

Village of Elm Grove Committee of the Whole Meeting Minutes

DRAFT

1. Committee of the Whole Call to Order

The meeting was called to order by the Clerk at 6:01PM.

Roll Call:

PRESIDENT PALMER
TRUSTEE CORNELL
TRUSTEE DOMASZEK - absent
TRUSTEE HAAS
TRUSTEE KRESSIN - absent
TRUSTEE MICHALSKI
TRUSTEE SAYAS
MONICA HUGHES, FINANCE DIRECTOR
HECTOR DE LA MORA, VILLAGE ATTORNEY
TOM HARRIGAN, ZONING ADMINISTRATOR
MICHELLE LUEDTKE, VILLAGE CLERK

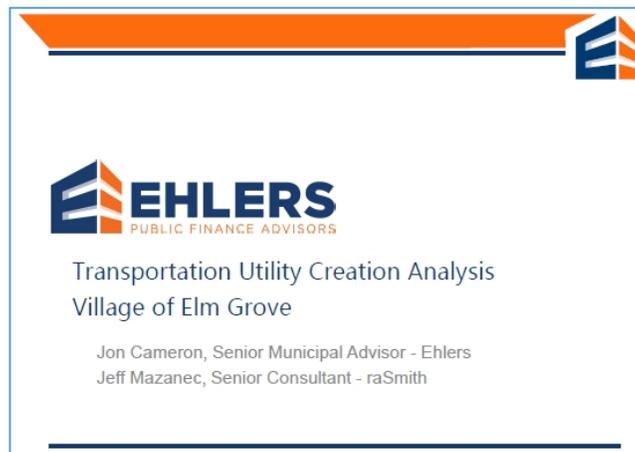
2. Review and Act on Meeting Minutes Dated 11/11/20.

MOTION BY TRUSTEE MICHALSKI, SECOND BY TRUSTEE CORNELL, TO APPROVE THE MINUTES AS SUBMITTED.

ALL WERE IN FAVOR. MOTION CARRIED.

3. Review and Discussion regarding a Transportation Utility.

Presenting: Jon Cameron – Ehlers, Jeff Mazanec – raSmith



This concept is new to Wisconsin but not to other States. This is a hot topic right now. This is an informal presentation. [The full presentation can be found in the packet. Copyright by Ehlers.](#)

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Slide 3: If the Village would go forth with a Transportation Utility, this would be similar to any other utility like water and sewer. There would be a user charge. This would be differentiated from a fee and tax. This is a policy discussion on borrowing versus cash funding for these major road projects. Every community is different, but municipalities approach the funding of roads the same way.

They feel as though TRIP generation is more accurate than any other cost associated with the rate and usage. A TRIP is any time a car enters or leaves the driveway.

They went over the Village’s authority to create a Transportation Utility.

Trustee Haas indicated we have other fees we put on the tax roll like sewer and garbage. These are based on the total cost and then divided. Can we do something like that? Mr. Cameron indicated the short answer is no.

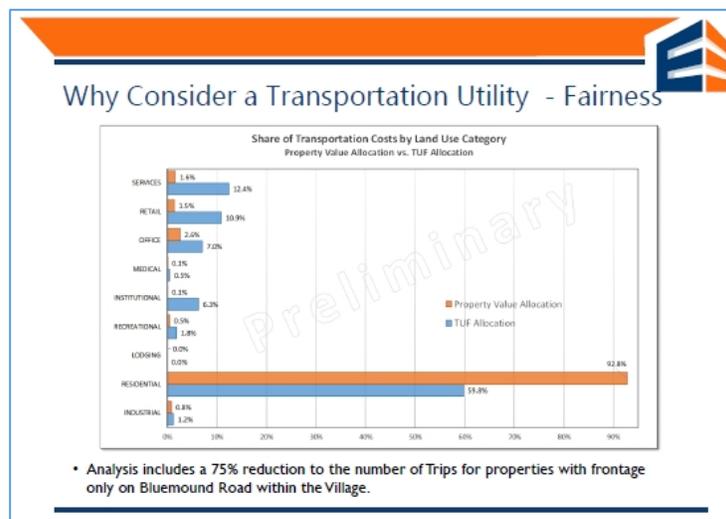
President Palmer indicated we are prohibited from having a fee.

