

**VILLAGE OF PLEASANT PRAIRIE
PLEASANT PRAIRIE VILLAGE BOARD
PLEASANT PRAIRIE WATER UTILITY
LAKE MICHIGAN SEWER UTILITY DISTRICT
SEWER UTILITY DISTRICT "D"
9915 39th Avenue
Pleasant Prairie, WI
November 21, 2005
6:30 p.m.**

A Regular Meeting of the Pleasant Prairie Village Board was held on Monday, November 21, 2005. Meeting called to order at 6:30 p.m. Present were Village Board members John Steinbrink, Alex Tiahnybok, Steve Kumorkiewicz, Jeff Lauer and Mike Serpe. Also present were Mike Pollocoff, Village Administrator; Jean Werbie, Community Development Director; Kathy Goessl, Finance Director/Treasurer and Jane Romanowski, Village Clerk.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. MINUTES OF MEETINGS – OCTOBER 19, 24 & 31, 2005**

SERPE MOVED TO APPROVE THE MINUTES OF THE VILLAGE BOARD MEETINGS OF OCTOBER 19, 24 AND 31, 2005 AS PRESENTED IN THEIR WRITTEN FORM; SECONDED BY TIAHNYBOK; MOTION CARRIED 5-0.

John Steinbrink:

I'm going to ask that Item A under New Business be brought forward at this time. Do I have a motion?

KUMORKIEWICZ MOVED TO CONSIDER NEW BUSINESS ITEM A AT THIS TIME; SECONDED BY SERPE; MOTION CARRIED 5-0.

8. NEW BUSINESS

- A. Consider Resolution #05-68 – Resolution to Authorize Village Counsel to File a Petition for a Contested Case Hearing concerning Variances from the State Building Code related to Fire Suppression at the Pleasant Prairie Power Plant.**

Mike Pollocoff:

Mr. President, at our last meeting we went into Executive Session to discuss this issue with legal counsel concerning an issue that we currently have with the We Energies Power Plant expansion. I thank you for moving this up. I'll go through the item. We'll be able to contact the Village Attorney that's working on this if you'd like by telephone and conference him in.

In essence what's happened is there have been substantial improvements that are being made at the Pleasant Prairie Power Plant. The most significant is pollution control equipment and their construction of a Flue Gas Desulphurization facility. This is a facility that really is attached to where the new stack is being constructed. It's approximately eight stories high. When Wisconsin Energies came before the Plan Commission to seek their conditional use permit, at that time one of the staff comments and requirements for the issuance of the conditional use permit was that the facility be fully sprinklered for fire suppression with an automatic sprinkler system. At that time they had agreed.

Subsequently as they went further in the process in the design, they disagreed with that requirement and requested a waiver from the Village to waive off from that requirement or a variance so that they wouldn't be required to put in an automatic sprinkler system in the Flue Gas Desulphurization facility. The Fire and Rescue Department with their consultant wrote an opinion to the Department of Commerce stating that we were opposed to that, that it was not in keeping with what the Plan Commission had approved and that it didn't serve the safety of the fire and rescue personnel, the employees at We Energies as well as the public. That item was considered by the State. We Energies made their petition for the variance, and at that time the Department of Commerce, the part of Commerce that reviews the plans, turned down and denied We Energies their variance from the fire protection code as it exists by the State.

Subsequently We Energies obtained a decision from an administrator who is politically appointed and not a statutory employee to grant them a variance and to proceed without the fire protection equipment at the site. That wasn't given to the Village. The Village had no input. We don't know that it was an alternative system that would affect that level of fire protection either way and there it sits. The Village's opportunity to be able to, one, have some input or to seek the improvements that are required by the Plan Commission is to file a contested case hearing and have this heard before an Administrative Law Judge at the Department of Commerce.

If we bring this down to its lowest common denominator, because the National Fire Protection Association's Code is very detailed, but we're looking at an improvement that's not related to the power plant as it speaks to specifically generating power. We're not asking for sprinklers to be put in the turbine room where electricity is generated. This is in an area where you have hot flue gas, you have coal dust, you have a lot of things that can occur. We Energies is proposing putting stand pipes in this space, but what it does is requires firefighters to take a hose with them up eight flights of stairs and then make a direct connection on stand pipes to take care of whatever problem they find in there.

The purpose for an automatic sprinkler system is, one, when a problem happens that sprinkler system triggers automatically, starts deluging the area, and it also sets off an alarm to the Village so that we're on our way. Without that happening the problems happen, no sprinklers kick off, the situation gets hotter and more complicated as we respond to the call. By the time we get there we're faced with dealing with a situation that's going to be tough.

One of the easy questions that some people say is just don't go. The Village is mandated by State law to provide fire and rescue protection. You have no choice in that matter. You're required to do it and you're required to respond when those calls from. The Village also assumes the liability to a certain extent if we knowingly allow somebody to vary from the code and don't oppose it. In

this case we have opposed it, but to just look the other way would put us in legal jeopardy as well.

So tonight we have a resolution that authorizes counsel to prepare the petition which you have a draft of. I think there are a couple minor changes in it, not in substance but in style, for Attorney Paul Kent from Anderson and Kent to submit this and request that a contested case hearing be held to accomplish a number of things. One is to require We Energies to provide this information in the Village as to what they're doing, what's changed, because right now the only thing we can see that's changed is they said it's really not a flue gas building, it's an electrical generating building, so they kind of put the flue gas facility in with the generator room and the turbine room, and it absolves them from having to put that sprinkler system in. And we want to have the alternative which they've always had is the ability to say what else are you going to do to effectuate the same amount of protection or coverage if you're not going to use automatic sprinklers.

We also want to have the issue addressed that We Energies has not complied with the Village's conditional use permit. They took the approval that was given to them by the Plan Commission, the parts they liked and the parts they didn't like, and then went ahead with it, and we need to get those addressed. The core of this is we've had problems out there. We've had fires there. We've had employees that have been poached by steam. It's not that they're careful but it's a dangerous business and it doesn't make sense to put in our firefighters into a situation where they're climbing eight stories with a hose to take care of business when it should be taken care of by an automatic sprinkler system just like we make everybody else do. If you have any questions I'd be glad to answer them or if you'd like to have counsel on the phone we can do that, too.

John Steinbrink:

Comments or questions.

Steve Kumorkiewicz:

I see that we have 13 issues that we're going to put in this case due to the decision made by We Energies. I took a look at what's going on with that. I couldn't remember how many there were and I counted 13. The main problem I've got with that is they agreed in the conceptual plan what they were going to do. Now they changed it. In that case if they go ahead and they win this issue, that opens it up for another company to do the same thing and we'll set up a precedent . . . official in this case when the safety of our people come first what is the value of this modifications. We're talking about \$60,000?

Mike Pollocoff:

We're talking about \$60,000 of improvements.

Steve Kumorkiewicz:

That means Wisconsin Electric, a multi-million dollar tax exempt property, correct?

Mike Pollocoff:

Yes.

Steve Kumorkiewicz:

Is going to save \$60,000 and is going to jeopardize our people in case of emergency, wintertime, 10 below zero, I'd like to see somebody from Wisconsin Energy climb those ladders all the way to the top to the eighth floor to put a fire out and carry the hoses. I just can't believe it that they tried to save \$60,000 to do that. In my opinion we've got to do as much as we can fight this issue. The first is safety of our people. That comes first. Second I don't want to set up a precedent with this. It's ridiculous that a multi-million dollar company objects to spending \$60,000 for this. As far as I'm concerned let's do as much as we legally can to fight them, because the Village will be subject to legal action if anything goes wrong if somebody is hurt. They don't mention the types. They can put a dry type or a wet type fire system. I know. I work in plants where we used to climb a lot of stairs. So by experience I am not a firefighter but I can see that. So I'm for this resolution 100 percent.

Alex Tiahnybok:

Steve, I agree with you. The risk of precedence is significant. I think the risk of precedence to the Village is something we need to be concerned about. And naturally I think the risk of precedence on We Energies part is another part of the story that's not our problem. We are the Board of Pleasant Prairie and whatever other issues We Energies has with other communities, etc., is something I don't think for us to be concerned about. As a result I agree that we need to protect our interests not only financially but of our personnel.

Mike Serpe:

I agree with both Alex and Steve on this. The thing we have to keep in mind is we don't know what alternatives are being offered or talked about by We Energies as far as what type of fire suppression is going to be taking the place of the sprinkler system. So without that I don't think we're going to find out until we file the petition. I would move to adopt Resolution 05-68.

Steve Kumorkiewicz:

Second.

John Steinbrink:

We have a motion and a second. Further discussion on this item?

Jeff Lauer:

Just one item. I agree with what's already been said. The key thing to me is We Energies agreed to the conditional use permit and now they're renegeing on that and I have a huge problem with

that. When you make an agreement it has to be stuck to, and now they're turning back on it just to save a few dollars. We can't put our firefighters at risk let alone the people of the Village.

John Steinbrink:

We have a motion and a second. Further discussion? I think we can vote at this time. We're in consensus and we don't need legal counsel.

SERPE MOVED TO ADOPT RESOLUTION #05-68 – RESOLUTION TO AUTHORIZE VILLAGE COUNSEL TO FILE A PETITION FOR A CONTESTED CASE HEARING CONCERNING VARIANCES FROM THE STATE BUILDING CODE RELATED TO FIRE SUPPRESSION AT THE PLEASANT PRAIRIE POWER PLANT; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0. (SEE RECONSIDERATION AND ADOPTION OF RESOLUTION #05-68 WITH ADDED LANGUAGE AT THE END OF THE MEETING)

5. PUBLIC HEARING

A. PUBLIC HEARING

- 1) Proposed 2006 Budget Hearing**
 - a. Presentation of Budget (Revenues & Expenditures)**
 - b. Citizen Comments**
 - c. Closing of Budget Hearing**
 - d. Board of Trustees Comments**

Kathy Goessl:

The first thing I'd like to start with is the overall organizational chart of the Village just to keep us in line on what budgets we're looking at. I brought this up two weeks ago and I'm bringing it up again tonight. The ones that are shaded in the yellow are the ones we're looking at approving this evening. That includes the general government budget, and it's three components of operating, capital and debt service. And we're looking at our Tax Increment District which includes a debt service fund and also capital improvement funds, and we're also looking at special revenues. Special revenues include a couple funds, police, fire wise and that gets most of the revenue from donations. Two weeks ago we approved our solid waste utility budget. That's the one that shaded in orange. And we still have our enterprise fund left to go. We're looking at presenting the recreational budget in two weeks at December 5th, and then as soon as the Kenosha Water Utility gives us information on the sewer rate increase we'll present the sewer budget and get the sewer and water approved at the same time.

I'm going to start out with the general government portion of the organizational chart I just presented. We are proposing, as we have all along, no increase in the Village mill rate. Our Village mill rate last year was \$3.54 and we're proposing \$3.54. So any resident that's currently in the Village that has not made any improvements will not see a tax increase in the Village portion of their bill.

This is pretty small to see but this shows what I presented a couple weeks ago. We made one adjustment since our meeting two weeks ago. The adjustment was due to once we started calculating and finalizing our numbers we noticed our mill rate on our calculation was down only to the second decimal point, and we figured an average increase on a home that caused an increase of like 24 cents on the average home. We didn't want to have any increases in the Village portion of our tax bill, so we adjusted that down to the fifth or sixth decimal point, thus giving the Village taxpayer on our tax bill a zero increase. That has caused our levy to decrease by \$2,079. Because our levy decreased there's a calculation for exempt and computer aid. That caused the decrease there of \$10. I took that difference out of the contingency. The contingency was the one that we had for manufacturing appeals and for our health insurance uncertainties. That's the only change we made in the last two weeks. New program list has stayed the same as we presented two weeks ago. Program reductions have stayed the same and also capital requests. So this is the only change that has happened.

