

**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
October 29, 2007
6:30 p.m.**

A Special Meeting of the Pleasant Prairie Village Board was held on Monday, October 29, 2007. Meeting called to order at 5:30 p.m. Present were Village Board members John Steinbrink, Mike Serpe, Monica Yuhas, Steve Kumorkiewicz, and Clyde Allen. Also present were Mike Pollocoff, Village Administrator; Jean Werbie, Community Development Director and Jane Romanowski, Village Clerk.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. RECEIVE PRESENTATION OF THE 2008 GENERAL FUND, CLEAN WATER UTILITY AND SOLID WASTE ENTERPRISE BUDGETS.**

Mike Pollocoff:

Mr. President, the presentation tonight is a synopsis of the information that the staff has been able to ascertain from working sessions that the Board has held. Tonight you will not be voting on the budget. You'll be voting to take the budget as it is presented tonight and publish it. That publication will be for a budget hearing that will be held on November 19th at 6:30 as part of the Board meeting. It will be in the local paper. We'll be posting it on the website for review as well in this intervening period. So with that Kathy is going to walk us through the general fund budget.

Kathy Goessl:

This evening we will be talking about the general government section of our organization. There are a number of other budgets that we will not be discussing tonight. We'll be discussing general government which is highlighted in yellow. And also tonight we'll be taking a presentation from John Steinbrink, Jr. on the Clean Water Utility and also the solid waste fund. The water and sewer utility budget will be presented next Monday night. The recreational budget is probably about a month out. This is a list of all the new programs. I'll turn it over to Mike to go through all the new programs that were recommended as part of this budget.

Mike Pollocoff:

The Village operates, as a review of our budget, on a program basis where we look at individual programs that we want to add to the budget. These are in prioritized order. The first three are inspection programs. Those are new programs which in essence comes through fees in new construction as it occurs in the Village whether it's water, storm, sanitary laterals, adjusting the new home permits by 35 cents per square foot and adding \$25 to the electrical license renewal.

Village Board Meeting
October 29, 2007

I'm recommending that we elevate our existing Captain to Assistant Chief. As far as personnel changes - the street foreman change to be in compliance with FSLA. I'm recommending we add one full-time police officer to the Police Department. In the IT Department, adding bandwidth between sites. Bandwidth is how much information the internet can carry. We're increasing the salary range of park foremen to be in compliance with FSLA; The database administrator which would be a six month position. Addition of a full-time firemedic in the Fire and Rescue Department; Full-time GIS technician. Total new programs I'm recommending is \$136,943.

New programs that aren't recommended, not that these aren't worthy programs and they'll never be funded is a citizen survey for \$5,000; a tree ordinance for \$2,000; repainting Station 2 for \$7,673; pump tanker 5611 painting and repairing that we should be able to defer that for another year. I'm not recommending upgrading a part-time clerk to full-time in HR. I'm not recommending we add additional attorney's fees in the inspection budget. I'm also not recommending that we move the web intern to full-time status of web administrator. I'm not recommending a reclassification in public works from a level 4 to level 3. So the non-recommended programs total \$86,710.

Program reductions are those programs that we're looking to take cuts on. Community Development increasing the initial planning and zoning application fee. Again, this is a fee of \$12,350. IT we're looking to reduce our consulting services for \$5,925 for a total of \$18,275.

Program reductions not recommended - you can see there's quite a bit up there and in priority order they're fairly small. Some of the significant ones if we were to really come into some difficult financial times, reducing some staff, landscaping, reducing the use of salt and add chloride, eliminating snowplowing on overtime, weekend staff reductions in the Fire Department. As you go down to the bottom those are cuts that could be made they would definitely affect services. These are additional cuts that we can make that some would be minor but some would be major. I'm not recommending any of these. That's a total of \$330,760.

Kathy Goessl:

Now I'll go over the operating revenues that make up this budget and compare them to last year's 2007 budget. These are the top four categories for our operating revenue. Our general government is broken into three areas - operating, debt and also capital. This section is the operating section and this is the operating revenue. These are the top four categories. There's a very small increase. You can see on the very far right hand side is the total of these top categories. We're only going up a little over \$67,000. So there are very small changes in these major categories.

On the next slide we'll go into the actual dollar amounts and go over what's included in each one of these. This is the actual intergovernmental category. This compares the 2007 budget to what we're proposing for 2008. Within this category of intergovernmental revenue we have income tax from State; we have the road grants from the State; we have fire insurance dues and exempt computer aid and other minor intergovernmental revenues. The total from last year was a little less than \$2 million. We're still a little less than \$2 million. We're actually decreasing this category. The major reason for this decrease is in the exempt computer aid. That is actually

Village Board Meeting
October 29, 2007

because the equalized value of the computers in the Village actually decreased from \$15.3 million in 2007 down to \$9.4 million in 2008. That's a 39 percent decrease in the value of exempt computers in the Village. So we're getting a smaller aid for those computers. The other changes are minor for a decrease in this category of \$17,705, a one percent decrease.

The next category is license and permits. It's our second major category. This category is made up of our licenses including bartenders, dog licenses and those types of things - also building permits, zoning permits, Fire Department permits and property record maintenance. This category includes two of the new programs that were recommended - increasing the inspection fees and increasing the initial application fees. This also, again, compares the 2007 budget to the 2008 proposed. There's an increase in this category mainly due to the new programs of \$11,600 or a one percent increase. The major changes here are due to the housing market and we're budgeting on the conservative side, so you can see building permits are based on that, and also the property records and maintenance fees are based on the actual market for new homes. We're on the conservative side so those are going down in terms of what we have budgeted. The decrease in licenses is due to the bartender license. That's a two year license so every other year it's a little bit more than the other year and for 2008 it's a little bit less by almost \$3,000.

Public charges for services - this category is made of up of rescue squad earnings, Engineering Department services, our co-location services, street lighting, Fire Department earnings, administrative fees, IT Department services and franchise fee and an other category. Total public charges for services are going up about 6 percent this year. There are no new programs in this category. It's just due to a couple line items here.