Finance Director Hughes added there is a flat fee that MMSD determines from gallons of usage. Our storm water is our equivalent of use and impervious surface. Garbage is a per parcel fee.

Attorney De La Mora added context from the Wisconsin Legislature regarding how the municipality can assess a fee.

Mr. Cameron continued – going over global rate setting principals on slide 5. They need to be cost based, easy to understand and administer, cost-caused, and be able to provide adequate revenues to meet the need of the utility. Continuing, he indicated that we need to differentiate the difference between a fee and a tax. We don’t have the ability to create a new tax.

Mr. Cameron went over the reason of why we would consider doing a Transportation Utility. In Elm Grove the residential share of transportation costs is just under 93%.



Trustee Haas asked about the potential disproportional calculation between businesses and residents.

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President Palmer indicated that it is hard to come up with a fair and equitable calculation.

Trustee Haas is worried about Sendiks specifically being charged a high fee. He is wondering if this would be fair.

Mr. Mazanec clarified the idea of the TRIP calculation. With examples of residents and non-residents coming in and out of Sendiks. With this calculation you try to proportion the cost. For the storm water, they use impervious surface. This would be a similar idea.

President Palmer stated it is difficult to come up with a calculation, but this is the best way is to make it as fair as possible.

Attorney De La Mora asked about non-residents coming through the Village. Mr. Cameron indicated these folks would not be counted in the calculation because there is no way to do so. No model is perfect. For those who do not have their own car - they are doing multiple trips or getting deliveries.

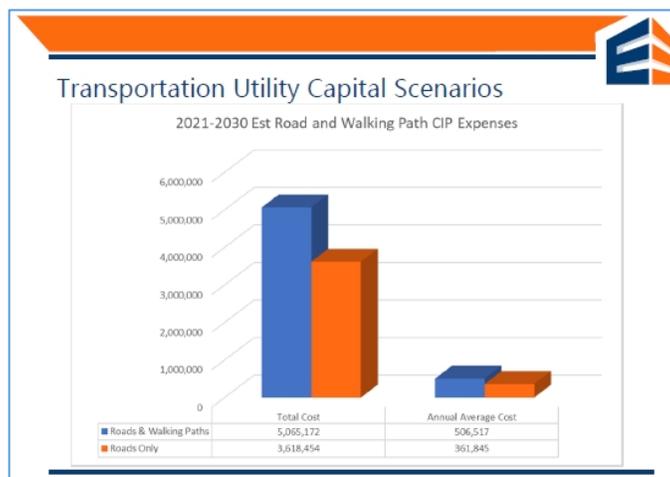
President Palmer added this has been established as a national standard. This method cannot be split – partially based on value and partially based on some other way. You can assess the base fee common to everyone.

Mr. Mazanec indicated it is easy for this type of item to appear as a tax rather than a utility.

Trustee Haas asked about half tax bill and half utility. Mr. Cameron indicated the half on taxes would still go toward the levy.

Finance Director Hughes spoke about the budget and transferring a portion of the levy to the utility funding.

Mr. Cameron went on to say that other municipalities are going and obtaining funding and go into debt to manage your budget and pay for road construction.

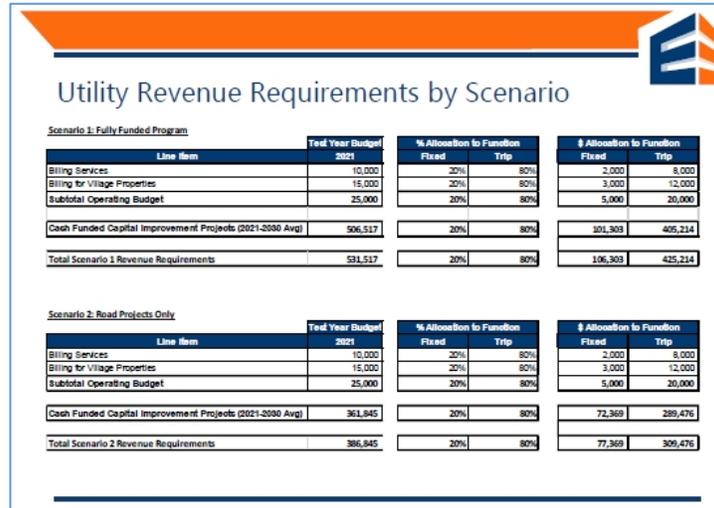


Trustee Cornell asked if that included all the pathways they wanted. Finance Director Hughes indicated this would cover three major pathways.