As I mentioned on the original organizational charge, the general government budget is made up of three different operating entities, the operating section which is our main operating section where most of our personnel information is, personnel, fire department, the police department, all of our departments operate out of, debt service and capital. Our total tax levy that we're proposing is almost \$7 million, \$6.9 million. Then we have other operating sources which will make up almost \$6 million to get the total of a little short of \$13 million which our expenses match that to give us a balance budget. Therefore net change in all these different areas is zero. On the bottom you can see the fund balances that are in these funds. This is what we're predicting to end the year with. And because we're looking at passing a balanced budget all the fund balances stay the same budget wise. We have a little over \$2 million in our operating, a little under \$300,000 in debt, and in capital a little over \$100,000 for a total fund balance at the end of this year and projecting for the end of next year of \$2.6 million. That's 20 percent of our operating expenses. Our rating agencies look very favorably at this percent rate, around the 20 and some percent rate for these funds. So right now we're in a good position with respect to our fund balances.

I'd first like to briefly go over revenues for the general government. This takes all three of those areas and puts them all into one spreadsheet or one presentation. These are all our revenue sources for those three funds, the property tax being the largest portion which accounts for 54 percent. That's the amount that I showed earlier of closet to \$7 million. Our next biggest source of revenue is intergovernmental. Intergovernmental accounts for 15 percent and that's the blue slices of the pie. Shared revenue is over 50 percent of that slice, and road aids from the State is about 40 percent, so that's the major components of that revenue category.

Our next largest category is licenses and permits. The largest component of that is building permits which account for about 67 percent of our revenue source. Zoning permits adds about another 17 percent onto that revenue source. Then we also have the record maintenance fee in

here that our assessing department charges for new homes that they have to go out and review and create a property record for and that's about 10 percent. To finalize off that category we have liquor licenses, bartender licenses, dog licenses and miscellaneous licenses.

The next biggest category here at 7 percent is the public charge for services. The biggest

component of that is our charge for rescue services that we bill out when our rescue squad goes to a call. That accounts for about \$275,000 worth of revenue. The next biggest component there is engineering department, engineering department charging out to developers for work they do in their projects, and also the engineering department charge to in-house projects. That accounts for \$185,000. We also have our street lighting district there. We have Lakeview, Prairie Ridge and on Highway 50 by Ace that's another street lighting district. Those account for about \$69,000 of revenue source.

This also includes our new program request to create a Clean Water Utility, and this is a revenue to cover the operating expense of that Clean Water Utility of \$112,000. That's also in the public charge for service category. Other taxes is our mobile home taxes which we're looking at \$167,000 of revenue budgeted for this year for that category. The biggest chunk of that is our utility tax from our water utility. We tax our water utility based on their property values just like we tax any of the other industries or commercial businesses. Also included in this category is property tax penalties and hotel/motel tax. Last is other revenue sources which includes Municipal Court for \$265,000, our interest income for \$160,000, assessing contracts from revenue from the other communities that we do assessing services for for \$258,000. Also our school liaison officer from Kenosha Unified of \$57,000 and our tower leases that we have government buildings of \$50,000. So these are our sources of revenue to cover our operating debt as well as capital.

This shows a change from our budget that we had in 2005 for those three categories in general government and what we're proposing for 2006. Property tax increase is due only to grow with current residents that have not made improvements on their home paying the same Village property taxes they did last year. The intergovernmental revenue decreases by \$64,000, and the decrease is due to a clean water grant. In 2005 we had a clean water grant that paid for 80 percent of a clean water plan. The plan has been completed in 2005, therefore the grant is received in 2005 and we are not budgeting for anything in 2006.

Borrowing we did not borrow anything in 2005 and we're not proposing to borrow any money for 2006. Licenses and permits this shows an increase over last year of \$131,000. The increase is about \$68,000 in building permits, \$14,000 in zoning permits, \$25,000 in the property record maintenance fee, and these are all due to projected building growth. Zoning fees will also increase to cover the cost of a part-time database intern that will be working on zoning maps for an increase of \$15,000, so that's the licenses and permits category.

Other taxes is going up just a slight amount and that's mainly due to the increases in mobile home taxes due to the Westwood Mobile Home expansion. Then we have public charges for services, and the increase in that is mainly due to the Clean Water Utility as I mentioned before. The new program request to create a Clean Water Utility and to cover the operating cost of our utility of \$112,000. The \$112,000 only covers operating and not capital. And other revenue is going up \$20,000 which is mainly all interest. Our interest rate market is going up and therefore we're earning more money on the money that we have in our fund balances. So we're looking at a total increase in revenue of \$410,500 from 2005 budget to proposed 2006.

Now we'll switch to the other side to the expense side of the equation. This shows the comparison from 2005 to 2006. Again, this incorporates all three of the areas, operating, debt

and capital. The top section shows operating expenses for general government. General government includes the Village Board, Municipal Court, Administration, HR, IT, Finance, Assessing and Village Hall. IT is up \$81,000. Included in this is the co-location expense of \$30,000. We have a revenue increase on the other slide of about \$80,000 or \$90,000 for co-location, and there's a \$30,000 expense in IT so that increases the expense in IT, but there's an offset in revenue. And also we moved an audio visual employee to IT from IcePlex and that's why the increases have occurred in the general government category.

Public safety is up a little over \$400,000. As a new program we added one police officer and a fire fighter for a total increase of \$124,000. There's also increases in personnel expenses and benefit of \$245,000. There's some new programs listed in this category. One is to repair the body of a 1994 Pierce Pumper for \$35,000; to promote an officer to sergeant for a little over \$8,000; and to add some portable radios for \$7,200.

Public Works also increased a little short of \$100,000. This category includes engineering, street lighting and clean water. Engineering charges now for internal projects, therefore the salary and benefits of these people that are working on the projects are charged here instead of to the project. As you saw in the other slide the revenue increased in engineering, therefore also an increase in expenditures for the salary and benefits of the engineer that's working on internal Village projects. Also there's a reduction in the clean water. As I mentioned in the revenue section we had a grant to do a clean water plan, and the plan is completed. We had over \$100,000 in the budget last year for this plan. The plan is done so there's a decrease in this budget of a little over \$100,000 for that.

Public works is increasing due to some fuel and snowplow related equipment expenses, and street lighting is increasing for contractual services and the increase in electrical rates. Parks went down mainly to Prairie Family Days being moved to RecPlex. The expense got moved and also the revenue. Prairie Family Days has been budgeted as a net program, revenues equal expenses, therefore there's really a zero impact when you look at both revenue and expenses on that program on the general government. Community development went down slightly. That's due to the reduction in the number of Village newsletters which was one of the program reductions that we recommended.

Then we have contingency. The two things that we budgeted for in that area was the uncertainty in health insurance and also the manufacturing appeal exposure that we currently have and we talked about that last time in terms of a couple companies that are currently in the appeal process and their impact or our exposure for that.

In the capital expenditure area, last year we spent a little over \$100,000 in road maintenance and surfacing. This year we're proposing nothing so a decrease of \$113,000. Storm water we didn't spend anything last year in storm water projects and we're not proposing as part of the general fund budget to do any storm water projects. Public safety we're looking at \$100,000 down from last year. Public safety for this year we're looking at police cars, and in public works we're looking at a snowplow. And then other capital projects that we're looking at is replacement of servers, an appraisal vehicle, a zero turn mower and addition of Civic Dashboard for our monthly financial reporting or our on-line reporting.

The interest and principal on debt is decreasing a little over \$100,000 this year. In the coming years it will level off for the next couple years, and then without borrowing we dip down. So we're looking at a decrease of \$674,000 in operating as compared to last year's budget, the biggest decrease being in our capital area.

Now I'd like to look at the total property tax bill that the residents will receive. This is the slice of the pie that shows our property tax bill. As you can see Pleasant Prairie is the blue site. The numbers on here is the actual mill rate per thousand that each of the taxing entities will be charging. All these numbers are final in terms of the mill rates. Everybody is done approving their budgets. We're the final one to approve. Kenosha Unified will have a mill rate of \$8.72; we're looking at \$3.54; Gateway \$1.42; Kenosha County \$4.69; and State of Wisconsin \$.2 for a total of \$18.57 per thousand of assessed value with the Village only accounting for 19 percent of this slice of the pie.

This shows the increasing by taxing entity. This is this year's tax bill. As you can see in the middle is the Village with a zero dollar increase on the average residential home. We consider our average residential home at \$225,200. The biggest increase is with Kenosha County increasing the Village tax bill by \$31 followed by Gateway at a \$15 for an average home increase. Kenosha Unified \$3 and State of Wisconsin \$2 with the Village being the lowest at no increase for our Village taxpayers.

Now I'm going to move onto the second budget we're looking at approving and that's the Tax Incremental District. This sheet shows the comparison of last year's budget, the 2005 budget, to the 2006 proposed budget. The property tax increment is determined by a State of Wisconsin formula based on the equalized value with and without TID. So this actually is going down because the Village purchased close to around \$10 million on land purchases west of the Interstate which were in the TID. That took that land out of the taxing numbers and into exempt because we're governmental. Therefore, our tax incremental dollars that we collect from the District has decreased due to that decrease in the value of the TID.

Other revenue or other income is interest income and exempt computer aid for the TID. Sale of property we're looking this coming year to sell a number of properties that we purchased out there once improvements have been made that need to be made. We're estimating in the ballpark of \$5 million worth of land sales out in that District for next year. Also, we're looking at doing some financing out there to do some projects. We did budget this year for borrowing \$5.8 million but we actually didn't borrow anything out there. Things slowed down a little bit and we were able to use the money that we already borrowed the year before. But we are running down our balance in that capital fund, and we're looking at needing to borrow about \$5.8 million for this coming year.

For expenditures we're looking at capital improvements of around \$10.5 million. Of that \$10.5 million we're looking at about \$4 million of road projects, \$1.2 million in storm sewer projects, \$.8 million in sanitary sewer projects, \$.6 million in water projects, \$1.7 in grading projects and \$1.8 million in land acquisitions for a total of \$10.5 million. The detail of the projects we're actually looking for are in a budget binder that you've received in the TID section if you want more detail on the projects we're actually looking at.

For debt payments the debt schedule this year has a little bit greater debt than we had last year. We're looking at debt payment of \$2.5 million. The fund balance we're showing on the bottom, we started out last year budget wise of \$5.4 million. We spend money on capital improvements bringing the balance we're estimating at the end of the year at \$3.5 million. Then we're looking at a slight change with borrowing and projects we're doing to end around \$3 million. But depending on how fast the projects go or how slow that balance can increase or decrease in the year. This is the TID and this incorporates both our debt service portion of TID and our capital portion of TID.

The third and last component that we're looking at is our special revenue fund that we're looking at approving this evening. This includes our fire and rescue fund, our police fund, federally forfeited fund and our veteran's memorial fund for a total of these special revenue funds. Revenues for these funds are mainly donations except for the federally forfeited which is an equitable sharing of federal funds based on police activities with the federal government.

Expenses are mainly minor equipment. The police fund is actually the fund that helps support our police dog. They pay out their vet bills and food bills and that kind of stuff out of this police fund. This police fund is all donations from individuals in the community. These funds are managed by the different department heads, the Police Chief, the Fire Chief and then also John, Jr. with the veteran's memorial. The fund balances are shown at the bottom. Totally for these three funds we have about \$44,000 that we're estimating to have at the end of the year.

So that's my presentation. Any questions or I can turn it over to Mike for any more comments.

Mike Pollocoff:

Before we start citizen comments I want to thank Kathy and all the department heads for working diligently on this budget. It was a difficult budget to put together in the sense that our goal starting out was to first fully identify the needs and requirements to operate a community as large as Pleasant Prairie and achieve a modest tax increase if no tax increase. As time went on we were able to refine that down to where the Village, and if you think back to that one graph, is really the only community that is not going to see a tax increase in this coming fiscal year.