The one is IT Department services. That's a new charge that we're having. IT does a lot of work in terms of mapping and GIS work for developers that we've never charged out for in the past. We're going to go forward and track the time that we spend on developments in terms of mapping and GIS work and charge that out. This is the estimate that was put together by our IT Director, \$67,200 addition charge.

Franchise fee - last year we had a one percent. We never got to the point of actually passing that. We're waiting for the State in terms of actually setting it at a 5 percent fee. We can set it now or lose it in the future so this is the 5 percent fee, the max we can go in terms of the franchise fee and that's the \$41,566 increase there. These increases are offset. Also, the administrative fee went up \$20,000. That's the fee that we charge one and a half percent to the developers to administer the different development documents that we need to process at Village Hall.

The major decrease is in co-location services of \$76,000. That's mainly due to at the current time our inability to rent out space in our co-location services room at the RecPlex. So there's an increase here overall of 6 percent for user fees.

Other taxes - this includes our mobile home, utility tax equivalent, hotel taxes and our property tax penalty. The major changes here are in other. Other includes our ag use penalty, and we're anticipating an increase in that area of not quite \$17,000 but that's the major increase in that area. Hotel taxes that's just the trend - 2006 actually was at \$48,000. We're a little bit lower than that in our proposed budget. And mobile home taxes that's also we trended higher than \$165,000 last

Village Board Meeting
October 29, 2007

year and we're looking at a mill rate increase this year so increase that a small percentage, too. So this category is going up \$27,000, 3 percent.

Other operating revenues - we have intergovernmental charges going up. This is our school liaison officer that we have for Kenosha Unified Schools in our Village and then also assessing contracts are in this category. That's going from a little over \$336,000 to \$346,000. Fines - the municipal court fines we have for violations of traffic and municipal ordinances we're increasing that \$5,000. Miscellaneous is mainly interest income on the Village's funds. We're increasing that some, and also our tower lease is in there for towers on Village owned property. The other category is our transfer from RecPlex for prepping the ball fields and landscaping around the actual RecPlex and IcePlex building. That's staying the same for this coming year. So that's the operating revenues for the general fund.

Now going to the operating expenditures - there are five different categories that we break our expenditures into. Public safety as you can see being the largest of our expenditures for operating at \$6.5 million. That's 60 percent of our operating expenses. That includes our Police Department and Fire Department mainly and rescue. We have increased in Public Works, Public Safety and Administration, and we actually have decreases in Community Development and Parks. What we did this year which we haven't done for a number of years is actually go through line by line looking at trends from previous years, and if the budget or the requested amount was larger than what has trended in the past and there's no explanation after talking with the department, we actually cut that budget line item down. So we were able to cut, and that's why CD and parks are actually going down instead of up.

This is our major category - Public Safety. As I said the major players in this category are police and fire and rescue but also includes our Inspection Department and public safety communication which is our dispatch center. Then also the Roger Prange building maintenance and upkeep of that building - in this category it's mainly personnel increases. We have contracts with the police, fire and rescue and our dispatchers, and we have budgeted a 3.5 percent increase to match the contract for these groups. Also, health insurance is on the rise again so we have budgeted 15 percent. Right now our carriers estimate about 14.5 percent and we're not quite to the point where we finalize our quote for next year, but we're pretty close to the 15 that we had budgeted.

Everything is pretty much personnel driven on all the different categories. You see 3 percent and 3 percent for police and fire and rescue. You have a 5 percent for inspection and public safety communication stays pretty much zero percent increase. Roger Prange went up 10 percent and that's mainly due to electric and natural gas. That's a \$22,000 increase. We budgeted too low in 2007, therefore, we increased the 2008 to reflect trends for that building. This also includes some new programs that Mike talked about earlier, the police officer, the firemedic, and also elevating the Captain to Assistant Chief in the Police Department. This is a five percent increase.

Public works actually is showing a zero percent increase. They had line item reductions of almost \$35,000 so that's the reason that this budget is hardly any increase in it. This budget includes engineering, public works and also street lighting. It also includes a new program for the street foreman increasing that salary range and making that an exempt position.

Village Board Meeting
October 29, 2007

Administration includes a lot of our departments. It includes the Village Board's expenditures, municipal court, administration, HR, IT Department, finance, assessing and the Village Hall maintenance and upkeep. This budget is going up 16 percent. The major reasons for this is in the administration category we have the monthly newsletter that we are now doing and press releases. That cost is a portion of that with personnel, printing and mailing of the monthly newsletters.

Another category is HR. We currently have budgeted in there \$25,000 for recruitment of a Village Engineer. We've been trying to recruit an engineer for a number of years. We are looking at turning to a head hunter type firm to help us with that search. IT - their major increase is more due to reallocation. They didn't add any personnel, but personnel actually went up about \$77,000 because our current mapping GIS employees are allocated out to the different enterprise funds, sewer, water mainly, and there's not as much work in those areas for them at this time in terms of the GIS mapping so they've been shifted around a little bit. Also, we pulled GIS out of our Community Development Department and brought them totally into IT. Basically they were in CD as more of a charge out type situation and now they're back in IT and being charged out in that location. So that's the major increases.

We also have the new programs in this area - the database administrator being hired mid year. This position is actually allocated out also to our rec center and also the utilities so this is just one-third of that position for one-half of the year. Adding the bandwidth and also the GIS technician that we talked about earlier. Reductions in this area is to reduce consultant and contractual services in our IT area.

Community Development actually went down 3 percent. They had line item reductions of \$19,000 mainly legal wise. We trimmed that down a little bit. Also, this they were also charged for, as I mentioned earlier, the GIS technician about one-third of their salary so that got switched to IT. Therefore, this budget went down due to that circumstance, too, so we have a 3 percent decrease in this area.

Parks - another area that has gone down. We line item reduced this department about \$26,000. Other than that we still have the salary increases in there for their personnel and also the new program to increase the salary range for the Park Foremen.

This sheet actually summarizes all the previous slides in terms of revenue and expenses. I went over other revenues and it's the major categories and the minor categories added together. Property tax - first of all looking at 2008 proposed we're looking at a balanced budget this year. So basically fill in the other information and the tax rate gets in there to balance the budget. We shift how much capital we want to buy versus how much operating and we're able to balance the general fund operating budget. So we're not having an 18 percent increase in taxes overall. That's just the operating portion of it went up, capital went down, so overall it's a smaller increase than 18 percent.

