



MINUTES
COMMITTEE #1
REVENUES, DISBURSEMENTS, WATER AND WASTEWATER
NOVEMBER 11, 2014

Committee #1 - Revenues, Disbursements, Water and Wastewater met on Tuesday, November 11, 2014 at 4:30 PM in the Council Chambers, City Hall, 30 West Central Street, Chippewa Falls, WI.

Council/Committee Members present: George Adrian, Rob Kiefer, Paul Olson, Mayor Hoffman.
Others present: Finance Mgr/Treasurer Lynne Bauer, Police Chief Wendy Stelter, Public Utilities Manager Connie Freagon, City Clerk Bridget Givens, Public Works Director/City Engineer/Public Utilities Manager Rick Rubenzer, Parks & Recreation Director Dick Hebert, City Planner Jayson Smith, Larson Allen, LLP Representative Brock Geyen.

Call to Order: 4:31 PM

Items of business to be discussed or acted upon at this meeting are shown on the attached agenda below:

1. Discuss water rate adjustment exhibit from Public Service Commission. Possible recommendation to the Council.

Public Works Director/City Engineer/Public Utilities Manager Rick Rubenzer along with Larson Allen, LLP Representative Brock Geyen presented information regarding the proposed water rate increase. (See Attachment) It was noted that a telephonic public hearing regarding the application to increase water rates is scheduled for Tuesday, December 2 at 10:00 a.m. in the Council Chambers at City Hall. Expected increase for an average residential customer is \$3.81 per quarter.

Motion by Adrian/Kiefer to recommend the Council adopt the proposal from the Public Service Commission of Wisconsin. **All present voted aye. Motion carried.**

2. Review preliminary 2015 Budget data including operating expenses, revenues, health insurance options, Transit Budget impact, Business Improvement District Levy impact and omitted budget requests. Possible recommendations to the Council.

Finance Manager Bauer updated the Committee on the progress of the 2015 Budget. A summary of reductions in department budgets exceeding the zero percent increase was presented. Omitted and capital item requests were also discussed. Health insurance plan options were discussed. Due to IRS regulations, the \$2500/\$5000 Plan deductibles had to increase to \$2600/\$5200 in order to keep an embedded deductible. Medica also suggested offering a new plan for those employees utilizing the Mayo Health System network. Employee contributions were discussed for both plans.

Additional budget discussions included the impact of the proposed \$3,000 levy increase for the Business Improvement District (BID). An increase in the BID levy would impact the amount available for the general fund levy. It is possible that funds might be available for Main Street through City room tax funds.

A public hearing on the budget will be held Tuesday, December 2 at 5:15 PM.

Motion by Kiefer/Olson to recommend the Council approve the employee health insurance plans as follows: \$1000/\$2000 Deductible and \$2600/\$5200 Deductible Plans with both plans being offered with the Mayo narrower network and employee contribution amounts remaining the same. (It was noted that Fire and Police contribution amounts may change due to contract negotiations). **All present voted aye. Motion carried.**

3. Adjournment.

Motion by Olson/Kiefer to adjourn at 5:43 PM. **All present voted aye. Motion carried.**

**Minutes submitted by,
Lynne Bauer, Finance Manager/Treasurer**

**PUBLIC NOTICE TO ALL WATER CUSTOMERS OF
CHIPPEWA FALLS DEPARTMENT OF PUBLIC UTILITIES**

The Chippewa Falls Department of Public Utilities has filed an application with the Public Service Commission of Wisconsin (PSCW) to increase water rates. The increase is necessary because of water infrastructure additions and increased operating expenses since the last water rate case in 2007 with a 2006 test year.

The total increase in water revenues requested is \$248,151 which will result in an estimated overall rate increase of 12% over the water utility's present revenues. If the request is granted, the water bill for general service and public fire protection service for an average residential customer with a 5/8-inch or 3/4-inch meter who uses 1,500 cubic feet (11,220 gallons) of water per quarter will increase from \$52.68 to \$56.49, or 7%.

A telephonic public hearing on the application has been scheduled for Tuesday, December 2, 2014, at 10:00 a.m. in the Council Chambers at the Chippewa Falls City Hall, 30 West Central Street, Chippewa Falls, Wisconsin. Scheduling questions regarding this hearing may be directed to the PSCW at (608) 266-3766.