We, and I say we and you guys were there, too, we spent close to 80 hours in work sessions on reviewing all the departmental budgets, the enterprise budgets, and we're still not quite done. As Kathy said we still need to wait for our sewer rate increase from Kenosha so we can start the sewer enterprise and you'll be seeing the RecPlex enterprise in its totality in another couple weeks.

One of the major policy shifts in approaching the budget strategy as we move forward is whether people believe it or not the Village mill rate and our levy is the lowest of the 60 largest communities. The reason 60 is used that's the denotation that the State of Wisconsin uses in breaking out the population groups for communities. We've been in pretty close to a budget freeze environment now. We'll be going into our fourth year. One of the things that we've done and it's been conscious, two things we've done, one is we've eliminated incurring additional debt for general fund operations. We have borrowed for three years and we're looking to not borrow for the fourth year. That does a couple things. One is helps our financial statement as far as

making debt service payments. It also tells the Board and it tells the community that we're deferring capital improvements that are of a general fund nature such as fire equipment, streets, storm sewers and curb and gutter.

This budget focuses, and I think given the tax freeze that's in place on communities in Wisconsin is we're focusing the majority of our resources on people. We're a service organization. We don't make anything. We provide services to people and this budget is a people budget not because of anything the staff has prepared but that's just the way it goes. We're in an unusual people budget in the sense if you look at what some of the charges that the Village has given itself in functioning in this community, we've said we want to provide excellent services, and if you think back to the goals and objectives that you guys have looked at over the past two months, all departments have good goals and objectives in the sense that they're looking to deliver good services quickly, promptly and efficiently.

Kathy showed you the budget for the TIF Increment District. Pleasant Prairie historically and as much as possible in the future is going to continue to be very aggressive in establishing a diversified property tax base and all the benefits that go along with that. So one of the things we do in addition to providing firefighters and police officers and doing public works, those things are all important, this community not by ourselves and we've partnered with a lot of people, but we're creating jobs. The Village has done a very good job in balancing the economy; in finding companies to move here to provide gainful employment to people that either live here, want to live here or are commuting here. There are 9,000 people more that work here than did ten years ago. And with the coming TIF improvements that we've identified and the improvements in the Community Development Authority we'll double that number. So the employees that you hire by connection the number of employees are creating employment for a lot of people in addition to providing good service. You'll never convince anybody to locate their company here, spend millions of dollars to relocate a facility here and build it here if you can't take care of it, if you can't provide the services they need to take care of that facility, let alone create the infrastructure for it to exist.

So for a little Village that's been trying to get ahead for a long time I think we've done this. This budget is going to continue that for another year. It's going to be tight. I think there's going to be things that people want some improvements, they want road improvements, and we look at some of the larger capital improvements that we need to address, whether it be additional fire equipment, a station in the future, doing streets, it's going to be difficult. With the freeze rules as

they exist today there's really one option and that's to go to referendum. If the freeze stays on much longer we've pretty much eliminated capital from the budget, so if the Village doesn't continue to grow it's going to be difficult.

The other thing from a policy perspective that this budget considers is that, and it kind of ties in with a lot of things the Board has adopted this year, and that's identifying that while we like development and we do everything we can to encourage it, existing taxpayers should not have the bear the brunt of developing coming. This budget, as Kathy indicated, has a zero percent increase, zero dollar increase for existing homeowners. The new homeowners, and there's a little bit over 200 of them coming into the Village, they're going to be paying that average property tax

bill to the Village. We're getting more money but we're providing more services, and that additional money helped us fund a police officer to do patrol, fire rescue personnel to be able to take care of the added staff. So as we grow and those new tax dollars come in, that growth is being funded to take care of the growth of the Village. So as that new growth comes our levy goes up and so does our revenues and we keep the balance between revenues and expenditures constant.

So those have been the policy directives that I've understood from the Board as we've proceeded. It's been the policy directives that the staff has worked under for the last five years I believe, and I think this budget embodies that. But it's going to get to be difficult. I'm not crying wolf and I'm not saying the sky is falling, but as time goes on resources get tighter and tighter. So, again, I'd like to thank Kathy and the department heads. You see big budgets from them and they know when they put these documents together that they're not going to get everything they're asking for. But, that being said, I think it's a valuable process so that the Board knows some of the things that are down the road that are going to be needed that we're not funding. I think for the department heads to say if I'm only going to get one percent of what I'm asking for so I'm not going to tell you anything, that doesn't help you and that doesn't help them. We don't get the needs identified on the table so everybody knows what's out there that we aren't funding or that we're going to have to fund later on. I think that's a good process. I didn't see anything that was really unwarranted that was asked for. I think it was all valid, but money is money and we all know what's out there for us to face in the future. With that, Mr. President, if you want to take citizen comments we can go from there.

John Steinbrink:

I'll open it up to comments or questions from the public. First let me ask you, Mike, how much did that shared revenue decrease from the State to the Village?

Mike Pollocoff:

It's decreased every year.

Kathy Goessl:

But not that much.

Mike Pollocoff:

Not that much this year. It got funded up a little bit, but the amount of money we've received has been decreasing each and every year, and it's been decreasing as the amount of money that Village taxpayers are sending to the State each and every year. So it's not that the Village taxpayers aren't paying money, the sales tax and the incomes taxes that they pay that go to the State have been increasing each and every year. And then the amount that comes back has been decreasing.

John Steinbrink:

Exactly. The tax freeze specialists at the State get 12 percent more of our dollars and yet send us back less every year. We get unfunded mandates such as Smart Growth, the storm water. We have to take care of the assessment of manufacturing. That's burdened now upon the villages and cities.

Kathy Goessl:

Our shared revenue was a decrease of \$1,772 this year for a net of a little over a million dollars.

Mike Pollocoff:

We've probably lost a little over \$100,000 over the last five years.

John Steinbrink:

That's a significant amount. Yet, if we look at our tax increment districts, our TIF Districts, that brings more dollars into the community and more dollars into the State coffers. They ask what we do as a Village, you said we create jobs and we provide service, and I think that's something unusual for a community our size is to create as many jobs and as much revenue for the community as we do through these functions.

It's also interesting to note that events such as Prairie Days are pretty much self-funding, and that comes from the hard work of the staff and people of the Village who work together to make sure this is a great event to the community and yet there's no charge to the taxpayers on it. So this is part of the dedication that we see that follows along with the work everybody does on the budgets, the departments heads, yourself and Kathy in presenting this. As you said, 80 hours have gone into this budget. This is a year 'round project. Probably when we're done ramping this one up you're going to start with meetings with these same department heads to start working on the budget for next year.

Mike Pollocoff:

Not far off, yes.

John Steinbrink:

Exactly, and everybody looks forward to that I'm sure. It's a lot of time and a lot of effort. We don't go blindly into it. But I want to commend you for that work and what we have presented for us. We have accurate, concise numbers. It's probably more than a lot of other communities have to work with or other Boards have to work with when determining the budget they have to approve, so I just want to thank you for that. I will open it up for the citizen comments on the 2006 budget. This is a public hearing. Do we have a sign up sheet?

Jane Romanowski:

Yes, we did. We had one speaker sign up, John Braig.

John Steinbrink:

We ask that you give us your name and address for the record.

John Braig:

John Braig, 4707 84th Street. Mr. Lauer campaigned on a promise not to support a levy increase. Maybe quite a few years ago we had a President that promised no new taxes. Fortunately, he saw the wisdom, or in wisdom he saw the error of his promise and reneged on it. I'd like to hope that Mr. Lauer does the same thing. I don't mean to be offensive in any way, but I believe that making that kind of a promise when it was made was made in ignorance and it would be better to change his mind at this point. Before I retired I prepared and administered a budget several times greater than we're talking about tonight. And I well know the cost of budget cuts, delays in maintenance activities, reduced service through program cuts, failure to properly plan for the future and thereby resulting in greater overall costs.

The suggestion was made to cut programs such as garbage pickup or leaf pickup. That suggestion I really think is quite irresponsible. The trade off would mean hundreds or maybe thousands of vehicle trips by citizens to dispose of their own leaves and their own garbage. And, of course, spewing out pollutants from their vehicles to a greater degree. Or, worse, burning of leaves. In fact, I really would like to suggest that the Village consider a ban on leaf burning. I think the leaf pickup has been an excellent program. It sure has reduced the amount of pollutants in the air and it's something I'd like to see you consider. The Village leaf disposal system is probably one of the most efficient ways we can get rid of leaves. The City of Kenosha doesn't hold a candle to what the Village accomplishes.

Earlier this year a citizen wrote a letter to the editor in response to another letter, and in it he welcomed the services of the Village and was willing to pay for it or words to that effect. I don't think he was alone. There was also comment in the paper to the effect that employment by the Village is not a guarantee for lifetime employment. During the recent Trustee election there was a rumor bandied about that the Village was experiencing high turnover and the suggestion was because of poor management. To me the concepts of lifetime employment and high turnover just don't fit. They're diametrically opposed. That's all I have to say. Thank you.

John Steinbrink:

Thank you.

Jane Romanowski:

We didn't have any more sign ups.

John Steinbrink:

Anyone else wishing to speak?

Dick Ginkowski:

Dick Ginkowski, 7022 51st Avenue. I think Mr. Braig brought up a very good point with one respect and that has to deal with the leaf burning. I think the Village crew does an excellent job, and Mr. Braig may be onto something. It might be time to look at the environmental consequences and potential fire control issues and perhaps revisit whether or not we ought to be doing leaf burning. I think that's a very good point.

On the budget, though, and considering that I do have some background in municipal government and management, I am somewhat concerned. I don't want my taxes increased. I don't want my assessment increased. I don't know anybody else except when they want to sell a house who wants their assessment increased. I am concerned with one thing, though, and that is that there is a down side as well if you defer, and I'm not speaking about this Board specifically, too much too long. One of the things that historically has hit us in the greater Kenosha community has been the Trojan horse of coming in with a bare bones budget and not planning adequately for the future so that all of a sudden we need X number of new schools. We need fill in the blank and the cost becomes inflated because we did not adequately prepare and set money aside and plan for the future.

I think we have a good Village staff. I think they've come in with an extremely conservative budget proposal, but the one thing I worry about and I think Mr. Pollocoff alluded to it, is you can only defer so much so long. You can have a \$30 filling or you can have a \$500 crown, and I think that is one of the things we need to be very careful about in the budgeting and in the planning process for the Village is to make sure not only by the way that we are getting our share of shared revenue not only from the State but also from money that we pay into the County coffers, but also to make sure that we don't defer so much that tomorrow's taxpayers are going to be paying more than they should for something that we could have done cheaper now. So I encourage everyone here to keep a very vengeful eye on that particular issue lest we not repeat the sins of the City and the County and School Board when we wind up with numerous referendums and other issues being proposed because it was deferred too long and all of a sudden the cost is very dramatic. Sometimes it's easier to pay a little money up front than it is to pay a lot down the road. Thank you.

John Steinbrink:

Thank you. Anyone else wishing to speak? Anyone else? Hearing none I'll close citizens' comments and move onto the closing of the budget hearing and close the budget hearing. Move onto Item d. Board of Trustee comments.

Jeff Lauer:

I just have one comment at this time. Mr. Braig, you said it being an error in my ways. I promised the citizens of Pleasant Prairie during the first year serving on this Board I would not support a tax levy increase, therefore I keep my promise. It's not an error in my ways. It's called character. If one person does not have character he really does not have anything at all. He's just existing.

Mike Serpe:

We almost supply a Beverly Hills type of service on a Mayberry budget and sometimes that's very difficult to do and to continue to do. I agree with Dick Ginkowski 100 percent and I've been saying this all along. If we're not careful and start putting enough money away for the future it's going to hit us like a ton of bricks. Let's hope that doesn't happen.

This Village runs as well as it does because of the staff that runs it, and it's the leadership of Mike Pollocoff that allows it to happen. As long as the leadership and the staff stays in place I have no fears as to where this Village is going to be in the future even with tax cuts and levy increases and what have you. It's a responsible Village. We're allowed to do what we do because people let us do it and they must have confidence in our judgment or they wouldn't have us up here. So I'm going to support this budget.

