

Village of Fall Creek

Minutes of Finance, Personnel & Economic Development Committee Meeting July 6, 2022

1. **Call to Order:** 5:05 p.m., Village Hall Meeting Room, 122 E. Lincoln Ave., Fall Creek
2. **Roll Call:** Members Present: Village President Tim Raap, Trustees Chester Goodman, Karen Herbison, Sheena Kaatz. Members Arriving Later: Karen Herbison. Other Village Board Members Present: Karen Hurd, Matt Mattoon. Staff Present: Administrator/ Public Works Director Jared McKee, Clerk-Treasurer Renee Roemhild.
3. **Certify Open Meeting Law Requirements Have Been Met:** A notice of the meeting and an agenda was posted at the three public places and local newspapers were notified.
4. **Adopt Agenda:**
 - MOTION (Herbison/Kaatz) to adopt the agenda as printed. PASSED, without negative vote.
5. **Old Business:** None.
6. **New Business**
 - A. **PSC Rate Increase:** Trustee Karen Herbison arrived at the meeting via phone at 5:08 p.m. and then later arrived in person at 5:15 p.m. Administrator Jared McKee reported on the timeline for a water rate increase application to the Public Service Commission of Wisconsin. He reviewed details of the application, stating a few numbers will still be refined but most of the application is complete. He requested the Committee give direction on a few areas, in which there were options available to the Village.

One question related to the handling of Public Fire Protection (PFP) via a municipal charge, a direct charge to the customers, or a combination of both. McKee stated the City of Augusta recently went through a rate increase application and placed their PFP as a direct charge to the customers. President Tim Raap stated that levy limits have made it increasingly difficult to manage inflationary costs without having to take on more debt. This is one tool some municipalities have decided to use.

Discussion also took place on the increased cost in *Outside Services Expense* because we've had more water main breaks in the last few years. Herbison questioned if we were doing everything that we could to prevent those breaks. McKee responded "yes and no", explaining that we are doing everything we can to maintain our capital items, such as routinely exercising valves to prevent them from developing a leak as they are very expensive to replace, but when it comes to the water mains, there isn't maintenance procedure that can be done. The quality of the installation of the main is a determinant to how long that main will last; if you have fist size rocks under your main that was put in 15, 20, or 40 years ago, you'll wear holes in your pipe. McKee said capital items such as water mains are assessed an "expected useful life" and it is wise to maintain a schedule for replacing the mains. The Village hasn't always been able to keep up with that schedule due to not having enough funds, hence we are starting to see more breaks.

McKee stated another item to consider is the capital cost of vehicles/equipment. Historically, these costs have not been charged to the Utility in an effort to keep the rates down. This is not the true accounting way of treating an Enterprise Fund. The rates for an Enterprise Fund should technically be high enough to cover all costs associated with the Utility. McKee questioned if the Committee wanted to make a recommendation on that. Discussion took place on the survey that was completed last year, polling like-sized municipalities in Eau Claire and surrounding counties to compare the average municipal

cost of living there. The survey showed that our water/sewer rates were lower or in-line with 12 of the 20 communities evaluated. Additionally, when considering property taxes, the Village rated the 7th cheapest. Each community's median household income (MHI) was also reviewed. When comparing the annual municipal cost of living as a percent of community's MHI, Fall Creek was the 5th most affordable place to live.

Discussion took place that is it always hard to increase rates, but also recognized that most of the public will be able to realize that our utility is faced with increased costs just like every other service. Costs have gone up substantially in the 7 years since the last rate increase and it's important for the Village to be fiscally responsible to prevent even higher costs in the future.

- MOTION (Kaatz/Goodman) to recommend the Board approve the application process to include the PSC's recommended rate of return at 5.6% and to include costs for capital equipment replacement at the proportion used by the Water Utility. Motion further states that staff should work on a clear, helpful handout/writeup that can be put on the website or given to people that will explain the rate increase in a way the public can understand. PASSED, without negative vote.

The committee asked Administrator McKee to get more information on the Public Fire Protection Charge options, and to clarify if adjustments can be made to the requested rate increase after the application is submitted.

B. Rental Fees for Village Hall and Park Pavilions: McKee presented a survey of the rental fees of area municipalities.

- MOTION (Kaatz/Herbison) to recommend an increase in the Village Hall Chair/Table Cleanup Deposit to \$50 from \$25, and a decrease in the Keller Park Kitchen Refundable Deposit to \$150 from \$300, and to have us take a closer look for the remainder of this year at the costs associated with the pavilions and kitchen, and to perhaps adjust the rates in 2023 if we are way out of line. PASSED, without negative vote.
- MOTION (Kaatz/_____) to recommend in 2023 to stop waiving fees for groups or special circumstances. Goodman stated he felt there were organizations in the Village that did a lot of good for the community. Trustee Kaatz rescinded her motion saying she'd like to see information about who is using the facilities, how many times fees have been waived, and how much revenue has been lost.

C. Building Permit Fees: McKee reported Building Inspector Fred Dahlke suggested changes to our building permit fees to get them more in line with other municipalities in Eau Claire County. McKee stated he reviewed fees from other municipalities and was in agreement with Dahlke's recommendation. McKee mentioned that if we change the fees, we will need to revisit the way we pay the building inspector. Trustee Ryan Aylesworth requested a comparison of the proposed fees to the current fees. McKee said he could provide that at the board meeting.

- MOTION (Kaatz/Goodman) to pass the document on to the full board for acceptance. PASSED, without negative vote.

D. Amendments to Title 2 regarding §2.3.1 Appointed Officials, Boards & Committees and §2.4.3. Plan Commission: Raap stated these amendments were at the request of Trustee Karen Hurd – the first is adding language from the State Statutes to our ordinances, the second is limiting Plan Commission members to only Village residents. Discussion followed with several members voicing they felt there was benefit to having

subject matter experts on the Plan Commission and questioned the advantage of restricting it, saying it hasn't been a problem in the past.

- MOTION (Herbison/_____) to send §2.4.3 to the full board.

There was no second. McKee stated that by State Statutes there has to be at least two residents on the Plan Commission, and then suggested a compromise that it be written to require two of the remaining five members be Village residents, which would give a majority as Village residents but still allow subject matter experts to be considered even if they do not live within Village limits. This is much like the makeup of the Library Board. Herbison stated she liked the discussion and that she liked the comments from the new plan commission member, saying she could tell he was experienced and had some expertise on the subjects. She rescinded her motion.

- MOTION (Raap/Aylesworth) to update the proposed amendment to §2.4.3 to strike the word *residents* but to add wording to state that *of the five remaining members, a minimum of three will be Village residents*. Motion included sending both proposed amendments to the Board, recommending approval. PASSED, without negative vote.

7. Adjourn: @ 6:51 p.m.

Renee Roemhild, Clerk-Treasurer