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Mr. Cameron went over the *fully funded program* and the *roads only* projects.



Utility Revenue Requirements by Scenario

Scenario 1: Fully Funded Program

Line Item	Total Year Budget 2021	% Allocation to Function		\$ Allocation to Function	
		Fixed	Trip	Fixed	Trip
Billing Services	10,000	20%	80%	2,000	8,000
Billing for Village Properties	15,000	20%	80%	3,000	12,000
Subtotal Operating Budget	25,000	20%	80%	5,000	20,000
Cash Funded Capital Improvement Projects (2021-2030 Avg)	506,517	20%	80%	101,303	405,214
Total Scenario 1 Revenue Requirements	531,517	20%	80%	106,303	425,214

Scenario 2: Road Projects Only

Line Item	Total Year Budget 2021	% Allocation to Function		\$ Allocation to Function	
		Fixed	Trip	Fixed	Trip
Billing Services	10,000	20%	80%	2,000	8,000
Billing for Village Properties	15,000	20%	80%	3,000	12,000
Subtotal Operating Budget	25,000	20%	80%	5,000	20,000
Cash Funded Capital Improvement Projects (2021-2030 Avg)	361,845	20%	80%	72,369	289,476
Total Scenario 2 Revenue Requirements	386,845	20%	80%	77,369	309,476

President Palmer asked if there is an argument you can make for residents shopping in Elm Grove. The impact is the same since they are not leaving the village. How do you find a better equitability? Mr. Cameron stated that if Sendiks was not there, the roads would still be used to get to another grocery store. He continued to say that you could argue this with any property in the village. He went over some of the part of the calculation. It comes out to be reasonable and verifiable.

Trustee Haas asked about the fees varying during the 10-year period indicated in the 10-year analysis. He asked if we can borrow and then bank as much money as we can. Mr Cameron indicated this was an average over the 10-year period of time so it would not be exact. The fee would be consistent.

President Palmer indicated this would be a predictable fee.

Trustee Cornel asked about snow birds objecting.

Mr. Cameron continued to talk about a draft utility charge vs an actual tax for a single-family home. He referred back to a prior slide with the 2021-2030 borrowing summary chart. Doing a referendum to increase the tax levy is also an option. This is what many municipalities are doing. The referendum option gets you less buying power year over year. Road costs go up about 7% per year. Once you do the referendum, you cannot take into consideration the increase. All things being equal, you get less buying power. But it is an option.

President Palmer added this is passed for a specific amount. If you need more, you need to go back and complete another referendum..

Mr. Cameron went on to talk about a super market example, a small commercial office building example, and a church example through the slides. He indicated the Top 16 Largest Transportation Rate Payers in a chart on slide 19.

Finance Director Hughes indicated the Village is on that list.

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Trustee Michalski asked if the assigned trips is the average daily. Mr. Cameron confirmed.

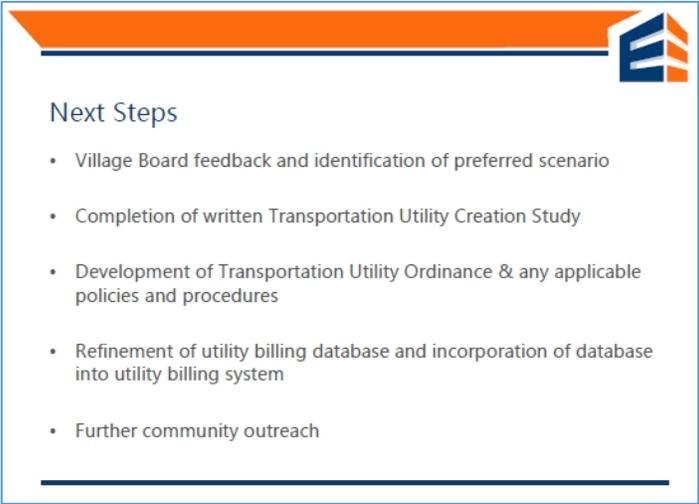
Trustee Haas asked who the largest was on the list of rate payers on slide 19. Mr. Cameron confirmed it is Jilly's Mobil.