Jeff, the only thing I can say is if we had no new construction and the levy increased I would say we have to talk about it. But when you have new construction and the only increase that you're realizing in the levy accounts for that new construction you can't take that money and reduce it someplace else because at the same time you'll be reducing services to somebody and that's not a good idea.

Steve Kumorkiewicz:

I would like to make a comment that I did in the last meeting. In the League of Municipalities this month or last month, I want to quote Dan Thompson who is the Director of the League of Municipalities of Wisconsin in which he states, in 1970 the total property tax were paid were about 50 percent of the population. Now we pay 70 percent of the property tax. We're paying more. Why? Because there's more tax exempt property. We have it right here in the Village. We have \$1.1 billion tax exempt right now. So you figure if we have \$1.1 billion paying tax the same as all of us sitting here and that doesn't happen.

Madison is given more and more tax exemptions. How do they do that? Favors? Mike said in the beginning when we were talking on the issue of the power plant. Money talks in Madison. Its pay back and that's my opinion what's going on with County Q. The road builders give a lot of money to Madison. How are they paid back? Build a road that we don't ask for or we don't need. That's one example. But we are paying 70 percent on the property tax when years ago we paid only 50 percent. The difference? Tax assessing. We're sending more money to Madison, more income tax, more money going into the property tax over there and we're getting less and less. So where should the limits be done? Not here. We provide services to the residents. Madison provides services for the lobbyists. Let's keep that in mind. We suffer and they don't. They don't have to worry where the money comes from. They just spend it. We have to worry where the money comes from, how it comes and how we're going to spend it. They don't and we're paying for it. So a tax freeze sounds very good, but they don't do that in Madison - 12 percent. I recall three years ago a 14 percent increase - at the same talking that the local governments spent too much.

Tommy Thompson said one time that a government that really works are the small local governments and here we're proud of Pleasant Prairie. But then we got somebody who I don't

want to call Governor because as far as I'm concerned he was impersonating a Governor, McCallum. And now we see the results. We could be doing that in Pleasant Prairie. We're very conservative. Matter of fact a couple years ago the *Kenosha News* talked about the City of Kenosha and the Village of Pleasant Prairie were very conservative. I think that was two or three years ago. That was very good. And what happened then . . . happens today . . . of the people that we've got. Our governments are going to be as good as the people that work for that community. It's the same as a private company. A private company is going to be as good as the people that work in the company.

We have a good staff here and we're very proud. They are the ones that work. They are working very hard to get where we are. The dedication that normally the resident doesn't see. We have confidence . . . and we see how other communities are today and, believe me, we're in excellent shape believe it or not compared with many communities. It was in the newspaper yesterday, Lake Geneva, with the issue of the Sheriff to police Fontana and there was almost a lynching over there. The people were completely opposed to that. They don't want it.

I think we have to look at what happened here in the Village and look around and see what happened in the other communities. Somebody said that we have a bad reputation. I don't know. When I moved here 42 years ago we had 6,500 people. Right now we're at 18,600 and still growing. We're getting bigger and bigger so I'm proud of this community and I'm proud of the 388 people that serve the community that work for the Village of Pleasant Prairie. I'm proud of them for the job they are doing because they are the ones who make this Village Board look good. Mike, thank you, the department heads and everybody that works in the Village. Thank you for the job well done.

Alex Tiahnybok:

Steve, you always point out Madison. I think occasionally you have to point to your left, too, because our Village President is also in Madison so you have to point in that direction sometimes, too. Regarding the exposure that you indicated that Madison has created for us in terms of a tax exempt or very tax minimized properties, I don't know if Madison had anything to do with creating the TIF Districts, but let's face it that's a big chunk of potential taxable land that is at a much reduced level.

Regarding your comment about Fontana if you're talking about the little news brief, and I don't know if there's anything more and if there was I missed it, but my understanding of Fontana is with the Sheriff's proposal that it was brought to the Village's attention and it's going to be studied further. Whether or not it goes any further I guess only time will tell.

I think Trustee Lauer is probably pleased to have his name linked to former President Bush's name, but I think there's a key distinction. Both had made a promise and Bush Senior broke his promise and he didn't get re-elected, and I don't think Jeff wants to do the same thing.

In studying the budget overall, one thing it isn't simple. I've spent a lot of time looking at it. Complex is not even an adequate word. I tried to oversimplify it. I tried to create an analogy that I could explain to people. The best one that I could come up with that was real tangible, and I mentioned this as our last meeting was that if a couple got married and they had a food budget of

let's just say \$100 a month and there's two people, you could suggest that their mill rate for their food budget is \$50 a person. If they have a child, if they have a frozen levy, the \$100 would remain \$100 but the mill rate would go down to \$33. Now you'd have to feed each person on \$17 less than you did before. And obviously as the family grows that situation gets worse. On the flip side, if you freeze the mill rate at \$50 a person and the family grows to three people you'd have \$150 for the family budget. If it goes to four people you'd have \$200 a month for the family food budget, etc., etc.

Initially I thought that was a great analogy. I thought that's a real good way of representing the impact of new development in Pleasant prairie and how those increased costs impact the cost of services that the Village provides. On 50 percent of the budget, and maybe it's much more than 50 percent, the part that relates to the frozen mill rate and the frozen evaluations leading to a no tax increase component for existing residences I still am passionately in favor of.

But we've done something over the course of the various budget hearings that only after looking at it further I realized that something has changed, and that is we're moving away, and I'm very much in favor of this by the way, we're moving away from operating the budget, the operations part, the capital part mostly on the backs of property taxpayers. We're looking forward towards more user fees, the Clean Water Utility the various special assessments, etc. And although those aren't labeled as taxes, I believe in reality they're just a tax under a different name. So if you're removing things off of the property tax levy and you're creating new assessments, utilities, whatever you want to call it, you're really not holding the line on taxes.

So I'm really torn because there are huge merits on one side in terms of holding the line for existing owners. I truly believe that any new entries into our community should pay their fair share. I'm certainly not in favor of reducing the burden on them, but as we take costs out of the property tax levy I would like to think that economies of scale would allow you to reduce the mill rate because you've actually taken dollars out of the general fund. So I'm torn with it and I'm struggling with a decision. I'm looking forward to more comments.

John Steinbrink:

I think Mr. Ginkowski and Mr. Braig raised very legitimate concerns, and I think we've discussed those concerns over the nearly 80 hours that we've examined the budgets and the departments have come in. As Alex said the storm water, the Clean Water Utility is one of them. We look at doing that with a user fee. Roads are another big part of this community and a big part of the costs to the future. We've gone ahead with a project that's rated every single road in this Village according to its condition. We've examined how different treatments would extend the life of that road and given us many options as to what path we want to take as far as improving those roads and at what cost and how long that road will remain there. And we've also looked at the funding operation mechanisms for funding road improvements in the future.

It's not easy to keep weighing out the increasing costs that we have. When you look at the *Kenosha News* it used to be 50 cents a paper. Now it's 75 cents. There were costs there that increased that or drove that cost. I'm sure it's not all profit that the company makes as far as that increase of 25 cents on each paper. For us as a Village we share a lot of those same costs with petroleum needs, different other costs, health insurance, utilities, all those things that add to our

cost as a Village probably on a much greater scale. But yet we've been able to hold the line on taxes which I think is very, very commendable.

As we stated a couple weeks back, there are no rewards for communities that keep a low budget and a low tax rate. It's ironic that the State only compensates to the plus side communities with a high tax rate that then hold down their tax levy or their mill rate. It should be the opposite way around where communities that have been frugal and done a good job are the ones that are rewarded and not punished but that's not within the wisdom of the process out of Madison.

Yes, Alex, I'm in Madison and I fight most of the stuff that comes down the tube and it gets shoved where we're at at the Village. Most of the time I'm busy trying to fight all the bright ideas up there. The big push up there has been for voter ID. Voter fraud is running rampant in the State. That's \$2 million there. ID's for illegal aliens, that a federal mandate with no money. We know what those mandates are like because we get them down here at the local level from the State and from the feds. That mandate was put upon the State with no rules yet. But yet they want to move ahead and fund it and that's \$9 million more a year without even knowing what we're doing at the State level.

\$2 million here, \$9 million there, pretty soon it all adds up. And at the end of the day they cut the shared revenue to the local communities. So the taxpayers in our community either have to do without or most times end up paying for continued service through user fees and that's unfortunate because that's not the way government should run. We've put together a good budget here, we've held the line, and it's something I can support.

Jeff Lauer:

I just want to bounce off a little bit what Alex and Mike said. Regarding new development that's why expenses go up, to my recollection the County tax levy went up 2.8 percent and yet their mill rate went down. And when I read that I said how can that be. I did my homework and found out because obviously they had new construction, more homes, etc., go in so there's more of a tax base for them so therefore the mill rate goes down. And then I looked at Pleasant Prairie whose budget would go up a little over two percent, we've grown, but yet the mill rate stays the same and doesn't go down. I'm thinking the same logic here where we've grown, we have more tax base and it should go down and it hasn't.

The issue also that studying this budget over the past few months I've made some notes. We have impact fees. We have user fees, and I don't think they're going to lessen, they're actually going to increase. And user fees, if I can make a note on that, is very huge because that is a monthly charge that every citizen pays. Every citizen. You flush your toilet, user fee. You get water, it's a user fee. The new development happening in Pleasant Prairie when you build a subdivision it doesn't cost the Village money to put the road in there because that's paid for by the developer/home buyer. The water and sewer lines are paid for by the developer/home buyer. It's \$1,500 to hook up. The residents are paying for the services. A new subdivision goes up and it doesn't cost any more money to send a garbage pick up truck over there. It's a user fee. They're paying for that service to be there already. And to pay property taxes and a ton of user fees it's a complicated thing. I don't have the easy solution but it is a complicated issue, because the higher the monthly bills go up the more it's difficult I'm sure it's going to be for seniors and

others trying to make ends meet.

That's what I wanted to say at the time. I know I've heard other communities say the same thing, the reason we have to raise the tax levy is because of new construction. Most homes in Pleasant Prairie going up are quite expensive and they're paying for themselves the first year already and they're paying permit fees, they're paying building permit fees, occupancy fees, special assessment fees. So the money is already coming in for all that. So I just wanted to make that note as well regarding the budget issue.

Mike Pollocoff:

I appreciate the discussion, but a couple things I want everybody to keep in mind. You've got some items on the agenda tonight that are yet to come, and one of them is going to relate to fees/taxes/ whatever you guys want to call it for a storm water utility fee. If the Board is inclined not to adopt that, then you ought to consider moving that up in the agenda and consider that up front because you'll need to make a budget modification to do that.

You have two employee unions, one of which you approved an agreement with, who made some significant efforts, that's the police department, to negotiate a contract that was going to help the Village through this freeze period. You have another one tonight for the fire department who has done basically the same thing. If you want to not consider that, if you're looking to eliminate positions, if you're looking to make changes, you should consider voting on that agreement before you consider voting on the budget.

I want to make sure that as you look at this budget it's amazing in my mind that we prepared a budget that's going to tell Mr. and Mrs. Pleasant Prairie that your Village taxes are going to be the same as they were last year but we're really doing something evil with this and it's something underhanded. There's no question that one of the aspects if you decide to do this you pulled out a storm water utility and you're going to fund that. The other option is to cut some services and fund it through the general fund and do the things that, again, we talked about in previous sessions, and that's why it's in here, is that at least I thought I saw everybody nodding their head when we considered it that it was worthwhile to have tax exempt property considered under the storm water utility. If that's not the case anymore then we should consider that before we adopt the budget.

If you're concerned about entering into long-term agreements with your employees you should think about that before you vote on this budget. Your employees have come to the bargaining table, bargained in good faith, bargained to levels that is going to permit this Village to operate at the same level for the next couple years. If you're not comfortable with that you should consider voting on those agreements before you proceed any further.

