

MEETING AGENDA
FINANCE & PERSONNEL COMMITTEE OF THE
PLYMOUTH COMMON COUNCIL
COUNCIL CHAMBERS
128 SMITH STREET
CITY OF PLYMOUTH, WISCONSIN
TUESDAY JANUARY 24, 2023 @ 6:30 P.M.

Members Present:

Mayor Pohlman
 John Nelson
 Amy Odekirk
 Greg Hildebrand
 Jim Wilson

Staff:

Tim Blakeslee
 Anna Voigt

Other:

1. Call to order and roll call.
2. Approval of meeting minutes for October 25, 2022 meeting
3. Discussion and possible action on sewer/water rate increase – Kim Ross/Tim Blakeslee
4. Discussion and possible action on loan to TID #5 for Annual Street Program from Revolving Loan Fund – Kim Ross/Tim Blakeslee
5. Discussion and possible action on regarding TIF #6 repayment of City Advance – Kim Ross/Tim Blakeslee
6. Adjournment

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the City of Plymouth ADA Coordinator Leah Federwisch, located in the Plymouth Utilities office at 900 County Road PP, Plymouth, WI or call 920-893-3853.

MEETING AGENDA

FINANCE & PERSONNEL COMMITTEE OF THE PLYMOUTH COMMON COUNCIL COUNCIL CHAMBERS TUESDAY OCTOBER 25, 2022

1. **Call to order and roll call** Finance & Personnel Committee Chair Nelson called the meeting to order at 6:00 PM. On call of the roll, the following members were present: Mayor Donald Pohlman, John Nelson, Greg Hildebrand and Amy Odekirk. Also present were Alder. Charlie Hansen, Alder. Angie Matzdorf, City Administrator/Utilities Manager Tim Blakeslee, Director of Public Works/City Engineer Cathy Austin, Finance Manager Kim Ross and City Clerk/Deputy Treasurer Anna Voigt.
2. **Approval of meeting minutes for October 11, 2022 meeting:** Motion was made by Hildebrand/Pohlman to approve the minutes from October 11, 2022. A unanimous aye vote was cast. Motion carried.
3. **Budget Work Session – Utility Operating and Capital – Tim Blakeslee, City Administrator/Utilities Manager:** Blakeslee presented the proposed Operating and Capital budget for the Utilities. Water and wastewater utility is proposing 3% rate adjustment to each. Electric Utility doesn't have a rate increase for 2023 but plans for one in 2024. The amount of rate increase is determined by the PSC. Electric rates have not increased since 2015, however users are seeing an increase in their power bill due to purchased power cost increases. Blakeslee went over the capital revenues and expenses for the utilities.
4. **Approval and Recommendation of Vacation Policy/Handbook Amendment – Leah Federwisch, Human Resources Specialist:** Federwisch explained as part of recent negotiations, the City and Union agreed to add an additional floating holiday for Police Officers. Staff is recommending to change the number of floating holidays for non-unionized staff to match the same number of scheduled paid days off as the Police Union. Motion was made by Hildebrand/Odekirk to recommend Council to update the policy/handbook amendment to add an additional floating holiday. A unanimous aye vote was cast. Motion carried.
5. **Discussion regarding Summer Hours Extension – Leah Federwisch, Human Resources Specialist:** Federwisch proposed making the summer hours permanent for City Hall and Utility office staff. Currently City Hall is open 7:30 AM – 4:00 PM Monday – Thursday and 7:30 AM – Noon on Friday; staff is here 7:00 AM – 4:00 PM with a half hour lunch and Friday 7:30 AM – 1:00 PM with no lunch. Utility office staff is open 7:00 AM – 4:00 PM with an hour closed to the public for lunches and meetings on Fridays the office is open from 7:00 AM – 1:00 PM. Motion was made by Odekirk/Hildebrand to recommend Council to update the hours and make summer hours permanent. A unanimous aye vote was cast. Motion carried.
6. **Adjournment** Motion was made by Odekirk/Hildebrand to adjourn. A unanimous aye vote was cast. Motion carried.

Plymouth Utilities
900 CTH PP - P.O. Box 277
Plymouth, WI 53073-0277



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DATE: January 19, 2023
TO: Mayor and Common Council, Finance & Personnel Committee
FROM: Kim Ross, Finance Manager
RE: Discussion/action regarding Resolution #3 Amending Water and Sewage Utility Rates for Budget Year 2023

Background:

The approved 2023 budget included a simplified rate increase of 3% for Water and Sewer effective in March.