Mr. Cameron continued with an example from Pewaukee with Hwy 16.

Trustee Haas asked about the buildings where the only access point is Bluemound Road. Mr. Cameron confirmed they are still on the list at a 25% rate.

President Palmer asked about UPS. Or any kind of trucking company. If there are examples from other municipalities. Anything that has state highway access. Mr. Mazanec indicated whatever has been challenged on some of the examples given would have been done many years ago, but he would check it out.

Mr. Cameron continued to talk about the next steps. Feedback, completion of the study, ordinance, policy & procedure, and database & billing. Other communities combine this with their sewer and water utility billing.



Next Steps

- Village Board feedback and identification of preferred scenario
- Completion of written Transportation Utility Creation Study
- Development of Transportation Utility Ordinance & any applicable policies and procedures
- Refinement of utility billing database and incorporation of database into utility billing system
- Further community outreach

Finance Director Hughes indicated we already bill the commercial entities for storm sewer.

President Palmer would like us to run these example pages and run the 10-year for streets and offer the question to public works staff and committee. If we were going to come up with a new funding mechanism, what really needs to be done? We need to get a better number for the 10-years and not just the three we have looked at. What does it take to set up? Run it? Do we need another employee?

Finance Director Hughes indicated if we needed to bill the residents, we may need more staffing. Possibly a part-time utility employee.

Trustee Haas asked about the change of use in a building. Jon indicated this would be a quarterly billing and could be changed from quarter to quarter.

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President Palmer asked about an example ordinance and BPO. He would like a list from the DPW for all the costs that would be needed for the 10-years to get a good idea of what we need. Then decide what to fund.

Attorney De La Mora clarified the League's interpretation for snow removal and street sweeping not being included in the transportation utility as those items are covered by the operating budget.

Trustee Haas asked about the budget and how far we can drill down. Hughes indicated the Public Works Director keeps logs of time spent on duties and projects.

President Palmer asked about the next steps and getting a model together. Mr. Cameron indicated we could use the Village of Buchanan as a model.

Trustee Michalski asked about trip generations and vacant businesses. Mr. Cameron said there are categories of businesses and there are adjustments for this. The property is either active, complementary (parking lots), vacant, or undeveloped. Vacant places would still have a base fee, but not a trip charge. Winneconne has a process where people would inform the muni when they are not there for their utilities to be stopped. There would be something similar depending on how long the place is vacant.

President Palmer asked what the DPW would be including on the 10-year budget outside of installing and maintaining roads. We will get the new pathway numbers. We will call it 2022 onward.

Trustee Michalski asked the expected life of the roads. Trustee Haas and President Palmer indicated 20 years. One of the most recent road mixtures we used was inferior and did not last as long as it should.

Trustee Michalski asked if conceptually the fee would drop at some point. President Palmer indicated inflation would likely not allow it. It would flatten out over time. Right now they have so many roads that need to be redone. Mr. Cameron added that everyone is behind the 8-ball. He indicated there are several examples where there was a decline, but it does take time.

NO MOTION OR ACTION TAKEN ON THE ITEM. DISCUSSION ONLY.

4. Other Business – None.

5. Adjournment - There was no further business.

MOTION BY TRUSTEE MICHALSKI, SECOND BY TRUSTEE HAAS, TO ADJOURN THE MEETING.

ALL WERE IN FAVOR. MOTION CARRIED. MEETING ADJOURNED AT 7:46PM.

Minutes transcribed by: Michelle Luedtke

Minutes Approved on: