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## MEMORANDUM

TO: City of Pewaukee Common Council  
Village of Pewaukee Village Board

FROM: Lawrie J. Kobza, Boardman Law Firm  
Christy Cramer, Ruekert/Mielke

DATE: July 12, 2010

RE: Consolidation Ordinance

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A revised consolidation ordinance is provided for your review and potential adoption. There have been several changes made to this ordinance since the last draft dated March 12, 2010 was provided to you. The major changes are as follows:

1. The referendum election has been moved to the regular November 2, 2010 election.
2. The effective date of the actual consolidation has been moved to December 21, 2010. The currently existing City of Pewaukee and Village of Pewaukee will continue to exist and govern themselves until December 21. This date was chosen for two reasons. First, the delayed date allows the existing City and Village to finalize their 2011 budgets, and mail 2010 tax bills. Second, the December 21, 2010 date was chosen in order to allow the newly consolidated municipality time to meet the statutory dates for holding the election of the mayor and alders at the regular spring election.

Under this proposed timeline, the City and Village would individually adopt budgets and levy taxes for the 2011 budget year. Thus, for the 2011 budget year, property tax payers in the current City would pay a general property tax rate that is different than the general property tax rate paid by property owners in the current Village. Since the City and the Village would separately adopt budgets and levy taxes, the Street Utility District tax and the use of Village utility reserves to offset the debt of the consolidated municipality would not take effect with the 2011 budget year. The 2012 budget year would be the first year for which the consolidated City would put together a budget and levy taxes, and both the SUD and the use of Village utility reserves would be incorporated into the 2012 budget.

3. The election of the mayor and alders will be held at the spring election on April 5, 2011.
4. Section 2.D. of the ordinance was revised to require the existing City and Village to act in a manner consistent with the terms of this consolidation ordinance during the period of time after the referendum passes but before the new city is formed. The consolidation is premised on certain assumptions regarding current levels of service, current levels of

expenses and revenues, and existing assets and liabilities, and it is important that neither the existing City nor Village take actions that would change the assumptions on which the consolidation proposal was based after the referendum passes. I have inserted the following language in Section 2. D. to accomplish this:

*Neither shall take action inconsistent with the intent of this Ordinance. Examples of actions that would be inconsistent with the intent of this Ordinance include, materially changing the level of services offered or the manner in which services are provided; purchasing or selling assets, issuing debt, entering into a contract, or undertaking any other initiatives not covered by or anticipated in the existing budget; reducing the 2011 general property tax levy below the 2010 general property tax levy; or taking action which would jeopardize the ability of either the currently existing City of Pewaukee or Village of Pewaukee to fulfill its obligations under this Ordinance.*