The Public Service Commission (PSC) has changed the simplified rate increase to a minimum of 4.5%. Going through a full PSC rate case as opposed to the simplified rate increase could result in a rate proposed by the PSC significantly higher than 4.5%.

Please note that sewer rates are not regulated by the PSC, but Staff recommends matching the Water rate percentage as a result of the increase in chemical costs and building maintenance at the Waste Water Treatment Plant.

If approved, we will post notice on February 3rd in the newspaper and on our website and will officially file the Water Simplified Rate Case with the PSC. There is a 45-day waiting period, so we would start the increase effective April 1st, with customers first seeing the increase on their May utility bills. The average residential customer would see a monthly increase of \$1.60 for water and \$1.22 for sewer.

The estimated impact to 2023 revenue is approximately \$12,000 for water and \$12,000 for sewer, for a total of \$24,000.

Recommendation:

Approve Resolution #3 Amending Water and Sewage Utility Rates for Budget Year 2023



RESOLUTION NO. 3 of 2023

A RESOLUTION AMENDING WATER AND SEWAGE UTILITY RATES FOR BUDGET YEAR 2023

WHEREAS, the Common Council of the City of Plymouth establishes and amends user rates for the Water and Wastewater Utility; and

WHEREAS, the 2023 budget included a 3.0% increase to the water rates and sewer rates and no changes to electric rates; and

WHEREAS, The Public Service Commission (PSC) has changed the simplified rate increase to a minimum of 4.5%; and

WHEREAS, Sewer rates are not regulated by the PSC, but Utility Staff recommends matching the water rate increase percentage of 4.5% as a result of the increase in chemical costs and building maintenance at the Waste Water Treatment Plant;

NOW, THEREFORE, BE IT RESOLVED, by the Common Council of the City of Plymouth, Sheboygan County, Wisconsin, that:

- Amendment of Water Utility Rates:** Plymouth Utilities will file an application on February 3, 2023, with the Public Service Commission of Wisconsin (PSC), for authority to increase water rates. Rates for general service will increase 4.5 percent. The increase is necessary to reduce the existing deficiency in present rates. The request is being made under Wis. Stat. 196.193. Public Fire Protection and Wholesale rates (if applicable) will also increase 4.5 percent. This rate increase will go into effect on April 1, 2023
- Amendment of Sewer Utility Rates:** Plymouth Utilities will increase general sewer rates 4.5 percent. The increase is necessary to reduce the existing deficiency in present rates. This rate increase will go into effect on April 1, 2023.
- Effective Date.** The sewer and water rate increase will go into effect on April 1, 2023.

Adopted: January 20, 2023

CITY OF PLYMOUTH

Donald O. Pohlman, Mayor

CERTIFICATION

I hereby certify that the foregoing Resolution was duly adopted by the Common Council of the City of Plymouth on this ____ day of _____, 2023.

Anna Voigt, City Clerk

**Notice of Rate Increase
Water Customers of the Plymouth Utilities**

This is to give you notice that the Plymouth Utilities will file an application on February 3, 2023, with the Public Service Commission of Wisconsin (PSC), for authority to increase water rates. Rates for general service will increase 4.5 percent. The increase is necessary to reduce the existing deficiency in present rates. The request is being made under Wis. Stat. 196.193. Rate increases granted under this statute do not require a public hearing. The effect of the increase for some selected customers is shown below. Public Fire Protection and Wholesale rates (if applicable) will also increase 4.5 percent.

Customer Classification	Meter Size	Cubic Feet	Existing Monthly Rate	Revised Monthly Rate
Average Residential	3/4	500	\$24.92	\$26.03
Large Residential	3/4	800	\$34.46	\$35.99
Commercial	1	2,600	\$95.41	\$99.62
Public Authority	1 1/2	6,900	\$223.13	\$233.07
Industrial	4	38,300	\$1,036.05	\$1,083.52

This rate increase will go into effect on April 1, 2023. If you have any questions about the rate increase request, call the Plymouth Utilities at (920) 893-1471

**Notice of Rate Increase
Sewer Customers of the Plymouth Utilities**

This is to provide notice that the Plymouth Utilities will increase general sewer rates 4.5 percent. The increase is necessary to reduce the existing deficiency in present rates. The effect of the increase for some selected customers is shown below.

