

Office of the Clerk/Treasurer

W240N3065 Pewaukee Road
Pewaukee, WI 53072
(262) 691-0770 Fax 691-1798

**COMMON COUNCIL
MEETING NOTICE AND AGENDA**

Monday, June 18, 2018

7:00 PM

Common Council Chambers ~ Pewaukee City Hall
W240 N3065 Pewaukee Road ~ Pewaukee, WI 53072

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1. Call to Order and Pledge of Allegiance
 2. Public Comment - Please limit your comments to 2 minutes, if further time for discussion is needed please contact an Alderperson from your district prior to the meeting.
 3. Consent Agenda
 - 3.1. Approve the Common Council Meeting Minutes Dated June 4, 2018
 - 3.2. Approve Accounts Payable Listings
 - 3.3. Approval of Bartender Licenses
 - 3.4. Discussion and Possible Action to Approve **Resolution 18-06-15** recognizing the 2017 Compliance Maintenance Annual Report (CMAR) for the City Sanitary Sewer System.
 4. Review of DRAFT 2017 Audit Report by Rotroff Jeanson & Company [Rotroff]
 5. Update Regarding the Waukesha/Pewaukee Convention and Visitors Bureau [Tritz]
 6. Discussion and Possible Action to Approve the Temporary Beer License for the Kiwanis to Hold a Beer Garden at Nettesheim Park Located at N26 W27495 Prospect Avenue (PWC 0936-988) on July 14, 15 and 16 [Tarczewski]
 7. Discussion and Possible Action to Approve the Revised Application for an Outdoor Entertainment Permit for Smokey's
 8. Public Hearing Related to the 2018 - 2019 Liquor Licenses and Possible Action to Issue [Tarczewski]
 9. Discussion and Possible Action Regarding the Contract for Planning Services by Wrayburn Consulting, LLC [Klein]
 10. Discussion and Possible Action to Approve the Installation of LED Invue Style Lights in the Parking Lot at City Hall in the Amount of \$20,905.06 and Determine Funding [Klein]
 11. Discussion and Action to Approve the Water Reserve Capacity Study (RCA) June 1, 2018 Proposal of Ruekert & Mielke with an Initial Cost of \$15,000 [Weigel]
 12. Discussion and Action to Approve the June 1, 2018 Proposal from Ruekert & Mielke to Evaluate the Sewer Utility Rate, the Storm Water Utility Rate, and Develop a Plan for the Repayment of Sewer

Utility Funds [Weigel].

13. Discussion and Possible Action to Send a Letter to the Rocky Point Road Property Owners Concerning a Possible Stone or Asphalt Shoulder Improvement Project [Weigel]
14. Discussion and Possible Action to Authorize the City Staff to Send a Letter to the Oak Street and Peninsula Drive Property Owners Inquiring, or Informing on the Intent to Install Municipal Water as Part of the Proposed Road Reconstruction Project [Weigel]
15. Discussion and Possible Action to Make Appointments to Various Boards, Committees and Commissions [Mayor Bierce]
16. Public Comment - Please limit your comments to 2 minutes, if further time for discussion is needed please contact an Alderperson from your district prior to the meeting.
17. Closed Session – You are hereby notified that the Common Council and staff of the City of Pewaukee will convene into closed session after all regular scheduled business has been concluded and upon motion duly made and seconded and acted upon by roll-call vote as required under §19.85(1)(a), Stats. The purpose of the closed session is for the following:
 - Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved as authorized under Section 19.85(1)(g), Stats., specifically with regard to the City's Sports Complex contract #114005 and the City's Commerce Circle Manhole Repair contract #26-10002.200, both contracts with BCF Construction Corp.

You are further notified that at the conclusion of the Closed Session, the Common Council may convene into open session pursuant to 19.85(2), Stats., for possible additional discussion and action concerning any matters discussed in closed session and for adjournment.

18. Adjournment

Kelly Tarczewski
Clerk/Treasurer

June 15, 2018

NOTICE

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

Any person who has a qualifying disability under the Americans with Disabilities Act that requires the meeting or materials at the meeting to be in an accessible format must contact the Clerk/Treasurer, Kelly Tarczewski, at (262) 691-0770 three business days prior to the meeting so that arrangements may be made to accommodate your request.

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 3.1.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Approve the Common Council Meeting Minutes Dated June 4, 2018

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

ATTACHMENTS:

Description

Minutes 6.4.2018

A motion was made and seconded, (B. Bergman, J. Wamser) to approve the Woodleaf Reserve addition No. 2 development agreement contingent upon the final review of the City Attorney and Engineering staff and establish the letter of credit/surety at \$1, 297,475.00 in a form acceptable to the City Attorney. Motion Passed: 6-For, 0-Against.

9. Discussion and Possible Action Regarding the City of Waukesha Notice to Increase Sewer Fees by \$18.60 per Quarter Beginning June 2018

Mr. Weigel and Ms. Mueller were present for this item. Mr. Weigel stated he was before the Council at the end of last year to raise the rates to match what Waukesha was charging certain City residents. He said he recently received notice that they are raising their rates again starting the next quarter. He said it was his understanding that the utility is to pass the increases to the residents in the service area but wanted to make sure the Council was comfortable with this since it was recently done.

Ms. Mueller stated the increase most likely is due to the infrastructure for the return back to Lake Michigan. She said Waukesha is adding lift stations and piping routes.

Mr. Kara asked how it came to be that we are utilizing the City of Waukesha water and sewer. Mr. Weigel stated the Regional Planning Commission determines the service areas and what would be most cost effective. Mr. Kara stated he receive a complaint about the increase and feels future increases should be done on an annual basis. He said everyone in the City of Pewaukee should be paying the same rate.

Ms. Brown stated new homes are not allowed to hook up to Waukesha water any more, only to sewer. Mr. Weigel stated that is due to the Great Lakes Compact Agreement that the City of Waukesha entered into. Attorney Riffle stated we are under contract with the City of Waukesha and must pay what they bill us. He said the only relief is to go before the PSC. Mr. Weigel stated this was not an outlandish rate. Mr. Weigel explained the differences between metered and unmetered rates.

A motion was made and seconded, (J. Kara, C. Brown) to establish a practice policy to adjust the Waukesha City water and sewer billings once a year, having the City temporarily subsidizing the increase and delaying the recent increase of \$18.60 to 2019. Motion Failed: 3-For (J. Kara, C. Brown and B. Dziwulski) 3-Against (B. Bergman, R. Grosch and J. Wamser). Mayor Bierce voted against the motion to break the tie vote.

Ms. Brown requested staff talk to the City of Waukesha about the timeliness of their increase notices.

10. Discussion and Possible Action Regarding Applications for Outdoor Activity on Premises Where Alcoholic Beverages are Consumed
- 10.1 5 O'Clock Club
 - 10.2 Andrea's Red Rooster
 - 10.3 Aqua Beauty Lounge
 - 10.4 Boomers Sports Pub & Grill
 - 10.5 Curly's Waterfront
 - 10.6 Edgewater
 - 10.7 Gina's Sports Dock
 - 10.8 Point Burger Bar
 - 10.9 Smokey's Musky Shop

- 10.10 The Station Pub & Grill
- 10.11 Waukesha Gun Club
- 10.12 Wonderland Tap

Mayor Bierce stated this item will be treated similarly to the consent agenda; if anyone wished to discuss a specific establishment it could be pulled for discussion and all others could be approved as a group.

Ms. Tarczewski stated she had concerns related to Item 10.9 related to Smokey's Musky Shop and asked that it be pulled for discussion.

Mr. Bergman stated the outdoor entertainment permits were discussed at Plan Commission and were recommended for approval.

A motion was made and seconded, (J. Wamser, B. Bergman) to concur with the Plan Commission and approve the remaining Outdoor Entertainment permits.

Motion Passed: 6-For, 0-Against.

Ms. Tarczewski stated she was concerned because Smokey's premise description for their beer license listed the entire property. She said it has never been past practice to allow intoxicating beverages on someone's entire property. She stated premise descriptions have always been more specific and usually includes screening.

A motion was made and seconded, (R. Grosch, B. Dziwulski) to table the Outdoor Entertainment Permit for Smokey's Musky Shop until the area is better defined.

Motion Passed: 6-For, 0-Against.

- 10. Discussion and Possible Action to Make Appointments to Various Boards, Committees and Commissions

Mayor Bierce stated he did not have anyone to present at this time.

- 11. Discussion and Possible Action Related to Possibly Cancelling the First Meeting in July Due to Independence Day

A motion was made and seconded, (B. Bergman, J. Wamser) to cancel the July 2nd, 2018 Common Council meeting due to the holiday. Motion Passed: 6-For, 0-Against.

- 12. Adjournment

A motion was made and seconded, (B. Dziwulski, C. Brown) to adjourn the meeting at 9:19 p.m.

Motion Passed: 6-For, 0-Against.

Respectfully Submitted,

Kelly Tarczewski
Clerk/Treasurer

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 3.2.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Approve Accounts Payable Listings

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

ATTACHMENTS:

Description

City & WS Summary

AP Summaries

City & WS Accounts Payable for:

6/18/2018

Vendor Name	Document Date	Document Amount	Transaction Description
SAUKVILLE, VILLAGE OF	5/30/2018	\$10.00	DISTRICT 5 MTAW MEETING AUG 9
SAUKVILLE, VILLAGE OF	5/30/2018	\$10.00	DISTRICT 5 MTAW MEETING AUG 9
WAUKESHA COUNTY CLERK	5/30/2018	\$68.75	2018 PUBLIC DIRECTORY
WE ENERGIES	5/30/2018	\$5,519.67	RELOCATED ELECTRIC SERVICE
SKIPPERBUDS	5/31/2018	\$5,500.00	MOTOR FOR DONATED BOAT
WE ENERGIES	6/1/2018	\$6,024.90	GAS INSTALLATION SPORTS COMPLEX
PREETI JOSHI	6/4/2018	\$834.00	PR PROGRAM REFUND
WE ENERGIES	6/4/2018	\$4,185.00	RELOCATE ELECTRIC SERVICES GATEWAY RD
WAAO	6/5/2018	\$85.00	ANNUAL MEMBERSHIP/QUARTERLY MTG
GIBBS, JOHN	6/6/2018	\$445.81	MAY MILEAGE REIMBURSEMENT
JOHNS DISPOSAL	6/6/2018	\$313.75	YARD WASTE SALES 11/7 TO 6/6/2018
ALL-WAYS CONTRACTORS, INC	5/21/2018	\$81.00	TOPSOIL
BATTERIES PLUS	5/22/2018	\$23.95	12V BATTERY
CINTAS FIRST AID	5/22/2018	\$83.03	CABINET RESTOCKED
COMET INC.	5/14/2018	\$105.00	TOP AND 2 SIDED BOX
D.F. TOMASINI, INC	5/21/2018	\$13,972.87	REPAIR WATER MAIN
DREWEK, DAVID	6/6/2018	\$9.16	RE-ISSUE TAX REFUND
EMBELLISHMENTS	5/30/2018	\$89.92	SHIRTS
FASTENAL	5/11/2018	\$37.10	EAR PLUGS
FERGUSON WATERWORKS	5/17/2018	\$4,595.52	VALVES/O RINGS
HAWKINS, INC.	5/15/2018	\$1,759.75	AZONE 15/SODIUM SILICATE
IDEAL MECHANICAL	6/6/2018	\$106.00	OVERPD ON ELECTRICAL PERMIT
LITHO-CRAFT	5/24/2018	\$660.00	ENVELOPES
MENARDS	5/21/2018	\$8.79	HYDRAULIC FLUID
MENARDS	5/18/2018	\$9.49	TARP
MENARDS	5/11/2018	\$49.86	GLOVES/BRUSHES/TOWELS
OFFICE COPYING EQUIPMENT, LTD	5/18/2018	\$122.22	STAPLES/PAPER
OFFICE DEPOT	5/15/2018	\$77.96	BADGES/PAPER
ROJAS, KENNETH	6/6/2018	\$53.80	CITATION REFUND
ROTROFF JEANSON & CO.	5/18/2018	\$856.00	2017 AUDIT FINANCIAL STMTS
SCHMIDTKE, NICHOLAS & RADTKE, KIMBERLY	6/6/2018	\$49.39	RE-ISSUE- TAX REFUND
TRAN, VI HOA	6/6/2018	\$81.18	RE-ISSUE STORM WATER CREDIT
US CELLULAR OPERATING CO LLC	6/6/2018	\$26,100.00	REFUND DEPOSIT REPAINT OLD TWR
WATER REMEDIATION TECH., LL	6/1/2018	\$3,395.41	BASE TREATMENT CHARGE
WI DEPT NATURAL RESOURCES	5/21/2018	\$125.00	2018 WATER USE FEES
KWIK TRIP	6/11/2018	\$3,894.12	MAY AMBO/ENGINE FUEL
ALL CITY COMMUNICATIONS INC.	6/1/2018	\$45.00	ANSWERING SERVICES
BADGER METER	5/30/2018	\$780.00	6 MO SERVICE AGREEMENT
BOATMAN, ROGER & BARBARA	6/11/2018	\$9.61	RE-ISSUE 2015 TAX REFUND
ELLIOTT ACE HARDWARE	5/11/2018	\$16.48	ROPE/GLOVES
ELLIOTT ACE HARDWARE	5/14/2018	\$39.97	DRILL BITS
ELLIOTT ACE HARDWARE	5/14/2018	\$143.89	MISC SUPPLIES/PADLOCKS
ELLIOTT ACE HARDWARE	5/21/2018	\$30.91	SLEDGE HAMMER/HARDWARE
ELLIOTT ACE HARDWARE	5/24/2018	\$5.59	CLOROX WIPES
HAWKINS, INC.	5/30/2018	\$3,769.00	AZONE 15/SODIUM SILICATE
HYDROCORP	5/31/2018	\$892.00	CROSS CONNECTION INSPECT MAY
JENSEN EQUIPMENT	5/29/2018	\$17.10	SUPPLIES
JK LAWN SERVICE	5/31/2018	\$231.00	LAWN SERVICE-WATER WORKS
JK LAWN SERVICE	5/31/2018	\$380.00	LAWN SERVICE-FOX CREEK
MILLAR, GAVIN & NAGY, KINGA	6/11/2018	\$618.29	RE-ISSUE 2015 TAX REFUND
NORTHERN LAKE SERVICE, INC	5/30/2018	\$275.00	RADIOACTIVITY
NORTHERN LAKE SERVICE, INC	5/30/2018	\$80.00	MAY BACTERIA SAMPLES
NORTHERN LAKE SERVICE, INC	5/30/2018	\$60.00	MAY BACTERIA SAMPLES
NORTHERN LAKE SERVICE, INC	5/30/2018	\$80.00	MAY BACTERIA SAMPLES
NORTHERN LAKE SERVICE, INC	5/30/2018	\$60.00	MAY BACTERIA SAMPLES
PARKING LOT MAINTENANCE	6/1/2018	\$2,490.00	H2O MN BREAK REPAIR-LEXINGTON
PARKING LOT MAINTENANCE	6/1/2018	\$2,120.00	H2O MAIN BREAK-LAUDERDALE

RUEKERT & MIELKE, INC.	6/6/2018	\$2,850.45	SPRNGDALE S INT REHAB
RUEKERT & MIELKE, INC.	6/6/2018	\$5,492.95	CH ELEVATED TANK
RUEKERT & MIELKE, INC.	6/6/2018	\$2,894.23	WELL 1 RADIUM REMEDIATION
VISU-SEWER	6/1/2018	\$1,437.50	MILKWEEK/PATRIC LN STATION CLN
VISU-SEWER	6/1/2018	\$1,756.25	GUN CLUB CLEANING
WI DEPT OF JUSTICE-RECORDS CHECK	6/11/2018	\$275.00	G1682 RECORDS CHECKS
		<u>\$106,203.62</u>	

