street lighting and road maintenance. The Village also has more debt per \$1,000 of equalized property value than the City.

Based upon the expected areawide benefits of consolidation, the Consolidation Study Committee recommended that the City and Village authorize consolidation referendums based on the findings of the 2002 study. Such referendums were not authorized.

### **2006 Memorandum of Understanding and 2008 Interim Report**

In September of 2006, the City and Village of Pewaukee entered into a Memorandum of Understanding authorizing further discussion on the possible merger of the two communities in order to examine ways to better share the savings of consolidation so that both Village property owners and City property owners would realize property tax savings.

After the Memorandum was executed, the Southeastern Wisconsin Regional Planning Commission (SEWRPC) facilitated working sessions with the City and Village Administrators, the Mayor of the City, and the President of the Village. The City and Village Administrators updated portions of the 2002 consolidation study and prepared an updated hypothetical budget for a merged municipality. In the spring of 2008, the results of this work were summarized by SEWRPC in the "Interim Report to the City and Village of Pewaukee on the Update of the Consolidation Study". The updated study made findings similar to those of the 2002 study: (i) an overall costs savings would result from consolidation; and (ii) consolidation would financially benefit Village property owners more than City



property owners unless a means were found to achieve a lower effective tax rate for former City area property owners within a consolidated municipality.

The SEWRPC report recommended forming a Merger Advisory Committee, comprised of the Village President, one Village trustee and two Village residents, the Mayor, one City alderperson and two City residents, and the City and Village Administrators as advisory, non-voting members, with the SEWRPC Executive Director serving as the non-voting Committee Chair. The report further recommended conducting a more formal study on how to accomplish a merger by “effectively blending the finances of the two communities together over a relatively long period of time.” The goal of the study would be to recommend ways to keep the property tax rate for City property owners equal to or less than the current tax rate, and to identify one or more options for recovering revenues exclusively from properties within the current Village area. The 2008 report also recommended that the City and Village Administrators and Engineering staff examine in detail the potential capital cost avoidance from merging utility operations.

### **Initiating This Study**

Based upon the 2008 report's recommendations, a Merger Advisory Committee was formed. Municipal Economics & Planning, a division of Ruekert/Mielke, and the Boardman Law Firm were retained to conduct the formal study to research and develop potential alternatives for mitigating the increase in tax rates for City property owners.

### **PURPOSE OF THIS STUDY**

The goal of this study is to develop an overall revenue recovery approach whereby property owners within the current City limits would pay no more in total annual tax revenues than they would if the City

remained a separate municipal entity. This report presents the findings of that study.

Several notes should be made about this study and report. First, this study focuses on property tax savings. While it is still assumed that utility customers would realize savings from a merger of the utilities, potential utility savings are not the focus of this study.

Second, this study does not evaluate what is a fair distribution of consolidation benefits between City residents and Village residents. The concept of fairness is relative and may mean different things to different people. This study proposes methods to improve the distribution of the benefits of consolidation. Under these methods, the property tax rate of the City property owners could be held at its current level or decreased slightly, rather than increasing, due to consolidation.

Third, the figures shown in this report are based upon the estimated merged budget described below and are used to illustrate the proposed concepts for sharing the benefits of consolidation. The report provides approximate figures on the magnitude of the financial adjustments that would be required in order to provide a better sharing of benefits. However, these figures are based on estimates and should not be interpreted as exact amounts that will be needed in order to achieve an equitable distribution of benefits.

### **PROPOSED MERGED BUDGET**

#### **Development of Merged Budget by Administrators**

The City and Village Administrators worked cooperatively to prepare a proposed budget for a consolidated municipality. This effort was initially conducted in conjunction with the preparation of the actual City and Village 2008 budgets and was completed in the spring of 2008.

The merged budget prepared by the Administrators includes only general municipal revenues, operation and maintenance expenses, and existing debt service. Debt service for the new building projects constructed since the 2002 consolidation study, including the City Hall expansion, the new Village Hall and Police Station, and the new Joint Public Library, was included in the merged budget. Utility operations and utility capital costs were not included in this merged budget.

The original intent of the study was to use the 2008 merged budget and the actual 2008 City and Village budgets for analysis purposes. In reviewing the 2008 merged budget, however, it was noted that the merged budget included five additional Fire Department staff that were not included in the 2008 City and Village budgets. These five additional Fire Department staff have since been included in the 2009 City and Village budgets. Therefore, in order to provide a more apples-to-apples comparison and to use the best figures available, the City and Village Administrators updated the merged budget based on 2009 figures.

This study uses the 2009 merged budget and the 2009 actual City and Village budgets for its analysis, with certain adjustments discussed below. Based upon these budgets, the amount of savings that could be realized by consolidation has been calculated, and a combined tax rate for the consolidated municipality was computed. The combined tax rate was then compared to the City and Village 2009 tax rate in order to determine the impact of consolidation on the tax rates for City and Village property owners.

The 2009 budget information is attached as Appendix A. As shown, the City's 2009 General Fund budget is \$12,029,976. The Village's 2009 General Fund budget is \$6,232,720. The proposed merged budget

is \$16,364,312. Taking into account other General Fund revenues and tax levies for debt service, road projects and other general property tax levies, the total tax levy for the proposed merged budget is \$10,685,372. Based on the 2008 equalized property value of the City and the Village, a tax rate of \$2.78 per \$1,000 of equalized property value would be required for a consolidated community. This compares to the actual 2009 equalized tax rates of \$4.36 for the Village and \$2.47 for the City.

### **Caveats to the Merged Budget**

Certain caveats to the merged budget must be noted. First, the 2009 merged budget prepared by the City and Village Administrators is being accepted as is, with certain limited adjustments discussed in the next section. No effort was made by Municipal Economics & Planning or the Boardman Law Firm to critique, revise, modify, or extend the merged budget prepared by the Administrators.

Second, no projections were made regarding future expenses, occurrences, or development, beyond the application of consistent assumptions about inflation rates, property value increases and future capital projects. For projections of future budgets and tax rates, it was assumed that expenses would increase at the same rate as increases in other revenues and increases in property values. It was also assumed that the City and Village would not undertake major new capital projects or incur significant new debt within the next ten years. This was done in order to isolate the impacts of consolidation. Tax rates will change over time due to other factors, such as different rates of change in property values versus expenses. This study did not seek to project or account for any future changes other than consolidation.

Third, the 2009 merged budget is being used solely to provide a reasonable approximate budget for purposes of the

analysis in this report. The budgetary figures are not intended to represent exactly what the budget of a consolidated municipality would be as this would be a decision to be made by the elected officials of the consolidated community.

### **Budget Adjustments**

In order to make a fair comparison between current budgets and the merged budget, several adjustments were made. Tables 1 and 2 compare the actual 2009 budgets and tax rates of the City and Village, with certain adjustments, to the proposed 2009 merged budget.

First, the Village's tax rate was computed based on total equalized value including the incremental value of Tax Increment District No. 1. It is expected that TID No. 1 will be closed out in 2009, so this property value will generate general tax revenues in 2010 and future years. This adjustment was made to both the existing and proposed merged tax rate computations.

Second, in 2009, a portion of the City's debt service was funded by reserves, reducing the amount of the debt service levy by approximately \$207,000. It was assumed that in future years this debt service would have to be funded entirely by the debt service levy. Therefore, the levy was adjusted to reflect the entire amount of the City's debt service. This adjustment was made to both the actual City tax levy and the merged levy.

A third adjustment was made to provide a fair comparison between the service levels assumed in the merged budget and the current service levels provided. The merged budget assumed the addition of three full-time public works employees to improve service levels. The City and Village Administrators indicated that these additional employees are recommended regardless of consolidation. Therefore, current City and Village budgets were

adjusted to reflect what the tax rates would be, approximately, if these three new employees were added to the existing budgets. The wages and benefits were divided between the City and Village in proportion to each community's equalized property value.

### **Budget Figures Used in This Study**

With the adjustments discussed above, the 2009 City tax rate would be \$2.60, while the Village's rate would be \$4.25 per \$1,000 of equalized value. The tax rate for a merged community would be \$2.81 per \$1,000 of equalized value.

In order to achieve a merged tax rate of \$2.60 or less, the annual general tax levy for the consolidated municipality would have to be reduced by at least \$787,000. The task of this study was to propose one or more means by which this amount could be raised from only those property owners within the current Village area.

**City and Village of Pewaukee  
Consolidation Tax Rate Feasibility Analysis**

**Table 1  
Summary of Separate General Fund Budgets and Tax Levies, 2009**

	City of Pewaukee (2009)	Village of Pewaukee (2009)
2008 TID-in Equalized Value <sup>(1)</sup>	\$2,822,705,900	\$1,015,656,100
General Fund Expenditures	\$12,029,976	\$6,232,720
Other Revenues	\$6,422,887	\$2,731,550
Net General Fund Tax Levy	\$5,607,089	\$3,501,170
C. Pewaukee Debt Service Levy	\$1,200,000	
C. Pewaukee Road Projects	\$107,000	
C. Pewaukee SW Levy	\$20,000	
C. Pewaukee Cemetery Levy	\$27,550	
V. Pewaukee Debt Service Levy		\$752,378
Combined Levy	<u>\$6,961,639</u>	<u>\$4,253,548</u>
Tax Rate per \$1,000 EV	\$2.466	\$4.188
Adjustments <sup>(2)</sup>		
City Debt Service Costs Not In Levy for 2009 <sup>(3)</sup>	\$207,333	
Additional Public Works Staff in Merged Budget <sup>(4)</sup>	\$181,518	\$65,313
Adjusted Levy	<u>\$7,350,490</u>	<u>\$4,318,861</u>
Adjusted Tax Rate per \$1,000 EV	\$2.604	\$4.252

1) TID No. 1 expected to close out in 2009/2010, so the equalized value shown for the Village includes the tax incremental value of TID No. 1.

2) Adjustments made to the actual 2009 budgets to allow for an accurate comparison with the proposed merged budget.

3) Total City debt service for 2009, net of Sewer and Water Division payments, is \$1,407,333. Reserves were used in 2009 to cover a portion of the City's debt service. For purposes of future projections, it was assumed that all of the City's debt service would be covered by the tax levy.

4) The merged budget includes 3 additional Public Works Department employees over and above the combined current staffing of the City and Village, which would increase the service level. In order to make an accurate comparison between existing and merged budgets, the estimated wages and benefits for 3 public works employees (\$82,277 per employee) were prorated between the City and the Village on the basis of equalized property value.

**Table 2  
Summary of Estimated Merged General Fund Budget and Tax Levy, 2009**

	2008 TID-in Equalized Value <sup>(1)</sup>
C. Pewaukee	\$2,822,705,900
V. Pewaukee	\$1,015,656,100
Total	\$3,838,362,000
	Tax Levy
Combined General Fund Expenditures	\$16,364,312
Other Revenues	\$7,895,937
Net General Fund Tax Levy	\$8,468,375
C. Pewaukee Debt Service Levy	\$1,200,000
C. Pewaukee Road Projects	\$107,000
C. Pewaukee SW Levy	\$20,000
C. Pewaukee Cemetery Levy	\$27,550
V. Pewaukee Debt Service Levy	\$752,378
Combined Levy	\$10,575,303
 Tax Rate per \$1,000 EV	 \$2.755
Adjustments <sup>(2)</sup>	
City Debt Service Costs Not In Levy for 2009 <sup>(3)</sup>	\$207,333
Adjusted Levy	\$10,782,636
 Adjusted Tax Rate per \$1,000 EV	 \$2.809
Target Tax Rate per \$1,000 EV	\$2.604
Maximum Tax Levy	\$9,995,318
 Approximate Target Reduction in Tax Levy	 \$787,319

1) TID No. 1 expected to close out in 2009/2010.

2) Adjustments made to the actual 2009 budgets to allow for an accurate comparison with the proposed merged budget.

3) Total City debt service for 2009, net of Sewer and Water Division payments, is \$1,407,333.

## **LEGAL FRAMEWORK**

### **Limitations Due to Uniformity Clause of the Wisconsin Constitution**

The easiest way to better share the benefits of consolidation between City and Village taxpayers would be for a consolidated Pewaukee to impose one property tax rate in the former City area and another higher property tax rate in the former Village area. This option, however, is not allowed under Wisconsin law.

The uniformity clause of the Wisconsin Constitution prohibits a community from establishing different property tax rates in different parts of the community. Thus, a consolidated Pewaukee would not be able to maintain separate property tax rates for the property originally in the Village and the property originally in the City.

Recognizing the limitations posed by the uniformity clause of the Wisconsin Constitution, area legislators sought to amend the constitution to allow a consolidated municipality to apply different tax rates to the former City and Village areas, with a gradual merging of the tax rates into a uniform rate over a period of years. A constitutional amendment to this effect was proposed in the legislature, but died when the measure failed to pass in two consecutive legislative sessions.

### **Other Methods to Collect Funds from the Village Area**

Given the inability to directly impose different property tax rates on different parts of the consolidated Pewaukee, this study looked at other methods that could legally be used to raise increased funds from only those property owners located within the current Village area. The study focused on two methods. First, the study looked at the ability to collect funds other than through

property taxes. While the uniformity clause prevents the establishment of different property tax rates in different parts of the municipality, it does not prevent a municipality from collecting non-property tax revenue under different methods. Communities are authorized by Wisconsin statutes to impose different types of taxes and fees that may not be covered by the uniformity rule. Special assessments, for example, are not governed by the uniformity requirement of the constitution.

Second, the legislature may authorize the creation of separate authorities or districts with separate taxing authority. If the legislature authorizes the creation of a separate district, that district would be able to collect revenue, including property tax revenue, from the area within the district. Creating a separate district would not violate the uniformity clause because the special district would be imposing the additional tax, not the municipality.

With these legal principles as guidance, the study looked at existing legal authority that could be relied upon to provide consolidation benefits to each community.

### **Special Assessments**

The study looked at whether special assessments could be used to allocate greater costs to Village residents. Two statutes - § 66.0701 and § 66.0703, Wis. Stats, primarily govern special assessments. Section 66.0701 allows special assessments for the cost of installing or constructing any public work or improvement. Section 66.0703 allows special assessments for special benefits conferred upon property by any municipal work or improvement. The term public improvement is defined in § 66.0713(1)(d) as the result of the performance of work or the furnishing of materials or both, for which special assessments are authorized to be levied against the property benefited by the work or materials. In order to impose

special assessments on a discrete area under these statutes, a public work or improvement must be provided. No Wisconsin statute was found which allows special assessments to be imposed for something other than a public work or improvement.

Because special assessments must be related to a public work or improvement, current statutes would not allow a consolidated Pewaukee to impose a special assessments on the property originally located in the Village to recognize the benefit Village property obtains from the consolidation. In order to justify a special assessment, the assessment would need to relate to a public work.

In addition, the special assessment statutes require that the properties being specially assessed receive a special benefit over and above that provided the general public. Section 66.0703, for example, only allows special assessments to be levied upon property in a limited and determinable area for special benefits conferred upon the property. Special benefits means the property owner receives an uncommon advantage from the improvement in addition to the benefit enjoyed by other property owners. Because of this requirement, the consolidated Pewaukee could not justify specially assessing just former Village properties for the cost of facilities used by the community as a whole, such as the Village Hall or the library, since all property owners in the consolidated Pewaukee would benefit from those facilities.

### **Fees or Charges**

The study looked at whether there would be a basis to justify imposing additional fees or special charges on property located in the Village. Fees and special charges typically are imposed to compensate the municipality for services provided. To the extent comparable services are provided throughout the consolidated Pewaukee,

there would be no basis to charge the property formerly located in the Village fees or charges for services, but not the property formerly located in the City. However, if the area formerly located in the Village received services over and above that received by the rest of the combined Pewaukee, the imposition of fees for this increased service may be possible.

The study considered the legal authority for creating a transportation utility to charge the Village area for transportation services over and above that provided to the consolidated Pewaukee. Legal authority for creating this type of utility may be found in a municipality's broad home rule authority, and in Wis. Stats., §66.0827 (discussed more later). A good argument may be made that a municipality has the authority to create a transportation utility under its home rule authority, because a city or village has the authority to manage and maintain its streets for the safety and welfare of the public, and this authority may be exercised through any necessary or convenient means. Nothing has been found which indicates that the municipality's authority to create a transportation utility and charge fees has been withdrawn or limited by the legislature.

A transportation utility created under a municipality's home rule authority (as opposed to a transportation utility created under § 66.0827) charges utility fees to users. The key to utility fees is that they are to be related to services provided to or needed by customers. There must be a connection between the costs and the customer. Fees should typically not be based upon property values. The allocation of costs among customers also needs to be nondiscriminatory. These issues would need to be addressed if a transportation utility under a municipality's home rule powers is pursued for a portion of the consolidated Pewaukee.

### **Special Taxing Districts - Utility Districts**

The study also looked at using alternative governmental units with revenue collection authority to collect money from former Village properties in order to equalize the financial benefits of consolidation between the City and Village. The legislature has the power to authorize the creation of a separate taxing authority with special taxing power in a distinct area.

Existing Wisconsin statutes were reviewed for legislative authority to create special districts that may have separate taxing authority, in the hopes that authority could be found for imposing additional taxes in the Village. It was noted that Wisconsin statutes authorize the creation of many special districts, however, few have taxing authority, and most that do have taxing authority require a referendum for establishment.

One type of district that may be useful in evening out the benefits of consolidation is a utility district. Section 66.0827 authorizes towns, villages, and 3rd and 4th class cities to establish a utility district. If a utility district is established, the village board or common council may direct that the cost of utility district highways, sewers, sidewalks, street lighting and water for fire protection not paid for by special assessment be paid out of the district fund. § 66.0827(1)(a). Utility district funds are provided by user charges or taxation of the property in the district, based upon an annual estimate of costs by the public works department. § 66.0827(2).

A utility district is established by a three-fourths vote of all the members of the village board or common council. § 66.0827(3). A hearing on the matter must be held before the vote to establish the utility district is effective. If a municipality within which a utility district is located is later consolidated with another municipality which provides the same or similar services for which the district was established, but on a

municipality-wide basis rather than on a utility district basis as provided in this section, the fund of the utility district becomes part of the general fund of the consolidated municipality and the utility district terminates. § 66.0827(6).

