

In attendance:

Mayor Steve Bierce, Aldermen B. Bergman, C. Brown, B. Dziwulski, J. Kara and J. Wamser (arrived at 7:32 p.m.).

Also in Attendance:

Administrator S. Klein, DPW Director M. Wagner, City Planner & Community Development Director N. Fuchs, Utility Manager J. Mueller and Clerk/Treasurer K. Tarczewski.

1. Call to Order and Pledge of Allegiance

Mayor Bierce called the meeting to order at 7:00 p.m. and requested everyone stand for the Pledge of Allegiance

2. Public Comment - None.

3. Consent Agenda

- 3.1. Approval of Common Council Meeting Minutes Dated October 5th, 2020
- 3.2. Approval of Common Council Meeting Minutes Dated October 19th, 2020
- 3.3. Approval of the Accounts Payable Listing Dated November 16th, 2020
- 3.4. Approve the 2021 Budget in the Amount of \$9,928,602 and Setting the 2021 Tax Rate at \$3.351 Per \$1,000 of Assessed Value
- 3.5. Approve **Ordinance 20-08 [Second Reading]** Related to the Increase of the Hotel Tax from 6% to 8% Beginning January 1, 2021

Mr. Bergman requested Item #3.2 be removed for discussion.

A motion was made and seconded (R. Grosch, B. Dziwulski) to approve the remaining items on the consent agenda. Motion Passed: 5-For, 0-Against.

3.2 Approval of Common Council Meeting Minutes Dated October 19th, 2020

Attorney Riffle stated he thought it was a good idea to record the fact that there was no meeting held on October 19, 2020 due to the lack of a quorum.

A motion was made and seconded (B. Dziwulski, J. Kara) to approve the October 19th, 2020 meeting minutes. Motion Passed: 3-For, 0-Against, 2-Abstain (C. Brown, B. Bergman).

4. Discussion and Possible Action to Approve the Second Reduction of the Swan View Farms Phase 2 Letter of Credit from \$4,117,620.10 to \$1,930,234.37 (Reduction of \$2,187,385.73)

Ms. Wagner stated the Swan View Farms Subdivision continues to move forward. All of the sanitary sewer, water main, storm sewer ponds, curb and gutter and grading work has been completed. Ms. Wagner recommended approval in the reduction of the Letter of Credit.

A motion was made and seconded (C. Brown, B. Dziwulski) to approve the seconded reduction of the Swan View Farms letter of credit in the amount of \$2,187,385.73 and establishing the new letter of credit in the amount of \$1,930,234.37. Motion Passed: 5-For, 0-Against.

5. Discussion and Possible Action to Award the 2020 Sanitary Sewer Cleaning Contract to the Lowest Qualified Bidder, Visu Sewer, Inc., in the Amount of \$90,516.54

Ms. Wagner stated they bid out the annual contract for sewer utility and five bids were received. The lowest qualified bidder was Visu Sewer in the amount of \$90,560.54. Ms. Wagner recommended approval of the contract with Visu Sewer.

Mr. Kara asked if the work will still be done this year and if the City could still use this year's money. Ms. Wagner stated some would be done this year and go into next year. It will need to be completed by June of 2021. Ms. Wagner commented that it splits and is budgeted for this year and next year. There will also be a cleaning budget in next year's budget.

Mr. Kara asked about the \$350,000.00 that was budgeted for this year and why there was not much used. Ms. Mueller stated the City anticipated cleaning out a more substantial area. With the contract getting out later in the year, it reduced the amount that was going to be cleaned.

Mr. Grosch asked if the amount included any repairs. Ms. Mueller stated no repairs were included in this project, but there are funds available to do so if needed.

A motion was made and seconded (B. Bergman, R. Grosch) to award the 2020 Sanitary Sewer Cleaning Contract to the lowest qualified bidder, Visu Sewer, Inc., in the amount of \$90,516.54.

Motion Passed: 5-For, 0-Against.

6. Discussion and Possible Action to Approve the 2021 Water and Sewer Utility Operating and Capital Budgets

Mr. Kara asked about the 2021 operating budget summary and about the Transmission and Distribution category. Mr. Kara asked about the difference in the year end forecast and if this was for repairs. Ms. Mueller stated part of the increase included the cost to repair the Wispark reservoir roof which cost \$350,000.00. The station is back online after almost two years being offline.

Mr. Kara asked why the City is budgeting less than what was spent. Ms. Mueller stated since the budget came out another reservoir has been taken out of service, so another budget amendment will be coming. Further discussion took place regarding how to level out the budget process.

Mr. Kara asked how the sewer facility study is going. Ms. Wagner stated they are still drafting the RFP for the facility study. Once it goes out, it will give a snapshot of where the City's assets are at. It can then be incorporated into the Asset Management software, which will then feed into the budget. Ms. Wagner mentioned the City won't see this until 2022.

Mr. Kara asked about the private and public fire protection revenue. Ms. Mueller stated the private fire protection is for larger commercial industrial buildings who had to put in a larger water lateral. These buildings have a quarterly fee for each one of the fire protection sizes, which is where the revenue

comes from. Ms. Mueller stated the public fire protection or hydrant fee is placed on every building or parcel of land within 500 feet of a fire hydrant.

Mr. Grosch stated it looks like the City is averaging about a quarter of a million dollars for power cost on an annual basis for water utility. Mr. Grosch asked if the City has looked into any power saving options. Ms. Mueller stated the City's biggest producing well was out of service for a year due to construction and with several facilities being out of service at peak times, and a scheduled outage coming this year, the City has not been in a position to put a pumping plan together. Ms. Mueller commented that once everything is in a plan maintenance cycle, the City will be able to focus on energy and consumption.

Ms. Brown asked Ms. Mueller what some of the major takeaways were that the Common Council should understand from this budget.

Ms. Mueller stated she was embarrassed that she had not done a better job at anticipating the larger expenses and felt she was always playing catch up. Ms. Mueller said her goal was to get ahead and hoped that the Asset Management and Financial Advisors would help figure out the best way to manage the cost and prepare a budget that would handle the highs.

Jerry Wamser joined the meeting at this time.

Ms. Brown asked about the huge rate increase in Cloverland Farms from the City of Waukesha. Ms. Brown stated the residents are taking the brunt of the City deciding to send them to the City of Waukesha instead of the City of Pewaukee maintaining them.

Attorney Riffle stated Dale Arenz issued an opinion in 1996 and a new opinion will be reissued by the next Common Council meeting.

Mr. Kara stated his concern was the depreciation in the budget and he felt it was more of an accounting issue. He asked about non-operating revenue. Ms. Wagner stated the depreciation is separate from assessments and debts associated with assessments.

Further discussion took place regarding depreciation, debt and non-operating income.

Mr. Kara asked if there were unassigned funds for the water and sewer utility. Ms. Wagner stated there were none for the water utility, as there is a large debt to the sewer utility. There are unassigned sewer utility but there are some substantial replacements coming up that may deplete some of the reserves. Ms. Mueller stated the operating budget does not show capital expenses. The pump replacements were not reflected in the budget and there are no excess funds. Ms. Mueller mentioned this is a large disconnect they have not been able to overcome and that is where the consultants can help.

A motion was made and seconded (B. Dziwulski, R. Grosch) to approve the 2021 Water and Sewer Utility Operating and Capital Budgets. Motion Passed: 6-For, 0-Against.

7. Discussion and Possible Action to Approve the Woodleaf Reserve Phase 4 Development Agreement and Establish the Amount of the Letter of Credit in the Amount of \$1,838,646.30

David Tanner with Korndoerfer Homes was present for this item.

Ms. Wagner stated the next phase of the Woodland Reserve Development was looking to start up. There will be 33 lots that will need public infrastructure, roads, sanitary sewer, water, main storm sewer, working through creating the development agreement and a letter of credit. Ms. Wagner mentioned

there are changes that need to be made to the developer's agreement before it can be signed off. Ms. Wagner felt she and Attorney Riffle could work out with the developer as it is the basic standard development agreement. Ms. Wagner recommended the letter of credit be established in the amount of \$1,838,646.30 in a form that the City Attorney will approve.

Attorney Riffle stated this was the third amendment to the developer's agreement. The first two included all of the infrastructure. The developer took the second amendment and cut and pasted it, but did not account for water and storm sewer. Attorney Riffle stated they should have pulled all of those phrases from the original developer's agreement and put them into the amendment.

A motion was made and seconded (B. Bergman, B. Dziwulski) to approve the developer agreement contingent upon the final review and approval by staff and the City attorney and establish the letter of credit in the amount of \$1,838,646.30. Motion Passed: 6-For, 0-Against.

8. Public Comment

Attorney Riffle stated the Village of Menomonee Falls found a historical document and recently donated it to the City of Pewaukee. It covers the history of Pewaukee from as early as 1846. He said it was absolutely fascinating and recommended everyone read it. Mr. Klein stated it was currently being scanned and will be distributed.

9. Adjournment

A motion was made and seconded (B. Dziwulski, R. Grosch) to adjourn the meeting at 8:00 p.m. Motion Passed: 6-For, 0-Against.

Respectfully Submitted,

Kelly Tarczewski
Clerk/Treasurer