ACCOUNTS PAYABLE JUNE 18, 2018			
Vendor Name	Document Date	Document Amount	Transaction Description
AARONIN STEEL	05/24/2018	\$ 2,191.00	HI STEEL
ABACUS ARCHITECTS, INC	05/25/2018	\$ 1,050.00	PR DESIGN, ENG SERVICES
ADP SCREENING & SELECTION SER	05/26/2018	\$ 1,057.38	HR EMPLOYMENT EXAMS
AIRGAS	05/18/2018	\$ 163.14	FD OXYGEN
AIRGAS	05/31/2018	\$ 91.11	FD OXYGEN
AIRGAS	05/31/2018	\$ 135.44	FD OXYGEN
AIRGAS	05/29/2018	\$ 56.78	FD OXYGEN
ALPHA OMEGA CLEANING, INC.	06/01/2018	\$ 260.00	PR JANITORIAL SERVICES
AMERICAN STATE EQUIPMENT CO.	05/24/2018	\$ 60.79	HI ELBOWS, FITTINGS
APEC	06/04/2018	\$ 21.99	PR GREASE GUN
APEC	05/21/2018	\$ 26.74	HI FUSES
ARAMARK	05/31/2018	\$ 68.89	HI SHOP TOWELS, UNIFORMS
ARAMARK	05/24/2018	\$ 68.89	HI SHOP TOWELS, UNIFORMS
ARAMARK	05/17/2018	\$ 68.89	HI SHOP TOWELS, UNIFORMS
ARAMARK	05/10/2018	\$ 68.89	HI SHOP TOWELS, UNIFORMS
ARENZ, MOLTER, MACY & RIFFLE	05/16/2018	\$ 7,995.50	CT LEGAL FEES
ASPEN HOMES	06/01/2018	\$ 2,000.00	BI EROSION BOND RETURN
ASSESSMENTS USA	05/15/2018	\$ 264.00	HR FIRE EXAMS
AT&T CAROL STREAM IL	06/11/2018	\$ 299.22	CT PHONE SERVICES
AURORA HEALTHCARE	05/20/2018	\$ 50.00	HR DRUG TEST
AUTOMOTIVE PARTS & EQUIPMEN	05/24/2018	\$ 79.80	FD OIL DRY
AVANT GRAPHICS	05/31/2018	\$ 559.50	PR SHIRTS
BATZNER PEST MANAGEMENT	05/21/2018	\$ 55.00	PR PEST CONTROL
BEACON ATHLETICS	05/24/2018	\$ 129.00	PR BASES
BOUNDTREE MEDICAL	05/22/2018	\$ 24.40	FD MEDICAL SUPPLIES
BOUNDTREE MEDICAL	05/22/2018	\$ 424.45	FD MEDICAL SUPPLIES
BOUNDTREE MEDICAL	05/24/2018	\$ 6.24	FD EMS SUPPLIES
BOUNDTREE MEDICAL	05/24/2018	\$ 6.24	FD EMS SUPPLIES
BOUNDTREE MEDICAL	05/22/2018	\$ 87.48	FD POLOS
BOUNDTREE MEDICAL	03/20/2018	\$ 282.99	FD EMS SUPPLIES
BOUNDTREE MEDICAL	05/29/2018	\$ 313.07	FD EMS SUPPLIES
BREITBACH RASHID, PATTI	05/31/2018	\$ 220.00	PR CHAIR YOGA
BUELOW VETTEER BUIKEMA OLSO	05/03/2018	\$ 932.50	HR APRIL CHARGES
BUMPER TO BUMPER HARTLAND	05/14/2018	\$ 107.96	HI BULB
BUMPER TO BUMPER HARTLAND	05/22/2018	\$ 32.28	HI LAMPS
BUMPER TO BUMPER HARTLAND	05/22/2018	\$ 34.09	HI BK CLN
BUMPER TO BUMPER HARTLAND	05/22/2018	\$ 52.48	HI FILTERS
BUMPER TO BUMPER HARTLAND	05/10/2018	\$ 266.98	HI BATTERY
BURKE TRUCK & EQUIPMENT	05/10/2018	\$ 659.75	HI MOTOR
CARLIN SALES CORPORATION	05/25/2018	\$ 165.13	PR POND SEED

ACCOUNTS PAYABLE JUNE 18, 2018			
Vendor Name	Document Date	Document Amount	Transaction Description
CHUDY, VICTORIA	06/05/2018	\$ 31.00	PR PROGRAM REFUND
CINTAS FIRST AID	05/22/2018	\$ 49.46	PR SAFETY RESTOCK
CINTAS FIRST AID	05/22/2018	\$ 90.85	HI FIRST AID SUPPLIES
CON-COR	05/30/2018	\$ 35.28	HI COIL, SWITCH
COREY OIL	05/02/2018	\$ 988.13	HI GASOLINE
COREY OIL	05/30/2018	\$ 862.50	HI GASOLINE
COREY OIL	05/30/2018	\$ 2,054.95	HI DIESEL
COREY OIL	05/16/2018	\$ 983.68	HI GASOLINE
COREY OIL	05/16/2018	\$ 1,947.64	HI DIESEL
COREY OIL	05/02/2018	\$ 1,641.00	HI DIESEL
COUNTY WIDE EXTINGUISHER, INC	05/23/2018	\$ 350.10	FD FIRE EXT INSPECTIONS
CTACCESS	05/31/2018	\$ 1,286.78	IT LICENSES FOR LASERFICHE
DAN PLAUTZ CLEANING SERVICE	05/15/2018	\$ 2,383.50	HR JANITORIAL
DIAMOND VOGEL	05/22/2018	\$ 675.25	HI PAINT
DIAMOND VOGEL	05/23/2018	\$ 826.60	HI PAINT
DIVERSIFIED BENEFIT SERVICES	06/01/2018	\$ 288.02	CT HEALTH REIMBURSEMENT
DWYER, CHARLIE	06/01/2018	\$ 159.69	BI MILEAGE
ELECTION SYSTEMS & SOFTWARE	05/31/2018	\$ 16.54	CT HEADPHONES
ELLIOTT ACE HARDWARE	05/25/2018	\$ 16.32	PR CHAIR FASTENERS
ELLIOTT ACE HARDWARE	06/06/2018	\$ 6.57	PR HARDWARE
ELLIOTT ACE HARDWARE	05/08/2018	\$ 74.24	FD PROPANE
ELLIOTT ACE HARDWARE	05/28/2018	\$ 14.87	FD CHISEL
ELLIOTT ACE HARDWARE	05/06/2018	\$ 31.98	FD BATTERIES
EMBELLISHMENTS	05/21/2018	\$ 36.00	FD EMBROIDERY
EXIDE TECHNOLOGIES	05/30/2018	\$ 61.89	HI BATTERY
FEI BEHAVIORAL HEALTH	06/01/2018	\$ 585.00	HR ADMIN FEE
FREDRICK, RICHARD	05/26/2018	\$ 113.47	HI SHORTS
FREDRICK, RICHARD	05/30/2018	\$ 100.00	HR DOT EXAMS
FURST, MARTHA	05/31/2018	\$ 80.00	PR CONTRACTED EMPLOYEE
G & G PAINTING	05/29/2018	\$ 1,492.13	PR PAINTING PROJECTS
GEIS, DAVE	05/30/2018	\$ 102.82	HR BOOTS
HALEN HOMES	05/30/2018	\$ 2,000.00	BI EROSION BOND RETURN
HALQUIST STONE	05/17/2018	\$ 208.02	HI STONE
HALQUIST STONE	05/16/2018	\$ 101.93	HI STONE
HALQUIST STONE	05/15/2018	\$ 112.53	HI STONE
HALQUIST STONE	05/21/2018	\$ 102.94	HI STONE
HALQUIST STONE	05/29/2018	\$ 167.85	HI RIP RAP
HAVENCREEK HOMES	06/01/2018	\$ 2,000.00	BI EROSION BOND RETURN
HEARTLAND BUSINESS SYSTEMS	05/18/2018	\$ 7,481.49	IT SUPPORT
HEARTLAND BUSINESS SYSTEMS	06/01/2018	\$ 334.00	IT NETWORK MONITORING SUPPORT
HEIN ELECTRIC SUPPLY	06/08/2018	\$ 693.77	CO RESTITUTION

ACCOUNTS PAYABLE JUNE 18, 2018			
Vendor Name	Document Date	Document Amount	Transaction Description
HILTUNEN, MARIANNE	05/30/2018	\$ 215.27	EN MILEAGE
HUMPHREY SERVICE PARTS, INC	05/21/2018	\$ 59.14	PR FILTER
HUMPHREY SERVICE PARTS, INC	05/25/2018	\$ 9.41	HI BULB
HUMPHREY SERVICE PARTS, INC	05/09/2018	\$ 27.64	HI AIR FILTER
HUMPHREY SERVICE PARTS, INC	05/14/2018	\$ 15.60	HI AIR FILTER
HUMPHREY SERVICE PARTS, INC	05/08/2018	\$ 35.12	HI FILTERS
INTERSTATE POWER SYSTEMS	05/30/2018	\$ 478.32	FD CHECK TRANSMISSION
JENSEN EQUIPMENT	05/31/2018	\$ 11.40	HI SPARK PLUGS, FILTER
JENSEN EQUIPMENT	05/29/2018	\$ 89.95	PR GLOVES
JENSEN EQUIPMENT	06/04/2018	\$ 21.13	PR STRING TRIMMER HEAD
JK LAWN SERVICE	06/03/2018	\$ 253.00	FD LAWN SERVICE
JK LAWN SERVICE	06/03/2018	\$ 304.00	FD LAWN SERVICE
JOHN'S DISPOSAL SERVICE	05/25/2018	\$ 48,546.76	EN CONTRACTED BILLING
KELBE BROTHERS EQUIPMENT	05/18/2018	\$ 72.58	HI BOWL
KEN WEBER TRUCK SERVICE	05/23/2018	\$ 395.00	FD TOW
KOEPF, NICOLE	05/31/2018	\$ 25.00	CT BARTENDER LICENSE REFUND
KORNDORFER HOMES	05/30/2018	\$ 2,000.00	BI EROSION BOND RETURN
LANGE ENTERPRISES, INC	05/30/2018	\$ 205.46	HI SIGNS
LARSON, CHERRIE	06/11/2018	\$ 470.40	PR CONTRACTED SERVICES
LAWN BOYZ	05/29/2018	\$ 2,900.00	PR WEED CONTROL
LOPEZ-SEPULVEDA, EFRAIN	06/08/2018	\$ 63.00	CO CITATION OVERPMT
MARKS, MEGAN	05/21/2018	\$ 75.00	PR SAFETY SHOES
MAYER REPAIR	05/22/2018	\$ 1,012.35	FD VEHICLE REPAIR
MAYER REPAIR	05/31/2018	\$ 415.73	FD FIXED AC
MAYO CLINIC ST. LOUIS	05/03/2018	\$ 45.00	HR EXAM ADDL
MENARDS	05/24/2018	\$ 14.24	FD WATER
MENARDS	02/14/2018	\$ 18.99	HI POST MOUNT
MENARDS	03/14/2018	\$ 88.98	HI MAILBOX, POST
MENARDS	03/07/2018	\$ 19.41	HI VINEGAR, REMOVER
MENARDS	06/06/2018	\$ 89.92	PR HITCH
MENARDS	06/06/2018	\$ 10.86	PR CONCRETE
MENARDS	05/31/2018	\$ 20.95	CT GRAB HANDLES, FACE PLATE
MENARDS	03/24/2018	\$ 36.33	FD MOTION SENSOR
MORRISON, PEGGY	06/04/2018	\$ 62.00	PR PROGRAM REFUND
OFFICE COPYING EQUIPMENT, LTD	05/31/2018	\$ 18.58	CO COPIER
OFFICE COPYING EQUIPMENT, LTD	05/28/2018	\$ 89.00	IT LICENSE FOR CHROMEBOOKS
OFFICE COPYING EQUIPMENT, LTD	05/31/2018	\$ 216.36	BI COPIES
OFFICE COPYING EQUIPMENT, LTD	05/31/2018	\$ 7.41	CT COPIES
OFFICE COPYING EQUIPMENT, LTD	05/31/2018	\$ 137.03	CT COPIES
OFFICE COPYING EQUIPMENT, LTD	05/31/2018	\$ 51.83	FD COPIER CONTRACT
OFFICE DEPOT	05/11/2018	\$ 256.74	CT JANITORIAL SUPPLIES

ACCOUNTS PAYABLE JUNE 18, 2018			
Vendor Name	Document Date	Document Amount	Transaction Description
OFFICE DEPOT	05/29/2018	\$ 13.99	CT PAPER
OFFICE DEPOT	05/29/2018	\$ 15.99	CT PAPER
PARKING LOT MAINTENANCE	06/01/2018	\$ 4,975.00	HI ROAD REPAIR
PARKING LOT MAINTENANCE	06/07/2018	\$ 24,370.00	PR PAVE LOT
PARKING LOT MAINTENANCE	06/07/2018	\$ 880.00	PR PATCH PARKING LOT TRENCH
PAUL CONWAY SHIELDS	05/30/2018	\$ 112.45	FD PASSPORTS
PEWAUKEE CHAMBER OF COMMER	05/29/2018	\$ 1,474.19	CT TOURISM
PEWAUKEE, VILLAGE OF	06/08/2018	\$ 6,278.98	CT PARK & REC
PEWAUKEE, VILLAGE OF	06/11/2018	\$ 26,983.50	CT EMS COLLECTIONS
PORT-A-JOHN	06/04/2018	\$ 82.00	PR SEASONAL RESTROOM
PORT-A-JOHN	06/04/2018	\$ 82.00	PR SEASONAL RESTROOM
PORT-A-JOHN	06/04/2018	\$ 82.00	PR SEASONAL RESTROOM
PORT-A-JOHN	06/04/2018	\$ 82.00	PR SEASONAL RESTROOM
POSTAL PRODUCTS UNLIMITED	05/11/2018	\$ 89.82	HI POST
PREMIUM WATERS, INC	05/31/2018	\$ 36.75	PR SHOP WATER
PREMIUM WATERS, INC	05/31/2018	\$ 59.25	PR SHOP WATER
PREMIUM WATERS, INC	05/31/2018	\$ 53.25	HI SHOP WATER
PREMIUM WATERS, INC	05/16/2018	\$ 53.25	HI SHOP WATER
PROVEN POWER, INC.	05/23/2018	\$ 53,059.72	HI UTILITY TRACTOR
PROVEN POWER, INC.	05/29/2018	\$ 396.88	HI MIRROR
R&R INSURANCE SERVICES	06/01/2018	\$ 17,894.00	CT WORKER'S COMP
R&R INSURANCE SERVICES	06/01/2018	\$ 24,100.00	CT INSURANCE
REINDERS BROTHERS, INC.	05/17/2018	\$ 74.54	PR CABLES
REINDERS BROTHERS, INC.	05/16/2018	\$ 147.72	PR BLADES
RELIANT FIRE APPARATUS	05/21/2018	\$ 607.52	FD SWITCH
ROMENS, RANDY	05/31/2018	\$ 338.99	BI MILEAGE
SCHOLTKA, JENNIFER	05/31/2018	\$ 360.00	PR CONTRACTED EMPLOYEE
SERWE IMPLEMENT MUNICIPAL SA	05/08/2018	\$ 690.91	HI SHOE BEARING
SOFT WATER, INC.	05/31/2018	\$ 30.00	FD SOLAR SALT
SOFT WATER, INC.	05/31/2018	\$ 22.50	FD SOLAR SALT
STATE OF WI COURT FINES & ASSM	06/08/2018	\$ 12,257.50	CO ST SH CT COSTS & ASSMT
STEEPLE POINTE HOMES	05/31/2018	\$ 500.00	BI OCCUPANCY BOND RETURN
SUBURBAN MAIL BOXES	05/16/2018	\$ 590.00	HI MAILBOX UNITS
TARCZEWSKI, KELLY	05/23/2018	\$ 12.11	CT TRAINING LUNCH
TARCZEWSKI, KELLY	05/02/2018	\$ 18.75	CT MILEAGE
TARCZEWSKI, KELLY	05/30/2018	\$ 6.00	CT MILEAGE
TARCZEWSKI, KELLY	05/30/2018	\$ 64.93	CT MILEAGE
TRI-TOM, LLC	04/30/2018	\$ 24.01	FD SHIPPING
ULINE	05/18/2018	\$ 444.00	CT MOP HOLDER, RECEPTACLE
UNTERHOLZNER, GLEE	06/04/2018	\$ 31.00	PR PROGRAM REFUND
US HEALTHWORKS MEDICAL GROU	04/26/2018	\$ 56.00	HR DRUG SCREEN

