

SANITARY DISTRICT NO. 1 BUDGET HEARING AND SPECIAL MEETING
TOWN OF WILSON, SHEBOYGAN COUNTY, WISCONSIN
MINUTES OF December 19th, 2022

CALL TO ORDER & DECLARATION OF OPEN MEETING: President John Ehmann called the Sanitary District No.1 Commissioners Budget Hearing and Special Meeting to order at 5:49 p.m. Posting in accordance with open meeting law was confirmed by affidavit of posting and the meeting was declared an open meeting. Meeting was held via Zoom which complies with open meeting laws.

PRESENT: President John Ehmann, Commissioners Nancy DesJardins, Tom Stoelb, and Brian Hoffmann present. Commissioner Fore was excused but joined the meeting in progress. Also in attendance: Secretary Julie Wicker, Sanitary Administrator Karen Bollwahn, Treasurer Shawna Scovronski, Public Works Director Ben Darkow, Technician Otis Kiehl and District Engineer Scott Schramm. Also in attendance were residents Greg Peckels, Derek Wagner, Angelia Calisen, Jeremy Udovich, Alex Muhl, Jack Leonhardt, Jayne Zabrowski, Angela Schueffner, Tom Bartelt, Erik Thelen, Belle Ragins, Mary Esmerald, Kelly Ray and Greg Wagner.

PUBLIC HEARING:

- 1. Presentation of the 2023 Sanitary District 1 Budget** - President Ehmann gave an overview of the Sanitary District #1 2023 Annual budget. He mentioned the total amount of Revenue is listed at \$624,007, and the actual operating revenue is \$582,000 which is considerably less than the listed amount. The projected amount for 2022 is about \$63,000 short which is due to a deferred assessment owed by the City of Sheboygan that has not been received. Hoffmann asked when we might see that money. Ehmann said he didn't know but that our attorney is making another run at it with the City Attorney. Tom Stoelb asked if this owed amount was from the sale of the Gartman property, and Administrator Bollwahn replied with no, this amount is owed from the old Poth farmland located on Stahl Road. Chairman Ehmann highlighted that expenses are up about \$184,000 from last year, and that a considerable amount is budgeted for repairs and maintenance, and engineering for H2S and general planning in conjunction with the City of sheboygan's Southside sewer planning. Repair and Maintenance includes mission dialers, the Stahl pump station air release valves, new laser meters and pump repairs at Lakeshore and Curtiss pump stations. Engineering costs will be up this coming year for the H2S Project, designing is planned for 2023. Hoffmann asked when are we going to start construction? Ehmann said planning will occur in 2023, with hopes of construction happening in 2024, but we do not know dates for sure because it's very extensive and very expensive. Ehmann requested the Commissioners have a discussion regarding the 2023 Budget's projected quarterly fees for both commercial and residential customers. The discussion started off explaining that breaking even on our expenses would require a \$90/quarter rate. We have been operating at a loss, and we need to be acquiring some reserves for these extensive projects and significant repairs required by an aging system. The \$70/quarter is considerably less than the State average for municipalities our size. Ehmann asked Schramm to discuss the rates a little more in-depth for the Commissioners. Schramm had two topics of discussion; Rates for 2023 regarding the 2023 budget, and how the rates will be allocated between residents and the City of Sheboygan. Schramm talked thru the bullet points from a memo included in the Commissioners packets. He mentioned several projects and planning that need to occur in the immediate future. He further explained that the draft budget gets put into some worksheets and allocates the fees to either residential customers or the pump station and the City of Sheboygan. This is how rates are determined and gives us an accurate picture of where rates should be. Schramm said that District 1 has been running very lean, and very efficiently, but we need to make repairs and plan for the future. With our expenses all being up we need rates to be at \$90/quarter to be covering costs. Schramm mentioned that reserves can be used for equipment replacement but should not be used for budget relief. Schramm feels that now is the time to work on public relations with flyers and newsletters to explain the increasing of rates this year

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and for the foreseeable future. Schramm asked if there were any questions. Ehmann commented that we do not have the dollar amount in reserves that we should have given the age and the amount of infrastructure that we have. We need to move forward with balanced budgets which mean higher fees. Ehmann asked if there were any questions. Stoelb asked if we would need to increase the rates to \$90/quarter next billing cycles? Schramm said yes, in first quarter of 2023. Stoelb said he felt that the residents are not going to understand that big of an increase even if we as a district do understand it. Hoffmann said that we should be letting people know ahead of time instead of hitting them over the head with it. Schramm agreed, we need to start talking about this with the public in first quarter. Brian Hoffmann proposed we consider raising rates to \$75 instead of \$70, which he felt would not be popular with our residents but since it's so necessary he thinks we shouldn't put it off any longer. Hoffmann said he doesn't like it, but he understands it. Stoelb agreed with Hoffmann. Hoffmann said if we go with the proposed \$70, we are just moving the problem down the line and there will be just that much more to make up for down the road. Hoffmann said he is open to suggestions but felt that we just can't go to \$90 right away, we just can't. Not without the education component. Ehmann agreed. Hoffmann said it might be good to have a special town meeting on this topic.

2. **Open Floor for Public Comments**—President John Ehmann opened the floor for public comments. Otis Kiehl asked about 6650 Mechanicals line item and asked why our repairs aren't coming out of replacement fund. Ehmann said those things get allocated during our annual audit, we let the CPA determine that.
3. **Close Floor to Public Comment** —President Ehmann closed the floor to public comments. Commissioner Fore joined the meeting at 6:22 PM

COMMISSIONERS SPECIAL MEETING:

1. **Discussion and adoption of the 2023 Sanitary District 1 Budget – Motion by Commissioner Hoffmann, second by Commissioner Stoelb to approve the Sanitary District #1 2023 budget including an adjustment to the increase quarterly rates from the proposed \$70 per quarter to \$75 per quarter and a corresponding increase to the commercial customers, all members voted aye, motion carried.**
2. **ADJOURN - Motion by Fore, second by Hoffmann to adjourn at 6:26 p.m. Meeting Adjourned.**

Minutes Respectfully Submitted by: Karen Bollwahn, Sanitary Administrator