In the expense category you can see each of the divisions and then the areas I talked about and then the new programs summarized in total at the bottom of the expense section. We're looking at overall at about \$10.9 million in revenue balanced in expenditures.

Village Board Meeting
October 29, 2007

Now we'll switch and look at the capital section. So we went over operating, we're looking at capital, and then we still have debt left after the capital section. These are the recommended capital purchases. These are not in priority order. They're actually in alphabetical by department. First of all we have voting equipment for \$15,000, assessment management database upgrade to SQL server for a little over \$8,000. For the Fire Department we have mobile and portable radios and pagers for \$35,000. For IT, information technology, we have replacement servers and also Microsoft SharePoint 2007 server implementation for \$5,000. In parks we have a mower, also we're looking at redeveloping Pleasant Prairie Park and also some ball field amenities at Prairie Springs Park also. This is the first page of the actual recommended capital purchases.

The second page comes up with our Police Department with vehicle fleet replacements which we do every year. The vehicles get replaced, actually the marked squads get replaced every two years and the unmarked squads every three years. Also we're looking at obtaining a grant to replace the mobile and portable radios in the Police Department. Vehicle fleet additions we're going to be adding one vehicle in the Police Department.

Also, in the public safety communication dispatch area we're looking at replacing the radio consoles which are outdated, and also redesigning the dispatch center which is \$53,000 which we'll use impact fees to pay for that. Plow trucks with side wing, an additional plow truck for \$140,000, and also in public works a truck with a dump body for \$27,000. We're also looking at road maintenance of about \$200,000. We haven't identified or listed the projects here in this budget but it will be the roads that need the most care in terms of using that \$200,000. We're looking at a little less than \$1 million, \$918,000 or \$919,000 of capitals that are being recommended by Mike and myself.

We're also recommending, which is new this year, is to tackle some of the bigger projects which have been on hold for a number of years. We haven't borrowed in over five years so we're looking at recommending borrowing for the capital purchases. There are three of them here. The first one is Prairie Springs Park north ball field. We're looking at electric power and lights for our ball field so we can have night games at that location for \$208,000. Also in public works we're looking at Lakeshore Drive bridge reconstruction for \$265,000. Then also the extension of 80th Street for \$1.7 million for a total of \$2.2 million that we're recommending to be borrowed for these three projects.

This is a list of things that have not been funded. The total list totals almost \$1 million. On this list the major thing here is the Police Department in-car video cameras is the biggest item on this list. Also we have pickup trucks, some irrigation at a ball field, bike and pedestrian trail plan, security cameras throughout the park on this list.

This is the second page of the list. The biggest thing here is the pumper-tanker fire truck for \$655,000. We're recommending pushing this out one more year and then borrowing. That's one of our major projects for 2009. Also we have a grass truck here. PC replacements actually did get funded. It's in the operating section of the budget, 50 percent in the general government operating and 50 percent in RecPlex operating. There are a couple other public works projects here and a park sign that we didn't recommend being funded.

Village Board Meeting
October 29, 2007

This sheet summarizes the capital fund. This shows where our revenues are and our expenses are. We talked about all the programs that we're recommending for this year. I'm actually comparing this to 2007 estimated instead of 2007 budget. It's more of a better comparison. We had some things happen during the year that I'd like to point out. First of all, impact fees were moved. We actually were tracking them in our general government operating that I just talked about prior to the capital section, but we moved them over to the capital fund where they're actually being used. So there was hardly any budget actually for 2007, but now with this transfer over we estimate \$100,000 for this year.

Interest, because these impact fees are in this budget now interest is starting to go up higher than it normally is. Usually we don't keep much money in this fund but now with impact fees there will be interest being earned on the impact fee section of it. Other revenue includes grants and sales of Village property. Grant here is, as I mentioned, to replace the mobile and portable radios in the Police Department. Then there's also sales of police vehicles. As we trade them in every two years we're able to get a good price for them when we sell our two year old vehicles.

What we're doing here also as you can see for 2007 we're transferring half a million dollars. That transfer is coming from our general government operating. We were able to end the year for 2006 with a surplus in our 2006 operating budget. The surplus was mainly due to health insurance savings. We just switched in 2006 to a higher deductible plan with a health reimbursement account. We weren't sure how that all was going to work so we built some contingencies in there and it worked to our benefit in terms of not being as high as we thought it would be. So there's been savings there. The rate increase wasn't as high as we thought when we initially budgeted and also there were vacant positions in a number of departments. Also, there were less hours spent snowplowing in 2006. That's creating a surplus which we have transferred to our capital fund to help us fund these projects for this year as well as for additional projects we had listed for 2008 proposed. So we actually increased our capital outlay for this year up almost \$1 million. We're still ending the year with a transfer of almost \$350,000 gain in this fund.

At the bottom section you can see the fund balance in this fund. Right now it's ending balance we're estimating to be about \$1.2 million. But of that amount the impact fee accounts for a little over \$700,000. So that needs to be restricted and only used for the purpose they have been collected for within seven years of collecting them. So our unrestricted balance is a little bit short of the half a million dollars that we transferred over from the general operating.

So then if you go into the 2008 proposed budget, you can see the tax levy went down \$137,000 in this actual section of our general government. Impact fees it's being pretty much budgeted at equal but the \$73,000 is actually being used for some park stuff and the dispatch area. Then we also have interest being equal. With uncertainty of the interest rate market I just left it the same. In the other category grants mainly went up. Then you can see us recommending borrowing \$2.2 million to fund Lakeshore bridge reconstruction, 80th Street, and the north ball field lights and electric for that. That was on the list that we went over, the first two pages of the capital, showing stuff that we're going to use levy for or impact fees, grants and also sales of our used equipment. Then we have that third page showing the stuff we're going to borrow for and that totals almost \$2 million.

Village Board Meeting
October 29, 2007

So we're proposing a loss in this fund for 2008 to use the money that we transferred or will be transferring this year. You can see at the bottom we'll end in the year with a little bit less than \$200,000 unrestricted, and we'll have an impact fee balance of a little over \$850,000.