In essence, a utility district allows the creation of a smaller district within a city, village or town, which receives a greater level of service (streets, sewer, water) and as a result is required to pay more in property taxes for those services. Utility districts cannot be used in situations where the entire community receives the same level of services. §66.0827(6), Stats.

After consolidation, a utility district could be created to pay for those transportation related costs in the Village area which are over and above that provided to the merged community as a whole. These costs would be paid for by taxing the property located in the transportation utility district.

A utility district could also be created to pay for the cost of utility district water and/or sewer as long as the entire community does not receive these services. Costs related to the sewer utility district could be charged solely to customers within those districts, either through fees or property taxes.

### **Possible Legislation**

The study also considered the possibility of requesting legislation to assist with consolidation. While previous legislation sought a constitutional amendment to modify the uniformity clause, a different approach was considered based upon the separate taxing authority concept. This type of legislation would avoid the uniformity clause problem because it would create a separate taxing district, and every property owner within that separate taxing district would be taxed uniformly. The general property tax rate of the consolidated Pewaukee would also be applied uniformly on a community-wide basis. This concept is



discussed below in the Analysis of Feasible Alternatives.

### **Use of Utility Reserves**

The study also considered using the Village's utility reserves to help reduce property taxes for the consolidated Pewaukee. Excess utility reserves from the water and sewer utility are allowed by law to be paid into the general fund. § 66.0811, 66.0821(2)(b), Wis. Stats.

### **ANALYSIS OF FEASIBLE ALTERNATIVES**

Based on the legal review of the various funding mechanisms described above, four alternatives were selected for further analysis:

1. Use of utility reserves to offset the tax levy
2. Creation of one or more utility district(s) to fund certain street-related expenses
3. Issue debt to establish a tax rate reduction fund and create a utility district to operate the Village sewer utility and finance the debt service
4. Seek legislation to allow the creation of a special taxing district for consolidation

The analysis of each of these alternatives is summarized below.

### **Use of Utility Reserves to Offset the Tax Levy**

Concept: Draw unrestricted cash reserves from the Village water or sewer utilities to create a "tax rate reduction fund". Amounts would be drawn from the tax rate reduction fund, as needed each year for the first several years after consolidation, to keep the general property tax rate at the desired level. The benefit of taking a large sum from utility reserves and placing it in a tax reduction fund is that it establishes upfront

the amount that will be used for this purpose. While drawing funds from the utilities on an annual basis rather than creating a tax rate reduction fund upfront could potentially accomplish the same tax rate reduction goal, there is the potential that annual transfers may be reduced or eliminated in future years. Therefore, this study analyzes the establishment of a tax rate reduction fund using a one-time payment from existing utility reserves.

Analysis: Tables 3 and 4 show a summary of the financial status of the City and Village utilities as of December 31, 2007. Audited 2008 financial statements are not yet available. As shown, both the City and Village utilities have substantial unrestricted reserves. In addition, both utilities are generating positive operating income and cash flow. As of December 31, 2007 the Village utilities had a total of approximately \$12.3 million in unrestricted cash equivalent assets, or \$8.9 million net of \$3.4 million in sewer connection fees. City utilities had a total of \$7.7 million in unrestricted cash equivalent assets.

Tables 5 and 6 show two scenarios for creating a tax rate reduction fund. Table 5 shows the creation of a fund in the amount of \$5.25 million. Preliminary projections were made of future tax rates for a merged municipality, beginning with the proposed 2009 merged budget and applying an annual increase of 4 percent to expenses, other revenues and property values. The table also shows the projected balances in the tax rate reduction fund each year. As shown, a fund of this amount is projected to be sufficient to achieve a slight reduction in property tax rates for City property owners. Table 6 shows a scenario with a tax rate reduction fund in the amount of \$3.5 million. As shown, a fund in this amount is projected to be sufficient to reduce the merged tax rate to about the level of the current City tax rate.

The figures of \$5.25 million and \$3.5 million were selected for illustration purposes. The actual amount would be established by agreement between the City and Village prior to consolidation. The amount could be set at a higher level, if funds are available, to achieve a further reduction in City property owner tax rates.

Advantages: One of the main advantages of this approach is simplicity. This alternative would not require the creation of a new fee or utility district or the issuance of new debt. It would not require a plan for “phasing out” any funding mechanisms in the future. It would also result in lower property taxes for Village area property owners, as compared to the other alternatives described below.

Disadvantages: This alternative could result in the utilities borrowing funds for future capital projects that could otherwise have been cash-financed. The utilities may have to increase user charges rates in the future as a result. However, since most utility infrastructure has a long service life, it is appropriate to borrow for utility capital improvements and fund the debt service through user charge revenues from current customers. Therefore this is not a significant disadvantage. Both the City and the Village currently have below-average sewer and water user charges rates compared to 2008 statewide averages. It may also be viewed as a disadvantage that this option reduces the property tax rate for all property owners to a rate at or below that of the current City tax rate. This provides a benefit to City property owners, but it provides a larger benefit to Village property owners.

Implementation: One of the decision points for this option is whether to keep the City and Village utilities financially separate for a period of time after the merger of general government services. The utilities would be physically connected to take advantage of any capital cost savings, and would be

operated by the same staff, but could have separate financial accounting and separate user charge rates. Keeping the utilities financially separate would enable any rate increases caused by the drawdown of utility reserves to be limited to Village utility customers. However, the merger of utilities may provide an immediate benefit to City customers. City sewer rates are currently about 18 percent higher than Village sewer rates. The 2002 consolidation study identified some significant capital cost savings for the water utility from consolidating, which need to be reexamined and confirmed.

Once the 2008 audited financial statements are available, the information provided in this section should be updated to reflect current utility cash equivalent assets. In addition the City and Village Administrators and Engineers have not yet examined in detail the future capital costs and operational costs that would be associated with a merger of the sewer and water utilities. This should be completed in order to assess the potential future impacts on utility finances and user charges rates of withdrawing utility reserve funds. If the drawdown of utility funds would cause significant rate increases in the near future, the utilities could be kept financially separate to isolate the rate increases to Village customers. On the other hand, if City customers would have lower rates from a complete merger of the utilities, then the utilities could be merged.

**Table 3  
Village of Pewaukee Water and Sewer Utility Financials, 2007**

<b>Net Assets</b>	12/31/2007		Total
	Water Utility	Sewer Utility	
Capital Assets, Net of Debt	\$8,887,410	\$9,964,812	\$18,852,222
Restricted for Debt Service	\$152,618	\$554,250	\$706,868
Replacement		\$270,394	\$270,394
Unrestricted <sup>(1)</sup>	\$2,522,725	\$9,813,027	\$12,335,752
<b>Total Net Assets</b>	<b>\$11,562,753</b>	<b>\$20,602,483</b>	<b>\$32,165,236</b>
<b>Operating Income</b>	12/31/2007		Total
	Water Utility	Sewer Utility	
Operating Revenues	\$1,427,916	\$1,337,203	\$2,765,119
Operating Expenses			
Operation and Maintenance	\$468,971	\$862,739	\$1,331,710
Depreciation	\$262,551	\$323,196	\$585,747
Amortization		\$230,368	\$230,368
<b>Total Operating Expenses</b>	<b>\$731,522</b>	<b>\$1,416,303</b>	<b>\$2,147,825</b>
Operating Income	\$696,394	-\$79,100	\$617,294
Nonoperating Revenues	-\$67,097	\$155,956	\$88,859
Income Before Contributions and Transfers	\$629,297	\$76,856	\$706,153
Grants and Contributions	\$109,852	\$128,414	\$238,266
Transfers Out	-\$352,526	-\$15,178	-\$367,704
Change in Net Assets	\$386,623	\$190,092	\$576,715
<b>Cash Flow Statement</b>	12/31/2007		Total
	Water Utility	Sewer Utility	
Cash Flows from Operating Activities	\$858,539	\$513,284	\$1,371,823
Operating Transfers to Other Funds	-\$198,121	-\$15,178	-\$213,299
Net Cash Used by Capital and Related Financing Activities	-\$17,553	-\$762,207	-\$779,760
Net Cash Provided by Investing Activities	\$130,867	\$306,440	\$437,307
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>\$773,732</b>	<b>\$42,339</b>	<b>\$816,071</b>
Cash and cash equivalents, January 1	\$2,417,318	\$6,078,289	\$8,495,607
Cash and cash equivalents, December 31	\$3,191,050	\$6,120,628	\$9,311,678

Source: Village of Pewaukee 2007 Financial Statements

1) Approximately \$3.4 million of the Sewer Utility unrestricted assets is sewer connection fees, which are intended to be used for capital improvements to the sewerage system.

**Table 4  
City of Pewaukee Water and Sewer Utility Financials, 2007**

<b>Net Assets</b>	12/31/2007
Capital Assets, Net of Debt	\$59,565,002
Restricted for Debt Service	\$2,955,929
Unrestricted	\$7,711,901
<b>Total Net Assets</b>	<b>\$70,232,832</b>
<b>Operating Income</b>	2007
Operating Revenues	\$4,366,454
Operating Expenses	
Operation and Maintenance	\$1,936,638
Depreciation	\$1,784,427
Taxes	\$1,627
<b>Total Operating Expenses</b>	<b>\$3,722,692</b>
Operating Income	\$643,762
Nonoperating Revenues	\$165,538
Income Before Contributions and Transfers	\$809,300
Grants and Contributions	\$7,947,072
Transfers Out	-\$352,211
<b>Change in Net Assets</b>	<b>\$8,404,161</b>
<b>Cash Flow Statement</b>	2007
Cash Flows from Operating Activities	\$2,838,528
Operating Transfers to Other Funds	-\$352,211
Net Cash Used by Capital and Related Financing Activities	-\$5,402,486
Net Cash Provided by Investing Activities	\$567,424
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>-\$2,348,745</b>
Cash and cash equivalents, January 1	\$9,833,169
Cash and cash equivalents, December 31	\$7,484,424

Source: City of Pewaukee 2007 Financial Statements

**Table 5**  
**Creation of a \$5.25 Million Tax Relief Fund Using Existing Utility Reserves - Projected Budgets and Tax Rates**

	Projected Budgets:									
	2009 Merged Budget	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	\$16,364,312	\$17,018,884	\$17,699,640	\$18,407,625	\$19,143,930	\$19,909,688	\$20,706,075	\$21,534,318	\$22,395,691	\$23,291,519
C. Pewaukee Debt Service Levy	\$1,407,333	\$1,405,885	\$1,321,964	\$1,082,433	\$1,079,917	\$620,305	\$473,701	\$472,411	\$277,912	\$273,882
C. Pewaukee Road Projects	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
C. Pewaukee SW Levy	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
C. Pewaukee Cemetery Levy	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550
V. Pewaukee Debt Service Levy	\$752,378	\$708,654	\$731,513	\$741,653	\$734,854	\$748,789	\$765,384	\$781,248	\$798,961	\$814,836
Total Expenses	\$18,678,573	\$19,287,974	\$19,907,667	\$20,386,262	\$21,113,252	\$21,433,331	\$22,099,710	\$22,942,527	\$23,627,114	\$24,534,787
Other Revenues	\$7,895,937	\$8,211,774	\$8,540,245	\$8,881,855	\$9,237,129	\$9,606,615	\$9,990,879	\$10,390,514	\$10,806,135	\$11,238,380
Tax Rate Reduction Funds Applied	\$1,400,000	\$1,200,000	\$1,000,000	\$700,000	\$600,000	\$150,000	\$0	\$0	\$0	\$0
General Tax Levy	\$9,382,636	\$9,876,199	\$10,367,422	\$10,804,406	\$11,276,122	\$11,676,717	\$12,108,831	\$12,552,013	\$12,820,979	\$13,296,406
Total Revenues	\$18,678,573	\$19,287,974	\$19,907,667	\$20,386,262	\$21,113,252	\$21,433,331	\$22,099,710	\$22,942,527	\$23,627,114	\$24,534,787
TID-in Equalized Value - City	\$2,822,705,900	\$2,935,614,136	\$3,053,038,701	\$3,175,160,249	\$3,302,166,659	\$3,434,253,326	\$3,571,623,459	\$3,714,488,397	\$3,863,067,933	\$4,017,590,650
TID-in Equalized Value - Village	\$1,015,656,100	\$1,056,282,344	\$1,098,533,638	\$1,142,474,983	\$1,188,173,983	\$1,235,700,942	\$1,285,128,980	\$1,336,534,139	\$1,389,995,504	\$1,445,595,324
TID-in Equalized Value - Total	\$3,838,362,000	\$3,991,896,480	\$4,151,572,339	\$4,317,635,233	\$4,490,340,642	\$4,669,954,268	\$4,856,752,438	\$5,051,022,536	\$5,253,063,437	\$5,463,185,975
Merged Tax Rate per \$1,000 EV	\$2.444	\$2.474	\$2.497	\$2.502	\$2.511	\$2.500	\$2.493	\$2.485	\$2.441	\$2.434
Pre-Consolidation Tax Rate - City	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604
Pre-Consolidation Tax Rate - Village	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252
Tax Rate Reduction Fund										
Beginning Balance	\$5,250,000	\$3,946,250	\$2,814,906	\$1,860,279	\$1,189,286	\$604,018	\$465,368	\$477,003	\$488,928	\$501,151
Withdrawals	-\$1,400,000	-\$1,200,000	-\$1,000,000	-\$700,000	-\$600,000	-\$150,000	\$0	\$0	\$0	\$0
Interest Earnings	\$96,250	\$68,656	\$45,373	\$29,007	\$14,732	\$11,350	\$11,634	\$11,925	\$12,223	\$12,529
Ending Balance	\$3,946,250	\$2,814,906	\$1,860,279	\$1,189,286	\$604,018	\$465,368	\$477,003	\$488,928	\$501,151	\$513,680
Assumptions										
Annual increase in Other Revenues	4.0%									
Annual increase in General Fund expenses	4.0%									
Annual increase in Equalized Value	4.0%									
Percent Reduction in Net Tax Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

**Table 6**  
**Creation of a \$3.5 Million Tax Relief Fund Using Existing Utility Reserves - Projected Budgets and Tax Rates**

	Projected Budgets:									
	2009 Merged Budget	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	\$16,364,312	\$17,018,884	\$17,699,640	\$18,407,625	\$19,143,930	\$19,909,688	\$20,706,075	\$21,534,318	\$22,395,691	\$23,291,519
C. Pewaukee Debt Service Levy	\$1,407,333	\$1,405,885	\$1,321,964	\$1,082,433	\$1,079,917	\$620,305	\$473,701	\$472,411	\$277,912	\$273,882
C. Pewaukee Road Projects	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
C. Pewaukee SW Levy	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
C. Pewaukee Cemetery Levy	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550
V. Pewaukee Debt Service Levy	\$752,378	\$708,654	\$731,513	\$741,653	\$734,854	\$748,789	\$765,384	\$781,248	\$798,961	\$814,836
Total Expenses	\$18,678,573	\$19,287,974	\$19,907,667	\$20,386,262	\$21,113,252	\$21,433,331	\$22,099,710	\$22,942,527	\$23,627,114	\$24,534,787
Other Revenues	\$7,895,937	\$8,211,774	\$8,540,245	\$8,881,855	\$9,237,129	\$9,606,615	\$9,990,879	\$10,390,514	\$10,806,135	\$11,238,380
Tax Rate Reduction Funds Applied	\$854,254	\$750,682	\$628,884	\$336,327	\$261,320					
General Tax Levy	\$9,928,382	\$10,325,517	\$10,738,538	\$11,168,080	\$11,614,803	\$11,826,717	\$12,108,831	\$12,552,013	\$12,820,979	\$13,296,406
Total Revenues	\$18,678,573	\$19,287,974	\$19,907,667	\$20,386,262	\$21,113,252	\$21,433,331	\$22,099,710	\$22,942,527	\$23,627,114	\$24,534,787
TID-in Equalized Value - City	\$2,822,705,900	\$2,935,614,136	\$3,053,038,701	\$3,175,160,249	\$3,302,166,659	\$3,434,253,326	\$3,571,623,459	\$3,714,488,397	\$3,863,067,933	\$4,017,590,650
TID-in Equalized Value - Village	\$1,015,656,100	\$1,056,282,344	\$1,098,533,638	\$1,142,474,983	\$1,188,173,983	\$1,235,700,942	\$1,285,128,980	\$1,336,534,139	\$1,389,995,504	\$1,445,595,324
TID-in Equalized Value - Total	\$3,838,362,000	\$3,991,896,480	\$4,151,572,339	\$4,317,635,233	\$4,490,340,642	\$4,669,954,268	\$4,856,752,438	\$5,051,022,536	\$5,253,063,437	\$5,463,185,975
Merged Tax Rate per \$1,000 EV	\$2.587	\$2.587	\$2.587	\$2.587	\$2.587	\$2.533	\$2.493	\$2.485	\$2.441	\$2.434
Pre-Consolidation Tax Rate - City	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604
Pre-Consolidation Tax Rate - Village	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252
Tax Rate Reduction Fund										
Beginning Balance	\$3,500,000	\$2,711,889	\$2,010,238	\$1,415,888	\$1,106,550	\$866,361	\$888,021	\$910,221	\$932,977	\$956,301
Withdrawals	-\$854,254	-\$750,682	-\$628,884	-\$336,327	-\$261,320	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$66,144	\$49,030	\$34,534	\$26,989	\$21,131	\$21,659	\$22,201	\$22,756	\$23,324	\$23,908
Ending Balance	\$2,711,889	\$2,010,238	\$1,415,888	\$1,106,550	\$866,361	\$888,021	\$910,221	\$932,977	\$956,301	\$980,209
Assumptions										
Annual increase in Other Revenues	4.0%									
Annual increase in General Fund expenses	4.0%									
Annual increase in Equalized Value	4.0%									
Percent Reduction in Net Tax Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

**Creation of One or More Utility District(S)  
to Fund Certain Street-Related Expenses**

Concept: The Village spends considerably more per road mile than the City to maintain its local streets. This could be partly due to economies of scale enjoyed by the City since the City has over twice as many road miles as the Village. However, this is also related to differences in the types of facilities maintained by the City and Village. The Village has more streetlights and more streets with curb and gutter and sidewalks. The City has a higher percentage of county and state highways and its local streets carry relatively less traffic. Approximately 21 percent of local roads in the City are under County jurisdiction, as compared to 5 percent in the Village. Since the streets within the Village area provide a different level of service than streets within the City area, all or part of the consolidated

municipality's street expenses could be funded through street utility districts. Two alternatives were considered. The first alternative is the creation of two street utility districts, one for the Village area and one for the City area. The second alternative would be to fund a base level of street maintenance through the General Fund and create a street utility district for the Village area to fund the additional services provided in that area. In either alternative, the utility district expenses would be funded through a utility district tax levy. In either case, the city council of the consolidated City would oversee the utility district budget.