ACCOUNTS PAYABLE JUNE 18, 2018			
Vendor Name	Document Date	Document Amount	Transaction Description
US HEALTHWORKS MEDICAL GROU	04/26/2018	\$ 97.00	HR EXAMS
VERIZON	05/23/2018	\$ 22.14	FD MODEM
WAUKESHA CO SHERIFF'S DEPT	06/08/2018	\$ 300.00	CO WARRANT FEE
WAUKESHA CO TECHNICAL COLLE	05/24/2018	\$ 80.00	FD TESTING FEE
WAUKESHA CO TREASURER	06/08/2018	\$ 2,363.87	CO CO JL ASSMTS & DVR IMP SUR
WAUKESHA LIME & STONE CO.	05/17/2018	\$ 1,055.12	HI STONE
WAUKESHA LIME & STONE CO.	05/31/2018	\$ 622.31	HI STONE
WE ENERGIES	05/30/2018	\$ 26.97	PR ELECTRIC USAGE
WI DNR ENVIRONMENTAL FEES	06/01/2018	\$ 2,000.00	EN ENVIRONMENTAL FEE
WILL ENTERPRISES	05/18/2018	\$ 1,311.46	PR SHIRTS
WISCONSIN STEAM CLEANER	05/31/2018	\$ 187.63	PR PRESSURE WASH REPAIR
WOLF CONSTRUCTION COMPANY	05/23/2018	\$ 270.86	HI COLD MIX
WRAYBURN CONSULTING LLC	05/31/2018	\$ 2,305.00	BI PLANNING & ZONING SERV

Total \$ 298,005.53

Vendor Name	Document D	Document Amount	Transaction Description
AARONIN STEEL	05/24/2018	\$ 2,191.00	HI STEEL
ABACUS ARCHITECTS, INC	05/25/2018	\$ 1,050.00	PR DESIGN, ENG SERVICES
AIRGAS	05/31/2018	\$ 91.11	FD OXYGEN
AIRGAS	05/31/2018	\$ 135.44	FD OXYGEN
AIRGAS	05/29/2018	\$ 56.78	FD OXYGEN
ALPHA OMEGA CLEANING, INC.	06/01/2018	\$ 260.00	PR JANITORIAL SERVICES
AMERICAN STATE EQUIPMENT CO.	05/24/2018	\$ 60.79	HI ELBOWS, FITTINGS
APEC	06/04/2018	\$ 21.99	PR GREASE GUN
APEC	05/21/2018	\$ 26.74	HI FUSES
ARAMARK	05/31/2018	\$ 68.89	HI SHOP TOWELS, UNIFORMS
ARAMARK	05/24/2018	\$ 68.89	HI SHOP TOWELS, UNIFORMS
ARAMARK	05/17/2018	\$ 68.89	HI SHOP TOWELS, UNIFORMS
ARAMARK	05/10/2018	\$ 68.89	HI SHOP TOWELS, UNIFORMS
ARENZ, MOLTER, MACY & RIFFLE	05/16/2018	\$ 7,995.50	CT LEGAL FEES
AT&T CAROL STREAM IL	06/11/2018	\$ 299.22	CT PHONE SERVICES
AVANT GRAPHICS	05/31/2018	\$ 559.50	PR SHIRTS
BOUNDTREE MEDICAL	03/20/2018	\$ 282.99	FD EMS SUPPLIES
BOUNDTREE MEDICAL	05/29/2018	\$ 313.07	FD EMS SUPPLIES
BUMPER TO BUMPER HARTLAND	05/14/2018	\$ 107.96	HI BULB
BUMPER TO BUMPER HARTLAND	05/22/2018	\$ 32.28	HI LAMPS
BUMPER TO BUMPER HARTLAND	05/22/2018	\$ 34.09	HI BK CLN
BUMPER TO BUMPER HARTLAND	05/22/2018	\$ 52.48	HI FILTERS
BUMPER TO BUMPER HARTLAND	05/10/2018	\$ 266.98	HI BATTERY
BURKE TRUCK & EQUIPMENT	05/10/2018	\$ 659.75	HI MOTOR
CHUDY, VICTORIA	06/05/2018	\$ 31.00	PR PROGRAM REFUND

ACCOUNTS PAYABLE JUNE 18, 2018			
Vendor Name	Document Date	Document Amount	Transaction Description
CINTAS FIRST AID	05/22/2018	\$ 90.85	HI FIRST AID SUPPLIES
CON-COR	05/30/2018	\$ 35.28	HI COIL, SWITCH
COREY OIL	05/02/2018	\$ 988.13	HI GASOLINE
COREY OIL	05/30/2018	\$ 862.50	HI GASOLINE
COREY OIL	05/30/2018	\$ 2,054.95	HI DIESEL
COREY OIL	05/16/2018	\$ 983.68	HI GASOLINE
COREY OIL	05/16/2018	\$ 1,947.64	HI DIESEL
COREY OIL	05/02/2018	\$ 1,641.00	HI DIESEL
CTACCESS	05/31/2018	\$ 1,286.78	IT LICENSES FOR LASERFICHE
DIAMOND VOGEL	05/22/2018	\$ 675.25	HI PAINT
DIAMOND VOGEL	05/23/2018	\$ 826.60	HI PAINT
DIVERSIFIED BENEFIT SERVICES	06/01/2018	\$ 288.02	CT HEALTH REIMBURSEMENT
ELECTION SYSTEMS & SOFTWARE	05/31/2018	\$ 16.54	CT HEADPHONES
ELLIOTT ACE HARDWARE	06/06/2018	\$ 6.57	PR HARDWARE
ELLIOTT ACE HARDWARE	05/08/2018	\$ 74.24	FD PROPANE
ELLIOTT ACE HARDWARE	05/28/2018	\$ 14.87	FD CHISEL
ELLIOTT ACE HARDWARE	05/06/2018	\$ 31.98	FD BATTERIES
EXIDE TECHNOLOGIES	05/30/2018	\$ 61.89	HI BATTERY
FEI BEHAVIORAL HEALTH	06/01/2018	\$ 585.00	HR ADMIN FEE
FREDRICK, RICHARD	05/26/2018	\$ 113.47	HI SHORTS
FREDRICK, RICHARD	05/30/2018	\$ 100.00	HR DOT EXAMS
GEIS, DAVE	05/30/2018	\$ 102.82	HR BOOTS
HALEN HOMES	05/30/2018	\$ 2,000.00	BI EROSION BOND RETURN
HALQUIST STONE	05/17/2018	\$ 208.02	HI STONE
HALQUIST STONE	05/16/2018	\$ 101.93	HI STONE
HALQUIST STONE	05/15/2018	\$ 112.53	HI STONE
HALQUIST STONE	05/21/2018	\$ 102.94	HI STONE
HALQUIST STONE	05/29/2018	\$ 167.85	HI RIP RAP
HEARTLAND BUSINESS SYSTEMS	06/01/2018	\$ 334.00	IT NETWORK MONITORING SUPPORT
HEIN ELECTRIC SUPPLY	06/08/2018	\$ 693.77	CO RESTITUTION
HILTUNEN, MARIANNE	05/30/2018	\$ 215.27	EN MILEAGE
HUMPHREY SERVICE PARTS, INC	05/25/2018	\$ 9.41	HI BULB
HUMPHREY SERVICE PARTS, INC	05/09/2018	\$ 27.64	HI AIR FILTER
HUMPHREY SERVICE PARTS, INC	05/14/2018	\$ 15.60	HI AIR FILTER
HUMPHREY SERVICE PARTS, INC	05/08/2018	\$ 35.12	HI FILTERS
JENSEN EQUIPMENT	05/31/2018	\$ 11.40	HI SPARK PLUGS, FILTER
JENSEN EQUIPMENT	05/29/2018	\$ 89.95	PR GLOVES
JENSEN EQUIPMENT	06/04/2018	\$ 21.13	PR STRING TRIMMER HEAD
JK LAWN SERVICE	06/03/2018	\$ 253.00	FD LAWN SERVICE
JK LAWN SERVICE	06/03/2018	\$ 304.00	FD LAWN SERVICE
KELBE BROTHERS EQUIPMENT	05/18/2018	\$ 72.58	HI BOWL

ACCOUNTS PAYABLE JUNE 18, 2018			
Vendor Name	Document Date	Document Amount	Transaction Description
KEN WEBER TRUCK SERVICE	05/23/2018	\$ 395.00	FD TOW
KOEPF, NICOLE	05/31/2018	\$ 25.00	CT BARTENDER LICENSE REFUND
KORNDORFER HOMES	05/30/2018	\$ 2,000.00	BI EROSION BOND RETURN
LANGE ENTERPRISES, INC	05/30/2018	\$ 205.46	HI SIGNS
LARSON, CHERRIE	06/11/2018	\$ 470.40	PR CONTRACTED SERVICES
LAWN BOYZ	05/29/2018	\$ 2,900.00	PR WEED CONTROL
LOPEZ-SEPULVEDA, EFRAIN	06/08/2018	\$ 63.00	CO CITATION OVERPMT
MAYER REPAIR	05/31/2018	\$ 415.73	FD FIXED AC
MENARDS	02/14/2018	\$ 18.99	HI POST MOUNT
MENARDS	03/14/2018	\$ 88.98	HI MAILBOX, POST
MENARDS	03/07/2018	\$ 19.41	HI VINEGAR, REMOVER
MENARDS	06/06/2018	\$ 89.92	PR HITCH
MENARDS	06/06/2018	\$ 10.86	PR CONCRETE
MENARDS	05/31/2018	\$ 20.95	CT GRAB HANDLES, FACE PLATE
MENARDS	03/24/2018	\$ 36.33	FD MOTION SENSOR
MORRISON, PEGGY	06/04/2018	\$ 62.00	PR PROGRAM REFUND
OFFICE COPYING EQUIPMENT, LTD	05/31/2018	\$ 18.58	CO COPIER
OFFICE COPYING EQUIPMENT, LTD	05/28/2018	\$ 89.00	IT LICENSE FOR CHROMEBOOKS
OFFICE COPYING EQUIPMENT, LTD	05/31/2018	\$ 216.36	BI COPIES
OFFICE COPYING EQUIPMENT, LTD	05/31/2018	\$ 7.41	CT COPIES
OFFICE COPYING EQUIPMENT, LTD	05/31/2018	\$ 137.03	CT COPIES
OFFICE COPYING EQUIPMENT, LTD	05/31/2018	\$ 51.83	FD COPIER CONTRACT
OFFICE DEPOT	05/29/2018	\$ 13.99	CT PAPER
OFFICE DEPOT	05/29/2018	\$ 15.99	CT PAPER
PARKING LOT MAINTENANCE	06/01/2018	\$ 4,975.00	HI ROAD REPAIR
PARKING LOT MAINTENANCE	06/07/2018	\$ 24,370.00	PR PAVE LOT
PARKING LOT MAINTENANCE	06/07/2018	\$ 880.00	PR PATCH PARKING LOT TRENCH
PAUL CONWAY SHIELDS	05/30/2018	\$ 112.45	FD PASSPORTS
PEWAUKEE CHAMBER OF COMMERCE	05/29/2018	\$ 1,474.19	CT TOURISM
PEWAUKEE, VILLAGE OF	06/08/2018	\$ 6,278.98	CT PARK & REC
PEWAUKEE, VILLAGE OF	06/11/2018	\$ 26,983.50	CT EMS COLLECTIONS
PORT-A-JOHN	06/04/2018	\$ 82.00	PR SEASONAL RESTROOM
PORT-A-JOHN	06/04/2018	\$ 82.00	PR SEASONAL RESTROOM
PORT-A-JOHN	06/04/2018	\$ 82.00	PR SEASONAL RESTROOM
PORT-A-JOHN	06/04/2018	\$ 82.00	PR SEASONAL RESTROOM
POSTAL PRODUCTS UNLIMITED	05/11/2018	\$ 89.82	HI POST
PREMIUM WATERS, INC	05/31/2018	\$ 53.25	HI SHOP WATER
PREMIUM WATERS, INC	05/16/2018	\$ 53.25	HI SHOP WATER
PROVEN POWER, INC.	05/23/2018	\$ 53,059.72	HI UTILITY TRACTOR
PROVEN POWER, INC.	05/29/2018	\$ 396.88	HI MIRROR
R&R INSURANCE SERVICES	06/01/2018	\$ 17,894.00	CT WORKER'S COMP

ACCOUNTS PAYABLE JUNE 18, 2018			
Vendor Name	Document Date	Document Amount	Transaction Description
R&R INSURANCE SERVICES	06/01/2018	\$ 24,100.00	CT INSURANCE
SERWE IMPLEMENT MUNICIPAL SA	05/08/2018	\$ 690.91	HI SHOE BEARING
SOFT WATER, INC.	05/31/2018	\$ 30.00	FD SOLAR SALT
SOFT WATER, INC.	05/31/2018	\$ 22.50	FD SOLAR SALT
STATE OF WI COURT FINES & ASSM	06/08/2018	\$ 12,257.50	CO ST SH CT COSTS & ASSMT
SUBURBAN MAIL BOXES	05/16/2018	\$ 590.00	HI MAILBOX UNITS
UNTERHOLZNER, GLEE	06/04/2018	\$ 31.00	PR PROGRAM REFUND
VERIZON	05/23/2018	\$ 22.14	FD MODEM
WAUKESHA CO SHERIFF'S DEPT	06/08/2018	\$ 300.00	CO WARRANT FEE
WAUKESHA CO TREASURER	06/08/2018	\$ 2,363.87	CO CO JL ASSMTS & DVR IMP SUR
WAUKESHA LIME & STONE CO.	05/17/2018	\$ 1,055.12	HI STONE
WAUKESHA LIME & STONE CO.	05/31/2018	\$ 622.31	HI STONE
WE ENERGIES	05/30/2018	\$ 26.97	PR ELECTRIC USAGE
WISCONSIN STEAM CLEANER	05/31/2018	\$ 187.63	PR PRESSURE WASH REPAIR
WOLF CONSTRUCTION COMPANY	05/23/2018	\$ 270.86	HI COLD MIX
WRAYBURN CONSULTING LLC	05/31/2018	\$ 2,305.00	BI PLANNING & ZONING SERV
TOTAL		\$ 221,565.50	

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 3.3.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Approval of Bartender Licenses

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

ATTACHMENTS:

Description

Bartender Licenses 6.18.2018

<u>Individual Name</u>	<u>Establishment Name</u>	<u>Type</u>
Albrecht, Christine G.	GE Healthcare	Renewal
Barton, Patrick M.	Andrea's Red Rooster	Renewal
Barwick, Amanda M.	Edgewater	Renewal
Beckard, Rebecca F.	Mugshotz	Renewal
Benedict-Velez, Regina L.	Wonderland Tap	Renewal
Biwer, Benjamin C.	Gina's Sports Dock	New
Bloedow, Linda J.	5 O'Clock Club	Renewal
Canada, Rebekah C.	Waterfront	Renewal
Cantrall, Joell M.	Edgewater	Renewal
Chavez, Anthony J.	BP Pantry 41	Renewal
Condon, Ally A.	Gina's Sports Dock	New
Corrao, Melanie R.	Michael's House of Prime	New
Crawford, Cheyenne R.	GE Healthcare	Renewal
Egli, Monica A.	GE Healthcare	Renewal
Elftman, Patricia E.	5 O'Clock Club	Renewal
Fahey, Walter J.	Waterfront	Renewal
Fugate, Jamie M.	Michael's House of Prime	Renewal
Gorniak, Dominic A.	Thunder Bay	Renewal
Grabowski, James M.	Winnebeergo/Pewaukee Kiwanis	New
Grabowski, Mark J.	Winnebeergo/Pewaukee Kiwanis	New
Hettich, Daniel M.	Waterfront	New
Hoffins, Emily L.	Pewaukee Golf Club	New
Hollub, Darcy A.	Wonderland Tap	Renewal
Jira, Stacy L.	Waterfront	Renewal

Bartender License List**Meeting Date: June 18, 2018**

Johnson, Aspen R.	BP Pantry 41	New
Johnson, Sandra L.	5 O’Clock Club	Renewal
Kalcich, Katie L.	Wildwood Lodge	Renewal
Kissner, Amber L.	Michael’s House of Prime	New
Knutson, Jason W.	5 O’Clock Club	Renewal
Knutson, Jeanine C.	5 O’Clock Club	Renewal
Koput, Natasha M.	Andrea’s Red Rooster	Renewal
Koutnik, William M.	Wildwood Lodge	Renewal
Krueger, Haley E.	Thunder Bay Grille	Renewal
Lafratta, Amy B.	GE Healthcare	Renewal
Leipski, Mark R.	GE Healthcare	Renewal
Matte, Aaron J.	BP Pantry 41	Renewal
May, Shellie R.	Aqua Beauty Lounge	Renewal
Melby, Jorie L.	5 O’Clock Club	Renewal
Meyer, Katherine E.	Andrea’s Red Rooster	Renewal
Moore, Jeanetta V.	GE Healthcare	Renewal
Neuhaus, Jessica L.	Pewaukee Golf Club	Renewal
O’Gorman, Karra A.	Thunder Bay Grille	New
Paetzke, Eric A.	Point Burger Bar	New
Paikowski, Caitlin F.	Gina’s Sports Dock	New
Pfenninger, Susan M.	Andrea’s Red Rooster	Renewal
Prest, Kaitlyn C.	Waterfront	Renewal
Racine, Maddi M.	Gina’s Sports Dock	New
Rohde, Andria L.	Gina’s Sports Dock	Renewal
Rydberg, Jeff L.	Gina’s Sports Dock	Renewal

Bartender License List**Meeting Date: June 18, 2018**

Savage, Shayna S.	Thunder Bay Grille	New
Schmitz, Dean M.	GE Healthcare	Renewal
Schumaker, Stephanie E.	Kwik Trip	New
Shockley, Brianna R.	BP Pantry 41	New
Shroble, John A.	5 O’Clock Club	Renewal
Skelton, Kathryn T.	Gina’s Sports Dock	Renewal
Smith, Meghan A.	Edgewater	New
Spara, Ginger M.	Gina’s Sports Dock	Renewal
Staeger, Cheryl L.	Andrea’s Red Rooster	Renewal
Steckman, Janet L.	Doc’s Dry Dock	Renewal
Stelmaszewski, Robert M.	The Station	Renewal
Stevens, Jeffrey J.	Kwik Trip	Renewal
Strehl, Malory R.	Pewaukee Golf Club	Renewal
Tutino, Linda K.	Aqua Beauty Lounge	New
Wagner, Diane M.	Michael’s House of Prime	Renewal
Wilcox, Sierra P.	Gina’s Sports Dock	Renewal
Williams, Alexandria E.	Andrea’s Red Rooster	Renewal
Wipijewski, Susan C.	Pewaukee Golf Club	New
Wolf, Darren J.	Boomers	Renewal
Young, Arthur E.	BP Pantry 41	New
Zehner, Brenda R.	Wonderland Tap	Renewal

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 3.4.**

DATE: June 18, 2018

DEPARTMENT: PW - Water/Sewer

PROVIDED BY: Jane Mueller, Utility Manager; Renee Reed, Utility Billing Clerk; Jeffrey Weigel, PWD

SUBJECT:

Discussion and Possible Action to Approve **Resolution 18-06-15** recognizing the 2017 Compliance Maintenance Annual Report (CMAR) for the City Sanitary Sewer System.

BACKGROUND:

Wisconsin DNR requires operators of Sewer Utilities to present an annual Compliance Maintenance Annual Report or CMAR annually to the respective governing board which reviews and approves same via resolution.

FINANCIAL IMPACT:

There is no fiscal impact. This is required state compliance report.

RECOMMENDED MOTION:

Common Council adopts Resolution 18-06-15 attendant to the 2017 CMAR.

ATTACHMENTS:

Description

2017 CMAR Report

Resolution 18-06-15

Compliance Maintenance Annual Report

Pewaukee City

Last Updated: Reporting For:
6/12/2018 **2017**

Financial Management

<p>1. Provider of Financial Information</p> <p>Name: Renee Reed</p> <p>Telephone: 262-691-0804 (XXX) XXX-XXXX</p> <p>E-Mail Address (optional): reed@pewaukee.wi.us</p>													
<p>2. Treatment Works Operating Revenues</p> <p>2.1 Are User Charges or other revenues sufficient to cover O&M expenses for your wastewater treatment plant AND/OR collection system ?</p> <p> <input checked="" type="radio"/> Yes (0 points) <input type="radio"/> No (40 points) </p> <p>If No, please explain:</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>2.2 When was the User Charge System or other revenue source(s) last reviewed and/or revised?</p> <p>Year: 2017</p> <p> <input checked="" type="radio"/> 0-2 years ago (0 points) <input type="radio"/> 3 or more years ago (20 points) <input type="radio"/> N/A (private facility) </p> <p>2.3 Did you have a special account (e.g., CWWF required segregated Replacement Fund, etc.) or financial resources available for repairing or replacing equipment for your wastewater treatment plant and/or collection system?</p> <p> <input checked="" type="radio"/> Yes (0 points) <input type="radio"/> No (40 points) </p>	0												
REPLACEMENT FUNDS [PUBLIC MUNICIPAL FACILITIES SHALL COMPLETE QUESTION 3]													
<p>3. Equipment Replacement Funds</p> <p>3.1 When was the Equipment Replacement Fund last reviewed and/or revised?</p> <p>Year: 2017</p> <p> <input checked="" type="radio"/> 1-2 years ago (0 points) <input type="radio"/> 3 or more years ago (20 points) <input type="radio"/> N/A </p> <p>If N/A, please explain:</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>3.2 Equipment Replacement Fund Activity</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">3.2.1 Ending Balance Reported on Last Year's CMAR</td> <td style="width: 5%; text-align: center;">\$</td> <td style="width: 35%; border: 1px solid black; text-align: right;">1,577,724.55</td> </tr> <tr> <td>3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)</td> <td style="text-align: center;">+</td> <td style="border: 1px solid black; text-align: right;">299,497.93</td> </tr> <tr> <td>3.2.3 Adjusted January 1st Beginning Balance</td> <td style="text-align: center;">\$</td> <td style="border: 1px solid black; text-align: right;">1,877,222.48</td> </tr> <tr> <td>3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)</td> <td style="text-align: center;">+</td> <td style="border: 1px solid black; text-align: right;">0.00</td> </tr> </table>	3.2.1 Ending Balance Reported on Last Year's CMAR	\$	1,577,724.55	3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)	+	299,497.93	3.2.3 Adjusted January 1st Beginning Balance	\$	1,877,222.48	3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)	+	0.00	
3.2.1 Ending Balance Reported on Last Year's CMAR	\$	1,577,724.55											
3.2.2 Adjustments - if necessary (e.g. earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)	+	299,497.93											
3.2.3 Adjusted January 1st Beginning Balance	\$	1,877,222.48											
3.2.4 Additions to Fund (e.g. portion of User Fee, earned interest, etc.)	+	0.00											

Compliance Maintenance Annual Report

Pewaukee City

Last Updated: Reporting For:
6/12/2018 **2017**

	Electricity Consumed (kWh)	Natural Gas Consumed (therms)
January	29,333	35
February	25,757	41
March	25,500	33
April	24,876	45
May	24,547	33
June	23,761	44
July	21,536	44
August	21,777	43
September	19,280	34
October	16,780	40
November	19,499	35
December	23,746	32
Total	276,392	459
Average	23,033	38

6.1.2 Comments:

6.2 Energy Related Processes and Equipment

6.2.1 Indicate equipment and practices utilized at your pump/lift stations (Check all that apply):

- ☐ Comminution or Screening
- ☐ Extended Shaft Pumps
- ☒ Flow Metering and Recording
- ☐ Pneumatic Pumping
- ☒ SCADA System
- ☒ Self-Priming Pumps
- ☒ Submersible Pumps
- ☒ Variable Speed Drives
- ☒ Other:

VFD installed at 1 of 11 lift stations.

6.2.2 Comments:

6.3 Has an Energy Study been performed for your pump/lift stations?

● No

○ Yes

Year:

By Whom:

Describe and Comment:

Compliance Maintenance Annual Report

Pewaukee City

Last Updated: Reporting For:
6/12/2018 2017

Sanitary Sewer Collection Systems

1. Capacity, Management, Operation, and Maintenance (CMOM) Program

1.1 Do you have a CMOM program that is being implemented?

☒ Yes

☐ No

If No, explain:

1.2 Do you have a CMOM program that contains all the applicable components and items according to Wisc. Adm Code NR 210.23 (4)?

☒ Yes

☐ No (30 points)

☐ N/A

If No or N/A, explain:

1.3 Does your CMOM program contain the following components and items? (check the components and items that apply)

☒ Goals [NR 210.23 (4)(a)]

Describe the major goals you had for your collection system last year:

Clean 33% sanitary sewer & inspect 33% manholes annually. Rehab sewer mains based on cleaning/tv reports. Compile sewer reports to put together repair plan. Establish comprehensive FOG program including grease trap inspection. Update sewer use ordinance. Look for maintenance tracking software. Upgrade SCADA reporting software.

Did you accomplish them?

☐ Yes

☒ No

If No, explain:

We completed cleaning, televising and manhole inspection. Information on reports have been compiled into a new database. Manhole chimney seal replacements are now protocol w/in our pavement rehab program.

Worked extensively this past year with a local food processor this past year to control O&G discharges that were affecting one of our lift stations. Considerable staff hours and repairs were spent at this lift station during the year. We believe that the grease was a large contributing factor to pump and control problems that were encountered.

We did not have a chance to complete the updates of the sewer use ordinance nor establish the FOG program.

☒ Organization [NR 210.23 (4) (b)]

Does this chapter of your CMOM include:

☒ Organizational structure and positions (eg. organizational chart and position descriptions)

☒ Internal and external lines of communication responsibilities

☒ Person(s) responsible for reporting overflow events to the department and the public

☒ Legal Authority [NR 210.23 (4) (c)]

What is the legally binding document that regulates the use of your sewer system?

Sewer Use Ordinance

If you have a Sewer Use Ordinance or other similar document, when was it last reviewed and revised? (MM/DD/YYYY) 1991-02-20

Does your sewer use ordinance or other legally binding document address the following:

Compliance Maintenance Annual Report

Pewaukee City

Last Updated: Reporting For:
6/12/2018 **2017**

Sewer line televising	<input type="text" value="0"/>	% of system/year
Manhole inspections	<input type="text" value="0"/>	% of system/year
Lift station O&M	<input type="text" value="7"/>	# per L.S./year
Manhole rehabilitation	<input type="text" value="2"/>	% of manholes rehabbed
Mainline rehabilitation	<input type="text" value="0"/>	% of sewer lines rehabbed
Private sewer inspections	<input type="text" value="0"/>	% of system/year
Private sewer I/I removal	<input type="text" value="0"/>	% of private services
River or water crossings	<input type="text" value="0"/>	% of pipe crossings evaluated or maintained

Please include additional comments about your sanitary sewer collection system below:

Our sanitary sewer system was cleaned 100% in 2016. It time throughout 2017 to view and compile information from televising, MH inspections and cleaning. A new database was created to compile this information.

Nov. - Dec. 2017, we bid out the next round of cleaning and manhole inspection 33% and televising 7% of the sewer system. The work is taking place in early 2018. Our intention moving forward is to bid out late in the year to take advantage of low bid prices for the winter work. We should be on track for annual work in 2018 CMAR reporting year.

3. Performance Indicators

3.1 Provide the following collection system and flow information for the past year.

<input type="text" value="38.64"/>	Total actual amount of precipitation last year in inches
<input type="text" value="34.61"/>	Annual average precipitation (for your location)
<input type="text" value="66"/>	Miles of sanitary sewer
<input type="text" value="11"/>	Number of lift stations
<input type="text" value="1"/>	Number of lift station failures
<input type="text" value="0"/>	Number of sewer pipe failures
<input type="text" value="1"/>	Number of basement backup occurrences
<input type="text" value="1"/>	Number of complaints
<input type="text" value="1.726"/>	Average daily flow in MGD (if available)
<input type="text" value="2.533"/>	Peak monthly flow in MGD (if available)
<input type="text"/>	Peak hourly flow in MGD (if available)

3.2 Performance ratios for the past year:

<input type="text" value="0.09"/>	Lift station failures (failures/year)
<input type="text" value="0.00"/>	Sewer pipe failures (pipe failures/sewer mile/yr)
<input type="text" value="0.03"/>	Sanitary sewer overflows (number/sewer mile/yr)
<input type="text" value="0.02"/>	Basement backups (number/sewer mile)
<input type="text" value="0.02"/>	Complaints (number/sewer mile)
<input type="text" value="1.5"/>	Peaking factor ratio (Peak Monthly:Annual Daily Avg)
<input type="text" value="0.0"/>	Peaking factor ratio (Peak Hourly:Annual Daily Avg)

Compliance Maintenance Annual Report

Pewaukee City

Last Updated: Reporting For:
6/12/2018 **2017**

Grading Summary

WPDES No: 0047341

SECTIONS	LETTER GRADE	GRADE POINTS	WEIGHTING FACTORS	SECTION POINTS
Financial	A	4	1	4
Collection	A	4	3	12
TOTALS			4	16
GRADE POINT AVERAGE (GPA) = 4.00				

Notes:

- A = Voluntary Range (Response Optional)
- B = Voluntary Range (Response Optional)
- C = Recommendation Range (Response Required)
- D = Action Range (Response Required)
- F = Action Range (Response Required)

RESOLUTION #18-06-15**WISCONSIN DEPARTMENT OF NATURAL RESOURCES
NR 208 - COMPLIANCE MAINTENANCE RESOLUTION
2017**

WHEREAS, it is a requirement under a Wisconsin Pollutant Discharge Elimination System (WPDES) permit issued by the Wisconsin Department of Natural Resources to file a Compliance Maintenance Annual Report (CMAR) for the City of Pewaukee's wastewater collection system under Wisconsin Administrative Code NR 208; and

WHEREAS, it is necessary to acknowledge that the governing body has reviewed the Compliance Maintenance Annual Report (CMAR) for 2017.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Pewaukee does hereby agree to commit reasonable and fiscally prudent funding to operate the City's sewer utility efficiently and maintain an acceptable point average.

Dated this 18th of June, 2018

CITY OF PEWAUKEE

Steve Bierce, Mayor

This is to certify that this is a true and accurate copy of Resolution 18-06-15 which was adopted by the Common Council of the City of Pewaukee.

Kelly Tarczewski, Clerk-Treasurer

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 4.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Review of DRAFT 2017 Audit Report by Rotroff Jeanson & Company [Retroff]

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

ATTACHMENTS:

Description

DRAFT Communication

DRAFT Financials



June 18, 2018

Honorable Mayor and Common Council
City of Pewaukee
Waukesha County, Wisconsin

Dear Mayor and Council Members:

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Pewaukee as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in the City of Pewaukee's internal control to be material weaknesses:

- Segregation of duties
- Internal control over financial reporting
- Audit adjustments

Segregation of Duties

A fundamental element of internal control is the segregation of certain key duties. The basic idea underlying segregation of duties is that no employee or group should be in a position to both perpetrate and conceal errors or fraud in the normal course of their duties. In general, the principal incompatible duties to be segregated include:

- Custody of assets
- Authorization or approval of related transactions affecting those assets
- Recording or reporting of related transactions
- Execution of the transaction or transaction activity

Currently one individual performs substantially all accounting functions for the courts. Since overlapping duties do exist it is important for management to recognize this situation and be aware of the concentration of duties and responsibilities. We recommend that management consider reassignment of certain duties to other employees thereby removing the concentration of responsibility while strengthening the controls over reporting and the safeguarding of assets.

Internal Control over Financial Reporting

Properly designed systems of internal controls consist of enough individuals, with sufficient training and experience, to process and record monthly transactions, as well as prepare a complete set of annual financial statements. The definition of a material weakness in internal control includes consideration of the year-end financial reporting process and preparation of the annual financial statements. In order for the City to avoid this type of material weakness, the system of internal controls would need to have a process for identifying financial reporting risks and be able to:

- Prepare a complete set of year-end financial statements in such a condition that the auditor is unable to identify any material changes as a result of the audit. A complete set of financial statements include the government-wide statements, the governmental and proprietary fund statements (including distinguishing between major and non-major fund reporting requirements), all conversion entries, and footnote disclosures.

This high level of internal control over financial reporting can be a difficult task for governments. As opposed to larger private companies, most governments operate with only enough staff to process monthly transactions and reports, and often rely on their auditors to prepare the year-end financial reporting.

City management may choose to outsource certain accounting functions, including preparation of the City's financial statements and related note disclosures. Management remains responsible however for these services as if they were performed by City personnel. Specifically, management is responsible for all management decisions and functions including designating an individual with suitable skill, knowledge or experience to oversee the outsourced services, for evaluating the adequacy and results of those services and accepting responsibility for them.

As part of the audit, management requested that we prepare the City's annual financial statements, including the notes to those financial statements. Auditors are precluded from being part of the City's internal control system. Management reviewed, approved and accepted responsibility for those financial statements prior to their issuance; however, management does not have the ability to evaluate the completeness of those financial statements or disclosures.