The third and final category is debt service. We haven't borrowed for five years so our debt in terms of principal and interest payments has been declining over the years. We're pretty much level from 2006, 2007 and 2008. Then we decline in '09, '10 and '11. This is our principal balance because we haven't borrowed.

You can see our principal balance is declining as we make our debt service payment. Back in early 2000 it was over \$18 million in principal balance outstanding. We had no borrowing for five years from 2003 to 2007. But we are recommending in 2008, '09 and '10 to borrow for major projects that have been put on hold for the last five years. As I mentioned earlier we're looking at lighting the ball field, 80th Street extension and bridge reconstruction. Then for 2009 we're considering 85th Street reconstruction and that's also the fire engine that I mentioned earlier. So by 2010 right now with our current debt we'll be at \$3.7 million but then we're looking at additional borrowing for '08, '09 and '10.

This is a debt service summary showing comparisons to the 2007 budget versus 2008 proposed. You can see here the actual levy decreased slightly. The second line is special assessments. As we do road projects that need to have special assessments on them this is actual collection of the special assessment revenue. We haven't done anything recently. That's more like the stuff that's out for the ten year period. That's pretty much staying stable. We are actually earning more interest on this fund historically so we've upped that area. You can see our principal and interest payments pretty much staying steady for this year versus last year. We'll see that decline for next year, 2009. So in this fund we're pretty much staying steady. We're maintaining a balance of a little under \$400,000 in fund balance.

The big question is how does this all affect the tax levy and what our residents are paying for taxes. We are still under the State levy limit so that does affect what we put our levy at. This last year our levy was at a little over \$7.3 million. We work from that base and use the levy limits so our maximum levy limit or what we can levy this year is a little less than \$8 million which is an almost \$600,000 increase. So we are recommending levying the amount that the State has let us levy to. We don't want to be below that levy limit.

The three sections we were talking about is debt, operating and capital, and this is the levy and how it's broken out between the three different areas. You can see that operating at a little less than \$5 million is 63 percent of our levy, and then debt comes in second at \$2.5 million, 32 percent, and then capital follows a little less than half a million dollars or 5 percent.

This is our mill rate history. This shows how our mill rate has declined over the last six years. This is the first year we're actually recommending an increase. In 2003 and '04 and '05 we were under a self-imposed levy limit. In 2006 and 2007 we were under and still are under a State imposed levy limit and we are staying under those levy limits. So the actual mill rate would be \$3.27 that we're recommending based on what we presented earlier.

Village Board Meeting
October 29, 2007

How does that affect an average residential home? Our average assessed value has not changed. We did not have a reval this year so we're still at a little over \$270,000 for an average residential home. Taxes on that home last year were \$840. With this budget that we're proposing they would be \$886 or a \$46 increase or 5 percent. So that's the budget we're proposing. Now it's time for questions or discussions on it.

John Steinbrink:

Comments or questions?

Mike Serpe:

Just one comment I have. In all the years I've been sitting at these budget hearings this is the first time that we've ever accomplished what we set out to do where it was totally different than any other budget hearing that I remember. The round table discussions with the department heads, the presentation tonight by Kathy so we can reasonably understand it. And to come up with this \$3.27 per thousand to provide the services to the people, especially in the way of police and fire increases in both, and services through public works I know it sounds like we're always tooting our own horn, but I think a lot has to be said about the department heads and administration for getting us to this point. When you compare us to any other municipality of like size and value I think we look very good. Mike, that's a credit to you and your staff.

John Steinbrink:

Other comments or questions?

Clyde Allen:

As Mike mentioned we sat around and looked at line item by line item and what's recommended and what's not recommended. Very good thorough job done by Kathy and Mike. Going through line items explaining things, what needs to be changed, why the changes were made, what increased, what didn't increase and what wasn't accepted, and so everybody can kind of get an awareness of all the department heads sitting around the round table that I have experienced in the past and it really was a very, very good session, each and every one we had. We all had ideas. We all had different thoughts. We certainly all didn't agree with each other all the time. I can tell you if something that I suggested came up for a vote on several occasions I'm sure I would have been the short end of a four to one vote. But we learned, we discussed things and it was really a very good session. That's why we can come to a consensus of what was good for the Village.

John Steinbrink:

No further questions?

Village Board Meeting
October 29, 2007

Mike Pollocoff:

Mr. President, if there's no questions what we'd be looking for is to authorize the staff to publish the budget and post it again on the website and at the Village Hall. I'd like to thank the Board for taking the time on those Saturdays to pound it out with us, and I'd like to thank the department heads for bringing in realistic budgets but also letting the Board and myself understand some of the issues that we're grappling with and maybe aren't addressed this year but are going to be addressed in coming years so we have an idea what's happening. It would be my recommendation that the staff be authorized to publish the proposed budget, to conduct a public hearing on November 19th at 6:30.

SERPE MOVED TO PUBLISH THE BUDGET AS PRESENTED AND SET THE BUDGET HEARING FOR NOVEMBER 19, 2007; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0.

Mike Pollocoff:

The next item is the two enterprises that are overseen by public works, clean water and solid waste. John, why don't you proceed.

John Steinbrink, Jr.:

Good evening. I'm going to begin this evening by talking about the proposed budget for the 2008 Clean Water Utility. Some of the things we do in the Clean Water Utility we're responsible for cleaning the storm inlets, we have the street sweeper out, maintaining the Village owned detention basins, maintaining and repairing the storm system, installing roadway culverts and videoing any of the new storm pipes in the Village.

A lot of the stuff that we do is really to increase the quality of the discharged water for NR216 permit compliance program. There's a lot of components and this is really what that whole new program entails. There's a lot of public education and involvement, illicit discharge and detection, pollution prevention, construction site pollution control and post-construction site storm water management. We spent a lot of the time in 2007 developing ordinances and standards and a lot of those are still undergoing so we can start implementing those per our permit requirements in 2008.

One of the new programs we have for 2008 in the Clean Water Utility we're proposing to begin a retention pond certification program. A lot of the retention basins that we have, I believe there's 32 of them that are maintained and owned by the subdivision property owners. What the Village is proposing to do is go through each of those retention basins on a five year cycle so we'll be doing around maybe five or six per year, going through and inspecting all the outlet structures, checking how much sediment is in there and kind of doing an analysis of the pond to make sure that it's performing the way that it was designed to be.

