

## Summary Notes

### Meeting of the Pewaukee Merger Advisory Committee

Wednesday, October 7, 2009

4:00 p.m., Pewaukee City Hall

#### **Roll Call**

In attendance at the eighth meeting of the Pewaukee Merger Advisory Committee were, representing the Village of Pewaukee, President Jeff Knutson, Trustee Paul Evert, citizen member Mark Muehl, and Administrator Scott Gosse. Representing the City of Pewaukee were Mayor Scott Klein, Alderperson Roger Hathaway, citizen member Dave Swan, citizen member Dan Sanford, and Administrator Tammy LaBorde. SEWRPC Advisor Phil Evenson chaired the meeting. Mr. Evenson reported that the Village of Pewaukee citizen member Tom Houck had asked to be excused. Also in attendance at the meeting were William J. Mielke and Christine Cramer from Ruckert & Mielke, Inc., representing the consultant team assisting the Committee, as well as Evan Zeppos, a potential member of the consultant team should the Common Council and Village Board ultimately determine to proceed with a consolidation referendum.

#### **Summary Notes of Prior Meeting**

Mr. Evenson referred to the summary notes of the Advisory Committee's meeting of September 23, 2009. On a motion by Mr. Swan, seconded by Mr. Evert, and carried unanimously, the summary notes of the meeting of September 23, 2009, were approved. Mr. Evenson also called attention to a memorandum dated October 1, 2009, which he had provided to each Committee member in an effort to summarize the results of a staff/consultant team meeting that Mr. Hathaway had asked for following the Committee meeting of September 23, 2009. The key piece of information that came out of that meeting, Mr. Evenson indicated, was a finding that City staff will seek Common Council approval to commit next year to the replacement of the City Hall water tank as soon as possible, it being the intent to bring the new tank online in 2011. Mr. Evenson noted that this change in water system construction strategy by the City staff had the effect of increasing, by about \$1.5 million, the savings in terms of water utility capital costs avoided that a merger of the two Pewaukee municipalities would bring about. In the water utility study previously presented to the Committee, City staff had maintained that the existing City Hall water tank would be rehabilitated and repainted at a cost of about \$405,000. Since the new water tank will cost about \$2.0 million, and since a merger of the two Pewaukee municipalities would alleviate the need for any rehabilitation of the existing tank or construction of a new tank, the total cost savings that merger would bring about in water utility capital budget requirements would increase from the previously reported \$6.7 million to about \$8.2 million. While not contesting Mr. Evenson's report on

results of the meeting held with staff and consultants, Mr. Hathaway indicated that he was not yet mathematically comfortable with the conclusion cited by Mr. Evenson, namely that merger would bring about an additional capital cost savings of about \$1.5 million.

#### **Report on Action by City of Pewaukee Common Council**

Mayor Klein reported that at a recent meeting the Common Council of the City of Pewaukee had not taken action to appropriate an additional \$12,000 for the consultant team efforts to obtain special legislation to facilitate the consolidation effort. The concerns expressed by Council members at the meeting, he said, related primarily to the lack of action in terms of introduction of the desired bill, coupled with uncertainties on the part of Council members as to when this entire matter could be concluded and at what additional cost. After a brief discussion in which it was agreed that no further expenditures in this regard would be made until the Common Council appropriated the necessary funds, and in which it was further agreed that a way would be found to share the already-made expenditures fairly between the City and Village, Mayor Klein indicated that this matter likely would be reviewed again at the meeting of the Council on October 19, 2009, at which time the report of the Merger Advisory Committee would be available for their edification and consideration. Additionally, it was pointed out that the Committee could proceed with or without the proposed legislation by using Village utility funds to create a tax stabilization fund to ensure that all taxpayers in the consolidated community would benefit.

#### **Consideration of Draft Committee Report and Recommendations to Creating Bodies**

On behalf of the Committee, Mr. Evenson thanked Mr. Sanford for his efforts to prepare a Committee report for consideration at this meeting. He noted that Mr. Sanford had prepared both a full Committee Report and an Executive Summary. A discussion then ensued relative to the draft report, with the result that a consensus was obtained that Mr. Sanford would make several minor modifications to the report, only one of which could be considered substantive in nature. That substance involves an adjustment of the draft report to indicate that a merger of the two municipalities would result in an estimated cost savings in future capital investment in water supply facilities of \$8.2 million, rather than the previously reported \$6.7 million. Importantly, the report includes the findings by the Committee that there are ways to meet the basic intent of the September 2006 Memorandum of Understanding between the City and the Village that whatever fiscal benefits might be attributed to consolidation, those benefits be shared by the taxpayers of both municipalities. At the conclusion of that discussion, on a motion by Mayor Klein, seconded by President Knutson, and unanimously carried, the Committee Report and Executive Summary were approved as amended at the meeting and the Chairman was authorized to submit those materials to the Common Council and the Village Board.

The Committee then turned its attention to materials submitted by the consultant team that provided the basis for a budget for the remainder of the work that would be required should the Common Council and the Village Board determine to authorize the Committee to prepare a specific consolidation proposal for their consideration and, ultimately, consideration by the voters in both municipalities. These materials were presented by members of the consultant team. The budget requirement for this work includes \$55,000 for the Ruekert & Mielke work effort, \$43,000 for the Boardman Law Firm work effort, and \$51,000 for a concluding followup work effort to inform and educate the voters in both municipalities should the Common Council and Village Board ultimately determine to take a final proposal to the voters. In total, then, the cost of finishing this project would approximate \$150,000.

After a lengthy discussion on this matter, including a consensus by the Committee that it would be well to be able to bring a consolidation referendum to the voters at the forthcoming spring 2010 election on April 6, it was moved by Mr. Muehl, seconded by Mr. Evert, and unanimously carried, that the Committee recommend to the Common Council and Village Board that the fourth and final phase of the work proceed and that the two municipalities each provide an additional \$75,000 to complete this matter.

#### **Next Meeting Date**

In anticipation that the Common Council and Village Board will accept the Committee's recommendations and fund the necessary final work effort, it was determined that the Committee would meet all day on Thursday, October 29 and Friday, October 30 for the purpose of conducting the intensive discussions necessary to structure a specific consolidation proposal. It was further agreed that these meetings would be held in a Conference Room at the Ruekert & Mielke building in the City.

#### **Public Comments**

There were no public comments.

#### **Adjournment**

On a motion by Mr. Swan and seconded by Mr. Evert, the meeting was adjourned at 5:32 p.m.

Submitted by Philip C. Evenson