Audit Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the City's financial reporting process. All audit adjustments were reviewed and approved by the City's accountant and were included in your financial statements.

Several significant audit adjustments were proposed to the City's Water and Sewer Utility books during the course of the audit primarily as it relates to the updating of the fixed assets and recording the 2017 depreciation.

We recommend that the City evaluate the current financial reporting process to determine if additional control procedures are necessary to assist in identification of financial reporting misstatements to allow timely corrective actions to be taken.

The existence of significant deficiencies or material weaknesses may represent a conscious decision by management or those charged with governance to accept the degree of risk because of cost or other considerations. We are responsible to communicate material significant deficiencies or material weaknesses in accordance with professional standards regardless of management's decisions.

Other Comments and Recommendations

In compliance with audit requirements we performed a number of audit procedures and inquiries including evaluating the effectiveness of those controls over various transaction cycles. Our consideration of internal control was for the limited purpose of providing a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements and not to necessarily identify all deficiencies in the City's internal control systems.

As a result of the work performed, we are able to provide to you information about where your controls over transactions either do not exist, or could be improved. Following is a list of potential controls that should be in place to achieve a higher level of reliability that errors or irregularities in your processes would be discovered by your staff. In addition, as you make changes within your organization, and we continue to rotate audit procedures, more controls of this kind will likely be communicated to you.

Developer donated assets

All developer donated infrastructure assets that the City took ownership of in 2017 were not recorded on the City's books until the audit. The total amount of developer donated assets which were identified during the audit totaled \$991,532.05.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud.

Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the Common Council of their responsibilities.

As part of the audit we obtained an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing discussed with management and previously communicated to you in our letter submitted to you in December 2017.

Qualitative Aspect of Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. Except for those discussed below, no new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the City during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are:

- Accumulated depreciation is based on managements' best estimate of the useful lives of the City's fixed assets. We evaluated key factors and assumptions used to develop the lives of the assets in determining that they are reasonable in relation to the financial statements taken as a whole.
- The valuation and timely identification of donated infrastructure assets on both the City's and Water and Sewer Utility's books.
- The allowance for uncollectible traffic citations.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Independence

We are not aware of any relationships between Rotroff Jeanson & Company SC and the City that, in our professional judgment, may reasonably be thought to impair our independence.

Relating to our audit of the financial statements as of and for the year ended December 31, 2017, Rotroff Jeanson & Company SC hereby confirms in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants, that we are, in our professional judgment, independent with respect to the City and provided no services to the City other than services provided in connection with the audit of the current year's financial statements and the following non-audit services which in our judgment do not impair our independence:

- Financial statement preparation
- Adjusting journal entries
- Compiled regulatory reports
- Tax roll and accounting assistance

Management Representations

We have requested and received certain representations from management that are included in the management representation letter.

Other Information in Documents Containing Audited Financial Statements

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents.

This letter is also intended to inform the Common Council about significant matters related to the conduct of the annual audit so that it can appropriately discharge its oversight responsibility, and that we comply with our professional responsibilities to the Common Council.

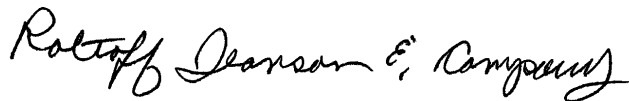
Honorable Mayor and Common Council
City of Pewaukee

This report includes other comments and recommendations designed to improve your system of controls or operating efficiencies, and required communications to those charged with governance related to our audit. The comments and suggestions in this report are not intended to reflect in any way on the integrity or ability of the personnel of the City. We will review the status of these comments during our next audit engagement.

This communication is intended solely for the information and use of the Common Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the opportunity to be of service to the City of Pewaukee. Should you have any questions or concerns about any of the preceding comments and recommendations we would be pleased to discuss them with you in further detail.

Sincerely,

A handwritten signature in cursive script that reads "Rotroff Jeanson & Company".

Rotroff Jeanson & Company, S.C.

DRAFT

CITY OF PEWAUKEE

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

CITY OF PEWAUKEE
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**ROTROFF
JEANSON** & Company, SC

Independent Auditors' Report

Common Council
City of Pewaukee
Waukesha County, Wisconsin

Dear Council Members:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pewaukee, Wisconsin as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pewaukee, Wisconsin as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the

year then ended in accordance with accounting principles generally accepted in the United States of America.

Common Council
City of Pewaukee
Page Two

Other Matters


Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 14 and the budgetary comparison information and the schedules of the City's proportionate share of net pension asset and employer pension contributions – Wisconsin Retirement System on pages 50 - 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pewaukee, Wisconsin's basic financial statements. The combining and individual fund financial statements, business-type activities statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, business-type activities statements, and statistical section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, business-type activities statements, and statistical section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Delafield, Wisconsin
June 18, 2018



The City in the Country

Office of the Mayor

W240 N3065 Pewaukee Road
Pewaukee, Wisconsin 53072
Phone (262) 691-0770 Fax (262) 691-1798

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

This discussion and analysis presents the highlights of financial activities and financial position for the City of Pewaukee (City) for the year ended December 31, 2017. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budgetary comparisons, and specific issues related to funds and the economic factors affecting the City. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements, which follow this section.

Financial Highlights

The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$141,186,267 (net position). Of this amount, \$108,085,597 relates to the net investment in capital assets. \$1,917,234 is restricted for capital projects, pension benefits and other various purposes. \$31,183,436 is considered unrestricted and available to meet the government's ongoing obligations to citizens and creditors.

During 2017, the City's net position increased by \$3,379,996 or 2.5%. The City's governmental activities increased \$3,331,887 while the business-type activities increased by \$48,109.

At December 31, 2017, the City's governmental funds reported combined ending fund balances of \$17,264,057, a decrease of \$54,431 from the previous year. The General Fund comprised \$4,863,990, or 28.2% of the combined fund balances. The Capital Equipment Fund comprised \$4,791,455, or 27.8% of the combined fund balances. The Storm Water Management Fund comprised \$4,201,550 or 24.3% of the combined fund balances. The Road Construction Fund comprised \$1,041,793, or 6% of the combined fund balances, of which \$63,630 remains from long-term borrowings and is considered restricted. The Sport Complex Capital Project Fund comprised \$608,152, or 3.5% of the combined fund balances. Additional restricted funds from various special revenue funds totaled \$729,007.

The Common Council adopted resolutions and ordinances committing \$8,169,768 for future capital projects of which \$4,201,550 is for future storm water management, \$1,511,368 for public safety capital equipment, \$1,432,392 for public works capital equipment and a new salt shed, \$681,684 for property improvements, \$246,740 for park and recreation equipment replacement and \$96,034 for other capital needs within the City.

Components of the assigned fund balance include \$978,163 for road construction, \$957,177 for future debt service expenditures, \$608,152 for construction of the sports complex, \$1,069,977 for future capital purchases, and \$17,502 for community policing events.

The General Fund balance decreased by \$867,283 in 2017 to \$4,863,990. Unassigned general fund balance was \$4,413,252 or approximately 34% of current year general fund revenues.

During 2017, the City's fixed assets, net of accumulated depreciation, increased \$754,951, from \$124,239,186 to \$124,994,137.

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

The City's long-term obligations, including \$474,820 of vested employee benefits, totaled \$17,838,718 at December 31, 2017. At December 31, 2016 total long-term obligations had been \$19,677,083.

Overview of the Financial Statements

The City's annual financial report consists of several sections. Taken together they provide a comprehensive financial look at the City. The components of the report include the following:

Management's Discussion and Analysis

This section of the report is intended to serve as an introduction to the City's basic financial statements providing an overview of financial highlights and economic factors affecting the City.

Financial Report Overview

The City's basic financial statements are comprised of government-wide financial statements, fund financial statements and notes to these financial statements. They include required supplementary information related to budgetary comparisons for the general fund and major special revenue funds and the City's net pension asset and pension contributions. They also contain other supplementary information including combining and individual fund financial statements and statistical schedules.

Government-Wide Financial Statements

The government-wide financial statements, found on pages 15 - 16, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a picture of the assets the City owns, the liabilities it owes and the net difference as of December 31, 2017. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities focuses on gross and net costs of City activities. This statement summarizes and simplifies the user's analysis to determine the extent to which activities are self-supporting and/or subsidized by general revenues, including local tax revenues. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, net of amounts estimated to be uncollectible, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods (e.g., uncollected billings and earned but unused employee benefits).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety and judicial, health and sanitation, public works, culture and recreation, and economic development. Business-type activities include operations of the City's water and sewer utility.

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds and can be found in the statements on pages 17 - 24.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Although the City of Pewaukee maintains the following twelve governmental funds, only the general, storm water management and debt service funds are "major" funds.

- General
- Special Revenue:
 - Storm water management
 - Impact fee
 - Tourism and convention
 - Green space facilities
 - Public safety grants
 - Expendable cemetery
- Debt Service
- Capital Projects:
 - Road construction
 - Sports complex
 - Capital equipment
- Permanent:
 - Non-expendable cemetery – Perpetual care

Fund financial statements focus separately on major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the City's three major funds – general, storm water management and debt service. The other special revenue funds, capital project funds and the permanent fund are classified as "non-major" and are combined into a column titled "Other Governmental Funds." Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Proprietary funds

The financial statements for the City's proprietary funds follow the governmental funds and include statements of net position, revenues, expenses and changes in fund net position, and cash flows for the City's water and sewer utilities.

Proprietary funds provide the same type of information as the "business-type" activities in the government-wide statements, only in more detail. They include operations for the City's water and sewer utility.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Pewaukee's own programs.

The fiduciary fund maintained by the City is used to account for assets held by the City as an agent for individuals, private organizations, or other governments but is primarily related to current year taxes levied and collected on behalf of other taxing jurisdictions. These "agency" funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 - 49 of this report.

Required Supplementary Information

In accordance with GASB 34, budgetary comparison statements are required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The budgetary comparison statement for 2017 includes the general fund and the storm water management fund.

In accordance with GASB 82, the schedule of the City's proportionate share of the net pension asset within the Wisconsin Retirement System for the year ended December 31, 2017 and the schedule of employer pension contributions are included as required supplementary information.

Notes to required supplementary information describe the City's budgetary process, amendments to the originally approved budget and additional information related to the City's pension plan.

Required supplementary information can be found on pages 50 -52 of this report.

Supporting Schedules

Readers desiring additional supplementary information can find it in the supporting schedules found on pages 53 - 74, immediately following the notes to required supplementary information. These schedules include information and data about the City's non-major funds as well as providing additional detail about the City's major funds including:

- Combining statements including balance sheets and statements of revenues, expenditures and changes in fund balances
- Budgetary information
- Capital Assets

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Pewaukee, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$141,186,267 and \$137,806,271 at the close of the most recent fiscal years.

Statement of Net Position at December 31, 2016 and 2017
(in thousands)

	Governmental		Business-Type		Total		Total Change	
	Activities		Activities		Total		Dollars	%
	2016	2017	2016	2017	2016	2017	2016 - 2017	
Current and other assets	\$ 31,051	32,743	15,639	16,661	46,690	49,404	2,714	5.8%
Capital assets	46,907	48,722	77,332	76,272	124,239	124,994	755	.6%
Total assets	77,958	81,465	92,971	92,933	170,929	174,398	3,469	2.0%
Deferred outflows of resources	3,044	2,492	298	235	3,342	2,727	(615)	(18.4)%
Current and other liabilities	3,628	4,438	1,276	1,638	4,904	6,076	1,172	23.9%
Long-term liabilities	10,344	8,678	9,302	8,788	19,646	17,466	(2,180)	(11.1)%
Total liabilities	13,972	13,116	10,578	10,426	24,550	23,542	(1,008)	(4.1)%
Deferred inflows of resources	11,802	12,281	113	116	11,915	12,397	482	4.0%
Net position:								
Net investment in capital assets	36,825	39,831	68,798	68,254	105,623	108,085	2,462	2.3%
Restricted	1,970	1,816	781	102	2,751	1,918	(833)	(30.3)%
Unrestricted	16,433	16,913	12,999	14,270	29,432	31,183	1,751	5.9%
Total net position	\$ 55,228	58,560	82,578	82,626	137,806	141,186	3,380	2.5%

Capital assets include infrastructure assets of the governmental activities and reflect the cost of the City's streets and roads, storm sewers, bridges, and water and sewer utility improvements. The largest portion of the City's net position (76.6%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding.

The City uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

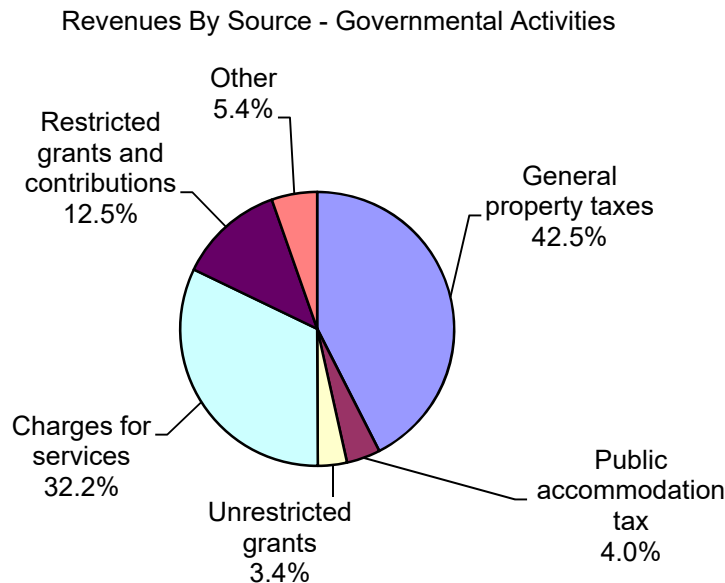
A portion of the year-end net position is restricted for specific purposes. The restrictions represent legal or contractual limitations on how the assets may be expended. These include development charges and other collections limited to the repayment of debt and amounts payable for future pension benefits. Of the amounts shown as "Restricted net assets", \$1,015,702 has been restricted for potential future pension costs.

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Statement of Activities

Governmental Activities

The City's net position from governmental activities increased \$3,331,887 in 2017. The increase in net position is a combination of increases in restricted grants and contributions which include infrastructure assets contributed to the City by developers and reduced spending. As shown by the following graph, taxes (general property and public accommodation) totaling \$9,559,182 made up 46.5% of the total governmental revenues during the current fiscal year.



Program charges for services, which directly offset related program expenses, totaled \$6,618,610 and \$7,286,751 respectively, for the years ended December 31, 2017 and 2016 and included the following:

	2016	2017
Public safety and judicial	\$ 4,045,195	3,551,660
Health and sanitation	748,287	726,582
Public works	1,816,418	1,671,644
Culture and recreation	607,126	603,875
Miscellaneous	69,725	64,849

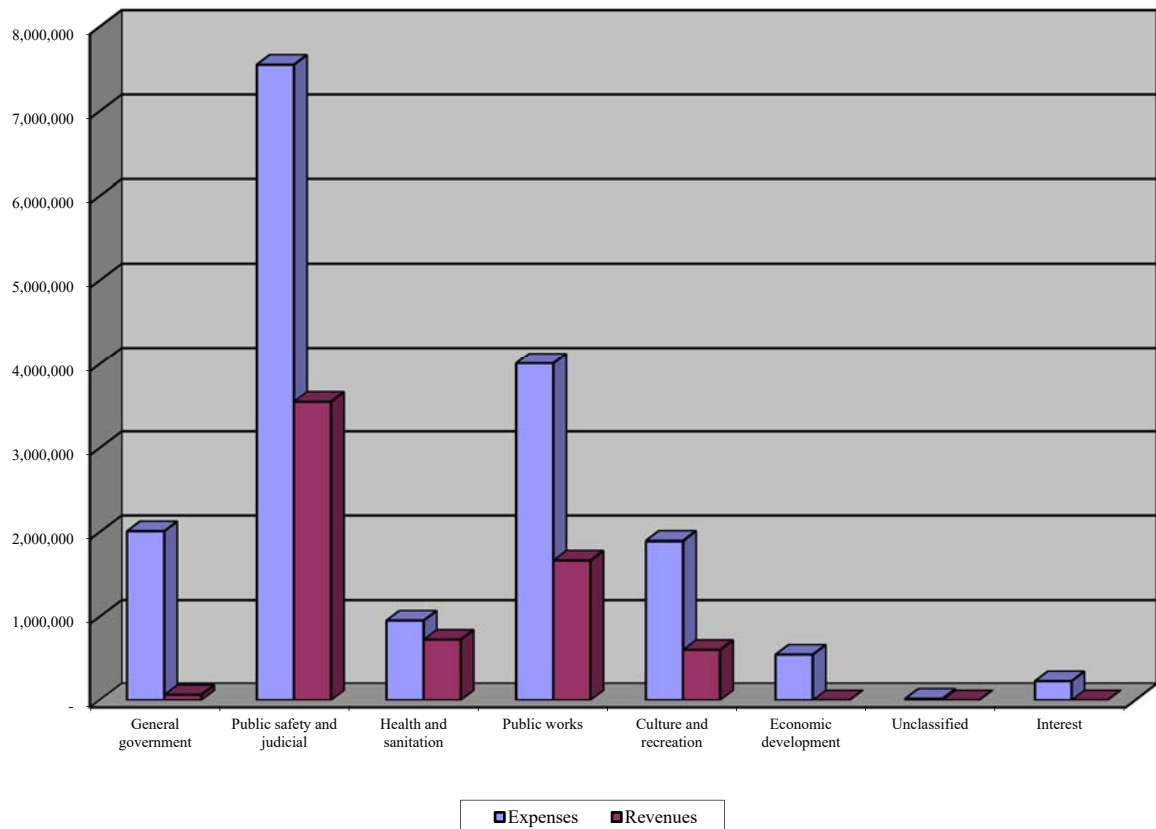
Restricted program grants and contributions include special assessments for road improvements charged to the benefitting property owners, developer financed improvements subsequently contributed to the City, aids received from the State of Wisconsin for public safety and highway and transportation, and from Waukesha County for recycling. The majority of unrestricted grants were shared revenues received from the State of Wisconsin.