A person may testify in this proceeding without becoming a party and without attorney representation. A person may submit this testimony in one of the following ways:

- **Web Comment.** Go to the PSCW's web site at <http://psc.wi.gov>, click on the "Public Comments" button on the side menu bar. On the next page select the "File a comment" link that appears for docket number 1120-WR-105. Web comments shall be received no later than the day before the hearing.
- **Oral Comment.** Spoken testimony at the public hearing session.
- **Written Comment.** Instead of speaking at the hearing, write out a comment and submit it at the public hearing session.
- **Mail Comment.** All comments submitted by U.S. mail shall be received no later than the day before the hearing and shall be addressed to: Docket 1120-WR-105 Comments, Public Service Commission, P.O. Box 7854, Madison, WI 53707-7854.

The PSCW intends to webcast this hearing live on the PSCW's web site at <http://psc.wi.gov> under the "PSC Live Broadcast" button.

All documents in this docket are filed on the Commission's Electronic Regulatory Filing (ERF) system. To view these documents: (1) go to the Commission's web site at <http://psc.wi.gov>, (2) enter "1120-WR-105" in the box labeled "Link Directly to a Case," and (3) select "GO."

If you have any questions, please contact the Chippewa Falls Department of Public Utilities at (715) 726-2741.

CHIPPEWA FALLS DEPARTMENT OF PUBLIC UTILITIES
Customer Water Bill Comparison at Present and Proposed Rates

Customer Type	Meter Size (Inches)	Volume (100 Cu Ft)	Quarterly			Quarterly Including Public Fire Protection		
			Bills at Old Rates	Bills at New Rates	Percent Change	Bills at Old Rates	Bills at New Rates	Percent Change
Small Residential	5/8	7	\$ 27.65	\$ 29.70	7%	\$ 42.44	\$ 44.49	5%
Average Residential	5/8	15	\$ 37.89	\$ 41.70	10%	\$ 52.68	\$ 56.49	7%
Residential	5/8	25	\$ 50.69	\$ 56.70	12%	\$ 65.48	\$ 71.49	9%
Large Residential	5/8	50	\$ 79.69	\$ 92.80	16%	\$ 94.48	\$ 107.59	14%
Large Residential	5/8	100	\$ 136.19	\$ 164.30	21%	\$ 150.98	\$ 179.09	19%
Large Residential	1	200	\$ 256.96	\$ 318.10	24%	\$ 293.86	\$ 355.00	21%
Commercial	4	1,000	\$ 1,340.03	\$ 1,639.10	22%	\$ 1,710.59	\$ 2,009.66	17%
Commercial	3	1,500	\$ 1,768.39	\$ 2,177.10	23%	\$ 1,989.49	\$ 2,398.20	21%
Commercial	6	2,000	\$ 2,545.56	\$ 3,063.10	20%	\$ 3,283.59	\$ 3,801.13	16%
Commercial	2	3,000	\$ 3,199.90	\$ 3,950.10	23%	\$ 3,318.22	\$ 4,068.42	23%
Public Authority	3	2,000	\$ 2,268.39	\$ 2,787.10	23%	\$ 2,489.49	\$ 3,008.20	21%
Public Authority	1 1/2	2,500	\$ 2,678.09	\$ 3,313.10	24%	\$ 2,752.82	\$ 3,387.83	23%
Public Authority	8	3,000	\$ 3,779.11	\$ 4,517.10	20%	\$ 4,959.31	\$ 5,697.30	15%
Public Authority	2	4,000	\$ 4,199.90	\$ 5,170.10	23%	\$ 4,318.22	\$ 5,288.42	22%
Industrial	4	4,000	\$ 4,340.03	\$ 5,299.10	22%	\$ 4,710.59	\$ 5,669.66	20%
Industrial	4	6,000	\$ 5,950.03	\$ 7,239.10	22%	\$ 6,320.59	\$ 7,609.66	20%
Industrial	6	15,000	\$ 11,645.56	\$ 13,923.10	20%	\$ 12,383.59	\$ 14,661.13	18%
Industrial	3	17,000	\$ 12,588.39	\$ 15,087.10	20%	\$ 12,809.49	\$ 15,308.20	20%
Public Fire Protection (Total Annual Charge)						\$ 474,497.00	\$ 477,750.60	1%

**City of Chippewa Falls
Department of Public Utilities**

Water Rate Changes (Base and usage charge)