Analysis: Table 7 shows an analysis of Village and City street expenses per road mile. Costs were analyzed both with and without law enforcement costs. Wisconsin's General Transportation Aids formula includes a portion of each municipality's law enforcement costs in its computation of

**Table 7  
Analysis of Street Expenditures per Road Mile, City and Village of Pewaukee**

	2009 City Budget	2009 Village Budget	Total
Net Cost for Hwy Administration, Capital and Street Lighting	\$704,916	\$601,096	\$1,306,012
2008 Road Miles	87.96	32.61	120.57
Expense per Road Mile	\$8,014	\$18,433	\$10,832
Ratio to City Cost per Road Mile	1.00	2.30	
Net Cost of Police Patrol, Highways and Street Lighting <sup>(1)</sup>	\$3,507,940	\$2,470,976	\$5,829,393
2008 Road Miles	87.96	32.61	120.57
Expense per Road Mile	\$39,881	\$75,774	\$48,349
Ratio to City Cost per Road Mile	1.00	1.90	
	City	Village	Total
General Transportation Aids Computations			
3-Year Average Costs (2005-2007) <sup>(2)</sup>	\$2,051,118	\$1,930,066	\$3,981,184
Cost per Road Mile	\$23,319	\$59,186	\$33,020
Ratio to City Cost per Road Mile	1.00	2.54	
6-Year Average Costs (2002-2007) <sup>(2)</sup>	\$2,218,563	\$1,843,336	\$4,061,899
Cost per Road Mile	\$25,222	\$56,527	\$33,689
Ratio to City Cost per Road Mile	1.00	2.24	

1) Includes all law enforcement costs.  
2) Includes a portion of law enforcement costs.

transportation related expenses as an estimate of police patrol costs. Therefore, an argument could be made that it would be acceptable to include a portion of the law enforcement costs in a street utility district. Under these methods of analyzing costs per road mile, the Village spends between 1.90 and 2.54 times more per road mile than the City.

Tables 8 and 9 show a conceptual method that could be used to allocate the street related expenses of a merged municipality to a utility district or districts. Table 8 shows the computation of costs per road mile for a merged municipality. In this example, half of the merged municipality's law enforcement costs are included as street related costs. Village streets are assigned a factor of 2.00, meaning that each mile of Village streets costs 2.00 times as much to maintain as a mile of City streets. Counting Village streets at a factor of 2.00, there

would be the equivalent of 153.18 miles of City streets to maintain in a consolidated municipality. Based on total costs of \$3.7 million, the base cost of street related expenses is \$24,257 per mile. The cost per mile for Village streets would then be approximately \$48,515 per mile.

Table 9 shows the two alternatives for allocating costs to the utility district(s). Under the first alternative, two districts would be created. The Village utility district would be allocated a cost of \$48,515 per mile or a total of \$1.6 million. The City utility district would be allocated a cost of \$24,257 per road mile, or a total of \$2.1 million. Alternative 2 shows the creation of a single utility district for the Village area. In this alternative, base costs of \$24,257 per road mile, or a total of \$2.9 million, would be funded through the general property tax levy. The Village utility district would fund the additional \$24,257 per road mile for

**Table 8  
Street Expenditures per Road Mile, Merged 2009 Budget**

				<u>2009 Merged Budget</u>
Net Cost for Police Patrol, Highways and Street Lighting <sup>(1)</sup>				\$3,715,753
<u>2008 Road Miles</u>	<u>Miles</u>	<u>Factor</u>	<u>Equiv. Road Miles</u>	
City	87.96	1.00	87.96	
Village	32.61	2.00	65.22	
<b>Total</b>	<b>120.57</b>		<b>153.18</b>	
Base Cost per Equivalent Road Mile				\$24,257
Village Cost per Road Mile				\$48,515

1) Includes a portion of law enforcement costs. The exact amount of law enforcement costs that could be included would need to be determined.



**Table 9  
Alternatives for Utility District Funding of Street Expenses**

**Alternative 1: Two Utility Districts**

	Road Miles	Cost per Mile	City Utility District Costs	Village Utility District Costs
City Streets	87.96	\$24,257	\$2,133,683	
Village Streets	32.61	\$48,515		\$1,582,069
<b>Total</b>	<b>120.57</b>		<b>\$2,133,683</b>	<b>\$1,582,069</b>

**Alternative 2: Utility District for Village Area Only**

	Road Miles	Cost per Mile	City-Wide Base Costs		Village Utility District Costs	
			Total Cost	Additional Cost per Mile	Total Cost	
City streets	87.96	\$24,257	\$2,133,646		\$0	
Village streets	32.61	\$24,257	\$791,021	\$24,257	\$791,021	
<b>Total</b>	<b>120.57</b>		<b>\$2,924,666</b>		<b>\$791,021</b>	

Village area streets, or a total of \$791,000.

Tables 10 and 11 show the projected budgets and tax rates for each of these alternatives. Under the first alternative, the total tax rate for City area property owners would include the general tax levy plus a utility district tax levy. The total tax rate is projected to be slightly lower than the City's current tax rate. The Village area tax rate would also include both the general tax rate plus the utility district tax rate. The total tax rate for the Village area would be higher than the tax rate for City area property owners, but would be lower than the pre-consolidation Village tax rate.

Under the second alternative (Table 11), property owners in the current City area would only pay the general property tax rate, while Village area property owners would pay the general tax rate plus a utility district tax rate. Again, City property owners

would pay about the same tax rate as before consolidation, while Village property owners would pay more than City property owners but less than their pre-consolidation tax rate.

**Table 10**  
**Creation of Two Utility Districts to Fund Street Expenses - Projected Budgets and Tax Rates**

	Projected Budgets:									
	2009 Merged Budget	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	\$16,364,312	\$17,018,884	\$17,699,640	\$18,407,625	\$19,143,930	\$19,909,688	\$20,706,075	\$21,534,318	\$22,395,691	\$23,291,519
C. Pewaukee Debt Service Levy	\$1,407,333	\$1,405,885	\$1,321,964	\$1,082,433	\$1,079,917	\$620,305	\$473,701	\$472,411	\$277,912	\$273,882
C. Pewaukee Road Projects	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
C. Pewaukee SW Levy	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
C. Pewaukee Cemetery Levy	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550
V. Pewaukee Debt Service Levy	\$752,378	\$708,654	\$731,513	\$741,653	\$734,854	\$748,789	\$765,384	\$781,248	\$798,961	\$814,836
<b>Total Expenses</b>	<b>\$18,678,573</b>	<b>\$19,287,974</b>	<b>\$19,907,667</b>	<b>\$20,386,262</b>	<b>\$21,113,252</b>	<b>\$21,433,331</b>	<b>\$22,099,710</b>	<b>\$22,942,527</b>	<b>\$23,627,114</b>	<b>\$24,534,787</b>
Other Revenues	\$7,895,937	\$8,211,774	\$8,540,245	\$8,881,855	\$9,237,129	\$9,606,615	\$9,990,879	\$10,390,514	\$10,806,135	\$11,238,380
"Village Utility District" Tax Levy	\$1,582,069	\$1,645,352	\$1,711,166	\$1,779,613	\$1,850,797	\$1,924,829	\$2,001,822	\$2,081,895	\$2,165,171	\$2,251,778
"City Utility District" Tax Levy	\$2,133,683	\$2,219,031	\$2,307,792	\$2,400,103	\$2,496,108	\$2,595,952	\$2,699,790	\$2,807,782	\$2,920,093	\$3,036,896
General Tax Levy	\$7,066,884	\$7,211,817	\$7,348,464	\$7,324,690	\$7,529,217	\$7,305,936	\$7,407,219	\$7,662,336	\$7,735,715	\$8,007,732
<b>Total Revenues</b>	<b>\$18,678,573</b>	<b>\$19,287,974</b>	<b>\$19,907,667</b>	<b>\$20,386,262</b>	<b>\$21,113,252</b>	<b>\$21,433,331</b>	<b>\$22,099,710</b>	<b>\$22,942,527</b>	<b>\$23,627,114</b>	<b>\$24,534,787</b>
TID-in Equalized Value - City	\$2,822,705,900	\$2,935,614,136	\$3,053,038,701	\$3,175,160,249	\$3,302,166,659	\$3,434,253,326	\$3,571,623,459	\$3,714,488,397	\$3,863,067,933	\$4,017,590,650
TID-in Equalized Value - Village	\$1,015,656,100	\$1,056,282,344	\$1,098,533,638	\$1,142,474,983	\$1,188,173,983	\$1,235,700,942	\$1,285,128,980	\$1,336,534,139	\$1,389,995,504	\$1,445,595,324
<b>TID-in Equalized Value - Total</b>	<b>\$3,838,362,000</b>	<b>\$3,991,896,480</b>	<b>\$4,151,572,339</b>	<b>\$4,317,635,233</b>	<b>\$4,490,340,642</b>	<b>\$4,669,954,268</b>	<b>\$4,856,752,438</b>	<b>\$5,051,022,536</b>	<b>\$5,253,063,437</b>	<b>\$5,463,185,975</b>
Merged Tax Rate per \$1,000 EV	\$1.841	\$1.807	\$1.770	\$1.696	\$1.677	\$1.564	\$1.525	\$1.517	\$1.473	\$1.466
City Utility District Tax Rate	\$0.756	\$0.756	\$0.756	\$0.756	\$0.756	\$0.756	\$0.756	\$0.756	\$0.756	\$0.756
Total "City Area" Tax Rate	\$2.597	\$2.563	\$2.526	\$2.452	\$2.433	\$2.320	\$2.281	\$2.273	\$2.229	\$2.222
Village Utility District Tax Rate	\$1.558	\$1.558	\$1.558	\$1.558	\$1.558	\$1.558	\$1.558	\$1.558	\$1.558	\$1.558
Total "Village Area" Tax Rate	\$3.399	\$3.364	\$3.328	\$3.254	\$3.234	\$3.122	\$3.083	\$3.075	\$3.030	\$3.023
Pre-Consolidation Tax Rate - City	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604
Pre-Consolidation Tax Rate - Village	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252
Assumptions										
Annual increase in Other Revenues		4.0%								
Annual increase in General Fund expenses		4.0%								
Annual increase in Equalized Value		4.0%								

**Table 11**  
**Creation of One Utility District to Fund Street Expenses - Projected Budgets and Tax Rates**

	Projected Budgets:									
	2009 Merged Budget	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	\$16,364,312	\$17,018,884	\$17,699,640	\$18,407,625	\$19,143,930	\$19,909,688	\$20,706,075	\$21,534,318	\$22,395,691	\$23,291,519
C. Pewaukee Debt Service Levy	\$1,407,333	\$1,405,885	\$1,321,964	\$1,082,433	\$1,079,917	\$620,305	\$473,701	\$472,411	\$277,912	\$273,882
C. Pewaukee Road Projects	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
C. Pewaukee SW Levy	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
C. Pewaukee Cemetery Levy	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550
V. Pewaukee Debt Service Levy	\$752,378	\$708,654	\$731,513	\$741,653	\$734,854	\$748,789	\$765,384	\$781,248	\$798,961	\$814,836
<b>Total Expenses</b>	<b>\$18,678,573</b>	<b>\$19,287,974</b>	<b>\$19,907,667</b>	<b>\$20,386,262</b>	<b>\$21,113,252</b>	<b>\$21,433,331</b>	<b>\$22,099,710</b>	<b>\$22,942,527</b>	<b>\$23,627,114</b>	<b>\$24,534,787</b>
Other Revenues	\$7,895,937	\$8,211,774	\$8,540,245	\$8,881,855	\$9,237,129	\$9,606,615	\$9,990,879	\$10,390,514	\$10,806,135	\$11,238,380
"Village Utility District" Tax Levy	\$791,021	\$822,662	\$855,568	\$889,791	\$925,382	\$962,398	\$1,000,894	\$1,040,929	\$1,082,567	\$1,125,869
General Tax Levy	\$9,991,616	\$10,253,538	\$10,511,854	\$10,614,615	\$10,950,740	\$10,864,319	\$11,107,937	\$11,511,084	\$11,738,412	\$12,170,537
<b>Total Revenues</b>	<b>\$18,678,573</b>	<b>\$19,287,974</b>	<b>\$19,907,667</b>	<b>\$20,386,262</b>	<b>\$21,113,252</b>	<b>\$21,433,331</b>	<b>\$22,099,710</b>	<b>\$22,942,527</b>	<b>\$23,627,114</b>	<b>\$24,534,787</b>
TID-in Equalized Value - City	\$2,822,705,900	\$2,935,614,136	\$3,053,038,701	\$3,175,160,249	\$3,302,166,659	\$3,434,253,326	\$3,571,623,459	\$3,714,488,397	\$3,863,067,933	\$4,017,590,650
TID-in Equalized Value - Village	\$1,015,656,100	\$1,056,282,344	\$1,098,533,638	\$1,142,474,983	\$1,188,173,983	\$1,235,700,942	\$1,285,128,980	\$1,336,534,139	\$1,389,995,504	\$1,445,595,324
<b>TID-in Equalized Value - Total</b>	<b>\$3,838,362,000</b>	<b>\$3,991,896,480</b>	<b>\$4,151,572,339</b>	<b>\$4,317,635,233</b>	<b>\$4,490,340,642</b>	<b>\$4,669,954,268</b>	<b>\$4,856,752,438</b>	<b>\$5,051,022,536</b>	<b>\$5,253,063,437</b>	<b>\$5,463,185,975</b>
Merged Tax Rate per \$1,000 EV	\$2.603	\$2.569	\$2.532	\$2.458	\$2.439	\$2.326	\$2.287	\$2.279	\$2.235	\$2.228
Village Utility District Tax Rate	\$0.779	\$0.779	\$0.779	\$0.779	\$0.779	\$0.779	\$0.779	\$0.779	\$0.779	\$0.779
Total "Village Area" Tax Rate	\$3.382	\$3.347	\$3.311	\$3.237	\$3.218	\$3.105	\$3.066	\$3.058	\$3.013	\$3.007
Pre-Consolidation Tax Rate - City	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604
Pre-Consolidation Tax Rate - Village	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252
Assumptions										
Annual increase in Other Revenues		4.0%								
Annual increase in General Fund expenses		4.0%								
Annual increase in Equalized Value		4.0%								

Advantages: This method has as its basis the difference in service levels and costs of street maintenance between the Village and the City. It also has the result of lowering tax rates for all property owners while keeping property tax rates for Village area property owners at least somewhat higher than rates for City area property owners. This means that this alternative would improve the distribution of consolidation benefits between Village property owners and City property owners. Unlike other alternatives, this alternative would continue to maintain this difference in tax rates indefinitely as long as there is a difference in service levels and the consolidated municipality chose not to dissolve the utility district.

Disadvantages: This alternative would require the creation of one or two utility districts. The process for creating a utility district includes a public hearing and a resolution, but not a referendum. There would be ongoing administrative effort involved in accounting for utility district revenues and expenses. The utility district boundaries would have to be established on the basis of the specific streets that require a higher level of operation and maintenance. Therefore, the district boundaries may not coincide exactly with the pre-consolidation Village limits.

There are no other municipalities in Wisconsin currently using a utility district in the manner proposed in this study, to fund street maintenance and police patrol expenses by means of a utility district tax levy. In order to achieve the desired reduction in the general property tax rate, police patrol costs would need to be included as street-related costs. If the inclusion of police patrol costs was challenged and was determined not be allowed by Wisconsin Statutes §66.0827, the costs that could be placed on a utility district tax levy would be significantly reduced. If that were the case, this

approach by itself would not be sufficient to reduce the merged tax rate to the desired level. Tables 12 through 15 show the analysis of a street utility district without any police patrol costs included.

Implementation: The street utility district would be established after consolidation of the two communities. Wisconsin Statutes §66.0827 sets forth the process for establishing a utility district. Although not required, it may be advisable to follow the same process used for special assessments found in Wisconsin Statutes §66.0703. This process includes a preliminary resolution declaring the intent of the governing body to create the district and describing the proposed boundaries of the district; a report describing the purpose of the district, the district costs and the method for recovering those costs from properties within the district; a public hearing; and a final resolution to create the district and establish the boundaries. Additional analysis would be needed to determine more precisely the amount of costs that could be assigned to the utility district and to establish the exact boundaries of such a district. A three-fourths vote of the city council would be required to establish the utility.

**Table 12  
Street Expenditures per Road Mile Excluding Police Patrol,  
Merged 2009 Budget**

			<u>2009 Merged Budget</u>
Expenditures			
Net Cost for Highways and Street Lighting <sup>(1)</sup>			\$1,665,817
<u>2008 Road Miles</u>	<u>Miles</u>	<u>Factor</u>	<u>Equiv. Road Miles</u>
City	87.96	1.00	87.96
Village	32.61	2.00	65.22
Total	120.57		153.18
Base Cost per Equivalent Road Mile			\$10,875
Village Cost per Road Mile			\$21,750

1) Includes a portion of law enforcement costs. The exact amount of law enforcement costs that could be included would need to be determined.