For governmental activity expenses, 43.9% relate to public safety and judicial operations, which includes police protection, fire, paramedic and rescue protection, building inspection and municipal court operations. An additional 23.3% was spent for public works, i.e. maintenance of City streets, roads and storm water management. The City spent \$1,898,511, or 11%, towards its culture and recreation programs in 2017. 76.1% of health and sanitation program expenses were directly offset by charges for related services. Depreciation of the City governmental activity fixed assets of \$2,692,730 was allocated to the various governmental activities during 2017 based upon actual usage of the various capital assets, compared to \$2,607,605 in 2016. 69.1% of the current year depreciation was related to the City's public works operations, the majority of which related to roads, bridges and storm sewer infrastructure.

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

The following graph provides an illustration of the breakdown of the City's governmental activities, the related expenses, and the directly related revenues offsetting these expenses.

**Program Expenses and Revenues -
Governmental Activities**



Business-type Activities

Business-type activities for the City are comprised of its water and sewer utilities. The utilities increased the City of Pewaukee's net position by \$48,109. The table below is a summary of the water and sewer utility operations.

**Summary of Water and Sewer operations
(in thousands)**

	Water Operations		Sewer Operations		Total		Total Change	
	2016	2017	2016	2017	2016	2017	Dollars 2016 - 2017	%
Operations:								
Revenues	\$ 2,116	2,107	3,212	3,280	5,328	5,387	59	1.1%
Expenses	2,365	2,276	3,399	3,168	5,764	5,444	(320)	(5.6)%
Operating income (loss)	\$ (249)	(169)	(187)	112	(436)	(57)	(379)	(86.9)%

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

The following is a summary of the Statement of Activity for the current fiscal year.

Statement of Activities for the Years Ended December 31, 2017 and 2016
(in thousands)

	Governmental Activities		Business-Type Activities		Total		Total Change Dollars %	
	2016	2017	2016	2017	2016	2017	2016 – 2017	
REVENUES								
Program revenues:								
Charges for services	\$ 7,287	6,619	5,328	5,387	12,615	12,006	(609)	(4.8)%
Grants and contributions:								
Operating	727	729	-	-	727	729	2	0.3%
Capital	908	1,839	1,834	741	2,742	2,580	(162)	(5.9)%
General revenues:								
General property taxes	8,410	8,739	-	-	8,410	8,739	329	3.9%
Public accommodation taxes	834	820	-	-	834	820	(14)	(1.7)%
Unrestricted grants	723	705	-	-	723	705	(18)	(2.5)%
Interest earnings	124	168	151	123	275	291	16	5.8%
Other	273	379	48	-	321	379	58	18.1%
Total revenues	19,286	19,998	7,361	6,251	26,647	26,249	(398)	(1.5)%
EXPENSES								
General government	2,024	2,012	-	-	2,024	2,012	(12)	(0.6)%
Public safety and judicial	7,418	7,552	-	-	7,418	7,552	134	1.8%
Health and sanitation	950	955	-	-	950	955	5	0.5%
Public works	3,875	4,011	-	-	3,875	4,011	136	3.5%
Culture and recreation	1,779	1,899	-	-	1,779	1,899	120	6.7%
Economic development	485	547	-	-	485	547	62	12.8%
Unclassified	152	19	-	-	152	19	(133)	(87.5)%
Interest and fiscal charges	213	229	-	-	213	229	16	7.5%
Water utility operations	-	-	2,505	2,440	2,505	2,440	(65)	(2.6)%
Sewer utility operations	-	-	3,444	3,205	3,444	3,205	(239)	(6.9)%
Total expenses	16,896	17,224	5,949	5,645	22,845	22,869	24	0.1%
Change in net position before transfers	2,390	2,774	1,412	606	3,802	3,380	(422)	
Transfers	548	558	(548)	(558)	-	-	-	
Change in net position	2,938	3,332	864	48	3,802	3,380	(422)	
Net position:								
Beginning of year	52,290	55,228	81,714	82,578	134,004	137,806	3,802	
End of year	\$55,228	58,560	82,578	82,626	137,806	141,186	3,380	

Financial Analysis of the City's Funds

The City of Pewaukee uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,264,057. Approximately 25.6% of this total amount, or \$4,413,252, constitutes unassigned fund balance, which is available for spending at the government's discretion.

The assigned fund balance, \$3,630,971 indicates that the City has set these balances aside for specific future purposes. These include \$978,163 for road construction projects, \$608,152 for sports complex construction, \$1,069,977 for future capital equipment purchases, \$957,177 for debt service payments, and \$17,502 is for community policing.

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Committed fund balances of \$8,169,768 represent amounts which can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances adopted prior to the end of the current fiscal year of the Common Council, the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Common Council removes the specified use by taking the same type of action imposing the commitment. The following funds have fund balances which have been committed:

General fund	\$ 246,740
Storm water management	4,201,550
Capital equipment	3,721,478

The restricted fund balance of \$792,637 is constrained by creditors, contributors and laws or regulations of other governments, or imposed by law through constitutional provisions and enabling legislation. The following funds have fund balances which are restricted:

Road construction –	
Unexpended debt proceeds	\$ 63,630
Impact fees	580,709
Tourism and convention	77,208
Cemetery – Expendable	71,090

Although the Common Council originally approved a balanced budget for the general fund in 2017, the fund balance actually decreased by \$867,283. General fund revenues and other financing sources exceeded the originally approved 2017 budget by \$74,532 and general fund expenditures were \$1,058,185 less than budgeted. These were offset by transfers from the general fund to other funds which exceeded originally budgeted amounts by \$2,000,000.

The majority of departmental expenditures were less than originally budgeted. Overall the general fund expenditures totaled \$12,815,830, \$1,058,185 or 7.6% less than budgeted. This was primarily the result of the following being under budget: General government - \$336,668, Public safety - \$331,174, Public works - \$188,357 and Culture and recreation - \$59,469.

The City's general fund transferred \$1,000,000 to both the road construction fund and the capital equipment fund in 2017; neither of which had been budgeted for.

The City also spent \$845,662, \$1,723,893 and \$1,634,045 on storm water management, capital equipment purchases and road construction projects, respectively, during 2017.

The individual fund balance increases (decreases) are as follows:

General	\$ (867,283)
Storm water management	512,087
Debt service fund	156,865
Impact fee	131,395
Tourism and convention	27,208
Green space facilities	(16,790)
Expendable cemetery	4,287
Road construction	(408,699)
Sports complex	(92,033)
Capital equipment	495,620
Cemetery – perpetual care	2,912
	<u>\$ (54,431)</u>

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2017, the City had invested \$124,994,137 in capital assets, net of accumulated depreciation. During 2017 the City's gross capital assets increased \$4,780,732. This included developer donated assets of \$1,002,232 contributed to the City in the form of roads, and the sewer utility's system.

Capital Assets at December 31, 2017
(in thousands)

	Governmental Activities	Business-type Activities	Total Government
Land	\$ 3,736	530	4,266
Buildings	12,956	9,624	22,580
Furniture and equipment	9,578	1,222	10,800
Infrastructure and improvements other than buildings	50,679	101,936	152,615
Construction in progress	2,790	296	3,086
Total capital assets	79,739	113,608	193,347
Less: Accumulated depreciation	31,017	37,336	68,353
Total net assets	<u>\$ 48,722</u>	<u>76,272</u>	<u>124,994</u>

The following table reconciles the change in capital assets. Additions include assets acquired or under construction at year-end.

Change in Capital Assets, Net of Accumulated Depreciation
(in thousands)

	Governmental Activities	Business-type Activities	Total Government
Beginning balance	\$ 46,907	77,332	124,239
Additions	4,797	1,390	6,187
Disposals, net	(289)	(16)	(305)
Depreciation	(2,693)	(2,434)	(5,127)
Ending balance	<u>\$ 48,722</u>	<u>76,272</u>	<u>124,994</u>

Depreciation for governmental assets for the current fiscal year was allocated and included in the direct expenses for the following activities:

General government	\$ 250,482
Public safety	435,903
Health and sanitation	1,119
Public works, including infrastructure	1,860,882
Culture and recreation	<u>144,344</u>
	<u>\$ 2,692,730</u>

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Debt Outstanding

The City has \$17,838,718 in long-term obligations outstanding at December 31, 2017, including long-term employee benefits of \$474,820. \$1,901,802 of the obligations comes due within one year

**Outstanding Long-term Obligations at Year End
(in thousands)**

Governmental:

General obligation notes	\$ 2,318
General obligation bonds	7,028
Compensated absences	<u>475</u>
	<u>9,821</u>

Business-type:

General obligation bonds	7,737
Intermunicipal loans	<u>281</u>
	<u>8,018</u>
	<u>\$ 17,839</u>

2017 debt repayments, including long-term employee benefits were:

Governmental activities	\$ 1,344,729
Proprietary activities	<u>516,582</u>
	<u>\$ 1,861,311</u>

Other Economic Factors

The City of Pewaukee has consistently established a very good financial position as it relates to the fiscal ability to provide needed and desired public services to City residents and taxpayers at a relatively low expenditure of tax dollars.

In 2013, the City developed a Strategic Plan that covers the five-year period from 2014 through 2018. The Common Council and staff utilized this activity to establish future goals.

In September 2016, Moody's Investors Service reviewed, and maintained, a rating of Aa1 on the City of Pewaukee's general obligation debt. As of December 31, 2016, the City's general obligation debt burden is 11.6% of our \$150.1 million-dollar capacity to borrow.

The City continues to commit funds for the purchase of capital equipment, i.e.: fire engines, plow trucks and ambulances, in future years in order to more equally distribute the cost. The Common Council continues to plan forward in the coming years with improvements to streets, storm water management improvements, and various water and sewer projects. As outlined in the Long-Term Financial Plan, the City anticipates borrowing to maintain the infrastructure.

For the past five years, the City of Pewaukee has continued to stand apart from other communities in the area related to the increase in the number of single-family homes started in the community. In 2017, the City issued 69 new home permits.

The City of Pewaukee continues to evaluate the staffing levels and the needs of the community related to the services that are provided.

CITY OF PEWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

The City of Pewaukee has established agreements with surrounding agencies to maximize a high level of service which the community has come to expect, while being cost conscious. This is demonstrated by the following agreements:

- The City has contracted for police services from the Waukesha County Sheriff's Department since 2010.
- The Village of Pewaukee currently contracts with the City for Fire/EMS services and Building Inspection services.
- The Pewaukee Public Library is a joint City/Village library, in 2017 the City of Pewaukee was responsible for 75% of the shared expenses.
- The City and Village have had a Joint Park/Recreation Department since 1997 with the City of Pewaukee responsible for 67% of the expenses and revenues.

The City of Pewaukee elected officials and staff continue to work cooperatively to maintain a solid financial position, prepare for the continued development of the community, and provide a desired level of service to the citizens.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City at W240N3065 Pewaukee Road, Pewaukee, WI 53072.

CITY OF PEWAUKEE
STATEMENT OF NET POSITION
December 31, 2017

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	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 13,332,347	11,271,105	24,603,452
Investments	2,526,319	-	2,526,319
Property taxes receivable	5,232,971	-	5,232,971
Other receivables (net)	977,396	1,403,837	2,381,233
Special assessments	-	188,009	188,009
Internal balances	557,342	(557,342)	-
Inventories and prepaid expenses	185,522	8,329	193,851
Restricted assets:			
Cash and cash equivalents:			
Capital projects	63,630	11,260	74,890
Non-current assets:			
Fixed assets:			
Land and construction in progress	6,526,615	825,905	7,352,520
Capital assets, net of accumulated depreciation	42,195,604	75,446,013	117,641,617
Investments	9,017,470	-	9,017,470
Special assessments	849,606	3,824,227	4,673,833
Unamortized charges	-	512,096	512,096
Total assets	<u>81,464,822</u>	<u>92,933,439</u>	<u>174,398,261</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	<u>2,491,608</u>	<u>235,087</u>	<u>2,726,695</u>
Liabilities:			
Current liabilities:			
Accounts payable	2,152,585	1,162,512	3,315,097
Unearned revenue	859,453	-	859,453
Current portion of long-term obligations	1,425,995	475,807	1,901,802
Noncurrent liabilities:			
Noncurrent portion of long-term obligatio	8,395,145	7,541,771	15,936,916
Assessments due developers	-	1,166,492	1,166,492
Construction contracts payable	-	50,740	50,740
Net pension liability	<u>282,282</u>	<u>28,602</u>	<u>310,884</u>
Total liabilities	<u>13,115,460</u>	<u>10,425,924</u>	<u>23,541,384</u>
Deferred Inflows of Resources:			
Subsequent year's tax levy	9,178,302	-	9,178,302
Special assessments	341,919	-	341,919
Storm water fees	1,567,307	-	1,567,307
Deferred inflows related to pensions	<u>1,193,624</u>	<u>116,153</u>	<u>1,309,777</u>
Total deferred inflows or resources	<u>12,281,152</u>	<u>116,153</u>	<u>12,397,305</u>
Net Position:			
Net investment in capital assets	39,831,257	68,254,340	108,085,597
Restricted	1,815,642	101,592	1,917,234
Unrestricted	<u>16,912,919</u>	<u>14,270,517</u>	<u>31,183,436</u>
Total net position	<u>\$ 58,559,818</u>	<u>82,626,449</u>	<u>141,186,267</u>

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:	Expenses						
Governmental activities							
Direct expenses:							
General government	\$ 2,011,995	64,849	-	-	(1,947,146)	-	(1,947,146)
Public safety and judicial	7,552,406	3,551,660	130,839	-	(3,869,907)	-	(3,869,907)
Health and sanitation	954,851	726,582	108,576	-	(119,693)	-	(119,693)
Public works	4,011,298	1,671,644	489,840	1,838,721	(11,093)	-	(11,093)
Culture and recreation	1,898,511	603,875	-	-	(1,294,636)	-	(1,294,636)
Economic development	547,050	-	-	-	(547,050)	-	(547,050)
Unclassified	18,509	-	-	-	(18,509)	-	(18,509)
Indirect expenses:							
Interest and other related charges	229,378	-	-	-	(229,378)	-	(229,378)
Total governmental activities	17,223,998	6,618,610	729,255	1,838,721	(8,037,412)	-	(8,037,412)
Business-type activities:							
Water utility	2,423,206	2,106,877	-	386,784	-	70,455	70,455
Sewer utility	3,204,879	3,279,818	-	353,717	-	428,656	428,656
Total business-type activities	5,628,085	5,386,695	-	740,501	-	499,111	499,111
Total primary government	\$ 22,852,083	12,005,305	729,255	2,579,222	(8,037,412)	499,111	(7,538,301)
General revenues, losses and transfers:							
Property taxes					\$ 8,739,256	-	8,739,256
Public accommodation taxes					819,926	-	819,926
Grants not restricted to specific programs					705,703	-	705,703
Video service provider fee					128,191	-	128,191
Interest and investment earnings					168,149	122,762	290,911
Miscellaneous					303,613	(16,422)	287,191
Claims and settlements					(52,881)	-	(52,881)
Transfers					557,342	(557,342)	-
Total general revenues, losses and transfers					11,369,299	(451,002)	10,918,297
Change in Net Position					3,331,887	48,109	3,379,996
Net Position - Beginning of Year					55,227,931	82,578,340	137,806,271
Net Position - End of Year					\$ 58,559,818	82,626,449	141,186,267

