

Village of North Fond du Lac
OFFICIAL MINUTES- Meeting of March 16, 2009
COMMITTEE OF THE WHOLE

PRESENT: Jim Moore, Village President
Jim Scharf, Trustee
Keith King, Trustee
Mike Will, Trustee
Mike Streetar, Trustee

OTHERS: Keith Grantman

STAFF PRESENT: Chuck Hornung, Administrator
Donna Richards, Village Clerk
William Lamb, Police Chief
Nick Leonard, Director of
Engineering and Planning
Darrin Parsons, Director of Public
Services

Meeting called to order at 6:00 PM by Chairman Streetar.

Chairman: STREETAR

Citizens wishing to be heard may address the committee on any agenda issue after the committee discussion has been completed, but prior to consensus. Please raise your hand to be recognized by the chair. Citizens wishing to be heard on topics not listed on the agenda may speak under item B.

A. ADMINISTRATIVE ITEMS.

1. Discuss policy for donating benefits to another employee. (No Board Action) Administrator Hornung asked about whether people need to exhaust all their time prior to having it be donated to them. Does all time need to be exhausted prior to being donated. Keith King asked about carryover of time at the end of the year. One week of vacation maximum can be carried over upon request, otherwise comp or vacation is paid out or lost. Comp time is not carried over. If an employee donates, their accumulation would go down. Mr. Scharf asked how donated time would be handled. If person isn't sick, could give vacation to another person. Can't just give people vacation, so we need guidelines. Ms. Richards asked about whether converts to sick time, to bring time back to sick time. Mr. Will said it should be for illness only, and that we want people to take their vacation. Mr. Scharf said it would be available for sick time. Group agreed that it is not a bank of time. Mr. King agreed that he wants the time used for illness only. Mr. Streetar wants to have people exhaust their time before time gets donated to them. Mr. Hornung said there can be policy related to a prolonged illness. Nick asked how can leave be given, to get the time provided. Discussed whether we want it used for illnesses only, and whether all other leave needs to be exhausted before getting donated leave. Would be from vacation and comp-time only that would have otherwise been paid out or carried over. Options provided (see report). Nick Leonard asked how leave is given, and how it is "used up". The question of what is exhausting your time came up, as once donations begin, your time is no longer exhausted.

No action taken, but input provided toward a policy.

2. Discuss Resolution R-03-2009 – A Resolution of necessity related to a proposed town of Fond du Lac Water Tower and needed land acquisition(s). Administrator Hornung said that this resolution went to the Planning Commission last Tuesday, and was recommended to this Board for approval. This is for the Water Tower for the Town of Fond du Lac, and with their growth. We have 150-200 residential and some commercial. They require the tower to handle their growth and proper water pressure for fire fighting. Mike Will asked about whether we are buying and owning this. Yes, we will own the land and put the tower on it, and when it is paid off, we may give it to the Town. The funds to pay for the process is guaranteed to be paid by the Town. Revenue will pay for all related costs by previous agreement. The last land transaction was not completed, as the Federal Aviation Administration (FAA) did not approve the location, due to relation to the airport. For this transaction, it is a "friendly" condemnation is in process, so they need this resolution of necessity as part of that process.

CONSENSUS to take it to the Board.