**Table 13  
Alternatives for Utility District Funding of Street Expenses  
Excluding Police Patrol**

**Alternative 1: Two Utility Districts**

	Road Miles	Cost per Mile	City Utility District Costs	Village Utility District Costs
City Streets	87.96	\$10,875	\$956,556	
Village Streets	32.61	\$21,750		\$709,261
<b>Total</b>	<b>120.57</b>		<b>\$956,556</b>	<b>\$709,261</b>

**Alternative 2: Utility District for Village Area Only**

	Road Miles	Cost per Mile	City-Wide Base Costs		Village Utility District Costs	
			Total Cost		Additional Cost per Mile	Total Cost
City streets	87.96	\$10,875	\$956,556			\$0
Village streets	32.61	\$10,875	\$354,630		\$10,875	\$354,630
<b>Total</b>	<b>120.57</b>		<b>\$1,311,187</b>			<b>\$354,630</b>

**Table 14**  
**Creation of Two Utility Districts to Fund Street Expenses - Projected Budgets and Tax Rates**  
**Excluding Police Patrol Expenses**

	Projected Budgets:									
	2009 Merged Budget	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	\$16,364,312	\$17,018,884	\$17,699,640	\$18,407,625	\$19,143,930	\$19,909,688	\$20,706,075	\$21,534,318	\$22,395,691	\$23,291,519
C. Pewaukee Debt Service Levy	\$1,407,333	\$1,405,885	\$1,321,964	\$1,082,433	\$1,079,917	\$620,305	\$473,701	\$472,411	\$277,912	\$273,882
C. Pewaukee Road Projects	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
C. Pewaukee SW Levy	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
C. Pewaukee Cemetery Levy	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550
V. Pewaukee Debt Service Levy	\$752,378	\$708,654	\$731,513	\$741,653	\$734,854	\$748,789	\$765,384	\$781,248	\$798,961	\$814,836
<b>Total Expenses</b>	<b>\$18,678,573</b>	<b>\$19,287,974</b>	<b>\$19,907,667</b>	<b>\$20,386,262</b>	<b>\$21,113,252</b>	<b>\$21,433,331</b>	<b>\$22,099,710</b>	<b>\$22,942,527</b>	<b>\$23,627,114</b>	<b>\$24,534,787</b>
Other Revenues	\$7,895,937	\$8,211,774	\$8,540,245	\$8,881,855	\$9,237,129	\$9,606,615	\$9,990,879	\$10,390,514	\$10,806,135	\$11,238,380
"Village Utility District" Tax Levy	\$709,261	\$737,631	\$767,137	\$797,822	\$829,735	\$862,924	\$897,441	\$933,339	\$970,673	\$1,009,499
"City Utility District" Tax Levy	\$956,556	\$994,818	\$1,034,611	\$1,075,996	\$1,119,035	\$1,163,797	\$1,210,349	\$1,258,763	\$1,309,113	\$1,361,478
General Tax Levy	\$9,116,819	\$9,343,750	\$9,565,674	\$9,630,589	\$9,927,352	\$9,799,995	\$10,001,041	\$10,359,911	\$10,541,193	\$10,925,429
<b>Total Revenues</b>	<b>\$18,678,573</b>	<b>\$19,287,974</b>	<b>\$19,907,667</b>	<b>\$20,386,262</b>	<b>\$21,113,252</b>	<b>\$21,433,331</b>	<b>\$22,099,710</b>	<b>\$22,942,527</b>	<b>\$23,627,114</b>	<b>\$24,534,787</b>
TID-in Equalized Value - City	\$2,822,705,900	\$2,935,614,136	\$3,053,038,701	\$3,175,160,249	\$3,302,166,659	\$3,434,253,326	\$3,571,623,459	\$3,714,488,397	\$3,863,067,933	\$4,017,590,650
TID-in Equalized Value - Village	\$1,015,656,100	\$1,056,282,344	\$1,098,533,638	\$1,142,474,983	\$1,188,173,983	\$1,235,700,942	\$1,285,128,980	\$1,336,534,139	\$1,389,995,504	\$1,445,595,324
<b>TID-in Equalized Value - Total</b>	<b>\$3,838,362,000</b>	<b>\$3,991,896,480</b>	<b>\$4,151,572,339</b>	<b>\$4,317,635,233</b>	<b>\$4,490,340,642</b>	<b>\$4,669,954,268</b>	<b>\$4,856,752,438</b>	<b>\$5,051,022,536</b>	<b>\$5,253,063,437</b>	<b>\$5,463,185,975</b>
Merged Tax Rate per \$1,000 EV	\$2.375	\$2.341	\$2.304	\$2.231	\$2.211	\$2.099	\$2.059	\$2.051	\$2.007	\$2.000
City Utility District Tax Rate	\$0.339	\$0.339	\$0.339	\$0.339	\$0.339	\$0.339	\$0.339	\$0.339	\$0.339	\$0.339
Total "City Area" Tax Rate	\$2.714	\$2.680	\$2.643	\$2.569	\$2.550	\$2.437	\$2.398	\$2.390	\$2.346	\$2.339
Village Utility District Tax Rate	\$0.698	\$0.698	\$0.698	\$0.698	\$0.698	\$0.698	\$0.698	\$0.698	\$0.698	\$0.698
Total "Village Area" Tax Rate	\$3.074	\$3.039	\$3.002	\$2.929	\$2.909	\$2.797	\$2.758	\$2.749	\$2.705	\$2.698
Pre-Consolidation Tax Rate - City	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604
Pre-Consolidation Tax Rate - Village	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252
Assumptions										
Annual increase in Other Revenues	4.0%									
Annual increase in General Fund expenses	4.0%									
Annual increase in Equalized Value	4.0%									

**Table 15**  
**Creation of One Utility District to Fund Street Expenses - Projected Budgets and Tax Rates**  
**Excluding Police Patrol Expenses**

	Projected Budgets:									
	2009 Merged Budget	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	\$16,364,312	\$17,018,884	\$17,699,640	\$18,407,625	\$19,143,930	\$19,909,688	\$20,706,075	\$21,534,318	\$22,395,691	\$23,291,519
C. Pewaukee Debt Service Levy	\$1,407,333	\$1,405,885	\$1,321,964	\$1,082,433	\$1,079,917	\$620,305	\$473,701	\$472,411	\$277,912	\$273,882
C. Pewaukee Road Projects	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
C. Pewaukee SW Levy	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
C. Pewaukee Cemetery Levy	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550
V. Pewaukee Debt Service Levy	\$752,378	\$708,654	\$731,513	\$741,653	\$734,854	\$748,789	\$765,384	\$781,248	\$798,961	\$814,836
Total Expenses	\$18,678,573	\$19,287,974	\$19,907,667	\$20,386,262	\$21,113,252	\$21,433,331	\$22,099,710	\$22,942,527	\$23,627,114	\$24,534,787
Other Revenues	\$7,895,937	\$8,211,774	\$8,540,245	\$8,881,855	\$9,237,129	\$9,606,615	\$9,990,879	\$10,390,514	\$10,806,135	\$11,238,380
"Village Utility District" Tax Levy	\$354,630	\$368,816	\$383,568	\$398,911	\$414,867	\$431,462	\$448,721	\$466,669	\$485,336	\$504,750
General Tax Levy	\$10,428,006	\$10,707,384	\$10,983,853	\$11,105,495	\$11,461,255	\$11,395,254	\$11,660,110	\$12,085,344	\$12,335,643	\$12,791,656
Total Revenues	\$18,678,573	\$19,287,974	\$19,907,667	\$20,386,262	\$21,113,252	\$21,433,331	\$22,099,710	\$22,942,527	\$23,627,114	\$24,534,787
TID-in Equalized Value - City	\$2,822,705,900	\$2,935,614,136	\$3,053,038,701	\$3,175,160,249	\$3,302,166,659	\$3,434,253,326	\$3,571,623,459	\$3,714,488,397	\$3,863,067,933	\$4,017,590,650
TID-in Equalized Value - Village	\$1,015,656,100	\$1,056,282,344	\$1,098,533,638	\$1,142,474,983	\$1,188,173,983	\$1,235,700,942	\$1,285,128,980	\$1,336,534,139	\$1,389,995,504	\$1,445,595,324
TID-in Equalized Value - Total	\$3,838,362,000	\$3,991,896,480	\$4,151,572,339	\$4,317,635,233	\$4,490,340,642	\$4,669,954,268	\$4,856,752,438	\$5,051,022,536	\$5,253,063,437	\$5,463,185,975
Merged Tax Rate per \$1,000 EV	\$2.717	\$2.682	\$2.646	\$2.572	\$2.552	\$2.440	\$2.401	\$2.393	\$2.348	\$2.341
Village Utility District Tax Rate	\$0.349	\$0.349	\$0.349	\$0.349	\$0.349	\$0.349	\$0.349	\$0.349	\$0.349	\$0.349
Total "Village Area" Tax Rate	\$3.066	\$3.031	\$2.995	\$2.921	\$2.902	\$2.789	\$2.750	\$2.742	\$2.697	\$2.691
Pre-Consolidation Tax Rate - City	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604
Pre-Consolidation Tax Rate - Village	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252
Assumptions										
Annual increase in Other Revenues	4.0%									
Annual increase in General Fund expenses	4.0%									
Annual increase in Equalized Value	4.0%									



**Issue Debt to Establish a Tax Rate Reduction Fund and Create a Utility District to Operate the Village Sewer Utility and Finance the Debt Service**

Concept: Prior to consolidation, the Village would borrow a sum of money and set the funds aside as a tax rate reduction fund. Amounts would be drawn from the fund, as needed each year for the first several years after consolidation, to keep the general property tax rate at the desired level. The debt service for the amount borrowed would be funded by the creation of a sewer utility district encompassing the current sewer service area of the Village. A property tax would be levied within this district to cover the debt service.

A utility district cannot be used to provide service within one area of the community when the same service is provided in the remainder of the community without a utility district. Therefore, another sewer utility district would have to be created for the City's sewer service area. Both of these districts would be maintained after consolidation until the debt service for the tax rate reduction fund was paid off. The city council of the consolidated City would oversee both districts. The same staff would operate and maintain the two districts and O&M expenses would be allocated between the two districts. Similarly, the two districts could be physically connected and construct joint capital improvements, with the capital costs for new projects allocated between the two districts. Each district would continue to pay for its own debt service for capital improvements completed prior to the merger. The two districts would have different user charge rates. In addition, property owners in the Village area utility district would pay a property tax for the debt issued to establish the tax rate reduction fund.

Analysis: Tables 16 and 17 show projected budgets and tax rates for City area and

Village area property owners, as well as the projected balance of the tax rate reduction fund, for two scenarios. Under the first scenario, the Village would borrow \$5.25 million to establish the fund. Under the second scenario, the Village would borrow \$3.5 million to establish the fund. Under either scenario, the debt service for the borrowing would be funded entirely by the Village area utility district. The general property tax rate would be less than the City's pre-consolidation tax rate, with the actual rate depending on the amount borrowed (as well as other factors such as increases in property values and expenses). The total tax rate for properties in the Village area utility district would include the general property tax rate plus the utility district tax rate, but would be less than the Village's pre-consolidation tax rate.

The figures of \$5.25 million and \$3.5 million were selected for illustration purposes. The actual amount would be established by agreement between the City and Village prior to consolidation. The amount could be set at a higher level to achieve a further reduction in City property owner tax rates.

Advantages: This alternative has the result of lowering tax rates for all property owners while keeping property tax rates for Village area property owners at least somewhat higher than rates for City area property owners. This means that this alternative would improve the distribution of benefits between Village property owners and City property owners. This alternative would only maintain this difference in tax rates until the debt service is paid off for the initial borrowing.

Disadvantages: This alternative would require the creation of two utility districts. The process for creating a utility district includes a public hearing and a resolution, but not a referendum. The maintenance of two utility districts and different sewer user charge rates after consolidation would create additional administrative effort and

may be difficult to understand and explain. This alternative would only maintain the difference in tax rates until the debt service is paid off for the initial borrowing. The utility district boundaries would have to be established on the basis of properties receiving sewer service. Therefore, the district boundaries would not coincide exactly with the pre-consolidation Village limits.

Implementation: The Village and City utility districts would both be established before consolidation of the two communities. Wisconsin Statutes §66.0827 sets forth the process for establishing a utility district. Although not required, it may be advisable to follow the process used for special assessments found in Wisconsin Statutes §66.0703. This process includes a preliminary resolution declaring the intent of the governing body to create the district and describing the proposed boundaries of the district; a report describing the purpose of the district, the district costs and the method for recovering those costs from properties within the district; a public hearing; and a final resolution to create the district and establish the boundaries. A three-fourths vote of the city council and village board would be required to establish the utility districts. Before consolidation, the Village would issue debt in the amount agreed to by the City and Village and would use the funds to establish the tax rate reduction fund. The City and Village should consult their financial advisors regarding the requirements that would need to be met to ensure that the bonds are tax-exempt.

**Table 16**  
**Creation of a \$5.25 million Tax Relief Fund Financed by a Sewer Utility District**

Projected Budgets:										
	2009 Merged Budget	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	\$16,364,312	\$17,018,884	\$17,699,640	\$18,407,625	\$19,143,930	\$19,909,688	\$20,706,075	\$21,534,318	\$22,395,691	\$23,291,519
C. Pewaukee Debt Service Levy	\$1,407,333	\$1,405,885	\$1,321,964	\$1,082,433	\$1,079,917	\$620,305	\$473,701	\$472,411	\$277,912	\$273,882
C. Pewaukee Road Projects	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
C. Pewaukee SW Levy	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
C. Pewaukee Cemetery Levy	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550
V. Pewaukee Debt Service Levy	\$752,378	\$708,654	\$731,513	\$741,653	\$734,854	\$748,789	\$765,384	\$781,248	\$798,961	\$814,836
Debt Service on Tax Reduction Fund (5%)	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274
Total Expenses	\$19,099,847	\$19,709,248	\$20,328,941	\$20,807,535	\$21,534,525	\$21,854,605	\$22,520,984	\$23,363,801	\$24,048,388	\$24,956,060
Other Revenues	\$7,895,937	\$8,211,774	\$8,540,245	\$8,881,855	\$9,237,129	\$9,606,615	\$9,990,879	\$10,390,514	\$10,806,135	\$11,238,380
"Village Area Utility District" Tax Levy	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274	\$421,274
Tax Rate Reduction Funds Applied	\$1,400,000	\$1,200,000	\$1,000,000	\$700,000	\$600,000	\$150,000	\$0	\$0	\$0	\$0
General Tax Levy	\$9,382,636	\$9,876,199	\$10,367,422	\$10,804,406	\$11,276,122	\$11,676,717	\$12,108,831	\$12,552,013	\$12,820,979	\$13,296,406
Total Revenues	\$19,099,847	\$19,709,248	\$20,328,941	\$20,807,535	\$21,534,525	\$21,854,605	\$22,520,984	\$23,363,801	\$24,048,388	\$24,956,060
TID-in Equalized Value - City	\$2,822,705,900	\$2,935,614,136	\$3,053,038,701	\$3,175,160,249	\$3,302,166,659	\$3,434,253,326	\$3,571,623,459	\$3,714,488,397	\$3,863,067,933	\$4,017,590,650
TID-in Equalized Value - Village	\$1,015,656,100	\$1,056,282,344	\$1,098,533,638	\$1,142,474,983	\$1,188,173,983	\$1,235,700,942	\$1,285,128,980	\$1,336,534,139	\$1,389,995,504	\$1,445,595,324
TID-in Equalized Value - Total	\$3,838,362,000	\$3,991,896,480	\$4,151,572,339	\$4,317,635,233	\$4,490,340,642	\$4,669,954,268	\$4,856,752,438	\$5,051,022,536	\$5,253,063,437	\$5,463,185,975
Merged Tax Rate per \$1,000 EV	\$2.444	\$2.474	\$2.497	\$2.502	\$2.511	\$2.500	\$2.493	\$2.485	\$2.441	\$2.434
"Village Area Utility District" Tax Rate	\$0.415	\$0.399	\$0.383	\$0.369	\$0.355	\$0.341	\$0.328	\$0.315	\$0.303	\$0.291
Total Village Area Tax Rate	\$2.859	\$2.873	\$2.881	\$2.871	\$2.866	\$2.841	\$2.821	\$2.800	\$2.744	\$2.725
Pre-Consolidation Tax Rate - City	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604
Pre-Consolidation Tax Rate - Village	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252
Tax Rate Reduction Fund										
Beginning Balance	\$5,250,000	\$3,946,250	\$2,814,906	\$1,860,279	\$1,189,286	\$604,018	\$465,368	\$477,003	\$488,928	\$501,151
Withdrawals	-\$1,400,000	-\$1,200,000	-\$1,000,000	-\$700,000	-\$600,000	-\$150,000	\$0	\$0	\$0	\$0
Interest Earnings	\$96,250	\$68,656	\$45,373	\$29,007	\$14,732	\$11,350	\$11,634	\$11,925	\$12,223	\$12,529
Ending Balance	\$3,946,250	\$2,814,906	\$1,860,279	\$1,189,286	\$604,018	\$465,368	\$477,003	\$488,928	\$501,151	\$513,680
Assumptions										
Annual increase in Other Revenues	4.0%									
Annual increase in General Fund expenses	4.0%									
Annual increase in Equalized Value	4.0%									
Percent Reduction in Net Tax Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