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
BALANCE SHEET
Governmental Funds
December 31, 2017

	General	Storm Water Management	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 899,983	5,614,628	1,605,805	5,211,931	13,332,347
Investments	8,088,780	-	-	3,455,009	11,543,789
Receivables:					
Current taxes	3,871,610	277,072	597,777	486,512	5,232,971
Accounts	272,107	-	-	31,048	303,155
Special assessments	-	-	849,606	-	849,606
Intergovernmental	213,417	-	-	-	213,417
Inventory of supplies	161,298	-	-	-	161,298
Prepaid expenditures	24,224	-	-	-	24,224
Due from other fund	557,342	-	-	-	557,342
Restricted assets:					
Cash and cash equivalents - capital projects	-	-	-	63,630	63,630
Total assets	\$ 14,088,761	5,891,700	3,053,188	9,248,130	32,281,779
Liabilities, Deferred Inflows of Resources and Fund Balance:					
Liabilities:					
Accounts payable	\$ 550,574	116,090	-	111,774	778,438
Construction contracts payable	-	6,753	-	869,791	876,544
Accrued payroll	209,699	-	-	-	209,699
Other accrued liabilities	223,731	-	-	-	223,731
Unearned revenue	846,728	-	-	12,725	859,453
Total liabilities	1,830,732	122,843	-	994,290	2,947,865
Deferred Inflows of Resources:					
Subsequent year's tax levy	7,065,802	-	1,100,000	1,012,500	9,178,302
Special assessments	328,237	-	996,011	-	1,324,248
Storm water fees	-	1,567,307	-	-	1,567,307
Total deferred inflows of resources	7,394,039	1,567,307	2,096,011	1,012,500	12,069,857
Fund Balance:					
Nonspendable	186,496	-	-	70,933	257,429
Restricted	-	-	-	792,637	792,637
Committed	246,740	4,201,550	-	3,721,478	8,169,768
Assigned	17,502	-	957,177	2,656,292	3,630,971
Unassigned	4,413,252	-	-	-	4,413,252
Total fund balance	4,863,990	4,201,550	957,177	7,241,340	17,264,057
Total liabilities, deferred inflows of resources and fund balance	\$ 14,088,761	5,891,700	3,053,188	9,248,130	32,281,779

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 Governmental Funds
 December 31, 2017

Total fund balances - governmental funds	\$	17,264,057
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Amounts reported for governmental activities in the
 Statement of Net position are different because:

Certain accounts receivable are not available soon enough after year-end to pay for the current year's expenditures, and therefore are not reported in the governmental funds		460,824
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	\$ 79,738,739	
Less: Accumulated depreciation	<u>(31,016,520)</u>	48,722,219

Other long-term assets are not available to pay for current year expenditures and therefore are deferred in the funds.		982,329
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The net pension liability does not relate to current financial resources and is not reported in the governmental funds.		(282,282)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore are not reported in the governmental funds.		1,297,984
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Accrued employee benefits are not due and payable in the current period and therefore are not reported in the governmental funds.		(474,820)
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Interest payable used in the governmental activities is not payable from current resources and therefore is not reported in the governmental funds.		(64,173)
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Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds.		<u>(9,346,320)</u>
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Total net position - governmental activities	\$	<u>58,559,818</u>
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The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended December 31, 2017

	General	Storm Water Management	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 6,488,526	-	1,443,172	1,988,948	9,920,646
Intergovernmental	1,419,266	-	12,643	25,002	1,456,911
Regulation and compliance	1,496,745	-	-	-	1,496,745
Charges for services	3,450,230	1,551,489	-	141,487	5,143,206
Interest	104,311	17,647	18,319	27,872	168,149
Miscellaneous	92,749	83,999	-	-	176,748
Total revenues	<u>13,051,827</u>	<u>1,653,135</u>	<u>1,474,134</u>	<u>2,183,309</u>	<u>18,362,405</u>
Expenditures:					
Current:					
General government	1,739,913	-	-	-	1,739,913
Public safety and judicial	6,805,733	-	-	3,049	6,808,782
Health and sanitation	935,042	-	-	18,690	953,732
Public works	1,401,628	625,779	-	-	2,027,407
Culture and recreation	1,892,048	-	-	-	1,892,048
Economic development	-	-	-	547,050	547,050
Unclassified	41,466	-	-	-	41,466
Capital outlay	-	219,883	-	3,453,410	3,673,293
Debt service:					
Principal	-	-	1,344,729	-	1,344,729
Interest	-	-	232,877	-	232,877
Total expenditures	<u>12,815,830</u>	<u>845,662</u>	<u>1,577,606</u>	<u>4,022,199</u>	<u>19,261,297</u>
Excess (deficiency) of revenues over expenditures	<u>235,997</u>	<u>807,473</u>	<u>(103,472)</u>	<u>(1,838,890)</u>	<u>(898,892)</u>
Other financing sources (uses):					
Sale of assets	340,000	-	-	-	340,000
Claims and settlements	-	(52,881)	-	-	(52,881)
Transfers in	574,132	17,832	260,337	2,000,000	2,852,301
Transfers out	(2,017,412)	(260,337)	-	(17,210)	(2,294,959)
Total other financing sources (uses)	<u>(1,103,280)</u>	<u>(295,386)</u>	<u>260,337</u>	<u>1,982,790</u>	<u>844,461</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(867,283)</u>	<u>512,087</u>	<u>156,865</u>	<u>143,900</u>	<u>(54,431)</u>
Fund balance:					
January 1	5,731,273	3,689,463	800,312	7,097,440	17,318,488
December 31	<u>\$ 4,863,990</u>	<u>4,201,550</u>	<u>957,177</u>	<u>7,241,340</u>	<u>17,264,057</u>

The accompanying notes are an integral part of the financial statements

CITY OF PEWAUKEE
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 Governmental Funds
 Year Ended December 31, 2017

Net change in fund balances - total governmental funds	\$ (54,431)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues in governmental funds include those which provide financial resources of the current year but which were earned in prior years.	102,262
Long-term special assessment which are not available to pay for current year expenditures are deferred until collected in the governmental funds. In the Statement of Activities these are reported when earned.	463,772
Capital outlays are reported in governmental funds as expenditures. In the Statement of Activities, however, the cost of those assets is depreciated over their estimated useful lives. This is the amount by which capital purchases exceed depreciation expense.	1,032,246
Contributed capital assets are not included as revenues in the governmental funds. In the Statement of Activities, however, they are reported at their estimated fair value at the time of acquisition.	991,532
In governmental funds proceeds from the sale of assets are financial resources and are recognized as revenue. In the Statement of Activities, only the amount by which the sales proceeds exceed the remaining book value of the sold asset is recognized as revenue.	(208,547)
Governmental funds report pension contributions as expenditures. In the Statement of Activities, however, the cost of pension benefits earned net of employee contributions is reported as pension expense	(320,229)
Accrued sick leave benefits not payable from current year resources are not reported as expenditures of the current year. In the Statement of Activities, however, these costs are current year expenses.	(22,946)
Interest on long-term debt is recognized as an expenditure in the funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues.	3,499
Repayment of long-term debt obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	<u>1,344,729</u>
Change in net position of governmental activities	<u>\$ 3,331,887</u>

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
STATEMENT OF NET POSITION
Proprietary Funds
December 31, 2017

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	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,260,335	10,010,770	11,271,105
Other receivables	494,575	909,262	1,403,837
Due from water	-	6,263,171	6,263,171
Special assessments	12,048	175,961	188,009
Inventory of supplies	8,329	-	8,329
Restricted assets - cash and cash equivalents:			
Capital projects	11,260	-	11,260
Non-current assets:			
Fixed assets:			
Non-depreciable:			
Land	530,387	-	530,387
Construction in progress	229,111	66,407	295,518
Depreciable:			
Capital assets, net of accumulated depreciation	36,357,131	39,088,882	75,446,013
Special assessments	1,295,341	2,528,886	3,824,227
Unamortized charges	512,096	-	512,096
Total assets	<u>40,710,613</u>	<u>59,043,339</u>	<u>99,753,952</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	<u>158,206</u>	<u>76,881</u>	<u>235,087</u>
Liabilities:			
Current liabilities:			
Accounts payable	127,314	836,701	964,015
Construction contracts payable	76,991	12,555	89,546
Due to general fund	557,342	-	557,342
Customer advances on construction	53,408	-	53,408
Accrued interest on long-term debt	44,922	10,621	55,543
Current portion of long-term obligations	387,165	88,642	475,807
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	6,145,925	1,395,846	7,541,771
Due to sewer	6,263,171	-	6,263,171
Assessments due developers	442,882	723,610	1,166,492
Long-term contract payable	-	50,740	50,740
Net pension liability	20,616	7,986	28,602
Total liabilities	<u>14,119,736</u>	<u>3,126,701</u>	<u>17,246,437</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	<u>79,871</u>	<u>36,282</u>	<u>116,153</u>
Net Position:			
Net investment in capital assets	30,583,539	37,670,801	68,254,340
Restricted for:			
Capital projects	11,260	-	11,260
Pension	57,719	32,613	90,332
Unrestricted	(3,983,306)	18,253,823	14,270,517
Total net position	<u>\$ 26,669,212</u>	<u>55,957,237</u>	<u>82,626,449</u>

The accompanying notes are an integral part of these financial statements

CITY OF PEWAUKEE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Proprietary Funds
Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating revenues	\$ 2,106,877	3,279,818	5,386,695
Operating expenses:			
Operation and maintenance	1,079,150	1,790,272	2,869,422
Depreciation	1,055,800	1,377,949	2,433,749
Amortization	138,880	-	138,880
Taxes	2,022	-	2,022
Total operating expenses	2,275,852	3,168,221	5,444,073
Net operating income (loss)	(168,975)	111,597	(57,378)
Non-operating income (expense):			
Interest income	7,453	115,309	122,762
Interest expense	(147,354)	(36,658)	(184,012)
Loss on disposal of fixed assets	(16,422)	-	(16,422)
Total non-operating income (expense)	(156,323)	78,651	(77,672)
Income (loss) before contributions and transfers	(325,298)	190,248	(135,050)
Contributions	386,784	353,717	740,501
Transfers out	(557,342)	-	(557,342)
Change in net position	(495,856)	543,965	48,109
Total net position:			
January 1	27,165,068	55,413,272	82,578,340
December 31	\$ 26,669,212	55,957,237	82,626,449

The accompanying notes are an integral part of the financial statements

CITY OF PEWAUKEE
STATEMENT OF CASH FLOWS
Proprietary Funds
Year Ended December 31, 2017

		Business-type Activities - Enterprise Funds		
		Water	Sewer	Total
Cash flows from operating activities:				
Receipts from customers	\$	2,033,775	3,088,136	5,121,911
Payments to suppliers		(645,150)	(1,110,283)	(1,755,433)
Payments to employees		(380,746)	(276,933)	(657,679)
Net cash provided by operating activities		<u>1,007,879</u>	<u>1,700,920</u>	<u>2,708,799</u>
Cash flows from non-capital and related financing activities:				
Transfers to other funds		<u>(547,523)</u>	<u>-</u>	<u>(547,523)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets		(1,087,277)	(309,169)	(1,396,446)
Advance from sewer division		950,594	-	950,594
Advance to water division		-	(950,594)	(950,594)
Reserve capacity assessments received		315,751	214,329	530,080
Long-term debt retirements		(433,430)	(83,152)	(516,582)
Collection of special assessments, net		76,072	497,790	573,862
Interest and fiscal charges paid on long-term debt		<u>(143,959)</u>	<u>(37,173)</u>	<u>(181,132)</u>
Net cash used by capital and related financing activities		<u>(322,249)</u>	<u>(667,969)</u>	<u>(990,218)</u>
Cash flows from investing activities:				
Interest received on cash and investments		<u>6,373</u>	<u>98,447</u>	<u>104,820</u>
Net increase in cash and cash equivalents		144,480	1,131,398	1,275,878
Cash and cash equivalents, January 1		1,127,115	8,879,372	10,006,487
Cash and cash equivalents, December 31	\$	<u><u>1,271,595</u></u>	<u><u>10,010,770</u></u>	<u><u>11,282,365</u></u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:				
Unrestricted	\$	1,260,335	10,010,770	11,271,105
Restricted - Debt retirement and capital projects		<u>11,260</u>	<u>-</u>	<u>11,260</u>
	\$	<u><u>1,271,595</u></u>	<u><u>10,010,770</u></u>	<u><u>11,282,365</u></u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$	(168,975)	111,597	(57,378)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation and amortization		1,194,680	1,377,949	2,572,629
Changes in assets and liabilities:				
Accounts receivable, net		(73,102)	(191,682)	(264,784)
Inventory of supplies		(5)	-	(5)
Accounts payable and accrued expenses		<u>55,281</u>	<u>403,056</u>	<u>458,337</u>
Net cash provided by operating activities	\$	<u><u>1,007,879</u></u>	<u><u>1,700,920</u></u>	<u><u>2,708,799</u></u>
Schedule of non-cash activities:				
Plant assets contributed by developers	\$	<u>-</u>	<u>10,700</u>	<u>10,700</u>

The accompanying notes are an integral part of the financial statements

CITY OF PEWAUKEE
STATEMENT OF FIDUCIARY NET POSITION
Agency Fund
December 31, 2017

Assets:		
Cash and cash equivalents	\$	18,683,001
Taxes receivable		<u>16,591,595</u>
Total assets	\$	<u><u>35,274,596</u></u>
Liabilities:		
Due to other taxing units:		
School districts	\$	28,764,917
Waukesha County		5,861,134
State of Wisconsin		261
Deposits:		
Ditch and erosion		272,000
Developer		277,529
Holding tank		44,050
Occupancy		44,500
Street opening		9,000
Park reservation		<u>1,205</u>
Total liabilities	\$	<u><u>35,274,596</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

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CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The accounting and reporting policies of the City of Pewaukee included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Reporting Entity

This report includes all of the funds of the City of Pewaukee. The reporting entity for the City consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

Based upon the application of these criteria, operations of the joint park and recreation department, described in Note 4 (C), have been blended with the City and are included in these financial statements as component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - continued

Fund Financial Statements - continued

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or proprietary fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and proprietary funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

The City reports the following major governmental funds:

General Fund – accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Storm Water Management Fund – a special revenue fund which accounts for resources accumulated and payments made for storm water management projects.

Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than proprietary fund debt.

The City reports the following major proprietary funds:

Water Utility – accounts for the operations of the water system.

Sewer Utility – accounts for the operations of the sanitary sewer system.

The City reports the following non-major governmental funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes and includes:

Impact Fee Fund
Tourism and Convention Fund
Green Space Facilities Fund
Public Safety Grants Fund
Expendable Cemetery Fund

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - continued

Fund Financial Statements - continued

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities and includes:

Road Construction Fund
Sports Complex Fund
Capital Equipment Fund

Permanent Fund - used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry and includes:

Non-Expendable Cemetery Fund

In addition, the City reports the following fund type:

Agency Fund - used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position.

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, termination benefits, and compensated absences, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued

Fund Financial Statements - continued

Property taxes are recorded in the year levied as receivables and deferred inflows of resources and are recognized as revenues in the succeeding year when services financed by the levy are being provided. Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City but not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are recorded as current liabilities.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Wisconsin municipalities are authorized by statute to invest idle funds in the following institutions and investments:

- a. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association, which is authorized to transact business in the state if the time deposits mature in not more than 3 years.
- b. Bonds or securities issued or guaranteed as to principal and interest by the federal government or by a commission, board or other instrumentality of the federal government.
- c. Bonds or securities of any county, city, village, town, drainage district, technical college district, or school district of this state.
- d. Bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district or local cultural arts district.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity – continued

1. Deposits and Investments - continued

- e. Bonds issued by the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- f. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or 2nd highest rating category assigned by Standard & Poor's corporation, Moody's investors service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- g. Securities of an open-end management investment company or investment trust (mutual fund), if the portfolio is limited to the following:
 - 1. Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government.
 - 2. Bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government.
 - 3. Repurchase agreements fully collateralized by bonds or securities under (g) 1 or 2.
- h. Bonds or securities issued under the authority of the municipality, whether the bonds or securities create a general municipality liability or a liability of the property owners of the municipality for special improvements and may sell or hypothecate the bonds or securities.
- i. The Local Government Pooled Investment Fund.
- j. Repurchase agreements with public depositories, if federal bonds or securities secure the agreement.

