

**Minutes
Special Stormwater Committee Meeting
New Berlin City Hall
3805 S. Casper Drive
Council Chambers
June 21, 2005**

Please note: Minutes are unofficial until approved by the Stormwater Committee at their next regularly scheduled meeting.

Present: Alderman Harenda, Alderman Hopkins, Alderman Hegeman, and Jim Kern
Excused: Mayor Chiovaturo

Others Present: Eric Nitschke (Division Engineer), City Engineer J.P. Walker, Cathy Schwalbach (Project Engineer), Ray Grzys (Director of Utilities and Streets), Chuck Trevorror (Stormwater Supervisor), and Suzette Hanley (Office Coordinator Utilities & Streets)

Meeting called to order at 4:05 pm by Alderman Harenda and declared a quorum with Mayor Chiovaturo excused.

SW 19-05 Storm Water 5-Year Plan Update

Mr. Nitschke said staff had revised the budget of the 5-year plan for discussion. The items included were:

1. Cash Flow Project Spreadsheet
2. Debt Service Requirements based off of Current Capital Improvement Borrowing
3. C.I.P. expenditures and balance as of June 15, 2005
4. 2002-2010 Replacement schedule for vehicles used by Stormwater Utility crews

The first item that Mr. Nitschke discussed was the overall cash flow projection. He said based on staff research of the original plan (Jan 2002) and discussion with Committee members, the Mayor, and staff, they have reengineered the budget. Mr. Nitschke said that quarterly billings were basically left the same with only a \$5,000 increase each year since there has not been as much growth in the City. In addition, they did not incorporate grant income, which in 2003 was approximately \$88,000, in 2004 over \$100,000, and in 2005 they will have approximately \$50,000.

- Revenue: Quarterly billings left basically the same, only a \$5,000 increase is included for each year
- Contract work – left at \$1,000 / year
- Grant income was not included, although 2003 has \$88,000, 2004 had over \$100,000 and 2005 should be approximately \$50,000
- Administrative charges – expenses were increase over 3 years at 10% to cover for health insurance.
- Administrative charges – streets equipment use was set up in 2002 to be approximately \$40,000 each year; however, equipment billed out much higher than this amount.

Mr. Nitschke then asked the Committee to review the 2002-2010 Replacement Schedule that he had developed and he reviewed the vehicles that the Street crews use for Stormwater projects, including: a Ford F550 truck, a dump truck, 1 ton dump, flatbed truck, wheeled excavator and street sweepers. Mr. Nitschke further explained the replacement policy, and that 50% of hourly use was billed to the Stormwater Utility (winter time plowing charged to Streets) for these vehicles, except for the Street sweepers, which will be fully charged to the Stormwater Utility. Alderman Hopkins asked if street sweepers are still used a lot? Mr. Trevorror said that Streets crews sweep 3 times a year, and in the past at least twice a year. Mr. Nitschke added that we would be using the sweepers more to meet NR216 requirements.

Mr. Nitschke further explained his replacement schedule and said that this was a significant change to reduce the maintenance and equipment costs. Jim Kern asked if the estimated purchase price used in the schedule reflected inflation and the price of the equipment in 2009, etc? Mr. Nitschke said that he did not factor in the prices for future years, but the 2002 figures were lower so this would average out. Mr. Nitschke continued with the spreadsheet's next item.

- Administration Charges – Inspection – some increases in inspection fees. Cost of the Code Enforcement position is \$22,000/year to the Stormwater Utility.
- Contracted Services –increased the budget amount contracted services \$2,000 each year. Mainly used for surveying since the Engineering department no longer has surveyors on staff.
- Postage – increased slightly. Stormwater Utility shares the postage with Water and Sewer on Utility billing.
- Conference/Training – this item shows a decrease, as staff will be fairly caught up with training requirements
- Landscaping, Stone, and Culverts/Drain tile accounts – only slight increases
- Drainage - useful for mid-level projects such as: Kelly Lakes, Gatewood subdivision design, Industrial Park Stormwater Quality Plan – only a slight increase over the years.

Mr. Nitschke said there are no proposals for CIP spending and the reason was that the Utility has a certain amount of money left over from past projects. He added that he had talked to Mr. Holzinger who advised against doing any additional CIP borrowing.

Mr. Nitschke also reviewed the cash flow adjustments, and advised the Committee that Finance requires a certain amount of seed money since billing for the year does not go out right away. He further stated that 2007-2010 the Utility will be spending some of that money, approximately \$500,000, and that will bring the seed money down to approximately \$1.3 million. This will be accomplished by - reducing operating costs, holding the line with CIP, and keeping an eye on permit requires for 2013.