**Table 17**  
**Creation of a \$3.5 million Tax Relief Fund Financed by a Sewer Utility District**

Projected Budgets:										
	2009 Merged Budget	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	\$16,364,312	\$17,018,884	\$17,699,640	\$18,407,625	\$19,143,930	\$19,909,688	\$20,706,075	\$21,534,318	\$22,395,691	\$23,291,519
C. Pewaukee Debt Service Levy	\$1,407,333	\$1,405,885	\$1,321,964	\$1,082,433	\$1,079,917	\$620,305	\$473,701	\$472,411	\$277,912	\$273,882
C. Pewaukee Road Projects	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
C. Pewaukee SW Levy	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
C. Pewaukee Cemetery Levy	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550
V. Pewaukee Debt Service Levy	\$752,378	\$708,654	\$731,513	\$741,653	\$734,854	\$748,789	\$765,384	\$781,248	\$798,961	\$814,836
Debt Service on Tax Reduction Fund	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849
<b>Total Expenses</b>	<b>\$18,959,422</b>	<b>\$19,568,823</b>	<b>\$20,188,516</b>	<b>\$20,667,111</b>	<b>\$21,394,101</b>	<b>\$21,714,180</b>	<b>\$22,380,559</b>	<b>\$23,223,376</b>	<b>\$23,907,963</b>	<b>\$24,815,636</b>
Other Revenues	\$7,895,937	\$8,211,774	\$8,540,245	\$8,881,855	\$9,237,129	\$9,606,615	\$9,990,879	\$10,390,514	\$10,806,135	\$11,238,380
"Village Area Utility District" Tax Levy	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849	\$280,849
Tax Rate Reduction Funds Applied	\$854,254	\$750,682	\$628,884	\$336,327	\$261,320					
General Tax Levy	\$9,928,382	\$10,325,517	\$10,738,538	\$11,168,080	\$11,614,803	\$11,826,717	\$12,108,831	\$12,552,013	\$12,820,979	\$13,296,406
<b>Total Revenues</b>	<b>\$18,959,422</b>	<b>\$19,568,823</b>	<b>\$20,188,516</b>	<b>\$20,667,111</b>	<b>\$21,394,101</b>	<b>\$21,714,180</b>	<b>\$22,380,559</b>	<b>\$23,223,376</b>	<b>\$23,907,963</b>	<b>\$24,815,636</b>
TID-in Equalized Value - City	\$2,822,705,900	\$2,935,614,136	\$3,053,038,701	\$3,175,160,249	\$3,302,166,659	\$3,434,253,326	\$3,571,623,459	\$3,714,488,397	\$3,863,067,933	\$4,017,590,650
TID-in Equalized Value - Village	\$1,015,656,100	\$1,056,282,344	\$1,098,533,638	\$1,142,474,983	\$1,188,173,983	\$1,235,700,942	\$1,285,128,980	\$1,336,534,139	\$1,389,995,504	\$1,445,595,324
<b>TID-in Equalized Value - Total</b>	<b>\$3,838,362,000</b>	<b>\$3,991,896,480</b>	<b>\$4,151,572,339</b>	<b>\$4,317,635,233</b>	<b>\$4,490,340,642</b>	<b>\$4,669,954,268</b>	<b>\$4,856,752,438</b>	<b>\$5,051,022,536</b>	<b>\$5,253,063,437</b>	<b>\$5,463,185,975</b>
Merged Tax Rate per \$1,000 EV	\$2.587	\$2.587	\$2.587	\$2.587	\$2.587	\$2.533	\$2.493	\$2.485	\$2.441	\$2.434
"Village Area Utility District" Tax Rate	\$0.277	\$0.266	\$0.256	\$0.246	\$0.236	\$0.227	\$0.219	\$0.210	\$0.202	\$0.194
<b>Total Village Area Tax Rate</b>	<b>\$2.863</b>	<b>\$2.853</b>	<b>\$2.842</b>	<b>\$2.832</b>	<b>\$2.823</b>	<b>\$2.760</b>	<b>\$2.712</b>	<b>\$2.695</b>	<b>\$2.643</b>	<b>\$2.628</b>
Pre-Consolidation Tax Rate - City	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604
Pre-Consolidation Tax Rate - Village	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252
Tax Rate Reduction Fund										
Beginning Balance	\$3,500,000	\$2,711,889	\$2,010,238	\$1,415,888	\$1,106,550	\$866,361	\$888,021	\$910,221	\$932,977	\$956,301
Withdrawals	-\$854,254	-\$750,682	-\$628,884	-\$336,327	-\$261,320	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$66,144	\$49,030	\$34,534	\$26,989	\$21,131	\$21,659	\$22,201	\$22,756	\$23,324	\$23,908
Ending Balance	\$2,711,889	\$2,010,238	\$1,415,888	\$1,106,550	\$866,361	\$888,021	\$910,221	\$932,977	\$956,301	\$980,209
Assumptions										
Annual increase in Other Revenues	4.0%									
Annual increase in General Fund expenses	4.0%									
Annual increase in Equalized Value	4.0%									
Percent Reduction in Net Tax Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

### **Seek Legislation to Allow the Creation of a Special Taxing District for Consolidation**

Concept: The City and the Village would jointly seek legislation to authorize the creation of a new special purpose district that could be established in conjunction with municipal consolidations. The purpose of the district would be to impose a tax within the community that would otherwise receive the greater benefit from consolidation. In this case, the district would be created to include all of the property within the pre-consolidation Village limits. The district could be used to fund an annual transfer to the general fund that would be used to reduce the community-wide tax rate, or a lump sum payment that would be used to establish a tax rate reduction fund. In either case, the structure of the payments would be determined before consolidation. The city council of the consolidated city would oversee the budget of the special purpose district.

Analysis: There are two general ways in which this type of district could be used to reduce the community-wide tax rate. The first way that was considered was to issue debt to fund a lump sum payment to a tax rate reduction fund. The district would then impose a tax in order to service the debt. The analysis for this option is essentially the same as was shown in Tables 16 and 17. The debt service for the borrowing would be funded entirely by the Village area special purpose district. The general property tax rate would be less than the City's pre-consolidation tax rate, with the actual rate depending on the amount borrowed (as well as other factors such as increases in property values and expenses). The total tax rate for properties in the Village area special purpose district would include the general property tax rate plus the special purpose district tax rate, but would be less than the Village's pre-consolidation tax rate.

Table 18 shows analysis of the use of a consolidation district to make annual transfers to the general fund. In this example, the amount of the annual transfer is set so as to provide a tax rate reduction of approximately 10 percent to City taxpayers within the first four years after consolidation and then hold that tax rate approximately level for the next several years. These projections assume equal rates of inflation in property values, other revenues and expenses, and no new major capital projects (i.e. other factors held relatively constant). Given these assumptions, the amount of the transfer from the special district would decrease each year, gradually decreasing the total tax rate for property owners in the Village area. Over a period of 15-20 years, the transfer would be phased out.

Comparing the annual transfer (Table 18) with the lump sum payment options (Tables 16 -17), the primary difference between the two is that the use of the lump sum payment option provides a more immediate tax rate decrease for Village property owners and more level tax rates thereafter. The annual payment option provides a small initial drop in the tax rate, but the tax rate would continue to decline each year thereafter (all other factors remaining constant). This is because with the lump sum payment option the payment would be financed by debt, with level debt service payments. In the annual payment option, the payments would start out at a higher level and gradually decrease.

Advantages: This approach offers a simple and straightforward link between the function of the special district and the purpose for which it is created. Property owners in the Village would benefit more financially from consolidation without the creation of such a district—therefore a district would be created to impose a tax on these properties in order to more equally distribute the benefits. This type of district could have considerable flexibility in

determining the amount of such payments and how they would be structured because it is not tied to the provision of specific infrastructure or services. It would not require the City or Village to justify the amount of costs being allocated to the district on the basis of specific services provided. It would not require the consolidated community to operate two separate sewer utility districts or a separate street utility district simply for the purpose of raising additional revenues from a specific area.

Disadvantages: This option requires the enactment of new legislation.

Implementation: The first step would be to draft and seek sponsors for the proposed legislation. It is anticipated that the steps for creating such a district would be for the two communities to prepare a plan for the district, designating the proposed boundaries, the amount of the proposed payments, how the payments would be structured, how the costs would be recovered from properties within the district, and the projected tax impacts on properties both within and without the proposed district. This plan would have to be publicly noticed and made available to the public. It is also likely that the creation of such a district would require a referendum vote, along with or as part of the referendum on consolidation.

**Table 18**  
**Creation of a Consolidation Special District with Annual Payments**

	Projected Budgets:									
	2009 Merged Budget	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund	\$16,364,312	\$17,018,884	\$17,699,640	\$18,407,625	\$19,143,930	\$19,909,688	\$20,706,075	\$21,534,318	\$22,395,691	\$23,291,519
C. Pewaukee Debt Service Levy	\$1,407,333	\$1,405,885	\$1,321,964	\$1,082,433	\$1,079,917	\$620,305	\$473,701	\$472,411	\$277,912	\$273,882
C. Pewaukee Road Projects	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
C. Pewaukee SW Levy	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
C. Pewaukee Cemetery Levy	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550	\$27,550
V. Pewaukee Debt Service Levy	\$752,378	\$708,654	\$731,513	\$741,653	\$734,854	\$748,789	\$765,384	\$781,248	\$798,961	\$814,836
<b>Total Expenses</b>	<b>\$18,678,573</b>	<b>\$19,287,974</b>	<b>\$19,907,667</b>	<b>\$20,386,262</b>	<b>\$21,113,252</b>	<b>\$21,433,331</b>	<b>\$22,099,710</b>	<b>\$22,942,527</b>	<b>\$23,627,114</b>	<b>\$24,534,787</b>
Other Revenues	\$7,895,937	\$8,211,774	\$8,540,245	\$8,881,855	\$9,237,129	\$9,606,615	\$9,990,879	\$10,390,514	\$10,806,135	\$11,238,380
"Consolidation Special District" Tax Levy	\$1,600,000	\$1,600,000	\$1,600,000	\$1,400,000	\$1,350,000	\$950,000	\$800,000	\$800,000	\$600,000	\$600,000
General Tax Levy	\$9,182,636	\$9,476,199	\$9,767,422	\$10,104,406	\$10,526,122	\$10,876,717	\$11,308,831	\$11,752,013	\$12,220,979	\$12,696,406
<b>Total Revenues</b>	<b>\$18,678,573</b>	<b>\$19,287,974</b>	<b>\$19,907,667</b>	<b>\$20,386,262</b>	<b>\$21,113,252</b>	<b>\$21,433,331</b>	<b>\$22,099,710</b>	<b>\$22,942,527</b>	<b>\$23,627,114</b>	<b>\$24,534,787</b>
TID-in Equalized Value - City	\$2,822,705,900	\$2,935,614,136	\$3,053,038,701	\$3,175,160,249	\$3,302,166,659	\$3,434,253,326	\$3,571,623,459	\$3,714,488,397	\$3,863,067,933	\$4,017,590,650
TID-in Equalized Value - Village	\$1,015,656,100	\$1,056,282,344	\$1,098,533,638	\$1,142,474,983	\$1,188,173,983	\$1,235,700,942	\$1,285,128,980	\$1,336,534,139	\$1,389,995,504	\$1,445,595,324
<b>TID-in Equalized Value - Total</b>	<b>\$3,838,362,000</b>	<b>\$3,991,896,480</b>	<b>\$4,151,572,339</b>	<b>\$4,317,635,233</b>	<b>\$4,490,340,642</b>	<b>\$4,669,954,268</b>	<b>\$4,856,752,438</b>	<b>\$5,051,022,536</b>	<b>\$5,253,063,437</b>	<b>\$5,463,185,975</b>
Merged Tax Rate per \$1,000 EV	\$2.392	\$2.374	\$2.353	\$2.340	\$2.344	\$2.329	\$2.328	\$2.327	\$2.326	\$2.324
"Consolidation Special District" Tax Levy	\$1.575	\$1.515	\$1.456	\$1.225	\$1.136	\$0.769	\$0.623	\$0.599	\$0.432	\$0.415
Total Village Area Tax Rate	\$3.968	\$3.889	\$3.809	\$3.566	\$3.480	\$3.098	\$2.951	\$2.925	\$2.758	\$2.739
Pre-Consolidation Tax Rate - City	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604	\$2.604
Pre-Consolidation Tax Rate - Village	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252	\$4.252
Assumptions										
Annual increase in Other Revenues	4.0%									
Annual increase in General Fund expenses	4.0%									
Annual increase in Equalized Value	4.0%									
Percent Reduction in Net Tax Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

## **CONCLUSIONS**

In this study, Municipal Economics & Planning and the Boardman Law Firm explore options that would allow the City and Village of Pewaukee to consolidate and better share the benefits of consolidation. Prior studies showed that while consolidation of the City and Village would result in overall cost savings, the majority of these cost savings would inure to the benefit of Village taxpayers unless a different method of redistributing these cost savings between City and Village taxpayers could be found. The purpose of this study is to review and recommend options under which both City and Village taxpayers could see reduced property tax rates as a result of consolidation.

The study identifies four alternatives that could potentially be used to better share the benefits of consolidation. Those four alternatives are:

1. Use of utility reserves to offset the tax levy
2. Creation of one or more utility district(s) to fund certain street-related expenses
3. Issue debt to establish a tax rate reduction fund and create a utility district to operate the Village sewer utility and finance the debt service
4. Seek legislation to allow the creation of a special taxing district for consolidation.

While any one of these alternatives could be used to reduce the post-consolidation tax rate for City property owners and improve the distribution of the benefits of consolidation, a few caveats should be kept in mind. First, while these alternatives are all legally supportable, there is no specific precedent for using any of these alternatives in this type of consolidation context. Because of that, challenges to the alternatives could potentially be raised. Second, while most of these alternatives

could be used individually to achieve the desired level of tax rate reduction, the street utility district may need to be used in conjunction with one or more of the other alternatives if police costs are not included as a utility expense. Third, each of the alternatives has its advantages and disadvantages, such as ease of implementation, ease of ongoing administration, susceptibility to legal challenge, and the extent to which it would mitigate the increase in tax rates for City property owners. The choice of a recommended course of action is based on a weighing of these advantages and disadvantages.

With these caveats in mind, Municipal Economics & Planning and the Boardman Law Firm recommend the following course of action for the City and Village, should they decide to proceed toward consolidation.

1. Seek legislation to allow the creation of a special taxing district for consolidation. This option is the most straightforward and would allow the most flexibility as to how the payments are structured. As such legislation would facilitate an overall savings related to government operations, there is a good likelihood this legislation could be passed during this spring 2009 legislative session.
2. Conduct a study of the future capital projects needed for the utilities with and without consolidation. This study would not only provide more information about the benefits of consolidation, particularly for City sewer and water customers, but would also help determine how much cash could be withdrawn from the Village utilities to create a tax rate reduction fund. This study could be conducted while legislation



is being pursued, but must await final 2008 audit reports.

3. Conduct a study investigating the creation of a street utility district that would fund a higher level of street related service within the Village area. The study would determine the base level of street maintenance to be funded by all property taxpayers through the General Fund, and the higher level of service that is to be provided within the area to be covered by the street utility district and funded through a utility district tax levy only within the district. Property owners in the current City area would only pay the general property tax rate, while Village area property owners would pay the general tax rate plus a utility district tax rate. Further analysis would look at what costs to include as utility related costs, and what the precise boundaries of the utility district would be. This study could be conducted while legislation is being pursued.
  
4. If legislation to create a consolidation tax district is unsuccessful, it is recommended that the City and Village pursue a combination of (a) using a portion of utility reserves to offset the tax levy, and (b) creating and collecting funds through a street utility district that provides a higher level of street related service within the Village area. The street utility district study will provide detailed data on the type and amount of dollars that may be collected from the utility district. If a conservative approach is taken in allocating costs to the street utility district, it is likely that a street utility district alone will not be enough to sufficiently reduce the property tax rates to City area residents. It is recommended that that the City and Village use a portion of utility

reserves to further offset the tax levy. The utility funds potentially available for this purpose will be determined by the study recommended above.

There are many issues for the City and Village to consider as they decide whether to pursue consolidation. This report demonstrates that should the City and Village decide to consolidate, the consolidation can be structured so that the property tax rates for City and Village residents will not increase. Concerns regarding tax rate increases for City property owners can be overcome and should not, therefore, stand as an impediment to consolidation of the City and Village.