Customer Classification	Meter Size	Cubic Feet	Existing Monthly Rate	Revised Monthly Rate
Average Residential	3/4	500	\$27.00	\$28.23
Large Residential	3/4	800	\$37.50	\$39.21
Commercial	1	2,600	\$106.00	\$110.84
Public Authority	1 1/2	6,900	\$268.25	\$280.49
Industrial	4	38,300	\$1,387.50	\$1,450.90

This rate increase will go into effect on April 1, 2023. If you have any questions about the rate increase request, call the Plymouth Utilities at (920) 893-1471

2023 Water & Sewer Rate Increase

1. How will we notify our customers of the rate increase?

Plymouth Utilities website will have the notice posted on Wednesday, January 25th
 Plymouth Review will carry the Notice on Friday, February 3rd

2. What is the amount of the increase?

4.5%

For our **average Residential** customer, water increase is **\$1.60 per month** or \$19.20/year including Public Fire Protection. (The notice in paper only includes meter & usage.)

Water			Existing Rates				New Rates					
Customer Class	Meter Size	Avg Cu Ft	Base	Variable	Pub Fire	Total	Base	Variable	Pub Fire	Total	Monthly Increase	Annual Increase
Small Res	5/8	200	\$ 9.02	\$ 6.37	\$ 10.34	\$ 25.73	\$ 9.43	\$ 6.66	\$ 10.81	\$ 26.90	\$ 1.17	\$ 14.04
Average Res	5/8	500	\$ 9.02	\$ 15.91	\$ 10.34	\$ 35.27	\$ 9.43	\$ 16.63	\$ 10.81	\$ 36.87	\$ 1.60	\$ 19.20
Large Res	5/8	800	\$ 9.02	\$ 25.46	\$ 10.34	\$ 44.82	\$ 9.43	\$ 26.61	\$ 10.81	\$ 46.85	\$ 2.03	\$ 24.36
Commercial	1	2600	\$ 12.73	\$ 82.75	\$ 26.52	\$122.00	\$ 13.30	\$ 86.47	\$ 27.71	\$127.48	\$ 5.48	\$ 65.76

For our **average Residential** customer, sewer increase is **\$1.22 per month** or \$14.64/year

Sewer			Existing Rates			New Rates				
Customer Class	Meter Size	Avg Cu Ft	Base	Variable	Total	Base	Variable	Total	Monthly Increase	Annual Increase
Small Res	5/8	200	\$ 9.50	\$ 7.00	\$ 16.50	\$ 9.93	\$ 7.32	\$ 17.25	\$ 0.75	\$ 9.00
Average Res	5/8	500	\$ 9.50	\$ 17.50	\$ 27.00	\$ 9.93	\$ 18.29	\$ 28.22	\$ 1.22	\$ 14.64
Large Res	5/8	800	\$ 9.50	\$ 28.00	\$ 37.50	\$ 9.93	\$ 29.26	\$ 39.19	\$ 1.69	\$ 20.28
Commercial	1	2600	\$ 15.00	\$ 91.00	\$106.00	\$ 15.68	\$ 95.10	\$110.78	\$ 4.78	\$ 57.36

For our **average Residential** customer, Water & Sewer increase is **\$2.82 per month** or \$33.84/year

Customer Class	Meter Size	Avg Cu Ft	Water Monthly Increase	Sewer Monthly Increase	Total Monthly Increase	Water Annual Increase	Sewer Annual Increase	Total Annual Increase
Small Res	5/8	200	\$ 1.17	\$ 0.75	\$ 1.92	\$ 14.04	\$ 9.00	\$ 23.04
Average Res	5/8	500	\$ 1.60	\$ 1.22	\$ 2.82	\$ 19.20	\$ 14.64	\$ 33.84
Large Res	5/8	800	\$ 2.03	\$ 1.69	\$ 3.72	\$ 24.36	\$ 20.28	\$ 44.64
Commercial	1	2600	\$ 5.48	\$ 4.78	\$ 10.26	\$ 65.76	\$ 57.36	\$ 123.12

3. Why is there an increase in rates?

As costs of materials and labor increase, the cost of providing service eventually increases. The increase is relatively small and allows us to continue investing in the utility infrastructure that **provides safe and reliable drinking water and sanitary services.**

4. When will my bill reflect the rate increase?

The **May bill** will be the first bill reflecting the increase (**April usage**).