With respect to fees and permits, Mr. Lauer, I guess I also want to refer you back to another previous budget meeting where we talked about impact fees. Impact fees go into a sinking fund that aren't touched until we spend it. The previous budget meeting we talked about building permit fees. The fees that go along with new construction. Those fees are tied to the people that do that work. Some years you get more building permit fees than you have expenses and some years you get less. One thing I am certain about is that when you built your new home, when I

built my new home, when Alex built his new home, John has built a new home, we're going to pay significantly less in that first year but we'll be there. That's going to be true for every new home that's built in the Village. It's going to take a while because we only assess one date a year and that's whatever value existed January 1st. So while you're saying they're paying taxes, God bless them they're not, because they might only have a fourth of their house done January 1st that year. And if they're a slow builder, they might not have it all done the following January 1st.

I wish public finance was a little easier, and it's a little hard because every year you get 100 characters in Madison to go about and modify the statutes and serve whatever interests they're serving. So it's not an easy thing, and Wisconsin works harder than most states at collecting a lot of money and redistributing it in a different way. So we send a lot of money up and then we fight to get our share back. I don't want to be thinking that because we have new development that we're getting a big pot of money and we're sitting on it and we should be lowering the levy. We won't see that money for a while. The money that's increasing our levy that we're seeing now is for homes that were actually completed almost two years ago that we're now finally getting our first installment on.

The tax increase that you're talking about with the County, you've got to remember that just because Pleasant Prairie didn't revalue this year there were communities in the County that did revalue and it is going to change the base value of the community. So while Kenosha County's taxes went down I think if you look back to that chart they were far and away the biggest entity that the Village is going to pay increased taxes to.

Mr. President, I don't want to stymie any comments, but I really think if the Board members, one, want to make cuts, we should probably find out what those are before we consider the resolution. If the Board members are inclined not to prove the labor agreement that we have before us tonight, or if the Board members are inclined not to approve the establishment of the Clean Water Utility and the associated fees with it, we should know that before we go forward with the budget so we can go through the process to do program reductions and gut out whatever part of the budget we need to gut and come up with a new number.

Alex Tiahnybok:

Mr. Steinbrink, I motion that we move up Agenda Item 8C which is related to the Clean Water Utility and then defer to Mr. Pollocoff for anything else he thinks should be clarified prior to voting on the budget if we do that today.

Mike Pollocoff:

I guess the other item I'd recommend would be the firefighters association. If Mr. Lauer is looking to eliminate positions we should address that portion of the budget as well.

Steve Kumorkiewicz:

. . . I'd like to make another comment.

Mike Pollocoff:

There's a motion on the floor.

John Steinbrink:

Do we have a second? Is that a second, Jeff?

Jeff Lauer:

No, I didn't say anything. I was going to Alex if it's still a motion.

Jane Romanowski:

There's a motion on the table to move up Item 8C.

Steve Kumorkiewicz:

But we aren't finished with the Board comments. That's my concern

Mike Serpe:

He said we should finish the Board comments and then go onto whatever you want.

Alex Tiahnybok:

Okay, fine, I'll withdraw it.

Steve Kumorkiewicz:

The comment I want to make is this. One of them is considering . . . sitting on my right. Alex, you were not here through the years in which Mr. Steinbrink right here blamed both the Republicans and Democrats and he's a Democrat

John Steinbrink:

Okay, I'm going to draw the comments in and we're going to stick with the budget because we have to move along with the budget. We have a problem with Board members who now want to fund things in a different manner or cut things, so—

Steve Kumorkiewicz:

O.K., lets talk about the TIF. You talk about the TIF Alex. The first TIF that we had here in Pleasant Prairie was paid in ten years. Every property owner got a refund of taxes. Actually, you are preparing the community to get a benefit in the future. Furthermore, we you have a TIF when you have an industry, eventually it will go to the tax roll and they do not have kids to send to school. They pay school taxes and have no kids in school. I think that is important when you talk about a tax – it is not. The fact is, everybody pays. On the tax roll, the \$1.1 million tax exempt properties do not pay a thing.

TIAHNYBOK MOVED TO CONSIDER NEW BUSINESS ITEMS C. D & G BEFORE A FINAL DECISION ON THE GENERAL FUND BUDGET; SECONDED BY SERPE; MOTION CARRIED 4-1 WITH LAUER DISSENTING.

8. NEW BUSINESS

C. Consider Ordinance No. 05-53 – Ordinance to Create Chapter 148 of the Municipal Code Relating to the Creation of a Clean Water Utility.

Mike Pollocoff:

Bob Martin, or Village Engineer, will go through the ordinance before you tonight to establish the utility.

Bob Martin:

Mr. President and Board members, Ordinance 05-53 is the first reading of an ordinance to establish a Clean Water Utility. I will briefly go through the ordinance. The ordinance establishes the reasons for the utility and is essentially for the health, safety and welfare and it's meant to control storm water, prevent damages and address environmental issues.

The cost of operating and maintaining the utility constitutes a number of issues including regulatory compliance . . . and improvements . . . (inaudible). The establishment of the Clean Water Utility is under Wisconsin State Statutes which allows the Village Board to exercise its authority to create the Clean Water Utility. And it sets forth the operation of the Clean Water Utility would be under the supervision of the Village Administrator, the Village staff and other authorities under Chapter 61 and 66 of the Wisconsin Statutes in formation of the Clean Water Utility.

Under the power and duties of the utility, again, one of the functions is to manage and operate storm water and storm water and which could include a number of things and they are enumerated in the ordinance . . . including ponds, storm water drainage. The rates and the charges are also a portion of this ordinance that if you'll notice the rates and charges are to be established by resolution. That will follow the approval or not of this ordinance. The ordinance addressed the budgeting process through the Clean Water Utility and addresses any of those costs within the utility such as operation, maintenance, debt service and other costs related. The excess revenues will be maintained in a separate account as listed in paragraph D. Section 148.4 lists numerous definitions contained within the ordinance itself.

Under 148-5 Rates and Charges, Village Board has the authority to establish the rates that will be imposed for the Clean Water Utility and specifically charges that are proposed, the base charge, and that later you will see in the presentation of the options for the fees we are proposing a 25 cent per parcel base charge.

Second charge under that section, is for the Equivalent Runoff Unit and that also gets assessed to every property, whether exempt or not, with the exception of Agricultural land and wetlands,

ponds and lakes. So those two combined would be the Equivalent Runoff Unit (ERU) and every parcel will have a multiple of that and in addition there will be a base charge of 25 cents.

The Project Evaluation Fee are Village properties that get changed somewhere and have to be evaluated for example, we have a home on a large parcel and that parcel gets split, those fees would have to be recalculated because they are now two parcels. The fee that is proposed in the ordinance is \$50 for residential and \$100 for industrial or commercial.

Again, the exemptions for agricultural properties, wetlands, ponds and lakes – and in those properties, while they are exempt, they will not be charged for an ERU.

Section 148.6 Credits – those are for those properties that may build facilities more pertinent to non-residential property that exceed water quality levels as set by the Village. That would be for properties to receive bonus points for that have clean water over and above the goal of the DNR. So if they do a higher level of removing suspended solids and they could qualify for those credits. They would have to supply the information and reviewed by staff.

Section 148.7 Calculation of ERU Charges and more specifically identifies how it is calculated and so there is no discrepancy between what people think they are being charged for and what we are saying that is so that is clear.

Under 148.9 Billing and Penalties that is essentially saying that there will be a monthly billing and Finance Department will have the alternative or option in special situations to send very small bills either quarterly or annually it is more convenient for the person paying the bill.

Under 148.10 Reconsideration – a written request can be submitted to the Village if a customer feels the ERU's or ERU credits are wrong and there is a process spelled out in the ordinance. If the property owner feels that the decision is inappropriate, that person will have the right to appeal and the method for doing that is under Section 148.11.

Finally, special assessment and charges could be for storm water utility additions or special types of project so that would not be a monthly charge but may be a part of the overall storm water clean water fees.

John Steinbrink:

Comments or questions?

Alex Tiahnybok:

Bob, just to clarify. One ERU would be again a typical residence again correct? That is the basis.

Bob Martin:

The average parcel in the Village and the average residential house we assigned 750 sq ft to an average home so it is 750 sq ft – that comprises what would be an equivalent residential unit. So

everything else is a multiple of that equation. Most homes when I went back and looked at it, if the ERU is \$1.00, I believe 80 percent of the home falls in that category. If you have a much larger lot or a much larger impervious area, it will be based on a multiple. The multiple could be .5 or it could be 5.

Alex Tiahnybok:

That applies to residential and commercial, industrial. Except the exempt categories you described.

Bob Martin:

Yes. For the most part probably commercial they actually get measured, like a parking lot for example. Those are not estimated those are taken from the plans or from the Assessor's Office.

Mike Pollocoff:

One thing to keep in mind in this is that irrespective of whether or not the Village adopts the ordinance or not, as of January 1, the Village is under the clean water runs and the Village will be required to monitor discharge points when storm water enters into stream ways, we are required to manage that storm water in such a way that it is not turbid, we don't have leaves, we don't have build up in the sumps of basements. This work is going to have to be done irrespective. And the reason that clean water ordinance is being recommended by staff is not a way to dodge out of the general fund and property taxes but we have some significantly large properties in the Village that are tax exempt that currently do not pay for this and they do generate storm water, they do affect storm water flow. This is one way to et this to be a more equitable appropriation of the expenses of managing and evaluating the quality of storm water as well as making those improvements to the storm water system that are going to help. The clean water rules are in effect whether you adopt this or not. Adopting this ordinance is a policy statement saying that it is not going to be placed on a property tax roll, it is going to be placed as an enterprise and operated the way our other enterprises are run, as a separate utility. So that exemption for non-property tax paying users doesn't exist any more.

Alex Tiahnybok:

This is probably a question for Mike Pollocoff. There is a \$112,000 off set already included in the budget as it is today. Correct?

Mike Pollocoff:

Right.

Alex Tiahnybok:

And that accounts for loading some kind of base number into the ERU. Right?

Mike Pollocoff:

Right.

Alex Tiahnybok:

It is 25 cents per month base charge and then what is plugged into the blank currently?

Mike Pollocoff:

Nothing. The direction that we received at the last board meeting was we took a look at the existing storm water projects that were available and there are a number of different ways to fund that or levels of intensity. So if the \$1 is really what gets us to the point we are operating the utility to deal with the \$112,000 that would come out of the general fund to be here, if the Board chooses to make storm water improvements that is required in the Village in a number of areas when you think back to that graph and there is also a table in here that shows that, then you would need to adjust that rate to whatever funding level you want to achieve. So a buck is what gets you what you had in the general fund. Going forward is going to get you the additional projects to the extent that you want to fund them sooner than later. The dollar will get you some of the projects but it is going to take quite a while to get there because we will be building reserves to do those projects slower. So that dollar is basically operation and maintenance to comply with clean water. If you choose not to fund it, then we need to remove \$112,000 in the budget.

Jeff Lauer:

Would this be cheaper for taxpayers as a monthly fee or it if it went onto our property taxes.

Mike Pollocoff:

That is a policy decision that you would have to make to what level you are going to fund it. The level that has been identified in the budget is the dollar. What are you going to save – the average home is going to pay \$12 a year. That is what the average residential unit will pay – it will be somewhere in that buck a month. If you choose to put this on the property taxes, you are going to have more for it because under the utility, you have a billion dollars worth of value in property that now is going to have to accommodate paying this fee. Some of those properties are significant in size. For instance, Wisconsin Electric Power Company, they have a significant impact on storm water. All Saints Cemetery – those people don't complain but there is drainage that comes off that site. There are a lot of impervious areas. Those properties, if you decide to fund this through the general fund, aren't going to be included in the pool that are going to help pay for this. So the pool gets smaller and the utility goes on the levy. So how much \$112,000 gets on the mill rate, I don't remember how many cents that would equate to – 5 or 6 cents which means in order to keep the tax rate flat, and if you still want to freeze taxes, then you have to remove \$112,000 from the budget some place else.