**APPENDIX A**

**Proposed 2009 Merged Budget**

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>ADMINISTRATION</b>					
<b>Mayor</b>					
100- 511000- 1100 Wages	7,590	4,332	Mayor/Board President	7,590	Wages
Benefits	684	331		581	Benefits
100- 511000- 1400 Auto Allowance	1,350	-		1,350	Auto Allowance
100- 511000- 3210 Meetings & Conventions	400	400		500	Meetings & Conventions
100- 511000- 3400 Operating Supplies	-	-		-	Operating Supplies
Total Mayor	10,024	5,063		10,021	Total Mayor
<b>Common Council</b>					
100- 511100- 1100 Wages	30,240	21,636	Six Alderman/Six Board members/8 New Board	46,720	Wages
100- 511100- 1300 Social Security	2,682	1,655		4,063	Social Security
100- 511100- 1400 Auto Allowance	4,800	-	Village does not pay auto allowance	6,400	Auto Allowance
100- 511100- 3200 Dues, Memberships & Subscriptions	7,075	-		7,700	Dues, Memberships & Subscriptions
100- 511100- 3210 Meetings and Conventions	200	100		800	Meetings and Conventions
100- 511100- 3400 Operating Supplies	600	-		300	Operating Supplies
Total Common Council	45,597	23,391	Village includes all Board Members & benefits	65,983	Total Common Council
<b>Police &amp; Fire Commission</b>					
100- 511210- 1300 Social security	46	-	Village does not pay for members	52	Social security
100- 511210- 1410 Commissioner Fees	600	-	Stay 5 members	800	Commissioner Fees
100- 511210- 2980 Training	300	-	Will we continue to pay member?	300	Training
100- 511210- 3400 Operating Supplies	150	-		150	Operating Supplies
Total Police Commission	1,096	-		1,302	Total Police Commission
<b>Public Works Commission</b>					
100- 511330- 1300 Social security	58	-	Village does not pay for members	50	Social security
100- 511330- 1410 Commissioner Fees	750	-	Will we continue to pay member?	500	Commissioner Fees
100- 511330- 3400 Operating Supplies	150	-	5 Members	150	Operating Supplies
Total Public Works Commission	958	-		700	Total Public Works Commission

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Administrator</b>					
100- 514100- 1100 Wages	89,821	88,780	One Administrator	95,400	Wages
100- 514100- 1300 Social Security	6,871	6,793	Benefits	34,256	Benefits
100- 514100- 1310 Health Insurance	4,277	18,098	Admin Asst Wages	42,400	Admin Asst Wages
100- 514100- 1320 Dental Insurance	274	600	Admin Asst Benefits	24,380	Benefits
100- 514100- 1330 Optical Insurance	144	-	Village (included in Health)	-	
100- 514100- 1340 Life Insurance	264	756	Village includes Life & LTD	-	
100- 514100- 1350 Disability Insurance	674	-		-	
100- 514100- 1360 Pension	9,880	9,235		-	
100- 514100- 3110 Postage	500	-		500	Postage
100- 514100- 3140 Newsletter	15,000	-	City has Quarterly Newsletter - Continue this Practice	15,000	Newsletter
100- 514100- 3200 Dues, Memberships & Subscriptions	912	863	MAMEA, ICMA, WCMA, (Carlson/Dettman-City only)	1,200	Dues, Memberships & Subscriptions
100- 514100- 3210 Meetings and Conventions	2,150	2,000		2,100	Meetings and Conventions
100- 514100- 3300 Mileage	500	600		500	Mileage
100- 514100- 3400 Operating Supplies	650	708		650	Operating Supplies
100- 514100- 3950 New Equipment	-	1,500		-	New Equipment
Total Administrator	131,917	129,933		216,386	Total Administrator
<b>Insurance</b>					
100- 519300- 2150 Insurance Consultant	15,000	-		-	Insurance Consultant
100- 519300- 5110 Workers Compensation	70,000	-	Both use Heartland-Based on Wages	169,600	Workers Compensation
100- 519300- 5120 Property and Liability	78,500	-	Both use R&R part of League Insurance and LGIP	160,000	Property and Liability
Total Insurance	163,500	184,805	based on equipment and property	329,600	Total Insurance

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Outside Services</b>					
<b>Attorney</b>					
100- 513000- 2100 General Affairs	70,000	52,760	First Year Issues	150,000	General Affairs
100- 511210- 2100 Police & Fire Commission	3,500	-		-	Police & Fire Commission
100- 514300- 2100 Human Resources	30,000	20,000	Attorney to Specialize in Labor-negotiate initial 3 new contrac	100,000	Human Resources
100- 514400- 2100 Elections	600	-		-	Elections
100- 515300- 2100 Property Assessment	4,000	-		-	Property Assessment
100- 521000- 2100 Police Department	50,000	16,000	Village-Court legal, City incl Court	61,000	Police Department
100- 521100- 2100 Summer Lake Patrol	2,000	-	Fees reimb. Through DNR (Vil includes winter)	-	Summer Lake Patrol
100- 521200- 2100 Winter Lake Patrol	1,000	-		-	Winter Lake Patrol
100- 524000- 2100 Building Services	4,000	-		-	Building Services
100- 515350- 2100 Board of Review	1,500	-		-	Board of Review
100- 536400- 2100 Weed Control	-	-		-	Weed Control
100- 552000- 2100 Parks	500	-		-	Parks
100- 563000- 2100 Planning Commission	1,500	-		-	Planning Commission
100- 564000- 2100 Board of Appeals	2,000	-		-	Board of Appeals
Total Attorney	170,600	88,760		311,000	Total Attorney
<b>Accounting</b>					
100- 515100- 2120 Audit	39,300	38,500	GASB 34/Capital Proj/Debt Issues	70,000	Audit
100- 515100- 2130 Other Accounting Services	10,000	-		15,000	Other Accounting Services
Total Accounting	49,300	38,500		85,000	Total Accounting
<b>Other Outside Services</b>					
100- 515100- 2150 Investment Expense	500	-		-	Investment Expense
100- 515100- 2160 Pension Administrator	4,300	-	Village participates in WRS	-	Pension Administrator
100- 515100- 2190 Other Professional Services	6,200	-	City- other services provided by outside consultants	-	Other Professional Services
100- 519800- 2150 Weights & Measures	2,000	2,800	Add together	5,300	Weights & Measures
100- 526000- 2450 Trunked Radio Operating Costs	5,540	-	(Vil 4104.16 Serv. K, Pd 3426.32, DPW 1225.82)	14,000	Trunked Radio Operating Costs
Total Other	18,540	2,800		19,300	Total Other
Total Outside Services	238,440	130,060		415,300	Total Outside Services

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Plan Commission</b>					
100- 563000- 1300 Social Security (Commissioners)	85	-	Consider Hiring Planning "Trainee"???	85	Social Security (Commissioners)
100- 563000- 1410 Commissioner's Fees	1,000	-	Village doesn't pay commissioners	1,000	Commissioner's Fees
100- 563000- 2100 Engineer	200	-		200	Engineer
100- 563000- 2150 Planner (Contract)	67,466	9,624	Village - Pass through fees to Developer \$300/mtg co	67,466	Planner (Contract)
100- 563000- 3110 Postage	900	-	Village - included in Clerk's budget	900	Postage
100- 563000- 3400 Operating Supplies	1,200	-	Village - included in Clerk's budget	1,929	Operating Supplies
100- 563000- 3470 Notices and Publications	1,200	-	Village - included in Clerk's budget	1,200	Notices and Publications
100- 563000- 3950 New Equipment	-	-		-	New Equipment
Total Planning Commission	72,051	9,624	Potential Shift to Community Development Director	72,780	Total Planning Commission
<b>Board of Appeals</b>					
100- 564000- 1280 Overtime-Secretary	300	-		1,000	Overtime-Secretary
100- 564000- 1300 Social Security	61	-		140	Social Security
100- 564000- 1410 Meeting Fees	500	-		1,000	Meeting Fees
100- 564000- 3110 Postage	250	-		250	Postage
100- 564000- 3400 Operating Supplies	300	-		300	Operating Supplies
100- 564000- 3470 Notices and Publications	500	-		500	Notices and Publications
Total Board of Appeals	1,911	-		3,190	Total Board of Appeals
<b>Unclassified</b>					
100- 519800- 3400 General Gov - Operating Supplies	3,000	1,000		3,000	General Gov - Operating Supplies
100- 519800- 3490 Police Comm Serv - Operating Sup	-	-		-	Police Comm Serv - Operating Sup
100- 519800- 9910 Contingency Appropriation	100,000	15,000		100,000	Contingency Appropriation
Total Unclassified	103,000	16,000		103,000	Total Unclassified
Total Administration	768,494	498,876		1,218,262	Total Administration

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Municipal Court</b>					
100- 512000- 1090 Baliff Wages	9,398	-	Village - in PD budget	-	Baliff Wages
100- 512000- 1100 Wages	13,923	10,139	City - 2 court dates/month	24,062	Wages
100- 512000- 1200 Clerical Wages	56,940	21,174	Village - 2 court dates/month	38,376	Clerical Wages
100- 512000- 1300 Social Security	6,140	8,792	Total Village Fringe Benefits Total Bene	18,456	Benefits
100- 512000- 1310 Health Insurance	9,073	-		-	
100- 512000- 1320 Dental Insurance	961	-		-	
100- 512000- 1330 Optical Insurance	232	-		-	
100- 512000- 1340 Life Insurance	198	-		-	
100- 512000- 1350 Disability Insurance	463	-		-	
100- 512000- 1360 Pension	5,255	-		-	
100- 512000- 2200 Telephone	900	-	Transfer to Police	-	Telephone
100- 512000- 3110 Postage	2,400	800		3,000	Postage
100- 512000- 3200 Dues, Memberships & Subscriptions	900	685		900	Dues, Memberships & Subscriptions
100- 512000- 3210 Meetings and Conventions	800	890		904	Meetings and Conventions
100- 512000- 3300 Mileage	500	-		200	Mileage
100- 512000- 3400 Operating Supplies	4,500	7,536	Includes all Village Expenses and TIPSS	4,500	Operating Supplies
100- 512000- 3450 Witness Fees	400	500		600	Witness Fees
Total Municipal Court	112,983	50,516		90,998	Total Municipal Court

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Clerk/Treasurer</b>					
100- 514200- 1100 Wages	176,686	134,423	Dep Treas wages 50% water & sewer Wages	189,609	Clerk Wages
100- 514200- 1150 Part-Time Wages	18,745		PT Wages	116,813	Treasurer Wages
100- 514200- 1280 Overtime	200	1,000	Total Benefits	136,125	Benefits
100- 514200- 1300 Social Security	14,966	10,070	V-Total Fringes	-	
100- 514200- 1310 Health Insurance	28,354	18,098		-	
100- 514200- 1320 Dental Insurance	2,107	600		-	
100- 514200- 1330 Optical Insurance	547		V-Included in Health	-	
100- 514200- 1340 Life Insurance	589	1,636	V-Includes LTD	-	
100- 514200- 1350 Disability Insurance	1,325			-	
100- 514200- 1360 Pension	19,458	14,084		-	
100- 514200- 2430 Equip Repair/Maintenance	9,765			5,500	Equip Repair/Maintenance
100- 514200- 2980 Training	500			3,500	Training
100- 514200- 3110 Postage	3,600			5,000	Postage
100- 514200- 3200 Dues, Memberships & Subscriptions	650	500		750	Dues, Memberships & Subscriptions
100- 514200- 3210 Meetings and Conventions	300	2,020	V-Includes Training	1,000	Meetings and Conventions
100- 514200- 3300 Mileage	200			800	Mileage
100- 514200- 3400 Operating Supplies	6,000	15,480	V-includes postage, mileage, supp, computer exp, inte	15,000	Operating Supplies
100- 514200- 3470 Notices and Publications	6,500	1,000		7,500	Notices and Publications
100- 514200- 3950 New Equipment	-	4,635	V-copy machine lease, mtr charge, supplies	4,635	New Equipment
Total Clerk/Treasurer	290,492	203,546		486,232	Total Clerk/Treasurer
<b>Elections</b>					
100- 514400- 1150 Part-time Wages	12,200	17,500	V-Total wages, supplies, notices	40,000	Part-time Wages
100- 514400- 1260 Part-time Highway	2,000	-		2,627	Part-time Highway
100- 514400- 1300 Social security	153	-		62	Social security
100- 514400- 1410 Board of Canvassers-Meeting Fees	60	-		80	Board of Canvassers-Meeting Fees
100- 514400- 2430 Equipment Repairs & Maintenance	1,000	-	Due to number of machines and unknown costs	2,500	Equipment Repairs & Maintenance
100- 514400- 2980 Training	1,000	-	City - 3 Polling Places / Village 2 Polling Places Curre	1,000	Training
100- 514400- 3110 Postage	1,700	-		1,500	Postage
100- 514400- 3120 Printing	1,000	-		1,000	Printing
100- 514400- 3400 Operating Supplies	2,000	-		2,000	Operating Supplies
100- 514400- 3470 Notices and Publications	600	-		600	Notices and Publications
100- 514400- 3950 New Equipment	-	-	Depends on Number of Elections (4 for 2008)	-	New Equipment
100- 571400- 8100 Capital Equipment	6,600	-		6,600	Capital Equipment
Total Elections	28,313	17,500	Reduce to Total of 4 Polling Places	57,968	Total Elections



**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>City Hall Operations</b>					
100- 516000- 2160 Data Processing-Shift from IT	37,000	18,000	V & C -Payroll/Data	55,000	Data Processing-Shift from IT
100- 516000- 2200 Telephone	5,500	-	<b>NEW VILLAGE HALL AS OF APRIL 2008</b>	5,500	Telephone
100- 516000- 2210 Electricity	55,000	-	<b>WILL NEED TO REVISE BASED ON NEW BLDG.</b>	55,000	Electricity
100- 516000- 2220 Heat	42,000	-		42,000	Heat
100- 516000- 2230 Water	1,500	-		1,500	Water
100- 516000- 2240 Sewer	1,700	40,000	(Village # includes all line items)	41,700	Sewer
100- 516000- 2400 Janitorial Supplies	30,000	-		30,000	Janitorial Supplies
100- 516000- 2410 Bldg Repairs & Maintenance	30,000	-		30,000	Bldg Repairs & Maintenance
100- 516000- 2420 Grounds Maintenance	7,000	800	Village - Maintain Property at Cecilia/302 Oakton	7,800	Grounds Maintenance
100- 516000- 2430 Equip Repair & Maintenance	4,000	-		4,000	Equip Repair & Maintenance
100- 516000- 2950 Public Fire Protection Charge	2,500	-		2,500	Public Fire Protection Charge
100- 516000- 3400 Operating Supplies/Expenses	2,100	-		2,100	Operating Supplies/Expenses
100- 516000- 3950 New equipment		-		-	New equipment
Total City Hall Operations	218,300	58,800	Two Facilities - New Bldg may cost more	277,100	Total City Hall Operations
<b>Animal Control</b>					
100- 54150- 299 Other Contracted Services	7,000	4,300	Signed 3 year contract same rate 07-09	11,300	Other Contracted Services
Total Animal Control	7,000	4,300		11,300	Total Animal Control
<b>Uncollectible Accounts</b>					
100- 519100- 7400 Delinquent Pers Prop Taxes	5,000	-	V- Bad Debt Expense at \$0	5,000	Delinquent Pers Prop Taxes
100- 519100- 7410 Rescinded Taxes	-	-		-	Rescinded Taxes
Total Uncollectible Accounts	5,000	-		5,000	Total Uncollectible Accounts
Total Clerk/Treasurer	549,105	284,146		837,601	Total Clerk/Treasurer

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Human Resources</b>					
100- 514300- 1100 Part-time Wages	61,500	No Position	FT Position Wages	77,168	Wages
100- 514300- 1300 Social Security	4,705	"	Total Benefits	34,344	Benefits
100- 514300- 1350 Pension	6,765	"		-	
100- 514300- 2980 Training	7,000	"		7,000	Training
100- 514300- 3200 Dues, Memberships & Subscriptions	2,000	"	CVMIC instead of MRA?	2,000	Dues, Memberships & Subscriptions
100- 514300- 3210 Meetings & Conventions	2,000	"		2,000	Meetings & Conventions
100- 514300- 3400 Operating Supplies	600	"		1,500	Operating Supplies
100- 514300- 3470 Job Advertisements	2,000	"		2,000	Job Advertisements
100- 514300- 3950 New Equipment	-	"		-	New Equipment
Total Human Resources	86,570			126,012	Total Human Resources
<b>Assessor</b>					
100- 515300- 1100 Wages	145,951	38,500	V-Contract thru 2009 \$80,000-\$100,000 for larger cot	145,951	Wages
100- 515300- 1200 Part-time Wages	-	-		-	
100- 515300- 1300 Social Security	11,165	-		11,165	
100- 515300- 1310 Health Insurance	38,548	-		38,548	
100- 515300- 1320 Dental Insurance	2,598	-		2,598	
100- 515300- 1330 Optical Insurance	432	-		432	
100- 515300- 1340 Life Insurance	481	-		481	
100- 515300- 1350 Disability Insurance	1,095	-		1,095	
100- 515300- 1360 Pension	16,054	-		16,054	
100- 515300- 2150 Wis. Mfg. Assessor Charges	8,500	2,500	Add two together	11,000	Wis. Mfg. Assessor Charges
100- 515300- 2200 Telephone	750	-		750	Telephone
100- 515300- 2440 Vehicle/Repairs Maint.	500	-		500	Vehicle/Repairs Maint.
100- 515300- 2980 Training	2,000			2,000	
100- 515300- 3110 Postage	2,000	-		2,000	Postage
100- 515300- 3200 Dues, Memberships & Subscriptions	1,000	-		1,000	Dues, Memberships & Subscriptions
100- 515300- 3210 Meetings & Conventions	2,000	-		2,000	Meetings & Conventions
100- 515300- 3300 Mileage Reimbursement	1,000	-		1,000	Mileage Reimbursement
100- 515300- 3400 Operating Supplies	2,000	100		2,000	Operating Supplies
100- 515300- 3440 License/Certification	340	-		340	License/Certification
100- 515300- 3950 New Equipment	-	-		-	New Equipment
<b>Assessor Capital Expenses</b>					
100- 571300- 8100 Capital Items	-				Capital Items
Total Assessor	236,414	41,100	<b>\$119,000 approx. contract vs. \$238,914 staff</b>	238,914	Total Assessor

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Information Technology</b>					
100- 514500- 1100 Wages	56,375	No Position	Village doesn't have IT (uses internal staff to cover	56,375	
100- 514500- 1300 Social Security	4,313	"	or contract out when necessary) Total Benef	4,313	
100- 514500- 1310 Health Insurance	12,849	"		12,849	
100- 514500- 1320 Dental Insurance	866	"	Wouldn't need additional equipment,current systems	866	
100- 514500- 1330 Optical Insurance	144	"	would cover needs	144	
100- 514500- 1340 Life Insurance	180	"		180	
100- 514500- 1350 Disability Insurance	423	"		423	
100- 514500- 1360 Pension	6,201	"		6,201	
100- 514500- 2150 WEB Site Maintenance	3,000	"	V-\$50/mo for web hosting	3,000	WEB Site Maintenance
100- 514500- 2160 Data Processing	1,800	"		1,800	Data Processing
100- 514500- 2190 Other Professional Services	7,000	"		7,000	Other Professional Services
100- 514500- 2250 Internet Access	4,260	"	V-Time Warner	4,260	Internet Access
100- 514500- 2260 Cell phone/pagers	1,200	"		1,200	Cell phone/pagers
100- 514500- 2430 Equipment Repair & Maint	5,000	"		5,000	Equipment Repair & Maint
100- 514500- 2480 Software/Maintenance/Updates	53,660	"	May Be some duplication-possible savings	53,660	Software/Maintenance/Updates
100- 514500- 2980 Training/Certifications	4,000	"		4,000	Training/Certifications
100- 514500- 3200 Dues, Memberships & Subscriptions	940	"		940	Dues, Memberships & Subscriptions
100- 514500- 3210 Meetings & Conventions	500	"		500	Meetings & Conventions
100- 514500- 3300 Mileage	500	"		500	Mileage
100- 514500- 3400 Operating Supplies	2,500	"		2,500	Operating Supplies
100- 514500- 3950 New Equipment	10,400	"	Replacement Schedule	10,400	New Equipment
Total Operating Costs	176,111	-		176,111	Total Operating Costs
<b>IT Capital Expenses</b>					
100- 571600- 8100 Capital Items	37,000	-	<b>Not Sure What Equipment Would Be Needed</b>	37,000	Capital Items
Total Information Technology	213,111	-		213,111	Total Information Technology
<b>Board of Review</b>					
100- 515350- 1300 Social Security	40	-		40	Social Security
100- 515350- 1410 Meeting Fees	500	-		500	Meeting Fees
100- 515350- 2980 Training	500	-		500	Training
100- 515350- 3400 Operating Supplies	100	100		200	Operating Supplies
Total Board of Review	1,140	100		1,240	Total Board of Review