We're looking at a couple of storm water projects this year. We do have a failed storm water pipe at 114th Street and Sheridan Road which goes underneath some properties that has to be repaired

Village Board Meeting
October 29, 2007

in 2008 at a cost of just over \$82,000. Then we've been having a lot of storm water problems or at least some complaints in the Carol Beach, it says Unit 2, but that's actually Unit W storm sewer area. Unit W is the area that would be just north of 90th and then west of Lakeshore Drive and east of 3rd Avenue. There are a lot of areas in there that really do have a lot of storm water problems.

There's a lot of road work that have to be done in that area, but we really don't feel that it's prudent to go ahead and repair the roads until we have solved some of the storm water issues and just making sure that we know where some of that storm water needs to go and discharge out whether it's into Lake Michigan to the east or some of the wetlands into the west. So this \$10,000 gets us to the engineering and some survey work done in that Carol Beach Unit W area. The other thing that we're doing is we're budgeting some money for the Des Plaines watershed improvement per the SEWRPC study.

Some of the equipment that we're proposing to purchase in 2008 is a mechanical street sweeper. Right now the Village just has a vacuum street sweeper, and I guess it's very similar just to a vacuum cleaner in your house. Sometimes you need a vacuum cleaner and sometimes you really need a broom and a dust pan if you really have some heavy compacted mud or some heavy debris. So we're looking at adding a mechanical street sweeper onto our fleet. And we're also looking at updating some of our salt spreader controls.

On our newer trucks, I'd say anything from probably 2001 and forward, they have a ground speed sensor that's connected onto the salt and magchloride controls, so the Village applies 200 pounds per lane mile of salt, and with the automatic controls it's going to go through and put down exactly that amount of salt whether you're going 2 miles an hour or 40 miles an hour. The problem we have on some of the older vehicles is that without that ground speed control the operator goes through and kind of puts a control on with whatever number is recommended for an average speed. But sometimes when you're going slower it puts down too much and when you're going faster it puts down not enough. And because a lot of the concerns about salt in the natural waterways, we're really looking to just put down enough salt or magchloride for what the DOT recommends. So that would be updating some of our salt spreader controls with a ground speed sensor.

In our proposed 2008 budget our revenues are staying pretty consistent. A lot of those are just for new use that we have for new development or any commercial or industrial. Some of the personnel increases is just going to be some extra personnel time on the street sweeper. The contractual services have actually gone down because we spent a lot of time in 2007 developing some standards and ordinances and guidelines for some of the requirements of our NR216 permit. Our supplies are pretty much the same along with insurance and depreciation about the same. Then the one new program for the retention basin certification program. So really there aren't too many major changes in our operation end of it.

This is another summary of our five year projection on the Clean Water Utility. The utility is doing well. We're able to go ahead and save some money for future replacement of infrastructure by depreciation and make sure we have enough money for a lot of our capital projects that we have to do maintenance items in the Village.

Village Board Meeting
October 29, 2007

We are not recommending a rate increase for 2008. The current ERU charge of \$3.00 for ERU will cover the operating expense that we have. It creates funding for capital expenditures, and it also puts some aside so down the road when we need to go into some of these subdivisions and replace their storm sewer, their inlet structures, their storm sewer manholes we are going to have some money put aside for that. That was a brief recap on everything that we had talked about in some of the working sessions. I'll answer any questions that you might have or any discussion that you'd want to have.

Mike Pollocoff:

One thing I want to point out, John, is it's been reported or opined erroneously that the Clean Water Utility pays for private detention basins and it doesn't. This budget that you saw tonight does not include money to go in and maintain any private association basins. It only maintains those public regional basins. If you were to do that the budget would have to be increased accordingly. The capital budget, with the projects as identified by John, are those projects that were adopted by the Village Board when we adopted the Storm Water Management Plan, the master plan, to identify which projects we were going to proceed with that we could afford given the budget with the \$3 per unit ERU. You could do more if you raise the rates, but what we're doing in this utility - the existing policy that we're working with is that we don't want to incur any debt - and depreciation that's being set aside as the storm mains come across that fund is going to be used to replace them, will require new developers to pay for any new storm sewers that are added to the system so the existing rate payers or taxpayers don't pay for them.

So the new program that was identified was a program to assist existing homeowners associations with an evaluation of where they sit with their basin so they can make some economic decisions of what they're going to do going forward in the future. They receive those very five years and that will give them as well as us a good knowledge base. But that's what's covered in the budget. It never has been and it never was anticipated that private basins were going to be covered by the storm water utility. That would be contrary to existing Village ordinance which prohibits the Village from subsidizing new development. Any questions on the Clean Water Utility?

John Steinbrink:

Comments or questions?

Clyde Allen:

Again, there's a little more misinformation that's out there that I think needs to be cleared up a little bit. Something that was recently stated that painting a picture that ag property is exempt by our choice to lower someone's fees. I believe, and correct me if I'm wrong, but the ag is exempt by State statutes. It was exempt long before when I know it was on Legislature. And ag land also pays fees that the public don't pay. So they have additional expenses that the people don't even see. Those things aren't brought out when they're trying to point fingers at people and say that we're not being fair. A simple watching either Channel 25 or watching a disk would clean a lot

Village Board Meeting
October 29, 2007

of that information up and they'd understand it. I think there's so much misinformation that it needs to be stated properly.

John Steinbrink:

Other comments or questions? I think we'll have a letter going out by the way that will hopefully get published that will explain some of that misinformation. That's very unfortunate because when you put that erroneous kind of information out there it does create a lot of problems. Hopefully we can clarify that again and set the record straight. Other comments or questions? Hearing none, we'll move onto solid waste.