Eff. Date	Base	User Charge				Authorized Rate of Return
Proposed	19.20	1.50	1.43	1.22	0.72	5.75% proposed full rate case
12/1/2009	18.69	1.28	1.13	1.00	0.61	6% simplified rate case
5/1/2007	18.00	1.23	1.09	0.96	0.59	6% full rate case
1/1/2003	Fire Protection included in utility bill					
1998	16.88	1.09	0.95	0.81	0.50	6% full rate case
1990	12.00	0.83	0.73	0.55	0.35	8% full rate case

Rate of Return History

2013	3.75
2012	3.68
2011	3.46
2010	6.75
2009	4.43
2008	5.59
2007	8.59
2006	4.74
2005	3.33
2004	3.44
2003	10.07 (2.49 without lawsuit settlement of \$525,000)
2002	4.49
2001	5.69
2000	8.08
1999	9.51
1998	11.16
1997	8.09
1996	5.98

Wastewater Rates (Base and user charge)

Eff. Date	Base	User charge
2012	17.01	2.52
2011	15.32	2.33
2007	13.63	2.15
2002	12.59	1.71
2001	7.76	1.70
1994	6.40	1.18

Rate shown are for residential 3/4" meter

cmf/water/water rates/ rate recap

2015 PRELIMINARY BUDGET PREDICTION - NOVEMBER 11, 2014

2015 Budget Predictions		2015 General Fund Revenues
2015 Proposed General Fund Expenses		
Wages/Benefits	\$8,380,530	
Other Operational	\$3,527,685	
Total	\$11,908,215	\$11,884,410

\$23,805

2015 ADJUSTMENTS TO GET DEPT BUDGETS TO ZERO INCREASE - November 11, 2014

DEPARTMENT OPERATIONAL:	Account:	Description:	Requested:	Amount Reduced:	2015	
					Operating Expense:	
Police Department	10.52100.5222	Electric	\$22,000	-\$1,000	\$21,000	
	10.52100.5311	Postage	\$2,000	-\$300	\$1,700	
	10.52100.5349	Operating Supplies	\$9,610	-\$37	\$9,573	-\$1,337
Fire Department	10.52200.5297	Refuse Collection	\$500	-\$100	\$400	
	10.52200.5343	Protective Clothing	\$6,000	-\$2,000	\$4,000	
	10.52200.5346	Uniforms	\$11,500	-\$500	\$11,000	
	10.52200.5351	Gas, Diesel & Motor Oil	\$33,000	-\$3,500	\$29,500	
	10.52200.5900	Employee Physical Exams	\$6,100	-\$3,100	\$3,000	-\$9,200
Building Inspector	10.52310.5321	Publication of Legal Notices	\$600	-\$85	\$515	-\$85
Dam Maintenance (Street)	10.52440.5369	Supplies	\$1,000	-\$70	\$930	
City Shop (Street)	10.53120.5352	Motor Vehicle Parts	\$70,000	-\$9,150	\$60,850	
Traffic Controls (Street)	10.53450.5222	Electric	\$5,600	-\$300	\$5,300	-\$9,520
Library	Various Accounts?		\$6,300	-\$6,300	\$0	-\$6,300

2015 OMITTED BUDGET REQUESTS/CAPITAL ITEMS - November 11, 2014

	Account:	Requested:	Included in 2015 Budget	Potential Funding Source:	Omitted Request:
DEPARTMENT OPERATIONAL:					
City Clerk	10.51410.5325 10.51410.5338 10.51420.5219	\$190 \$285 \$80		Additional Membership Fees & Trainings Additional Costs for Travel Increase in Maintenance for Voting Equipment	
Police Department	10.52100.5850 10.52100.5850 10.52100.5850	\$19,468 \$1,000 \$6,286		Evidence Barcoding Desk Top Computer and Add-On Software Lanier Color Copier and Fax	
Street Department	10.53340.5451 10.53340.5481 10.53340.5482	\$3,000 \$20,000 \$28,615 \$35,000 \$56,000 \$80,000		Pea Gravel Asphalt Oil 4-Ton Asphalt Patch Trailer T-2 Asphalt Recycler RA-2000 Spray Patcher	
Library		\$12,000		Digital Microfilm Reader	
Park & Recreation Administration	10.55210.5850	\$92,900 \$63,500 \$3,470		2015 Ford 650 Cab/Chassis with Dump Box & Plow 907HC Caterpillar Loader John Deere Mower for Marshall Park	
DEPARTMENT PERSONNEL:					
Police Department				Business Office Position	
Fire Department				Separate out Fire Chief and Battalion Chief Position	