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Law Enforcement</b>					
<b>Police</b>					
100- 521000- 1090 Chief Wages	66,642	82,127	Total Wages	2,630,764	Wages
100- 521000- 1100 Wages	1,562,885	1,101,545	Total Benefits	1,350,685	Benefits
100- 521000- 1150 Part-time Wages	49,700	11,678		-	
100- 521000- 1200 Clerical Wages	91,229	63,523		-	
100- 521000- 1250 Training Wages	45,000	-		-	
100- 521000- 1280 Overtime	40,000	31,000		60,000	
100- 521000- 1300 Social Security	142,134	98,675		-	
100- 521000- 1310 Health Insurance	225,220	257,658		-	
100- 521000- 1320 Dental Insurance	17,864	8,304		-	
100- 521000- 1330 Optical Insurance	4,000	-		-	
100- 521000- 1340 Life Insurance	5,299	17,154		-	
100- 521000- 1350 Disability Insurance	12,758	-		-	
100- 521000- 1360 Pension	196,134	190,022	Village - includes all benefits - Village in WRS	-	
100- 521000- 1370 Unemployment Compensation	1,500	-		-	Unemployment Compensation
100- 521000- 2200 Telephone	9,000	-	Includes telephone for court	10,000	Telephone
100- 521000- 2260 Cell Phone/Pagers	7,000	-		7,000	Cell Phone/Pagers
100- 521000- 2430 Equipment Repairs & Maintenance	35,000	-		35,000	Equipment Repairs & Maintenance
100- 521000- 2440 Vehicle Repairs & Maintenance	55,000	34,100	Village - includes fuel (\$27k)	62,100	Vehicle Repairs & Maintenance
100- 521000- 2900 MDC & Airtime Fees	11,000	25,000	Village - communications expenses	36,000	MDC & Airtime Fees
100- 521000- 2910 Legal Blood Testing	2,000	-		2,000	Legal Blood Testing
100- 521000- 2930 Suspension Fees	400	-		400	Suspension Fees
100- 521000- 2980 Training	30,000	11,960	Village - training +3500 for pistol training	41,960	Training
100- 521000- 3110 Postage	2,700	-		5,000	Postage
100- 521000- 3120 Printing	1,200	-		1,200	Printing
100- 521000- 3200 Dues, Memberships & Subscriptions	2,000	-		4,000	Dues, Memberships & Subscriptions
100- 521000- 3210 Meetings & Conventions	1,000	-		2,000	Meetings & Conventions
100- 521000- 3300 Mileage	1,000	-		1,000	Mileage
100- 521000- 3400 Operating Supplies	23,000	18,000	Village-includes computers, software support, etc.	41,000	Operating Supplies
100- 521000- 3410 Uniforms	27,000	7,000		34,000	Uniforms
100- 521000- 3420 Fuel	75,000	-		102,000	Fuel
Safety/Community Relation Prog.	-	26,711		26,711	
Special Investigations	-	8,200		8,200	
100- 521000- 3900 Equipment Purchased with Donation	-	-		-	Equipment Purchased with Donations

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
100- 527000- 2920 Confinement	10,000	-	Village - part of court expenses \$1,000	11,000	Confinement
100- 521000- 3950 New Equipment	6,000	-		6,000	New Equipment
Total Operating Costs	2,758,665	1,992,657		4,478,020	Total Operating Costs
<b>Police Capital Expenses</b>					
100- 572000- 8100 Capital Items	53,750	59,566	<b>Not sure - What Additions to Fleet/Equipment</b>	113,316	Capital Items
Total Police	2,812,415	2,052,223		4,591,336	Total Police
<b>Summer Lake Patrol</b>					
100- 521100- 1090 Chief Wages	5,126	-	Offset by Revenues, 43% Town Delafield,	-	Chief Wages
100- 521100- 1150 Part Time Wages	30,844	-	43% city and 14% Village	30,844	Part Time Wages
100- 521100- 1250 Training Wages	6,000	-		6,000	Training Wages
100- 521100- 1260 Part Time Highway Wages	3,434	6,100	Village contribution for summer & winter	3,434	Part Time Highway Wages
100- 521100- 1300 Social Security	3,211	-		3,211	Social Security
100- 521100- 1310 Health Insurance	571	-		-	Health Insurance
100- 521100- 1320 Dental Insurance	52	-		-	Dental Insurance
100- 521100- 1330 Optical Insurance	9	-		-	Optical Insurance
100- 521100- 1340 Life Insurance	15	-		-	Life Insurance
100- 521100- 1350 Disability Insurance	38	-		-	Disability Insurance
100- 521100- 1360 Pension	1,064	-		-	Pension
100- 521100- 2430 Equipment Repairs & Maintenance	1,500	-		1,500	Equipment Repairs & Maintenance
100- 521100- 2460 Boat Repairs & Maintenance	4,000	-		4,000	Boat Repairs & Maintenance
100- 521100- 2470 Buoy Repairs & Maintenance	3,500	-		3,500	Buoy Repairs & Maintenance
100- 521100- 2980 Training	4,000	-		4,000	Training
100- 521100- 3400 Operating Supplies	1,500	-	2007 Jan-June \$491 unemployment	1,500	Operating Supplies
100- 521100- 3410 Uniforms	1,000	-		1,000	Uniforms
100- 521100- 3420 Fuel	2,500	-		2,500	Fuel
100- 521100- 3950 New Equipment	2,600	-		2,600	New Equipment
100- 521100- 5110 Workers Compensation	1,016	-		1,016	Workers Compensation
100- 521100- 5120 Property and Liability	1,500	-		1,500	Property and Liability
Total Operating Costs	73,480	6,100		66,605	Total Operating Costs
100- 572100- 8100 Capital Expenses	-	-		-	Capital Expenses
Total Summer Lake Patrol	73,480	6,100		66,605	Total Summer Lake Patrol

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged
	2009 City Budget	2009 Village Budget		
<b>Winter Lake Patrol</b>				
100- 521200- 1090 Chief Wages	4,272	-		- Chief Wages
100- 521200- 1150 Part Time Wages	4,480	-		4,480 Part Time Wages
100- 521200- 1250 Training Wages	2,000	-		2,000 Training Wages
100- 521200- 1260 Part Time Highway Wages	-	-		- Part Time Highway Wages
100- 521200- 1300 Social Security	823	-		823 Social Security
100- 521200- 1310 Health Insurance	476	-		- Health Insurance
100- 521200- 1320 Dental Insurance	43	-		- Dental Insurance
100- 521200- 1330 Optical Insurance	7	-		- Optical Insurance
100- 521200- 1340 Life Insurance	13	-		- Life Insurance
100- 521200- 1350 Disability Insurance	32	-		- Disability Insurance
100- 521200- 1360 Pension	470	-		- Pension
100- 521200- 2430 Equip Repairs & Maintenance	300	-		300 Equip Repairs & Maintenance
100- 521200- 2440 Vehicle Repairs & Maintenance	2,000	-		2,000 Vehicle Repairs & Maintenance
100- 521200- 2980 Training	-	-		- Training
100- 521200- 3400 Operating Supplies	100	-		100 Operating Supplies
100- 521200- 3410 Uniforms	1,500	-		1,500 Uniforms
100- 521200- 3420 Fuel	400	-		400 Fuel
100- 521200- 3950 New Equipment	1,000	-		1,000 New Equipment
100- 521200- 5110 Workers Compensation	213	-		213 Workers Compensation
100- 521200- 5120 Property and Liability	1,000	-		1,000 Property and Liability
Total Operating Costs	19,129	-		13,816 Total Operating Costs
100- 572150- 8100 Capital Expenses	-	-		- Capital Expenses
Total Winter Lake Patrol	19,129	-		13,816 Total Winter Lake Patrol
Total Law Enforcement	2,905,024	2,058,323		4,671,757 Total Law Enforcement

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged
	2009 City Budget	2009 Village Budget		
<b>Fire &amp; Ambulance Services</b>				
<b>Fire Administration</b>				
100- 522100- 1100 Wages	179,520	862,560	Village contracts with City - Fire/EMS \$862,560	179,520 Wages
100- 522100- 1150 Part-time Wages	-	45,942	Admin Expenses - \$45,942	- Benefits
100- 522100- 1200 Clerical Wages	37,395	-		37,395 Clerical Wages
100- 522100- 1300 Social Security	16,594	409,472	V-Public Hydrant Rental Charge	16,594 Social Security
100- 522100- 1310 Health Insurance	29,976	-		29,976 Health Insurance
100- 522100- 1320 Dental Insurance	2,598	-		2,598 Dental Insurance
100- 522100- 1330 Optical Insurance	432	-		432 Optical Insurance
100- 522100- 1340 Life Insurance	660	-		660 Life Insurance
100- 522100- 1350 Disability Insurance	1,627	-		1,627 Disability Insurance
100- 522100- 1360 Pension	23,861	-		23,861 Pension
100- 522100- 1370 Unemployment	700	-		700 Unemployment
100- 522100- 2100 Attorney	5,000	-		5,000 Attorney
100- 522100- 2170 Billing Services Fire Runs	-	-		- Billing Services Fire Runs
100- 522100- 2180 Billing Services EMS	28,000	-		28,000 Billing Services EMS
100- 522100- 2200 Telephone	13,500	-		13,500 Telephone
100- 522100- 2210 Electricity	23,464	-		23,464 Electricity
100- 522100- 2220 Heat	37,840	-		37,840 Heat
100- 522100- 2230 Water	2,773	-		2,773 Water
100- 522100- 2240 Sewer	4,853	-		4,853 Sewer
100- 522100- 2260 Cell Phones/Pagers	1,800	-		1,800 Cell Phones/Pagers
100- 522100- 2410 Building Repairs & Maintenance	18,425	-		18,425 Building Repairs & Maintenance
100- 522100- 2420 Grounds Maintenance	2,000	-		2,000 Grounds Maintenance
100- 522100- 2950 Public Fire Protection Chg	670	-		670 Public Fire Protection Chg
100- 522100- 3110 Postage	850	-		850 Postage
100- 522100- 3200 Dues, Memberships & Subscriptions	2,000	-		2,000 Dues, Memberships & Subscriptions
100- 522100- 3210 Meetings & Conventions	3,500	-		3,500 Meetings & Conventions
100- 522100- 3400 Operating Supplies	7,000	-		7,000 Operating Supplies
100- 522100- Training	5,000	-		5,000 Training
100- 522100- 3950 New Equipment	-	-		- New Equipment
100- 572200- 8100 Capital Equipment	169,280	-		169,280 Capital Equipment
Total Fire Administration	619,318	1,317,974		619,318 Total Fire Administration

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Fire Suppression</b>					
100- 522300- 1100 Wages	813,109	-	V contracts with City	813,109	Wages-Includes 5 new FF's
100- 522300- 1130 FLSA Wages	7,080	-		7,080	FLSA Wages
100- 522300- 1150 Part-time Wages	12,000	-		12,000	Part-time Wages
100- 522300- 1230 Fire Runs	14,420	-		14,420	Fire Runs
100- 522300- 1250 Training Wages - POC	11,855	-		11,855	Training Wages - POC
100- 522300- 1280 Overtime	7,000	-		7,000	Overtime
100- 522300- 1300 Social Security	66,278	-		66,278	Social Security
100- 522300- 1310 Health Insurance	132,753	-		132,753	Health Insurance
100- 522300- 1320 Dental Insurance	10,348	-		10,348	Dental Insurance
100- 522300- 1330 Optical Insurance	2,160	-		2,160	Optical Insurance
100- 522300- 1340 Life Insurance	2,578	-		2,578	Life Insurance
100- 522300- 1350 Disability Insurance	11,825	-		11,825	Disability Insurance
100- 522300- 1360 Pension	89,843	-		89,843	Pension
100- 522300- 2430 Equipment Repairs & Maintenance	8,000	-		8,000	Equipment Repairs & Maintenance
100- 522300- 2440 Vehicle Repairs & Maintenance	40,000	-		40,000	Vehicle Repairs & Maintenance
100- 522300- 2980 Training	4,675	-		4,675	Training
100- 522300- 3400 Operating Supplies	5,000	-		5,000	Operating Supplies
100- 522300- 3410 Uniforms	20,000	-		20,000	Uniforms
100- 522300- 3420 Fuel	25,000	-		25,000	Fuel
100- 522300- 3950 New Equipment	53,000	-		53,000	New Equipment
100- 522300- 5110 Worker's Compensation	30,000	-		30,000	Worker's Compensation
100- 522300- 5120 Property & Liability Insurance	36,000	-		36,000	Property & Liability Insurance
Total Fire Suppression	1,402,924	-		1,402,924	Total Fire Suppression



**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Fire Inspection</b>					
100- 522500- 1100 Wages	126,960	56,280	V contracts with City	126,960	Wages
100- 522500- 1150 Part-time Wages	7,114	-		7,114	Part-time Wages
100- 522500- 1300 Social Security	10,256	-		10,256	Social Security
100- 522500- 1310 Health Insurance	13,798	-		13,798	Health Insurance
100- 522500- 1320 Dental Insurance	1,140	-		1,140	Dental Insurance
100- 522500- 1330 Optical Insurance	288	-		288	Optical Insurance
100- 522500- 1340 Life Insurance	413	-		413	Life Insurance
100- 522500- 1350 Disability Insurance	1,006	-		1,006	Disability Insurance
100- 522500- 1360 Pension	14,748	-		14,748	Pension
100- 522500- 2980 Training	-	-		-	Training
100- 522500- 3200 Dues, Memberships & Subscriptions	-	-		-	Dues, Memberships & Subscriptions
100- 522500- 3210 Meetings & Conventions	-	-		-	Meetings & Conventions
100- 522500- 3400 Operating Supplies	-	-		-	Operating Supplies
100- 522500- 3950 New Equipment	-	-		-	New Equipment
Total Fire Inspection	175,723	56,280		175,723	Total Fire Inspection
Total Fire Services	2,197,965	1,374,254		2,197,965	Total Fire Services

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Ambulance</b>					
100- 523000- 1100 Wages	75,911	-	V contracts with City	75,911	Wages
100- 523000- 1150 Part-time POC Wages	100,000	-		100,000	
100- 523000- 1230 Ambulance Runs POC	34,600	-		34,600	Ambulance Runs POC
100- 523000- 2160 Paramedic Runs-Delafield	150,000	-		150,000	
100- 523000- 1250 Training Wages POC	8,230	-		8,230	Training Wages POC
100- 523000- 1300 Social Security	16,734	-		16,734	Social Security
100- 523000- 1310 Health Insurance	9,521	-		9,521	Health Insurance
100- 523000- 1320 Dental Insurance	866	-		866	Dental Insurance
100- 523000- 1330 Optical Insurance	144	-		144	Optical Insurance
100- 523000- 1340 Life Insurance	229	-		229	Life Insurance
100- 523000- 1350 Disability Insurance	569	-		569	Disability Insurance
100- 523000- 1360 Pension	8,350	-		8,350	Pension
100- 523000- 2430 Equipment Repairs & Maintenance	9,500	-		9,500	Equipment Repairs & Maintenance
100- 523000- 2440 Vehicle Repairs & Maintenance	15,000	-		15,000	Vehicle Repairs & Maintenance
100- 523000- 2980 Training	15,220	-		15,220	Training
100- 523000- 3400 Operating Supplies	29,000	-		29,000	Operating Supplies
100- 523000- 3420 Fuel	17,000	-		17,000	Fuel
100- 523000- 3950 New Equipment	3,000	-		3,000	New Equipment
Total Ambulance Operations	493,874	-		493,874	Total Ambulance Operations
<b>Ambulance Capital Expenses</b>					
100- 572300- 8100 Capital Expenses	184,000	-	<b>Not Sure - Replacement of Equipment</b>	184,000	Capital Expenses
Total Ambulance Services	677,874	-		677,874	Total Ambulance Services
Total Fire & Ambulance Services	2,875,839	1,374,254		2,875,839	Total Fire & Ambulance Services

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Building Services</b>					
100- 524000- 1100 Wages	207,575	63,000	Village contracts for services with City	207,575	Wages
100- 524000- 1200 Clerical Wages	32,373	-		32,373	Clerical Wages
100- 524000- 1300 Social Security	18,356	-		18,356	Social Security
100- 524000- 1310 Health Insurance	38,548	-		38,548	Health Insurance
100- 524000- 1320 Dental Insurance	2,598	-		2,598	Dental Insurance
100- 524000- 1330 Optical Insurance	432	-		432	Optical Insurance
100- 524000- 1340 Life Insurance	616	-		616	Life Insurance
100- 524000- 1350 Disability Insurance	1,497	-		1,497	Disability Insurance
100- 524000- 1360 Pension	21,954	-		21,954	Pension
100- 524000- 1370 Unemployment	-	-			
100- 524000- 1400 Auto Allowance	-	-		-	Auto Allowance
100- 524000- 2190 Other Professional/Contract	-	-		-	
100- 524000- 2200 Telephone	1,800	-		1,800	Telephone
100- 524000- 2260 Cell Phone/Pages	1,400	-		1,400	Cell Phone/Pages
100- 524000- 2980 Training	4,000	-		4,000	Training
100- 524000- 3110 Postage	800	-		800	Postage
100- 524000- 3200 Dues, Memberships & Subscriptions	2,200	-		2,200	Dues, Memberships & Subscriptions
100- 524000- 3210 Meetings and Conventions	2,400	-		2,400	Meetings and Conventions
100- 524000- 3300 Mileage	22,000	-		22,000	Mileage
100- 524000- 3400 Operating Supplies	4,800	-		4,800	Operating Supplies
100- 524000- 3440 License/Certification	1,200	-		1,200	License/Certification
100- 524000- 3950 New Equipment	-	1,200	V-Forms & Software expenses, C-exp under IT	-	New Equipment
Operating Expenses	364,549	64,200		364,549	Operating Expenses
<b>Capital Items</b>					
100- 572400- 8100 Building Services	-	-			Building Services
Total Building Services	364,549	64,200		364,549	Total Building Services