Mr. Nitschke further discussed grants and the debt service amount, which he said would be completely paid off in 2014 for the first round of projects that the Stormwater Utility completed with the Capital Improvement Projects. He said that the balance of the CIP as of June 15, 2005 showed approximately \$300,000 remaining in Buena Park (2004), and \$180,000 in Gatewood (2004), and \$1.1 million for the Tess Corners Creek project (2003) for a total remaining of approximately \$1.58 million. Discussion took place on what projects are remaining on the original 5-year plan, with approximately 20 projects. Out of that list, Staff recommends 11 projects, and Mr. Nitschke said that the Parkwood Lane project would cost approximately \$3 million, Overland Trail just over \$1.0 million and there is no cost estimate on Mill Valley yet. Mr. Nitschke said that although the original plan estimates \$8.39 million, he said that the estimate should add at least another \$4.0 million.

Mr. Nitschke said that of the 2 projects remaining on the original 5-year plan, Underwood Creek #1 (2B was completed at Gatewood) estimated cost is \$1.3 million. Alderman Hopkins asked if that was the parkway? Mr. Nitschke answered yes, down to Meadow Lane. He added that Underwood Creek 2a – the box culvert cleanout and Underwood Creek #1 total project is still under the \$1.5 million in CIP funds. Mr. Nitschke advised that the Stormwater Utility would handle design and land acquisition the 1st year, and construction the 2nd year. He advised that staff was also proposing a retrofit to Parkwood Lane because of safety issues with the storm inlets. He said that children, debris and balls sometime get caught, and if these grates were changed to grated inlets (which are DOT approved), instead of barred, this would solve some of the safety issue problems, and keep the street clean outs to a minimum. Mr. Nitschke said that staff recommends doing work in Underwood Creek first, then constructing a retrofit for the safety issues in Parkwood Lane.

Further reviewing the 5-year plan, Mr. Nitschke said that staff attempted to stay conservative with revenue and does not show any increase, although there are some large industrial buildings that will be added in the future which will increase the Stormwater revenue. Mr. Nitschke advised that CIP budgets are due at the end of July and the Operating Budget shortly after. He stated that staff is looking for direction, but this budget was the best shot at holding the line until debt services are reduced. He added that the Stormwater Utility has completed a huge amount of work in Buena Park, Gatewood, Calhoun Creek Streambank Stabilization, and making progress on the drainage list with street crews, etc. and will be starting the Inez Drive project soon.

Alderman Hopkins thanked staff for the outstanding job they are doing and that he agreed that projects on the 5-year plan should be looked at to complete next. Further, he said that the Gatewood subdivision residents are happy with the ditching completed there, but the stormwater still comes down through Underwood and he would like to see that area completed. He added that to be fiscally responsible, the Committee has to take a conservative outlook.

Jim Kern asked how projects are prioritized under the CIP? Mr. Nitschke said that the staff creates a priority list including: Safety and Flood Damage, Nuisance Flooding (over the road) and Flooding in ditches, etc. He said that is why Underwood and Parkwood were chosen to be next to be completed. Alderman Hegeman asked if the Underwood 1 and 2A and the Parkwood Lane retrofit are done, will there be any money left for the Industrial Park? Mr. Nitschke answered no, but staff will be looking at the bidding of Underwood to get the best company to acquire grant money, as well as checking into the Army Corp of Engineers and the Wildlife and Habitat agencies that may help fund the project and help with the Industrial Park Stormwater Management Plan. He reminded the Committee that there are 4 major roads in the Industrial park, and not all of the roads will be done in the same year. He said that staff was looking into getting a portion of matching funds in Underwood Creek, and free up funds to start the Industrial Park. Alderman Hegeman asked if there would be any grant funds for the Industrial Park? Mr. Nitschke said he would not answer no, but the possibility is much less.

Director Grzys said that he would like to make two points. He said in the proposed budget no grants are listed, but that grants are put into revenue accounts and this would help the Utility take on additional projects in the 5-year plan. Second, this budget is set up to be done without an increase in fees.

Alderman Harenda reminded the Committee that there is a deadline to submit the CIP and Operating Budget and do a 5-year plan to build in additional projects, while keeping rates in check. He said that he would like to still look at doing something in the old industrial park since they pay in a lot to the Utility.

Mr. Nitschke said that he has talked with Mr. Holzinger in the Finance Department, and he advised that we may want to pay back money we have outstanding and reborrow in 2006 and 2007. Mr. Nitschke added that if that is the route he wants to go, we could move into land and permitting immediately, and have a realistic goal of construction in 2007, but possibly even the end of 2006. He advised that funding for grants for 2006 is already past, but staff is looking now for 2007. After a brief discussion, Mr. Nitschke said that what he is hearing from the Committee is that they like where the 5-year plan is headed, and that staff should bring it back to the Committee in its final form at the next meeting. He advised that he will prioritize projects and pull together a final budget that lays out the options available to the Stormwater Committee in 2007, 2008, etc.

Alderman Harenda commented that Mayor Chiovarero was excused. Alderman Hopkins told viewers and staff that the microphones will be fixed within a month.

Motion to adjourn at 5:04 p.m. by Mr. Kern. Seconded by Alderman Hopkins and upon voting the motion passed unanimously.

*Respectfully submitted,
Suzette Hanley, Office Coordinator Utilities and Streets*