John Steinbrink, Jr.:

The next budget that I'll be talking about this evening is the solid waste budget for 2008. A lot of times when you think solid waste you think it's just garbage and recycling. But actually in the Village it's structured as a little bit more than that. We do include our leaf collection which is going on right now, our first round in the fall where we go for two weeks in the spring and six weeks in the fall. We go through and collect all the leaves and that's been a very successful program. We take those leaves and we add them as part of our compost program and we actually get that compost back to the residents at no cost. Then we also have our compost which is our compost drop off site located at the Prange Center, then the maintenance at our compost site that we have is down at our sewer treatment plant 73-1, and that's where we actually haul all the leaves, the grass, the brush and the branches and turn it into compost, water it, then we screen it and haul it back to all the Village residents. So there's more than just garbage and recycling included in the solid waste for what the residents pay for their \$13.50 a month.

The proposed budget for 2008 with the revenues the revenues are pretty consistent. I think the only real revenue increase is just any new residents that are moving in. We do have a couple hundred residents that move in every year. Our depreciation is the money that we put aside for our capital and replacing some of our vehicles. Everything else has stayed pretty much the same except for our garbage expenses is up just under \$20,000. And the reason that our garbage expenses are up is that the Village pays a tipping fee to the landfill, then we also pay a Wisconsin State generated tax. Just recently Wisconsin raised that tax from \$3.80 a ton up to \$5.90. So the \$2.10 a ton over the course of maybe just over 6,000 ton is a \$12,000 or \$13,000 increase in that category. So that's something that really is—there's nothing that the Village can do about that. That's just one of those State imposed taxes that we have to deal with.

Our utility is very healthy right now. We do have a beginning cash balance of just over \$430,000. Our user fees that we have every year we take a small amount of revenue of about \$273,000 and we put that aside for capital purchases. One of the biggest capital projects that we're going to have going on is the automated collection of solid waste. I'm going to go into a little bit more detail with that in a couple minutes. Then down the road we're going to have some leaf collector replacements and some other equipment.

Right now the Village does its recycling collection with an automated arm where I'm sure everyone has seen it. Everybody was issued a recycling cart. They roll it out to the curb on their

Village Board Meeting
October 29, 2007

recycling day. The truck comes down and collects it and dumps it and it's a pretty fast and efficient method of collecting recyclables. We can actually collect just under 500 homes per collection vehicle per day which is a pretty good production rate with that. Manually our throw and go where you have to stop and grab a garbage can and throw it in manually or take some bags and throw it in we're probably around 560 stops per day. So it is much more efficient to go with the automated collection. And it will decrease the amount of Worker's Comp claims because the operator is standing in the truck as you see here versus walking in and out of the trucks almost 600 times a day and throwing garbage, and when it's icy that gets pretty dangerous out there.

One of the goals that we have in our solid waste when started back in 2005 is to increase the amount of recycling that we bring into the Village and decrease the amount of garbage. If you look down at the recycling percentage, the second line from the bottom, that's the amount of diversion that we're actually pulling out of the landfill and recycling. So the recycling percentage and the solid waste percentage are going to add up to 100. So if there's 100 pounds of garbage out there, in 2003 18 pounds were recycling and 82 pounds went into the landfill. Where if you look down to the first half of 2007 almost a third of it went into recycling and two thirds of it went into solid waste. So the residents are really doing a good job of recycling. I think a lot of that has to do with providing the residents a simple method with the single stream recycling where you don't have to sort it and a large enough container.

So the new program that we're looking to do, or since have gone through and we've got our recycling rates up and our garbage waste down now is to install some garbage automated collection for our garbage in the Village. The process for that is we do need to go through and install two automated collection arms on our solid waste vehicles. We have four vehicles right now and two of them have arms and two of them do not. So when we speced these trucks out we speced them out so they had all the hardware and all the electrical and everything we needed for the arm just not the actual arm itself in anticipation of this stuff.

Then we're looking at going through and delivering 95 gallon recycling carts that should be garbage carts will be delivered late in the spring and then the residents will be given three collection options. Information on this program will be delivered to homes via the Village newsletter this winter. The reason we're doing that is because that's the one piece of information that gets into everyone's house every year to kind of explain it.

So the three options that we have, I'm going to go through each of them in detail, option 1 is going to be unlimited collection and that's going to be at the \$13.50 a month. So this option reflects the existing level of service for residents. Right now a resident can put out as much garbage as they want as long as it weighs less than 50 pounds and is less than four foot in length because that's the size of our hopper in our garbage truck. So the 95 gallon collection cart will be collected weekly and the resident has the option to place an unlimited volume of solid waste in addition to the 95 gallon garbage collection cart. The residents can purchase another garbage collection cart if they choose to under this option. So right now you can go through and have your own garbage can or bags or just put it in a pile on the ground and the operators will go through and pick up everything that you have. So this option reflects that same level of service at the same price that you're paying currently.

Village Board Meeting
October 29, 2007

Option number 2 we're going to call automated collection plus. That's going to be \$13 a month. So for 50 cents less a month on your monthly utility bill you'll be able to go through and put out a 95 gallon collection cart every week with unlimited collection only during the holiday season. And we're identifying the holiday season as from December 15th to January 15th each year. And so for the other 50 weeks throughout the year you can only put out whatever you can hold in your garbage cart. When you have more garbage material over the holidays or whatever else goes on you'll be able to put an unlimited amount out for that one month from December 15th to January 15th each year. The Board also asked if we could add in two free unlimited collection dates.

So every resident in the Village under this option would be able to go through and let's say, for example, if they're going out and cleaning out their garage one day in the spring they can call public works two days in advance and say, hey, I have a large pile of garbage, I'd like to use this as one of my unlimited collection days, then the operator will go through and collect whatever is out there on that day. As long as anything that they put out is not heavier than 50 pounds or bigger than a four foot length. And the reason that we do that is anything that's larger than 50 pounds we need to send out another guy with a special truck. But just under the unlimited collection this same person is able to go through that's running the automated collection truck and take that material and throw it in the hopper. It is recommended that the residents have a 95 gallon recycling cart with this option also.

Then option number 3 which is the least costly for the residents is just a straight automated collection where the resident receives a 95 gallon collection cart and it's collected weekly. There is no extra pickup over the holidays and then there's no unlimited volume pickup. So if someone lived in a condo or might not generate as much garbage as a larger family, this is an option where they pay less because they're producing a little bit less and they're really not receiving as much service as option 1 or 2.