3. Discuss Wastewater utility rate increase. Nick Leonard provided a summary, attached. He explained that the last utility rate study in 2006 of projected increases in wastewater rates was a six year study including the current year. That study proposed a 30% increase in 2007, followed by four years of 16% increases. The current one is a five year study including the current year. The proposal is for a 16% increase for the remainder of the year, (so it is actually less than 16% for the year), a 10% increase for 2010, and a 0% increase in 2011. This is less than the 16% increases anticipated for each of these three years which was previously projected. It is looking better. The meter charges and the volume usage both go up. Mike Will asked if there couldn't be a cushion. Nick said that the financial consultant Virchow-Krause wanted a 19% increase followed by a 13% increase. This is the best we can do, as we need to build up cash reserves in case something goes wrong in a year. It is very expensive for the Village to pay for the treatment of water that finds its way into the system due to leaks. The system was neglected for many years. A large portion goes for debt service of the work that was needed in recent years. We need this budget to continue with improvements to the system as we have been doing. No increases in water or stormwater. There is a cash balance in 2007, and then used the surplus for Illinois Avnue, and then 2009 will build reserves back up, and then we'll do more work and go back in the red. Keith King questioned the 16% increase. Budget for 2/3 are costs to treatment, plant, and debt service, and the last 1/3 is what it costs the Village for operations. Nick explained that the broken tiles are from the 1920's in the oldest parts of the Village. When there are savings to the Village due to less clearwater going into the system, that will be a long term savings, as it is very expensive to treat. We pay the capital cost of the sewer plant down over 17 years at about \$313,000 per year, and we pay about \$450,000 per year for treatment of our water through the treatment plant. The second number can be improved by stopping leaks into the system, especially during rainstorms and flooding. For a typical customer it will be a \$19 increase per quarter if they use 10,000 gallons. Most people don't use that much. Broadway and Michigan are next areas work, but there is still other large sections with old wastewater pipes. Most expensive project is next, with trees and root problems. This work may be pushed back a year or two. This is a \$200-\$300,000 project. Other needed projects get a lot cheaper after that one, \$100,000 or less. Then we'll look at liners instead of replacement. The DNR requires continued improvements, and if we scale back our work, the DNR will come after us again. When we get a typical year, we'll have a better idea of what is needed. Peak flows were 1:16 in the past, now it is 1:6 or 1:8 as maximum flows. We haven't yet cut the peak flows in half with the improvements we have done. We put about 300 million gallons into the system a year. The first reading of the Ordinance for the increase will be today at the Board. Mr. Will would like the 16% increases for the next two years spread out over more years. Nick Leonard says this is what the finance people recommend/require. We owed our share of the plant, so the \$313,000 towards the debt is paid for the next 17 years, each year. The \$450,000 (which is what we pay in treatment cost rates should go down, as the plant is more efficient now, and may even get more efficient on their energy costs. It is possible that decreases could occur in the future when the plant is paid off. We are paying to treat clean water that leaks in from the ground into the leaks in old clay tiles, pipes and joints.

CONSENSUS to take it to the Board, with Trustee King wanting it on record that he is totally against the 16% increase. Staff shared that there isn't much we can do about it, except to say these were anticipated increases, and actually are less than projected.

4. Discuss special Board Meeting for 3/30/2009. Administrator Hornung asked that we have a special meeting on March 30, so that we can have the 2nd reading of the Ordinance for the wastewater increase, as they need to go into effect for the 2nd quarter of the year.

5. Discuss Water, Wastewater, and Storm Water 2009 Budgets. Wastewater first: Debt service for wastewater, costs for treatment, and cost for operations were explained in the previous item. This budget is assuming a 16% increase in revenues. No specific additional questions on wastewater...Mr. Moore asked about the bond: Nick Leonard explained that the \$270,000 payment is from wastewater to make payment on the bond issued last year. Bond expenditure, debt issue is part of which will be paid by the Town of Fond du Lac. Normally debt issue would not be shown, but we put it in, so that it can be seen, and that the forecast is in line with it. Mike Will asked about costs we paid for the Town project, and some costs have been incurred for engineering for the Town project, and Chuck is working on getting those costs reimbursed by the Town. No debt has been issued for the new tower yet. Some funds were borrowed for the tower painting this year. Question from Mr. Moore about an equipment line item: this is for variable frequency drives for pumps, will keep pressure up while building pressure more slowly, there will be energy savings on pumps, and there will be fewer water main breaks, because the pressure won't rise so quickly for demands. This is for well #4. We need the tower that is being painted empty, so these booster pumps will be run 24/7 when the tower is out of service. This will waste less water by keeping constant pressure during this period of painting. Question from Mr Will about whether there is a warranty on the watertower paint job. There is a warranty, but Darrin Parsons does not know the terms of the warranty. Nick Leonard said the Stormwater budget will run in the black this year. Construction of the stormsewer may require more, so that's what reserves are for. President Moore mentioned the requirement for streetsweeping for the DNR, to keep junk out. Nick Leonard said that streetsweeping helps, but compliance requires 40% by 2015, so \$15,000 is to start the process of figuring out what we need to achieve compliance.
6. Discuss appeal of operators license:
 - a) Keith Grantman
Mr. Grantman was available to answer questions. Chuck Hornung introduced that Mr. Grantman came to last meeting, asking for consideration by the Board. He had submitted a letter, requesting that the denial of an operator's license be appealed. President Moore said there was no new information that would lead him to change his mind. Mr. Will, Mr. Scharf, and Mr. King all concurred with Mr. Moore. (No action taken)

B. CITIZENS TO BE HEARD. None.

C. UNFINISHED BUSINESS. None.

D. NEW BUSINESS. None.

E. CLOSING OF MEETING. Meeting closed at 6:46 PM.

Respectfully submitted,

Mike Streetar, Village Trustee