Mike Serpe:

Seeing as it is a mandate that we have to comply with, and seeing that we have a billion dollars

worth of property the worse place to put this on the tax roll. Therefore, I move adoption of the ordinance.

Jeff Lauer:

Second

John Steinbrink:

Motion and a second to adopt #05-53.

Alex Tiahnybok:

Maybe this is for the next item #05-69 related to the same issue. The proceeds from the collection of these ERU's, does it go into the general fund or does it go into a specific fund like an impact fee for example.

Mike Pollocoff:

It goes into the storm water utility fund which is like water charges when people get their water bill go into the water utility. If Item C passes, then we are creating a new utility and all revenue and expenditures that have to deal with storm water are going to incur out of that enterprise not through the general fund.

Alex Tiahnybok:

And if that enterprise has a surplus at any given time, what happens to those funds?

Mike Pollocoff:

Well, it should not have a surplus and when I say surplus, from a cash standpoint and surplus, one of the things you are looking at if you are doing this is that you have millions of dollars of assets, of storm water assets that are sitting there that the Village isn't putting one penny away to replace. So, your surplus will really be you depreciation fund so that when, as you recall at a meeting a few months back ago, where we had a storm sewer on French Drive that collapsed and caved in on us, we couldn't save up that things done, too bad, we had to dig into our funds and go out and replace it. We didn't have the surplus cash to do that, we took it out of another capital improvement program from Public Works to replace an existing asset. So whatever reserves you generate here in compliance with what Kathy has identified as an appropriate appreciation fund would go into there. No w if we have over and above that then the rates should be reduced so that all we are collecting for is operations, setting money aside for projects that the Board would adopt from time to time and depreciation to set money aside for the assets we have in the ground. Outside of that, if you are collecting any more money up and beyond that, then that money should go back to the rate payers in a form of a rate reduction.

Alex Tiahnybok:

So that means the \$112,000 that we have currently accounted for in the budget means \$112,000 from the clean water utility funding \$112,000 of maintenance and improvements related to clean water in 2006?

Mike Pollocoff:

A dollar would fund \$112,800 in operating expenses in 2006. The first project that the Board authorized in our last budget meeting was for the replacement of the Barnes Creek bridge of \$198,000. You would be able to undertake that only if you increase that \$1 by 50 cents. If you kept that rate at a dollar, then you have to wait about three years before you can undertake that project. It is very minimal. A dollar is basically going to give you some working capital to take care emergencies as they come up and maintain the system and as our system grows, as the Village grows, and there are more and more storm sewers, then there are more storm sewers that we are going to be managing, cleaning, doing a quantitative analysis of what the quality of water is that is coming out of the storm sewers and into the drainage ways. Our level of work that we are going to have to do to monitor this is not going to decrease as long as the Village stays the size that it is and on through growing. And the rules that we are under are significantly less than what the existing communities already have those rules. Rules are going to become more

stringent as times goes on. If you don't want to fund any reserves at all, then you take that dollar amount and only fund \$112,000. If anything comes up you don't do it or you cut something out of the general fund budget to operate to do that.

Alex Tiahnybok:

I just want to clarify, then every dollar that goes in and out of the clean water utility that fund maintenance and improvements regarding clean water is \$1 less out of the general budget, assuming those projects have to be done.

Mike Pollocoff:

No, because not everything in the utility fund is would be taxed ordinarily. So it is not dollar for dollar. The Village is worth \$2 billion, they have another billion that is exempt. It is based on impervious area so Iris or Super Valu will see a bigger hit than the citizen because of the order of magnitude. They have a lot of impervious structure to account for.

Steve Kumorkiewicz:

One last comment. I like the way this is set up because taxes and property we pay and it will not be just residents paying for this. Exempt properties should pay.

John Steinbrink:

The motion on the floor right now is #05-53.

SERPE MOVED TO ADOPT ORDINANCE NO. 05-53 – ORDINANCE TO CREATE CHAPTER 148 OF THE MUNICIPAL CODE RELATING TO THE CREATION OF A CLEAN WATER UTILITY; SECONDED BY LAUER; MOTION CARRIED 5-0.

D. Consider Resolution #05-69 – Resolution Authorizing the Clean Water Utility Fees.

Mike Pollocoff:

Mr. President we roughly touched on this as part of the ordinance. The next resolution is a resolution that the Village Board would consider every year as part of their adoption of their budget for the utility and that would be the fees for the ERU. Based on the direction from our last meeting, staff presented a spreadsheet with some options and alternatives to fund the utility and undertake the projects that were listed within the budget presentation for storm water. John Steinbrink Jr. from Streets and Storm Sewers will be handling the operation management for that utility.

John Steinbrink Jr.

Mr. President and Board members. As directed by the Board during our budget presentation on the storm water utility, we have put together three options to fund the clean water utility. The first option starts off with a \$1 ERU in 2006 and increases 50 cents annually to a \$4.000 rate. Option 2 just started off with a \$2 ERU for 2006 so the initial amount of money would be \$235,000 and then Option 3 has a \$3 per month ERU and raises up to \$4.00. The \$4.00 cap is what we believe it will take to fund our operating expenses over the base charge to put together some sort of timetable for capital requests and also start to get fund for projects. Right now the Village \$16 million of assets and so to replace at a 50 year life cycle will cost just over \$225,000 per year that we really should be putting away so when failures occur we have some money set aside.

Option 1 will be \$1 per month ERU the utility will end up having \$235,000 – 48 cents of that dollar or about \$112,000 or \$113,000 just goes to fund the operating. Our base charge of 25 cents will generate just over \$58,000 goes to our base charge for our new rules. There are a lot of capital projects and a lot of capital items we will need over the next ten years for the utility. By the time you take out the operating and the base charge, leaves you with only \$63,000 to purchase and capital or to begin any capital projects. If you choose this option and for that \$63,000 into 2007, which you will now be charging \$1.50, you bring in \$352,500 into the utility, your revenue after operating expenses will be \$235,822.50 for capital projects. Staff believes the most important capital project for the storm water utility is to replace the Barnes Creek bridge. If we don't replace that bridge soon, we are going to have to either _____ on the bridge or just close it. One of the problems with closing off that bridge on Lakeshore Drive is that there are only two ways then into the Carol Beach area. Either off of 98th or off 116th. As Mike had said, if you start out with the \$1 ERU and raise it 50 cents every year, you really can't get into capital projects until about 2009 or 2010.

Option 2 would set the monthly ERU at \$2. With this option, it starts us off with a little bit money in the utility and we could start capital projects a little bit sooner. In Option 1, we had only \$63,000 for capital projects, with Option 2 we would have just under \$300,000 to use

towards capital projects. What that does is to complete all of the capital purchases that we have in our five-year capital plan and all of our current assessable projects that we have. In Option No. 1 it will take til about 2016 to complete the those projects. With Option No. 2, the list of projects could be funded by 2013. What is happening by increasing the ERU from \$1 to \$2 per month, you are bringing in more money to the utility to complete the assessable projects and purchase capital as part of our five-year capital plan.

In Option 3, starts us off with \$705,000 in the utility by the time we take out operating expenses and base charge, and we would not have just over half a million dollars that we can put towards capital projects and capital purchases. We would have just over \$300,000 to use towards other assessable projects in 2006 and would really start some storm water projects sooner. The more money that you start the utility off with per month the sooner we can start doing some of these projects that need to be done as identified as part of the storm water management plan and the sooner we can start banking some appreciation so we can have monies available in case a storm sewer fails. I'd be happy to answer any questions on these three options.

Jeff Lauer:

Whatever option you do, when would the charges start?

Mike Pollocoff:

January 1.

Jeff Lauer:

And the money would go where?

Mike Pollocoff:

It would go to the Clean Water Utility which is a separate enterprise. Kathy would account for that just like there is for sewer and water for how much is for operations, what is in a capital fund and what is in a reserve fund.

Jeff Lauer:

I think it would be a good idea to put this information on the Website to explain it.

John Steinbrink:

Other comments or questions.

Alex Tiahnybok:

That \$112,000, I keep coming back to that. That is the operating expense for year one then.

Mike Pollocoff:

Right.

Alex Tiahnybok:

And that \$1 of ERU we would offset that \$112,000 essentially.

John Steinbrink Jr.

Each dollar per ERU brings in \$235,000 so \$2 ERU would be in \$470,000.

Mike Pollocoff:

So \$112,000 is the operation and maintenance of the utility. \$58,000 is the amount of money we need to comply with the new rules and that leaves you with \$63,000 for your capital fund.

Alex Tiahnybok:

Regardless of what we do, we cannot avoid the \$112,000 and \$58,000. Those are costs we are going to incur regardless of whether we fund the Clean Water Utility.

Mike Pollocoff:

Right.

Alex Tiahnybok:

O.K.

Mike Serpe:

Regardless of whatever we agree upon tonight, is the 50/50 storm sewer project split still in tact?

Mike Pollocoff:

The schedule as John has laid it out, assumes we will do 50/50. If the Board chooses not to fund the Clean Water Utility or keeps it at a lower level, my recommendation is we go away from the 50/50 and got to 100 percent. As those petitions come before us, they would need start paying for 100 percent because there would be no money. I think that is the other part of the spider web, if you pull on it, when someone petitions for a storm water improvement, at one point we paid 75 percent of it, in the last 10 years we have paid 50 percent. If we are not going to fund the capital fund, then you go back to the residents and tell them they have to pay for all of it. That is not the most outlying thing. When someone buys a new lot, they pay 100 percent of their storm water improvements. We do that on a new development every day.

Jeff Lauer:

I see the max is \$4.00. Is \$4.00 the ceiling on this or will we go above \$4.

Mike Pollocoff:

The Board will set this rate every year just like you do everything else. If you wanted to keep it at \$1 next year, you can, if you want to raise it to \$7. This is a list of projects that are the most nagging projects out there were people have repeatedly said I have problems – areas we know that have problems – areas we know that are problems, and we have prioritized them out with the worst ones first. And that is not to say other ones aren't going to come about and I think if the Board adopts this and the people are paying a clean water utility fee, if they do have a drainage problem, they are going to say hey, fix my problem in my area because I am paying for it. A lot of times, people have problems and we go out and check them out then we are aware of them. Again based on the direction of the Board last time, that is how we staggered this thing out so we could have some level of smoothing that would occur with this rate. Each and every year as the Board adopts its budgets, they have the authority to set the rate for that year.

Jeff Lauer:

Just for clarification. Whatever we vote on whether it is Option 1 will it increase annually, will it go up every year?

Mike Pollocoff:

This is a utility that is going to be funded as an enterprise. Your responsibility as a trustee, the Board's responsibility as the trustees for that utility, is each and every year to consider the budget and make modifications for revenues and expenditures. So we will be required each year just as we are with the other things to present a budget to you for consideration. Then at that point you will be making whatever the capital lists looks like at that point or if there are any policies that go in to establish that rate. This is our prospective look, given the projects we know that are out there and the requirements that we know is under the utility. There are three different scenarios on funding out these improvements at different speeds.

Bob Martin:

The utility is going to grow just as some of the issues. I would say \$4.00 a couple years ago was fairly representative of what other communities are doing that are in similar situations.

John Steinbrink:

Other comments or questions.

Mike Serpe:

I think it is incumbent upon us to take this really easy. We have a lot of projects identified to take care of. I think we should start out with \$1 a month ERU and in three years we would have the

50/50 match to start projects. I'd like to see results but I think at the same time we have to be very very careful on how much we are going to set this ERU per month.

Alex Tiahnybok:

So \$12 a year. Why don't we make it \$2 and accelerate some of these projects.

Mike Serpe:

I understand but I think we should start out slow.

SERPE MOVED TO ADOPT RESOLUTION #05-69 – RESOLUTION AUTHORIZING THE CLEAN WATER UTILITY FEE OF \$1 PER MONTH ERU; SECONDED BY LAUER; MOTION CARRIED 5-0.

G. Consider Amendment to the 2006 Agreement between the Village of Pleasant Prairie and Pleasant Prairie Fire Fighter's Association 3785 and Consider a 2007-2008 Agreement between the Village of Pleasant Prairie and Pleasant Prairie Fire Fighter's Association 3785.

Mike Pollocoff:

Mr. President. Carol Willke and I have completed negotiations with the Pleasant Prairie Firefighters Association 3785 to accomplish a couple things. One is they have agreed to work with the Village in the financial situation that we currently find ourselves in and amend their existing agreement which their current contract runs through 2006 so we have proposed changes for 2006 in the current agreement would be a 2 percent increase in 1/1/06 and 2 percent increase on 7/1/06 which is 3 percent over the year but it would be a 4 percent lift in the following year. The firefighters have agreed to a flat 2 ½ percent increase over 2006 saving the Village ½ percent. In their current agreement, the paramedics receive an \$1,850 payment a year as a paramedic incentive pay. What the paramedic incentive pay really is it is a significant number of hours that they need to go to school to maintain and recertify as a paramedic. They are required to remain paramedics and maintain their paramedic status to keep their employment with the Village. Under the amended agreement, that that incentive pay be increased to \$2,000. We have also modified the requirement on the list for the on call program, where firefighters would be on mandatory list where they would be on call to respond to any needs that we have especially times when we might be short on personnel. During the summer time, paid on call personnel like anybody else like to take vacations, full time firefighters like to take vacations and the on call list was one way to insure no shortages would occur in personnel. It wasn't a pre item for the Village to have to pay someone to be on call because then we would have to pay them overtime for coming in. It was a cost for us and it was something people could be ordered or required to be on the list. We haven't had to use it and my recommendation is we remove that on call list from the agreement. I think given the level of effort with paid on call people that the Chief has worked on and we have asked the firefighters to be cognizant of the financial situation that the Village finds itself in, I think we should be able to remove that from the contract. Another item under the

amended 2006 contract, employees will contribute \$40 per family and \$20 per single monthly charge for the health insurance and \$20 per month for family and \$10 per month for single for dental coverage. The Board has adopted the HRA plan for employees where we are going to require the employees to get more involved in the management of their health care with respect to deductibles. I think this encourages employees to be more cautious about using it on the front end. My understanding in the evaluation of health insurance is the more we load up the employee contribution the more we are going to encourage utilization of the insurance rather than discourage it. Another think significant for the Village, it brings everybody under this health plan together. We have roughly 140 individuals that we insure, we aren't a big group, but what that means it is difficult for us to parse up our group and say we have one group doing this and one group doing that and be able to get a competitive rate. This helps the whole group to adopt that change in health insurance. Again, the firefighters have agreed to work with us on the proposed pay for this coming year. Those contract for this coming year is 2½ %, in 2007 a 3½ % increase. The last year of the contract is a three year agreement. All other items in the contract remain the same. One other item is we are going to add to the firefight contract and amend the Police Contract as well as we forgot to add this language is if an employee chooses to opt out of Village insurance where we don't have to pay, we would provide them with one-quarter of a single family's premium. We lose the total premium contribution if they chose to opt out and the incentive would be that we would pay about \$50 per pay period to the employee. My recommendation is we also include that into the firefighter contract and I would be looking to amend the police agreement with that as well. It gives them an incentive and it helps the Village. The Union has ratified this agreement. The budget which we will consider tonight takes this agreement into account. We have not negotiated any reductions in staff, any reductions in the department as we are staffed this year with the addition of a firefighter next year.

It is my recommendation that the Board adopt the proposed agreement with the firefighters as presented.

Mike Serpe:

I cannot say enough about both emergency service departments of the Village. Coming to terms with multi-term contract knowing full well the financial condition the Village is in. Doing so with virtually no negotiations. We have a great group of people in emergency services for Police and Fire. I cannot say enough about them. I served my time. I know what they are going up against and they do a great job. I'd move approval.

SERPE MOVED TO APPROVE AN AMENDMENT TO THE 2006 AGREEMENT BETWEEN THE VILLAGE OF PLEASANT PRAIRIE AND PLEASANT PRAIRIE FIRE FIGHTER'S ASSOCIATION 3785 AND CONSIDER A 2007-2008 AGREEMENT BETWEEN THE VILLAGE OF PLEASANT PRAIRIE AND PLEASANT PRAIRIE FIRE FIGHTER'S ASSOCIATION 3785; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0.

John Steinbrink:

Back to Public Hearing Item 5 A 2).

5. Public Hearing

2) Resolution #05-65 - Resolution Relating to Adoption of 2006 Budget, Capital Improvement Program and Property Tax Levy.

Mike Serpe:

I am going to guess that we took items out of order to see how those were going to affect the budget. Apparently, we are o.k.

SERPE MOVED TO ADOPT RESOLUTION #05-65 - RESOLUTION RELATING TO ADOPTION OF 2006 BUDGET, CAPITAL IMPROVEMENT PROGRAM AND PROPERTY TAX LEVY; SECONDED BY KUMORKIEWICZ; ROLL CALL VOTE – STEINBRINK – YES; TIAHNYBOK – NO; KUMORKIEWICZ – YES; LAUER – NO; SERPE – YES; MOTION CARRIED 3-2 WITH TIAHNYBOK AND LAUER DISSENTING.

6. CITIZEN COMMENTS

Mark Andrea:

8944 26th Avenue. The people of Pleasant Prairie are done no favors by reading the recaps of Village meetings in the Kenosha News which are sometimes presented inaccurately. The Internet is often unfamiliar and frustrating to use. Reading the minutes of the meetings does not cover or convey emotion or concern that we all use when we communicate with others. Anyone can have an opinion, however, that opinion must be heard as it is presented and not reduced to a sound bite that best serves the opposition of that opinion. I suggest that consideration be made by the Board to broadcast all meetings involving elected officials must as the same way the City of Kenosha broadcasts its council meetings. I will be following up with this issue at the next meeting. Thank you.

7. VILLAGE BOARD COMMENTS

Alexander Tiahnybok:

I would like to follow up on Mark Andrea's comments. Mark, I absolutely agree with you. I have commented on that before. We in our IT Department's hearing the whole idea of a separate Pleasant Prairie Channel 25 was discussed. Assuming that has some life and moves forward, I think it would provide a vehicle for similar coverage to what we get from either Kenosha Unified or the County or Kenosha City. I agree with you. I'll do whatever I can to see that move forward.

Mike Serpe:

I set here at a little bit of loss. We had budget deliberations over a mill rate that everyone would like to see. We went over every department's budget. Never once did I hear a number come out of a mill rate that anybody would like to see other than what we adopted tonight. Nobody offered

it to be lower – what would you like to see that number be. I look at the mill rate in Pleasant Prairie and compare it to anybody else in Kenosha County that has a full service government. I do not know where we could go wrong with this new rate. As Mike said, we are 60th lowest on all Cities and Villages in the state. And then hear and read in the paper that no government position should be a given position and something could happen. That I'm sure sent a chill down the back of our public employees. We have the finest employees that anybody could ever ask for. Then to hear some of these comments does not go over well.

John Steinbrink:

Mike, do you know what the cost of the television coverage is for the Village?

Mike Pollocoff:

That was eliminated in the budget. We talked about it and I don't remember the budget number. We will be going with Channel 25 some point soon. The real trick was getting the Village Hall equipped and the media set up so that we could hear everyone, have a camera person here. Right now the one person that does do some of the camera work is at the IcePlex.

Ruth Otto:

It would have cost about \$8,000.

Mike Pollocoff:

So we brought that up during the IT Department presentation, in one of the 80 hours that we worked, and that was not recommended at that time.

John Steinbrink:

So what you are saying to the real budget cutters here is the budget wasn't low enough for them, they will have to cut \$8,000 in order to fund that in the budget.

Mike Pollocoff:

Cut \$8,000 or raise the mill rate.

8. NEW BUSINESS

B. Receive Plan Commission Recommendation and Consider a Conceptual Plan for property generally located on the east side of 88th Avenue and 72nd Street for the proposed eight lot single-family subdivision to be known as the Edgewood Subdivision.

Jean Werbie:

On February 23, 2004 the Plan Commission held a public hearing and on March 1, 2004 the Village Board conditionally approved the same Conceptual Plan for the proposed Edgewood Subdivision. The subdivision is proposed to be located on the east side of 88th Avenue at 72nd Street just north of STH 50 and on the east side of 88th just north of Alterra Woodwin development. Specifically, conceptual plans are only valid for a period of one (1) year. After that one year time period, they expire. In this case, the development is not ready for preliminary plat in a timely manner in that one year so it expired. The petitioner is again requesting to create eight (8) single-family lots and one (1) outlot on the property generally located on the east of 88th Avenue at 72nd Street to be known as the Edgewood Subdivision.

The development is located within the Prairie Lake Neighborhood. Pursuant to the Village Comprehensive Plan this neighborhood shall develop with densities of the Neighborhood not to exceed an Upper-Medium Residential Classification (the neighborhood shall not be less than 6,200 square foot to 11,999 square feet per unit or lot). The Conceptual Plan proposes to develop 4.62 acres with 8 single-family lots, 0.89 acres (38,601 square feet) of land will be used for public right-of-ways, 0.79 acres (34,245 square feet) will be designated as open space and a 15 foot strip north of the proposed right-of-way or 0.05 acres (2,178 square feet) is proposed to be added to the adjacent property (Parcel 1 of CSM 1949). The lots range in size from 15,044 square feet to 18,153 square feet with the average single family lot size of 15,778 square feet and the net density for the development is 2.43 units per net acres.

Under population projections, based on 8 single family lots, there would be 22 persons that could come to this development, 5 school age children and 3 public school age children based upon the calculations.

Open space will include approximately 0.79 acres or 17% of the development is proposed to remain in open space. The open space within the development includes the 0.39 acres (16,864 square feet) of wetlands on Outlot 1 and the proposed retention facility also located on Outlot 1. Along the perimeter of the property are a number of large evergreens and other large trees that are proposed to be protected. There are approximately 7 to 8 trees may need to be removed at the entrance and adjacent to the proposed retention basin.

With respect to municipal sanitary sewer and water to service this development, the sanitary sewer main is located in 88th Avenue and will be extended into the development into the proposed 72nd Street. Municipal water is proposed to be extended by the Developer in 88th Avenue from 74th Street to service this development. The developer will be responsible for extending municipal water to the development that abuts 88th Avenue and in 72nd Street to service the development at his own cost. A 10-year right-of-recovery could be afforded to the Developers for municipal water installed in 88th Avenue if approved by the Village Board for improvements specified below. The actual costs for the municipal water improvements will be provided at the time the Final Engineering is completed. The parcels that are listed in the staff's comments would only need to pay the costs if they choose to connect to municipal water services, as a condition precedent to a land division, or apply for a permit for a new principal structure on any of the lots. It would not be a mandatory connection but there would be a right of recovery approved by the Board for 10 years.

This is a matter that was before the Village Plan Commission on November 14, 2005 and the Plan Commission recommended approval of the Conceptual Plan of this subdivision. The property is currently zoned R-4 and does have a UHO overlay which would need to be removed at a hearing.

If approved by the Board this evening, the petitioner has one year to finalize a preliminary plat. With that staff recommends approval of the Conceptual Plan subject all the comments and conditions as outlined in the staff memorandum.

Alex Tiahnybok:

At the Plan Commission meeting there was some comments and concerns about some of the trees on the property and those are marked by the "x" that the developer has promised to do everything possible to avoid cutting those down. Is that correct?

Jean Werbie:

That is correct.

TIAHNYBOK MOVED TO CONCUR WITH THE PLAN COMMISSION RECOMMENDATION AND APPROVE A CONCEPTUAL PLAN FOR PROPERTY GENERALLY LOCATED ON THE EAST SIDE OF 88TH AVENUE AND 72ND STREET FOR THE PROPOSED EIGHT LOT SINGLE-FAMILY SUBDIVISION TO BE KNOWN AS THE EDGEWOOD SUBDIVISION, SUBJECT TO STAFF CONDITIONS; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0.

E. Consider Resolution #05-66 – Resolution Authorizing the Placing of Utilities and Special Charges on the Tax Roll.

Mike Pollocoff:

Kathy will be pulling this item up. This is a resolution that we are required to adopt every year where various items for people who have not paid their utility bills, there is a cost for that plus a 10% surcharge as specified by statutes will be placed on the property tax roll and will show up as a separate item on the property tax bill. Special charges would include weed complaint charges or culvert installed and they did not pay the bill and those would be placed on the tax roll. Again, special assessments that exist if we constructed a project for street paving or storm sewer or one of the big ones is 95th Street where we did a special assessment on that project, these delinquencies also go on the tax roll.

Kathy Goessl:

The first slide shows our delinquent utilities for a total of \$162,601, which includes water charges, sewer charges, garbage and public fire and street lights. We also receive delinquencies from the Kenosha Water Utility for parcels within the Village that have City water and that totals \$10,202 which was reported to us by the Kenosha Water Utility. The total utility charges to go onto the tax roll is \$172,803.

The special assessment charges total \$171,603 which include paving and road, storm sewer, sewer and water.

The last category of delinquent charges to go to tax roll or delinquent invoices. There are currently 13 invoices totaling \$4,653 which include billings for false alarms, culvert installation, weed complaint and a Tobin Creek Sump Line.

The last slide summarizes the total delinquencies to go to tax roll which totals \$349,059. All these accounts are given notice by mail to make payment before the charges are placed on the tax roll.

Alex Tiahnybok:

This becomes a second item on the tax bill as a delinquency?

Kathy Goessl:

Yes.

KUMORKIEWICZ MOVED TO ADOPT RESOLUTION #05-66 – RESOLUTION AUTHORIZING THE PLACING OF UTILITIES AND SPECIAL CHARGES ON THE TAX ROLL; SECONDED BY SERPE; MOTION CARRIED 5-0.

F. Consider Ordinance No. 05-54 – Ordinance to Amend Chapter 242-9 Relating to LakeView RecPlex Membership and Program Fees.

Kathy Goessl:

Mr. President. I would like to outline the changes that are being recommended. The major change is the RecPlex membership fee. We are proposing an increase to this fee. Our last rate increase was April 1, 2004, almost two years ago. We are recommending a 4.5% increase for the primary membership and we are recommending a \$10 increase for our secondary and youth memberships.

We have three different categories of memberships. This slide just shows a summary of the Pleasant Prairie membership fee increases we are recommending. Adult Primary is the major fee that we charge and we are recommending an increase from \$484 to \$506 per year. The Adult Secondary added to the Adult Primary membership is recommended to increase from \$75 to \$85. And added to an Adult Membership is a Youth membership and we are recommending this fee be increased from \$65 to \$75.

What are the reasons for this increase? The major reason is an increase in gas and electric rates. Another reason for the increase is the inflationary increases in personnel costs as health insurance has increased. We have a number of full time employees at the RecPlex who currently have the Village's insurance. Fuel Surcharges have also been passed onto the RecPlex by contracted vendors. These are the main reasons for the increase in membership fees.

Kathy Goessl went on to show slides on actual and projected electric and gas costs for 2005 and 2006. Overall for utilities, we are looking at a 46% increase in our budgets.

Back to membership rate increase. With the rates that are proposed, with a 4.5% increase for primary and \$10 on youth and adult secondary, a full year impact of those rates totals \$170,044. But we will not experience that full impact in 2006. The new charge will not start until January 1 and all monthly billings will see the increase right away. The annual memberships are paid throughout the year and some are not renewable to October or November of 2006. My estimated revenue impact for 2006 is \$127,533 compared to the budgeted increase in utilities of \$152,651.

Why increase memberships now before you have approved the 2006 Recreation Enterprise budgets? Utility rate increases have begun. We have already seen a 38% increase in August through October. Also, we will be going through a major software conversion. December 9 the

Winter I Program Registration begins. January 2 full site implantation of the new software will be up and running and by mid-February, the Winter II Program Registration will be on line.

Members will receive a 30 day notice of the rate increase to be effective January 1 if approved. We will have one automatic payment date for monthly memberships instead of two. The automatic draw will be the 2nd of each month. All monthly memberships will be on a calendar month instead of a staggered based on a membership join date.

So that was membership and rate increases as the major portion of the ordinance changes. The second changes we are looking at is fitness classes which are program related. Currently there is a higher class fee for the first class and for each additional class taken that session is at a reduced cost. The new software cannot support the discount of additional classes and therefore we propose the same cost per class no matter how many classes you take. We will implement an early bird discount of \$5. We also propose to eliminate the Village resident program rates and will only offer member and non-member programming fees. Discounts on memberships and rentals will still be offered to Village residents. We have also adjusted the non-member fee to reflect a rate between the old Village resident rate and the non-resident rate.

We would be happy to answer any questions.

Mike Pollocoff:

One of the things as Kathy has said, we just really completed and we are testing the budgets now for RecPlex and IcePlex and we are doing pretty good at the RecPlex as far as revenues of course this all has to stand on its own and we have undertaken a major expansion and we are able to meet the requirements for paying the debt off on that expense as well as the operating staff. I think that all things being equal we are meeting our Performa. The utility costs are significantly higher than we anticipated. If you think about RecPlex, you have the pool and the area has to stay warm, there is a lot heat there, we use a lot of electricity and same as a lot of electricity out at IcePlex. We air condition the field house. It is a nice atmosphere but \$600,000 of utilities is what it will take under the best scenario to keep that going. Previously as the board approved the IcePlex project and the addition, we constructed the Performa so that we could do that without putting the cost of those improvements on the members but have additional memberships and

programs be able to pay for that. We are doing that. The other thing we said as we have those types of household increases in our expenses the way that people have those on their own, those would be the increases we would be coming back for. Last year I wasn't anticipating we would be see these types of increases in utilities and I have a bad feeling this isn't the last year we will see them either.

John Steinbrink:

As you said, the surcharges are showing up everywhere on bills for delivery or fuel surcharge.

Alex Tiahnybok:

A little question. On a percentage basis, just looking at the Village residents annual fees, on a percentage basis, the adult primary went up approximately 5% yet the secondary and youth increments went of 13%. Is there any logic behind why the heavier hit on the additional members?

Kathy Goessl:

When we first had the RecPlex we had this large primary, and then we had these additional secondaries which are pretty reasonably priced compared to a primary. Especially in the youth category they get a lot of benefits out of just that \$70 and some. They get a lot more discounting on program especially our summer day camp. So initially we set this up five years ago. At that point we thought that was a good structure. As we are doing increases we always put our increases more on the secondary because they're so cheap in the first place and they're reasonably priced in the first place, and they have an impact a lot greater than the \$70 or \$75 that they pay. So that's why we're not going all the way up to the primary rate but we're closing the gap a little bit more and trying to actually cost out--whatever the cost is . . . to what they're saving. There's a big savings. There's a lot of people that just sign up for a membership just for day camp. Day camp they save hundreds of dollars just by buying a \$75 youth membership.

John Steinbrink:

Other comments or questions? We need a motion.

TIAHNYBOK MOVED TO ADOPT ORDINANCE NO. 05-54 – ORDINANCE TO AMEND CHAPTER 242-9 RELATING TO LAKEVIEW RECPLEX MEMBERSHIP AND PROGRAM FEES; SECONDED BY SERPE; MOTION CARRIED 5-0.

H. Consider Resolution #05-67 – Preliminary Resolution Declaring Intent to Exercise Special Assessment Police Powers for the Construction of Municipal Water to the Westfield Height Subdivision on 70th Street, 73rd Street and 89th Avenue.

Mike Pollocoff:

Mr. President, we heard previously the Westfield development is going to require the extension of municipal water. That would be going through existing developed properties on 89th Avenue. This assessment hearing will levy a special assessment that will be deferred until such time as those properties decide to use or connect that water. Included in this assessment is the water mains, laterals and improvements to the road because the construction will demolish the road. It's the first assessment we've had since we've come to grips without having any capital to do road improvements, so they'll be paying through the developer in the first instance, or the people if they exercise their assessment before ten years is up they'll be paying for the full cost of that road replacement as part of their water assessment. We have a recommendation that the resolution be adopted and we schedule this for a hearing to occur within 30 days.

KUMORKIEWICZ MOVED TO ADOPT RESOLUTION #05-67 – PRELIMINARY RESOLUTION DECLARING INTENT TO EXERCISE SPECIAL ASSESSMENT POLICE POWERS FOR THE CONSTRUCTION OF MUNICIPAL WATER TO THE WESTFIELD HEIGHT SUBDIVISION ON 70TH STREET, 73RD STREET AND 89TH AVENUE; SECONDED BY TIAHNYBOK; MOTION CARRIED 5-0.

I. Consent Agenda

- 1) Approve Bartender License Applications on File.**
- 2) Approve Letter of Credit Reduction for Whispering Knolls.**

KUMORKIEWICZ MOVED TO APPROVE CONSENT AGENDA ITEMS 1 & 2 AS PRESENTED; SECONDED BY SERPE; MOTION CARRIED 5-0.

Mike Pollocoff:

Mr. Chairman, before you adjourn I've got one more item I need to get. When Jane called the attorney and said we wouldn't be needing to talk to him, he did pass one change that he requested we modify our resolution to authorize a parallel or simultaneous petition for judicial review in the Circuit Court since they run concurrently with 30 days. So I'd need the maker of the motion to give me a motion for reconsideration as well as a second.

Jane Romanowski:

Mr. Kent indicated there's a one percent chance that the Commerce might not take up the petition. If, in fact that would happen, which one percent is very minimal, but from the date they made the decision the 30 day starts. So it could be a 32nd day before you find out the Commerce wouldn't take the petition then you've lost your right to go to Circuit Court.

SERPE MOVED TO RECONSIDER RESOLUTION #05-68 – RESOLUTION TO AUTHORIZE VILLAGE COUNSEL TO FILE A PETITION FOR A CONTESTED CASE HEARING CONCERNING VARIANCES FROM THE STATE BUILDING CODE RELATED TO FIRE SUPPRESSION AT THE PLEASANT PRAIRIE POWER PLANT; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0.

Mike Serpe:

John, I think in the near future we're going to have to address this system of recording. Jane lost something and she doesn't know how much she lost. But this is either in a bad position or--I think we have to look into this thing. Now some of the minutes are going to be lost just so you know in the future that it's nothing intentional here.

Alex Tiahnybok:

We could do a digital recording with a laptop with microphone or something like that.

Mike Serpe:

No money there. I know what that costs. I just want to bring it to your attention because you're going to see blanks in the minutes.

SERPE MOVED TO ADOPT RESOLUTION #05-68 – RESOLUTION TO AUTHORIZE VILLAGE COUNSEL TO FILE A PETITION FOR A CONTESTED CASE HEARING CONCERNING VARIANCES FROM THE STATE BUILDING CODE RELATED TO FIRE SUPPRESSION AT THE PLEASANT PRAIRIE POWER PLANT WITH THE ADDITION OF THE LANGUAGE TO FILE A SIMULTANEOUS PETITION FOR JUDICIAL REVIEW WITH THE CIRCUIT COURT; SECONDED BY LAUER; MOTION CARRIED 5-0.

9. ADJOURNMENT

TIAHNYBOK MOVED TO ADJOURN THE MEETING; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0 AND MEETING ADJOURNED AT 10 P.M.