But the residents who choose option 2 or 3 which is not the unlimited but you have a container and you might have a little bit more over Christmas or one or two pickups, if they decide that they have a day or they have a party or they're doing something where they have a little bit more garbage, they'll be able to call and schedule an unlimited collection pickup for \$10 just by calling the Public Works Department.

All the options that we have here including resident receiving a 95 gallon garbage collection cart. The garbage cart will be the same color as the recycling cart that they have but they'll be distinguished by color of the lid. The recycling lid is blue and the new garbage lid will be green. The lid for the garbage cart will have garbage only printed with large letters on the top. We do have a display that's in the back corner there of a 95 gallon garbage cart along with a 65 gallon recycling cart. I guess the only different is that on the garbage carts that we're looking to distribute out the garbage only is going to be in much larger letters would be the only real change.

We would like to have all residents try the 95 gallon collection cart for six months, and then if a resident wishes to receive a smaller 65 gallon cart after the six month period they'll be able to contact the Public Works Department and schedule an exchange. I guess it's staff's idea where we have a lot of residents in the Village that currently have a 65 gallon recycling cart that could probably use a 95 gallon recycling cart. Staff is sure there's going to be some residents in the

Village Board Meeting
October 29, 2007

Village that are going to be issued a 95 gallon garbage cart but really only need a 65 gallon garbage cart. So it's much more cost effective to switch out the carts and just change the lids versus keeping two different types of cart inventories on hand. So that's the reason why eventually we'd like to get more than 95 gallon carts into the people that recycle a lot, and then maybe some of the people that might not generate enough garbage we can swap those same carts out just by changing the lid after that six month trial period.

That covers everything that we're looking to do in the solid waste fund. Staff at the meeting everything thought it was really important that we still provide one option to all the residents where they're paying the same and getting the same level of service. But then if someone did not want to have unlimited collection there's other options that are available for them.

Mike Serpe:

I strongly recommend that we take advantage of the education process between now and spring to do this more than just once in the Village newsletter. I think we're going to have to do it a couple times. I think it's a great idea. It's a good way to go. It's going to be somewhat confusing at first when people read it. Just keep on educating them until they pretty much acclimate and understand what we're trying to do. So whatever we do, John, I think we have to get it out at least two and maybe three times before we actually implement this thing so people understand what's going to be happening. And I love the choices. We kicked this thing around two meetings and back and forth on the phone and we came up with this so I think it's a darn nice compromise.

Clyde Allen:

John, I really applaud you for this. One thing, I'm not sure if I missed it, but when you said we're offering the same services for the same price that they get now, actually isn't it a reduction? Right now we currently charge for two large pickups. Don't we charge \$20 for that?

John Steinbrink, Jr.:

What we're charging for or what you're referring to is a bulk pickup. There's a difference between a bulk pickup and an unlimited volume pickup. A bulk pickup is defined as a couch or an entertainment center or a TV or something that's larger than 50 pounds or bigger than a length of four foot. So for something that's bigger than 50 pounds or larger than the four foot size, I need to send out a rear loader truck with two personnel out there that can pick up that heavy piece of furniture or whatever it is, put it into the rear loader and take it away.

The unlimited volume if you would take that same couch that weighs 100 pounds for example and break it up into ten pieces, each of the pieces being under four foot and under 50 pounds, then that becomes unlimited volume. So you could have 20 garbage bags for each of the bags under 50 pounds and that's unlimited volume. But the bulk pickup is just specifically made for larger items.

Village Board Meeting
October 29, 2007

Clyde Allen:

And we're still offering that? That will still be an option?

John Steinbrink, Jr.:

Yes, it is. It's an option for everyone.

John Steinbrink:

A couple months ago we honored a couple folks for going above and beyond their job duties and using the experience they have in real life, special training they have. Maybe you could introduce these folks tonight because these are the guys that make this program for us. I can probably speak for all the Board members when I say we get zero complaints. Folks are so happy with the service and the job that you folks do it's unbelievable. I'll tell you that makes our lives a lot easier and we appreciate it. Maybe you could introduce them.

John Steinbrink, Jr.:

We do have two personnel here from the Sanitation Department and they were our heroes a couple months ago and they're actually heroes every day. It's Glen Thomas and Bob Hager in the crowd.

John Steinbrink:

I think it's pretty good when you have people from the department coming to see what's going to happen with the job they do. We're all looking forward to the new programs here and I guess you guys might be, too, so you don't have to get in and out of that truck so many times.

Mike Serpe:

John, a question for you. In the event everybody signs up for what service that they want, is it going to be much of a problem for your department administratively that if somebody says, you know what, I'd like to change my plan from the plus to the unlimited? Is that going to be a problem? Can they do that if they choose?

John Steinbrink, Jr.:

We would like that once somebody signs up for a program that they keep it for a year. I think that a lot of the administrative stuff—they're really going to be calling the Village Hall to be making those changes, and then through working with our IT Department and some of the technology which we have just incorporated this year in 2007, we're going to be able to use the same data that finance has for the parcel and the options. We incorporate that into our GIS system and have real time maps out in the garbage trucks. So, for example, one of the ways we were thinking about doing it is we're looking at going through and put a GPS tracking device on

Village Board Meeting
October 29, 2007

each of the garbage trucks, then overlay that with one of our GIS maps. The GIS map is just like a regular road map and it shows the parcels and the houses.

So, for example, we have three options with 1, 2 and 3, we have the availability to go through and say anyone that chooses option 1 you can make their parcel green. So when the driver is driving down he's going to see a green parcel so he's going to know it's green and go ahead and pick up everything that they have out. If they have the option 3 which is just the collection only of the 95 gallon container, he might have a red that says you can stay in the truck with this one and only collect what's in the container. Then they'll have a special work order if you need to go through and pick up anything else. So we're really taking advantage of the expertise that we have in our IT Department and our GIS Department to use the data from finance and then roll that over through GIS and actually get that out into the truck. So we're definitely really excited about doing that.

And we talked with one of our vendors that are doing the recycling carts, and we're actually looking at putting a radio frequency ID inside the handle so we can actually track how much we're collecting to kind of better design our routes to make sure that we're using our personnel and equipment as efficiently as possible.