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Public Works</b>					
<b>Engineering</b>					
100- 531100- 1100 Wages	195,130	-	Total Wages	194,597	Wages
100- 531100- 1150 Part-time Wages	5,000	-	Total Benefits	52,909	Benefits
100- 531100- 1200 Clerical Wages	5,548	72,013	Village - 45% of director, 45% of hwy super	6,360	
100- 531100- 1290 Wages Charged Out	(20,000)	-		(20,000)	
100- 531100- 1300 Social Security	15,735	5,509	Village-5%Eng, 5% hwy super to Storm Water	-	
100- 531100- 1310 Health Insurance	12,849	16,288	Village-25%Eng, 25% hwy super to Water/Sewer	-	
100- 531100- 1320 Dental Insurance	1,732	540		-	
100- 531100- 1330 Optical Insurance	432	-		-	
100- 531100- 1340 Life Insurance	605	540		-	
100- 531100- 1350 Disability Insurance	1,463	-		-	
100- 531100- 1360 Pension	20,946	7,489	Village in WRS	-	
100- 531100- 2190 Outside Engineering	200,000	6,000		200,000	Outside Engineering
100- 531100- 2260 Cell Phone/Pager	1,000	-		1,000	Cell Phone/Pager
100- 531100- 2440 Vehicle Repair & Maintenance	500	-		500	Vehicle Repair & Maintenance
100- 531100- 2980 Training & Seminars	2,000	-		2,000	Training & Seminars
100- 531100- 3110 Postage	600	-		600	Postage
100- 531100- 3200 Dues, Memberships & Subscriptions	1,825	-		1,825	Dues, Memberships & Subscriptions
100- 531100- 3210 Meetings & Conventions	500	-		500	Meetings & Conventions
100- 531100- 3300 Mileage	200	-		200	Mileage
100- 531100- 3400 Operating Supplies	5,000	2,450		7,450	Operating Supplies
100- 531100- 3950 New Equipment	500	-		500	New Equipment
Total Operating Costs	451,565	110,829		448,441	Total Operating Costs
<b>Capital Items</b>					
100- 573110- 8100 Engineering Services	-	-			Engineering Services
Total Engineering Services	451,565	110,829		448,441	Total Engineering Services
<b>Safety Program</b>			- City participates in Safety Consortium		
100- 531200- 2150 Training by Consultant	3,000	1,000	V-training sessions	4,000	Training by Consultant
100- 531200- 2170 Annual Examinations	1,500	-		3,500	Annual Examinations
100- 531200- 3480 Personnel Protective Equipment	1,500	1,200	V-Insp. Bucket truck, shoes, glasses	3,000	Personnel Protective Equipment
Total Safety Program	6,000	2,200		10,500	Total Safety Program

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged		
	2009 City Budget	2009 Village Budget				
<b>Highway Administration</b>						
100- 531000- 1100 Wages	360,820	348,399	Incl 7 full-time plus summer hires	Total Wages	909,124	Wages
100- 531000- 1150 Part-time Wages	9,225	-	Less 4 for pt weeds (20,577)	Total Benefits	508,868	Benefits
100- 531000- 1280 Overtime	31,930	20,940		Overtime	53,000	Overtime
100- 531000- 1290 Wages Charged to Other Depts	(40,000)	-			(40,000)	Wages Charged to Other Depts
100- 531000- 1300 Social Security	30,750	30,019			-	
100- 531000- 1310 Health Insurance	68,524	113,270			-	
100- 531000- 1320 Dental Insurance	4,604	2,832			-	
100- 531000- 1330 Optical Insurance	1,008	-			-	
100- 531000- 1340 Life Insurance	1,174	4,148			-	
100- 531000- 1350 Disability Insurance	2,706	-			-	
100- 531000- 1360 Pension	42,835	37,253	Village in WRS		-	
100- 531000- 2260 Cell Phones/Pagers	3,000	950			4,000	Cell Phones/Pagers
100- 531000- 2310 Crack Filling	12,000	3,000	Contract out		15,000	Crack Filling
100- 531000- 2430 Equip Repair & Maint	45,000	20,800			65,000	Equip Repair & Maint
100- 531000- 2490 Excess Excavated Materials	1,500	-			1,500	Excess Excavated Materials
100- 531000- 3210 Meetings & Conventions	125	-			125	Meetings & Conventions
100- 531000- 3400 Operating Supplies	22,000	2,000			24,000	Operating Supplies
100- 531000- 3410 Uniforms	3,000	3,600			6,600	Uniforms
100- 531000- 3420 Fuel	45,000	41,000			86,000	Fuel
100- 531000- 3440 Licenses & Certification	800	200			1,000	Licenses & Certification
100- 531000- 3550 Maintain Preemption Devices	3,000	-			3,000	
100- 531000- 3700 Resale Materials	3,000	3,500	Village - sidewalk maintenance		6,500	Resale Materials
100- 531000- 3710 Sand and Salt	125,000	37,388	Add the two		162,388	Sand and Salt
100- 531000- 3720 Road Signs and Markings	30,000	13,000	Village - traffic control		43,000	Road Signs and Markings
100- 531000- 3730 Road Repairs	10,000	8,000			18,000	Road Repairs
100- 531000- 3740 Catch Basin/Curb Repair/Ditching	5,000	2,800			7,800	Catch Basin/Curb Repair/Ditching
100- 531000- 3790 Other Roadway Supplies	2,000	-			2,000	Other Roadway Supplies
Tree & Brush Control	-	1,000			1,000	Tree & Brush Control
Building Costs/Utilities	-	33,058			33,058	Building Costs/Utilities
100- 531000- 3950 New Equipment	7,900	-			7,900	New Equipment
100- 531000- 5310 Equipment Rental	5,000	-			5,000	Equipment Rental
Total Highway Administration	836,901	727,157			1,923,863	Total Highway Administration

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Street Lighting</b>					
100- 534200- 2210 Electricity	8,400	79,500	Add the two-Village elect & maint of system	87,900	Electricity
Total Street Lighting	8,400	79,500	Village is changing out lights	87,900	Total Street Lighting
<b>Capital Items:</b>					
100- 573310- 8100 Highway Equipment	270,000	135,000	\$125,000 5-yard/\$10,000 DPW yard improvements	405,000	Highway Equipment
Total Highway	1,115,301	941,657		2,416,763	Total Highway
<b>Refuse Collection and Recycling</b>					
100- 536200- 2800 Garbage Collection	657,000	164,655	C-4500 units@\$146/unit-2009	821,655	Garbage Collection
100- 536350- 1150 Part Time Wages	10,533	-		10,533	Part Time Wages
100- 536350- 1260 Part Time - Highway	7,000	-		7,000	Part Time - Highway
100- 536350- 1300 Social Security	806	-		806	Social Security
Operating Supplies and Expenses/Hauling Recyclables	18,000	88,898	Village - Includes Recycling Center	106,898	Operating Supplies and Expenses/Hauling Recyclables
100- 536350- 3400 Operating Supplies	100	500	Village - Other Sanitation	600	Operating Supplies
Total Garbage Collection and Recycling	693,439	254,053		947,492	Total Garbage Collection and Recycling
<b>Conservation &amp; Development</b>					
Urban Development	-	13,250	Positively Pewaukee Main Street \$10,000, Street Tree \$2,000; Fireworks \$1,250	2,000	Urban Development
<b>Boat Ramp</b>					
100- 554600 2460 Launch maintenance	500	-		500	Launch maintenance
Total Public Works	2,266,805	1,321,989		3,825,696	Total Public Works

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged
	2009 City Budget	2009 Village Budget		
<b>Weed and Insect Control</b>				
<b>Lake Management</b>				
100- 536400- 1100 Wages	-	20,577	4 part-time employees (Deducted from Hwy Wages)	20,577 Wages
100- 536400- 1260 Part-time Highway labor	-	-	Village Costs under DPW	- Part-time Highway labor
100- 536400- 2440 Vehicle Repair & Maintenance	-	2,000	(harvester repairs/sanitary station/misc tools/supplies)	2,000 Vehicle Repair & Maintenance
100- 536400- 2990 Contracted Services	95,215	-		95,215 Contracted Services
100- 536400- 3420 Fuel	-	-		- Fuel
100- 536400- 3440 Herbicide/Mechanical Permits	150	-	DNR 1-year Permit Fee; V-5 year permit	150 Herbicide/Mechanical Permits
Lake Management operations	95,365	22,577		117,942 Lake Management operations
<b>Insect Control</b>				
100- Gypsy Moth Control	-	-	Delete this line item	- Gypsy Moth Control
Total Lake Weed & Insect Control	95,365	22,577		117,942 Total Lake Weed & Insect Control

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
<b>Weed Control - Vacant Lands</b>					
100- 536410- 2990 Other Contracted Services	500	1,500		2,000	Other Contracted Services
100- 536410- 3400 Operating Supplies	100	-		100	Operating Supplies
Weed Control Vacant Land	600	1,500		2,100	Weed Control Vacant Land
<b>Culture &amp; Recreation</b>					
<b>Joint Library</b>					
100- 551100- 3400 Operating Supplies	660,360	226,314		886,674	Operating Supplies
Total Joint Library	660,360	226,314		886,674	Total Joint Library
<b>Parks</b>					
100- 552000- 1100 Wages	109,911	135,956	V-Contribution	109,911	Wages
100- 552000- 1150 Part Time Wages	76,177	-		76,177	Part Time Wages
100- 552000- 1260 Highway Dept Labor	4,000	-		4,000	Highway Dept Labor
100- 552000- 1280 Overtime	5,200	-		5,200	Overtime
100- 552000- 1290 Wages Charged to Other Depts.	(8,500)	-		(8,500)	Wages Charged to Other Depts.
100- 552000- 1300 Social Security	14,863	-		14,863	Social Security
100- 552000- 1310 Health Insurance	15,938	-		15,938	Health Insurance
100- 552000- 1320 Dental Insurance	1,964	-		1,964	Dental Insurance
100- 552000- 1330 Optical Insurance	410	-		410	Optical Insurance
100- 552000- 1340 Life Insurance	448	-		448	Life Insurance
100- 552000- 1350 Disability Insurance	996	-		996	Disability Insurance
100- 552000- 1360 Pension	15,512	-		15,512	Pension
100- 552000- 1370 Unemployment	2,500	-		2,500	Unemployment
100- 552000- 1410 Commissioners Fees	1,000	-		1,000	Commissioners Fees
100- 552000- 2110 Engineering	500	-		500	Engineering
100- 552000- 2130 Accounting Assistance	500	-		500	Accounting Assistance
100- 552000- 2210 Electricity	13,000	-		13,000	Electricity
100- 552000- 2220 Heat	9,000	-		9,000	Heat
100- 552000- 2230 Water	2,200	-		2,200	Water
100- 552000- 2240 Sewer	2,200	-		2,200	Sewer
100- 552000- 2260 Cell Phones and Pagers	2,200	-		2,200	Cell Phones and Pagers



**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
100- 552000- 2410 Building Repairs & Maintenance	24,410	-		24,410	Building Repairs & Maintenance
100- 552000- 2420 Grounds Maintenance	48,450	-		48,450	Grounds Maintenance
100- 552000- 2430 Equipment Repairs & Maintenance	6,000	-		6,000	Equipment Repairs & Maintenance
100- 552000- 2440 Vehicle Repairs & Maintenance	5,000	-		5,000	Vehicle Repairs & Maintenance
100- 552000- 2950 Public Fire Protection Charge	400	-		400	Public Fire Protection Charge
100- 552000- 2980 Training	700	-		700	Training
100- 552000- 3400 Operating Supplies	2,600	-		2,600	Operating Supplies
100- 552000- 3410 Uniforms	1,500	-		1,500	Uniforms
100- 552000- 3420 Fuel	20,000	-		20,000	Fuel
100- 552000- 3480 Safety Equipment	1,900	-		1,900	Safety Equipment
100- 552000- 3950 New Equipment	24,855	-		24,855	New Equipment
100- 552000- 5310 Equipment Rental	2,000	-		2,000	Equipment Rental
100- 552000- 7430 Vandalism	2,000	-		2,000	Vandalism
Total Parks	409,834	135,956		409,834	Total Parks
<b>Recreation Programs</b>					
100- 553000- 1100 Wages	93,890	129,118	V-Contribution	93,890	Wages
100- 553000- 1200 Clerical Wages	14,781	-		14,781	Clerical Wages
100- 553000- 1210 Leaders Wages	101,000	-		101,000	Leaders Wages
100- 553000- 1280 Overtime	250	-		250	Overtime
100- 553000- 1300 Social Security	16,060	-		16,060	Social Security
100- 553000- 1310 Health Insurance	12,942	-		12,942	Health Insurance
100- 553000- 1320 Dental Insurance	1,085	-		1,085	Dental Insurance
100- 553000- 1330 Optical Insurance	211	-		211	Optical Insurance
100- 553000- 1340 Life Insurance	305	-		305	Life Insurance
100- 553000- 1350 Disability Insurance	704	-		704	Disability Insurance
100- 553000- 1360 Pension	10,329	-		10,329	Pension
100- 553000- 2190 Contracted Services	15,500	-		15,500	Contracted Services
100- 553000- 2200 Telephone	8,000	-		8,000	Telephone
100- 553000- 2980 Training	500	-		500	Training
100- 553000- 3110 Postage	3,000	-		3,000	Postage
100- 553000- 3120 Program Printing	20,000	-		20,000	Program Printing

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

	City		COMMENTS	2009 Merged	
	2009 City Budget	2009 Village Budget			
100- 553000- 3210 Meetings and Conventions	1,000	-		1,000	Meetings and Conventions
100- 553000- 3300 Mileage	1,000	-		1,000	Mileage
100- 553000- 3400 Operating Supplies	3,000	-		3,000	Operating Supplies
100- 553000- 3410 Uniforms	5,000	-		5,000	Uniforms
100- 553000- 3430 Program Expenses	24,000	-		24,000	Program Expenses
100- 553000- 3450 WPRA Tickets	7,000	-		7,000	WPRA Tickets
100- 553000- 3460 Field Trips	21,000	-		21,000	Field Trips
100- 553000- 3470 Notices and Publications	500	-		500	Notices and Publications
100- 553000- 3490 Program Equipment	3,000	-		3,000	Program Equipment
100- 553000- 5110 Workmen's Comp Ins	12,000	-		12,000	Workmen's Comp Ins
100- 553000- 5120 Property & Liability Ins	13,000	-		13,000	Property & Liability Ins
100- 553000- 3950 New Equipment	-	-		-	New Equipment
Shared Recreation Programs	389,057	129,118		389,057	Shared Recreation Programs
<b>Land O' Leagues Program</b>					
100- 553200- 1100 Wages	8,610	8,571	V-Contribution	8,610	Wages
100- 553200- 1200 Part-time Wages	1,000	-		1,000	Part-time Wages
100- 553200- 1300 Social Security	736	-		736	Social Security
100- 553200- 1310 Health Insurance	855	-		855	Health Insurance
100- 553200- 1320 Dental Insurance	55	-		55	Dental Insurance
100- 553200- 1330 Optical Insurance	29	-		29	Optical Insurance
100- 553200- 1340 Life Insurance	29	-		29	Life Insurance
100- 553200- 1350 Disability Insurance	65	-		65	Disability Insurance
100- 553200- 1360 Pension	947	-		947	Pension
100- 553200- 3110 Postage	600	-		600	Postage
100- 553200- 3400 Operating Supplies	1,500	-		1,500	Operating Supplies
100- 553200- 3430 Recreation Services	11,000	-		11,000	Recreation Services
100- 553200- 3130 Notices and Publications	-	-		-	Notices and Publications
100- 553200- 5100 Worker's Compensation	300	-		300	Worker's Compensation
Total Land O' Leagues	25,726	8,571		25,726	Total Land O' Leagues
<b>Capital Items</b>					
100- 576200- 8100 Parks	69,000	15,180	Village - Shared portion/City includes both	69,000	Parks
Total Parks & Recreation	893,617	288,825		893,617	Total Parks & Recreation
Total General Fund	12,029,976	6,232,720			
			<b>TOTAL GENERAL FUND</b>	<b>16,364,312</b>	<b>Total General Fund</b>
			SAVINGS - MERGED VS. SEPARATE	(1,898,384)	

**CITY OF PEWAUKEE  
2009  
GENERAL FUND EXPENDITURES**

**WORKING DRAFT**

100- 59230- 9000 Transfer to Other Funds  
Total  
Total Per Budget Report  
Diff

City		COMMENTS	2009 Merged
2009 City Budget	2009 Village Budget		

Transfer to Other Funds  
Total  
Total Per Budget Report  
Diff

2008 C/Pewaukee Equalized Value	\$ 2,822,705,900.00
2008 V/Pewaukee Equalized Value	\$ 1,015,656,100.00
Combined 2008 Equalized Value	<u>\$ 3,838,362,000.00</u>

2008 V/ Equal Tax Rate 4.30  
2008 C/ Equal Tax Rate 2.53

Total GF Combined Expenditures	\$ 16,364,311.79
Less Non-Property Tax Revenue	\$ 7,895,937.00

Amount of Tax Levy Required to Meet Combined GF Expend	\$ 8,468,374.79
C/Pew 2009 Debt Service Levy	\$ 1,200,000.00
C/Pew 2009 Road Projects	\$ 107,000.00
C/Pew 2009 SW Levy	\$ 20,000.00
C/Pew 2009 Cemetery Levy	\$ 27,550.00
V/Pew 2009 Debt Service Levy	\$ 752,378.00
V/Pew 2009 Capitol Proj (Road) Levy	\$ -
V/Pew 2009 TID Levy	\$ 110,069.13
Combined Levy for Merged Budget Scenario	<u>\$ 10,685,371.92</u>

2008 Equalized Tax Rate for Combined Budget	\$ 2.783836
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