For water, the increase is on the base rate, the variable water usage rate, Public Fire Protection and Wholesale rates. For sewer, the increase is on the base rate and the variable sewer usage rate.

5. When was the last rate increase?

Utility	Most recent rate increase	# years since increase
Electric	2015	6+ years
Water	2022	1 year
Sanitary Sewer	2019	3+ years

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DATE: January 19, 2023

TO: Mayor and Common Council, Finance & Personnel Committee

FROM: Kim Ross, Finance Manager

RE: Discussion/action regarding Revolving Loan Fund (RLF) Loan to TID 5 for E Clifford Street project

Background:

TID 5 is projected to have funds available to build one final capital project of \$774,327 before it closes. Ten bids for the E Clifford Street project were received with the lowest bid being \$939,752. In order to be able to complete the project, which is in the best interest of the City and Utility; the Utility will finance \$165,425 of utility capital costs of the E Clifford Street project. A future budget amendment will be brought to council to reflect this change.

	Project Costs	Engineering	Total E. Clifford St.	Utility Fund Contribution	TID#5 Contribution
Utility Work	\$ 350,601	\$ 34,989	\$ 385,590	\$ 165,425	\$ 220,165
City Work	\$ 509,726	\$ 44,436	\$ 554,162	\$ -	\$ 554,162
Total	\$ 860,327	\$ 79,425	\$ 939,752	\$ 165,425	\$ 774,327

TID 5 currently does not have enough fund balance to pay for the E Clifford Street project in 2023; but will have cash flow over the next six years to pay back the loan principal to the RLF. Due to the change in the assessment values and decrease in tax rates, TID 5 is not projected to be able to pay interest on the loan.

The RLF fund has approximately \$1.8 million of readily available funds and could loan TID 5 \$750,000 in 2023.

Recommendation:

Move to approve a zero-interest loan of \$750,000 to TID 5 from the RLF to finance the construction of the E Clifford Street project in 2023 using the repayment schedule below:

RLF Loan to TIF 5 - ZERO Interest			
PaymentDate	Beg Balance	Principal	End
6/30/2023	750,000		750,000
6/30/2024	750,000	90,000	660,000
6/30/2025	660,000	45,000	615,000
6/30/2026	615,000	155,000	460,000
6/30/2027	460,000	155,000	305,000
6/30/2028	305,000	305,000	-

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DATE: January 19, 2023
TO: Mayor and Common Council, Finance & Personnel Committee
FROM: Kim Ross, Finance Manager
RE: Discussion/action regarding TID 6 repayment of City Advance

Background:

In 2020, Council passed Resolution No. 5 authorizing the repayment of TID 6 advanced funds to the General Fund. The repayment was not able to be completed because at the end of 2020, the cash balance of TID 6 was negative and the shortage in 2020 and 2021 was covered by the General Fund.

Currently, the TID 6 advance from the General Fund is \$148,741. In 2011, Plymouth Utilities advanced to TID 6 funds totaling \$745,666 for district eligible capital projects. TID 6 is a small district and is not forecasted to be able to repay all the original advance from the Utility.

Current forecast show TID 6 able to pay its \$148,741 general fund advance and \$317,426 of the utility advance prior to its closure. No interest is scheduled to be been paid on either of the advances to TID 6. TID 6 will meet all other payments for debt obligations.

Recommendation:

1. Motion to approve the repayment of the TID 6 advance of \$148,741 to the General Fund in four annual principal-only payments.
2. Motion to approve the repayment of the TID 6 advance of \$745,666 to the Utilities using the principal-only repayment schedule below with the intention that if the cash flow of TID 6 improves, the repayment schedule will be adjusted to return as much as possible to the Utility.

Year	General Fund	Utility
12/31/2022	\$ 65,000	
12/31/2023	\$ 30,000	
12/31/2024	\$ 25,000	
12/31/2025	\$ 28,741	\$ 5,000
12/31/2026		\$ 30,000
12/31/2027		\$ 30,000
12/31/2028		\$ 30,000
12/31/2029		\$ 25,000
12/31/2030		\$ 30,000
12/31/2031		\$167,426*
	\$148,741	\$317,426

Unpaid Advance to Utility \$428,240

*Intention to return as much of the Advance as is possible based on TID 6 cash flow.