Steve Kumorkiewicz:

I look at my street and I can tell you right now that none of us, three families, need containers larger than 65 pounds. We have two persons in the family. Four have one person in the house so there's no way they can generate 95 pounds of refuse or recycling bi-weekly and weekly. Myself with a 65 pounds Why do we have to wait six months? There are a lot of those right now. Two 65 gallon containers for me are plenty and the neighbors on my street alone live alone. I know another one has about five kids and definitely they need the larger. So I think we should open it up to the people right away to find out what they want. I can tell you right now 95 gallons for me is way beyond what I can collect. I don't generate so much refuse or recycling and I recycle everything.

John Steinbrink, Jr.:

The reason that we chose to go with the 95 gallon container for everyone is the ease of administration of getting the containers out. If you can imagine how much of a headache it would be to go through and survey all the 7,000 residents that we have in the Village and then the distribution of that and tracking of the carts which one has a 65 and which one has a 95. On that same it's not impossible to do. They've recently just completed that very task in Madison. I talked with some of the superintendents up in Madison and they said it was a real challenge to go through and make sure that house A has a 65 and house B has a 95 and going out and doing the distribution of those carts and making sure everybody gets what they want. I'm not saying it's impossible to do and if the Board decides that's the route they want to go that's what we'll do. But just the administration of doing that I think is why we're not looking at it.

Village Board Meeting
October 29, 2007

Mike Pollocoff:

As John said there's going to be a flatbed loaded with carts just like when we dropped off the recycling ones and keeping track of who is getting the 65 and who is getting the 95. I can tell you we can do that but we'll have to pay premiums for the contractor to do that.

John Steinbrink:

It's something we can evolve into.

Mike Pollocoff:

Over time we can make it work as time goes on. But I think that one spurt where we're bringing out 7,000 containers and if we have to keep track of who has the 65 and who wants the 95, and we know the Village but we're bringing a contractor in who is going to deliver these and they don't know the Village. This last time we were doing good to get them all delivered and even then we had some that didn't get delivered let alone mix and match the sizes at the initial delivery.

Monica Yuhas:

When the 95 gallon container is distributed for garbage, if someone has a 65 gallon recyclable do they get the 95 for recycling at the same time or is that going to happen later?

John Steinbrink, Jr.:

They would have to call and schedule that change. We are aware that there are a lot of people, and I'm sure that both Bob and Glen can attest to that, even though on recycling with the automated collection they're still probably out of the truck almost 20 percent of the time because they have a cart full, there's stuff on top, there's stuff on the sides. Where if they had a larger container it could all be handled in a 95 gallon recycling container. So I guess it was the staff's goal to go through and it might not be exactly six months, it might be sometime, but as we get some request from residents that want a 95 gallon recycling cart and other residents want a 65 gallon garbage collection cart, swap out the lids and then go through and deliver those carts to the residents as they want it.

I believe as Trustee Serpe has stated, I think the key to all this is public education. So when you're going through and we're getting information on the internet, on Channel 25, on these newsletters that we do, on press releases, telling residents these are options that are available for you, because I'm sure that there's a lot of residents that aren't even aware that their 95 gallon container for recycling is even available to them. I'm sure that once we get that out we're kind of hoping it's going to balance out at the end.

Monica Yuhas:

So if a resident calls now for a 95 gallon can that be swapped out at no charge?

Village Board Meeting
October 29, 2007

John Steinbrink, Jr.:

Yes. That's going to be our policy as soon as we adopt this.

Monica Yuhas:

Because I did notice doing my day in public works and being on the garbage truck and the recycling truck the recycling bins are full and there's always stuff piled up next to it. I do think if people knew there was that option to go with a bigger bin they would be taking advantage of that larger bin.

Mike Serpe:

They've requested that you come back and help them again.

Steve Kumorkiewicz:

I talked to many people about it and how the recycling bin is filled way over. We have a bigger one, 95 gallon and I'm pretty sure a lot of them will call you up and replace it. Now, the thing that we have to watch when we deliver the new containers -. they saw two driveways in one house and one container in each driveway both in the same house. That's one issue they're going to have to be a little more careful with that.

John Steinbrink, Jr.:

One of the things we're looking at doing this year since we do have some staff that are experts on the Village and especially in those boundary areas and by the City of Kenosha is that when we went through back in December of '04 and delivered all this stuff we really had no idea what we were getting into delivering these carts. And we really didn't have anything that was clear and set as far as the boundaries of this house ends here, this house is City or Village. Now we do have some staff. And we are proposing to have the staff work along with the contractors, especially in some of these difficult areas, to make sure that problems like that aren't going to happen. I'm sure we're going to have some cases where we're going to double up on one and miss one. Any time you're dealing with 7,000 homes you do the best that you can, and we'll make sure that our staff is as prepared as they can be to make sure that it's done as easily as possible.

John Steinbrink:

We started with green bins that we had to carry out there that were small and those were really loaded. We evolved to the roll out carts which everybody loves, and I think the next step everybody is going to be pretty happy with that, too.

Village Board Meeting
October 29, 2007

Clyde Allen:

One last comment that I hope it was noticed that I believe you increased your recycling volume by 50 percent in the last five years?

John Steinbrink, Jr.

Yes.

Clyde Allen:

The reduction in garbage that we pay for has gone down and we're getting money on the recycling so what you've done has made us money. I appreciate that. I want to make sure that was noted.

John Steinbrink:

Other comments or questions?

Steve Kumorkiewicz:

One comment. During the budget process that we went through for several Saturdays, there was a person here who was an Alderman in the City of Cudahy. That person was super impressed in the way the Village Board and the department heads worked to put the budget together. This person was amazed how we discussed between us and came up with a budget. That tells us something about this community and the kind of people they've got working for them. I think that was an excellent comment from this person. I was impressed.

4. ADJOURNMENT

Mike Serpe:

I agree, Steve. And congratulations, again, to Mike and his whole staff, department heads.

SERPE MOVED TO ADJOURN THE MEETING; SECONDED BY YUHAS; MOTION CARRIED 5-0 AND MEETING ADJOURNED AT 6:50 P.M.