Investments made during 2017 were held in the City's name and were in accordance with those allowable by state statutes.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is unrated and is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2017, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as local school districts and the technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund balance sheet.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity – continued

2. Receivables - continued

Property tax calendar – 2017 tax roll:

Levy:

Tax lien and levy date	December 2017
Tax bills mailed	December 2017

Due dates:

Real property taxes:

Payment in full or first installment	January 31, 2018
Second installment payable to County	July 31, 2018

Personal property taxes, special assessments and special charges, in full	January 31, 2018
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Tax settlements with taxing jurisdictions:

First settlement	January 15, 2018
Second settlement	February 20, 2018
Final settlement	August 20, 2018

Tax sale - 2017 delinquent real estate taxes	October 2020
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Real estate taxes delinquent as of January 31 are assumed by Waukesha County. The City maintains responsibility for collection of delinquent personal property taxes. Accounts receivable have been shown net of an allowance for uncollectible accounts. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to” and “due from” other funds. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

3. Inventories and Prepaid Items

Governmental fund inventories are valued at cost on a first in, first out basis. Inventory in the general fund consists of expendable supplies held for consumption. Costs are recorded as expenditures at the time individual inventory items are consumed. Reported inventories are offset as nonspendable fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of fund balance. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity – continued

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

6. Capital Assets

Government - Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated acquisition value at the date of donation.

Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation of GASB 34. Retroactive reporting of all major general infrastructure assets, although encouraged, was not required until January 1, 2007, when GASB 34 required the City to retroactively report all major general infrastructure assets acquired since January 1, 1980.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. Interest costs on restricted tax-exempt borrowings, less any interest earned on temporary investment of the proceeds of those borrowings during the construction period, have been capitalized as part of the cost of the related assets. No interest was capitalized during the current year. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity – continued

6. Capital Assets - continued

Government - Wide Statements - continued

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	15-40 Years
Land improvements	10-40 Years
Machinery and equipment	2-20 Years
Water and sewer plant	4-100 Years
Infrastructure	20-60 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

7. Compensated Absences

Compensated absences represent liabilities arising from the City's sick and vacation leave policies. The sick leave policy allows employees (excluding firefighters) to accrue sick leave at a rate of one day per month to a maximum of 130 days. Represented firefighters are allowed to accrue up to 135 hours per year to a maximum of 1,920 hours. The maximum accumulation for full-time employees hired after January 1, 2016 is 1,456 hours. If such days are not taken as paid time off during the course of employment, payment may be received upon termination at a rate of 50% of total accrued benefits. A liability is recorded only to the extent that it is estimated to result in termination payments.

The City's vacation leave policy allows employees hired before 2015 to accrue vacation benefits beginning in the year of hire. Vacation leave accrues to a maximum of five weeks based upon each employee's length of service. Vacation leave can only be accrued to a maximum of 150% of the earned benefit based upon the employee's seniority at any point during the year. Represented firefighters are not allowed to carryover any days to the next year. For employees hired after January 1, 2015 vacation leave can only be accrued to a maximum of 100% of the earned benefit based upon the employee's seniority at any point during the year.

All vested vacation and sick leave pay is accrued when earned in the full-accrual government-wide and proprietary fund financial statements. The vacation pay liability is reported in governmental fund financial statements however, vested sick pay is accrued only to the extent that it is expected to utilize current financial resources.

8. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity – continued

8. Long-Term Obligations - continued

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts is reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

10. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - All other net positions that do not meet the definition of “net investment in capital assets” or “restricted”.

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Standards Board Statement No. 54 fund balance is further categorized into five classifications based on the constraints imposed on the use of these resources. These five classifications are nonspendable, restricted, committed, assigned and unassigned.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form – prepaids or inventories; or are legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- a. Restricted - This classification reflects the constraints imposed on resources externally by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity – continued

10. Equity Classifications - continued

Fund Statements - continued

- b. Committed - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Common Council, the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Common Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- c. Assigned - This classification reflects the amounts constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The Common Council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- d. Unassigned - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

The City has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. In these circumstances GASB Statement No. 54 indicates that restricted funds are to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(2) Stewardship, Compliance, and Accountability

A. Limitations of the City's Tax Levy

Wisconsin Statute 66.0602 limits the City's property tax levy, with exceptions, to its prior tax levy, increased by the percentage change in the City's equalized value due to new construction. Changes in debt service from one year to the next are generally exempt from this limit.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds

A. Deposits and Investments

The City's deposits and investments at December 31, 2017 were comprised of the following:

	Carrying Value	Bank and Investment Balances	<u>Associated Risks</u>
Deposits	\$ 37,091,231	32,687,109	Custodial credit risk
Negotiable certificates of deposit	5,006,706	5,006,706	Custodial credit risk
Investments:			
Federal Home Loan Bank	2,956,531	2,956,531	Credit risk, interest rate risk
Federal Farm Credit Bank	1,907,098	1,907,098	Credit risk, interest rate risk
Federal National Mortgage Association	1,252,269	1,252,269	Credit risk, interest rate risk
Municipal Bonds	421,185	421,185	Credit risk, interest rate risk
LGIP	6,269,289	6,269,289	Credit risk, interest rate risk
Petty cash	823	823	
	<u>\$ 54,905,132</u>	<u>50,501,010</u>	

The difference between the carrying value of deposits and bank balances is due to deposits in transit and outstanding checks. Reconciliation of carrying value of deposits and investments to the statement of net position and statement of fiduciary net position is as follows:

Per Statement of Net Position:	
Cash and cash equivalents:	
Unrestricted	\$ 24,603,452
Restricted	74,890
Investments	
Current	2,526,319
Non-current	9,017,470
Per Statement of Fiduciary Net Position	<u>18,683,001</u>
	<u>\$ 54,905,132</u>

All time and savings deposits owned by the City and held by the City's official custodian in an insured depository institution within the State of Wisconsin are combined and insured up to \$250,000. All demand deposits owned by the City and held by the City's official custodian in an insured depository institution within the State of Wisconsin are combined and insured up to \$250,000.

For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts, money market deposit accounts and certificates of deposit. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal. For accounts held by the City located outside the State of Wisconsin, all time, savings, and demand deposits are combined within each depository institution and insured up to \$250,000.

In addition to FDIC insurance, there is insurance currently available through the State of Wisconsin depository insurance program, which would provide a maximum of \$400,000 of insurance on deposits in any one institution. The amount available to fund the entire Wisconsin program is limited and, therefore, the actual benefits available at a time of claim would depend upon the remaining balance in the state fund. This coverage has not been considered in computing the custodial credit risk.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

A. Deposits and Investments - continued

The fair value of negotiable certificates of deposits and investments grouped by maturity at December 31, 2017 is:

<u>Maturity</u>	
Current to one year	\$ 2,526,319
One to two years	4,001,141
Two to three years	2,853,562
Three to four years	2,125,916
Four to five years	<u>36,851</u>
	\$ <u>11,543,789</u>

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it. Of the City's total bank balance, \$31,473,683 was collateralized by securities held by the pledging financial institution in excess of federal depository insurance limits. The remaining balance of \$145,667 was exposed to custodial credit risk as uninsured and uncollateralized.

Fluctuating cash flows during January and December, due to tax collections, result in temporary cash and investment balances, which significantly exceed insured amounts, until settlement with the respective taxing jurisdictions during the following month.

The City's deposit and investment policy requires that any deposits in excess of \$500,000 in any single public depository be properly collateralized or specifically approved by the City Council. This policy does not include funds established for tax collections or other accounts requiring segregation as specified by approved agreements.

Credit and Interest Rate Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value has to changes in market interest rates.

At December 31, 2017 the City's investments include United States Government securities and local municipal bonds totaling \$6,537,083. The City also held investments with a fair value of \$6,269,289 in the LGIP. The average maturity date for investments held by the LGIP is 35 days. The State Investment Fund, which the LGIP is a part of, had 90% of its investments in U.S. government securities at December 31, 2017.

B. Receivables

Governmental fund financial statements report deferred inflows of resources in connection with receivables not considered available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

B. Receivables - continued

At the end of the current fiscal year, the various components of the City's receivables included as deferred inflows of resources reported in the governmental fund financial statements are as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
Current year property taxes receivable:			
General fund	\$ 3,870,636	-	3,870,636
Storm water management fund	277,072	-	277,072
Debt service fund	597,777	-	597,777
Road construction fund	143,990	-	143,990
Capital equipment fund	325,069	-	325,069
Expendable cemetery fund	17,453	-	17,453
Special assessments not yet due	-	849,606	849,606
	<u>\$ 5,231,997</u>	<u>849,606</u>	<u>6,081,603</u>

In addition, other receivables are reported in the government-wide financial statements net of amounts estimated to be uncollectible of \$358,060.

C. Capital Assets

Capital asset activity in the governmental activities for the year ended December 31, 2017 was as follows:

	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/17</u>
Capital Assets Not Being Depreciated:				
Land	\$ 3,936,474	-	200,000	3,736,474
Construction in progress	2,866,750	95,472	172,081	2,790,141
	<u>6,803,224</u>	<u>95,472</u>	<u>372,081</u>	<u>6,526,615</u>
Capital Assets Being Depreciated:				
Buildings and improvements	11,491,735	1,463,676	-	12,955,411
Land improvements	1,743,047	18,200	-	1,761,247
Equipment	9,276,679	616,043	314,875	9,577,847
Infrastructure	46,970,946	2,776,270	829,597	48,917,619
	<u>69,482,407</u>	<u>4,874,189</u>	<u>1,144,472</u>	<u>73,212,124</u>
	<u>76,285,631</u>	<u>4,969,661</u>	<u>1,516,553</u>	<u>79,738,739</u>
Less Accumulated Depreciation:				
Buildings and improvements	(4,334,296)	(339,532)	-	(4,673,828)
Land improvements	(952,122)	(79,338)	-	(1,031,460)
Equipment	(4,050,798)	(716,676)	(225,256)	(4,542,218)
Infrastructure	(20,041,427)	(1,557,184)	(829,597)	(20,769,014)
	<u>(29,378,643)</u>	<u>(2,692,730)</u>	<u>(1,054,853)</u>	<u>(31,016,520)</u>
Capital assets, net of depreciation	<u>\$ 46,906,988</u>	<u>2,276,931</u>	<u>461,700</u>	<u>48,722,219</u>

Depreciation expense for governmental activities was charged to functions as follows:

General government	\$ 250,482
Public safety	435,903
Health and sanitation	1,119
Public works, including infrastructure	1,860,882
Culture and recreation	144,344
	<u>\$ 2,692,730</u>

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

C. Capital Assets - continued

Capital asset activity in the business-type activities for the year ended December 31, 2017 was as follows:

	Balance 12/31/16	Additions	Disposals	Balance 12/31/17
Capital Assets Not Being Depreciated:				
Land	\$ 530,387	-	-	530,387
Construction in process	2,209,529	-	1,914,011	295,518
	<u>2,739,916</u>	<u>-</u>	<u>1,914,011</u>	<u>825,905</u>
Capital Assets Being Depreciated:				
Buildings	9,624,079	-	-	9,624,079
Improvements other than buildings	98,762,368	3,235,673	62,266	101,935,775
Furniture and equipment	1,153,774	68,228	-	1,222,002
	<u>109,540,221</u>	<u>3,303,901</u>	<u>62,266</u>	<u>112,781,856</u>
	<u>112,280,137</u>	<u>3,303,901</u>	<u>1,976,277</u>	<u>113,607,761</u>
Less Accumulated Depreciation:				
Buildings	(3,264,296)	(262,365)	-	(3,526,661)
Improvements other than buildings	(30,636,037)	(2,102,033)	(45,845)	(32,692,225)
Furniture and equipment	(1,047,606)	(69,351)	-	(1,116,957)
	<u>(34,947,939)</u>	<u>(2,433,749)</u>	<u>(45,845)</u>	<u>(37,335,843)</u>
Capital assets, net of depreciation	<u>\$ 77,332,198</u>	<u>870,152</u>	<u>1,930,432</u>	<u>76,271,918</u>

Depreciation expense for business-type activities was charged to functions as follows:

Water utility	\$ 1,055,800
Sewer utility	1,377,949
	<u>\$ 2,433,749</u>

D. Payables

Payables as of December 31, 2017 for the City's individual major and non-major governmental funds in the aggregate, are as follows:

	General	Storm Water Management	Other Funds	Total
Accounts payable	\$ 550,574	116,090	111,774	778,438
Construction contracts payable	-	6,753	869,791	876,544
Accrued payroll	209,699	-	-	209,699
Accrued compensated absences	171,646	-	-	171,646
Other accrued liabilities	52,085	-	-	52,085
Total per fund balance sheet	<u>\$ 984,004</u>	<u>122,843</u>	<u>981,565</u>	2,088,412
Accrued interest				64,173
Total per government-wide statement of net position				<u>\$ 2,152,585</u>

E. Interfund Receivables/Payables and Transfers

The balance of interfund receivables/payables resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

E. Interfund Receivables/Payables and Transfers - continued

Transfers between funds included one between the water utility and the general fund for payment of the property tax equivalent. Transfers from the general fund were made to the road construction and capital equipment fund to finance various capital expenditures. A transfer was made to the debt service fund from the storm water management fund to reimburse the fund for principal and interest payments made on long-term debt used to purchase equipment used by the storm water management fund. The green space facilities fund transferred the remaining fund balance to the general fund. The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General fund	Business-type activities -	
	Water utility	\$ 557,342
General fund	Green space facilities	16,790
Storm Water Management fund	General fund	17,412
Storm Water Management fund	Non-major governmental fund -	
	Expendable Cemetery fund	420
Debt Service fund	Storm Water Management fund	260,337
Non-major governmental fund -		
Road Construction fund	General fund	1,000,000
Capital Equipment fund	General fund	1,000,000
Total per fund statements		2,852,301
Interfund eliminations		(2,294,959)
Total per statement of activities		\$ 557,342

F. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2017 was as follows:

	<u>Balance</u> <u>12/31/16</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/17</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds and notes payable:					
General obligation debt	\$ 10,691,049	-	1,344,729	9,346,320	1,425,995
Other liabilities:					
Vested compensated absences	451,874	22,946	-	474,820	-
Total governmental long-term liabilities	\$ 11,142,923	22,946	1,344,729	9,821,140	1,425,995
Business-type Activities:					
Bonds and notes payable:					
General obligation debt	\$ 8,534,160	-	516,582	8,017,578	475,807
Total business-type long-term liabilities	\$ 8,534,160	-	516,582	8,017,578	475,807

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies and special assessment collections. Business-type activities debt is payable by revenues from user fees of those funds.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City of \$3,001,079,100. The debt limit as of December 31, 2017, was \$150,053,955. Total general obligation debt outstanding at year-end was \$17,363,898.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

F. Long-Term Obligations - continued

The following is a list of long-term obligations at December 31, 2017:

Governmental Activities

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>	<u>Amounts Due Within One Year</u>
General obligation debt:						
2010 G.O. note	4/1/10	9/1/19	3.6-4.2%	\$ 2,910,000	665,000	325,000
2011 G.O. note	2/24/11	3/1/20	2.5-2.75%	4,937,095	1,650,000	535,000
2012 G.O. bonds	6/12/12	12/1/24	.9-2.15%	3,040,788	1,703,160	227,835
2013 G.O. bonds	5/30/13	9/1/32	2.0-3.0%	3,060,000	2,455,000	140,000
2016 G.O. bonds	10/12/16	9/1/27	2.0-2.25%	2,995,000	2,870,000	195,000
2016 G.O. note	6/11/16	2018	0.0%	9,478	3,160	3,160
					<u>\$ 9,346,320</u>	<u>1,425,995</u>

Debt service requirements to maturity for governmental activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,425,995	207,545	1,633,540
2019	1,415,305	171,546	1,586,851
2020	1,244,040	133,419	1,377,459
2021	727,775	113,147	840,922
2022	715,245	99,196	814,441
2023-2027	2,907,960	293,697	3,201,657
2028-2032	910,000	80,776	990,776
	<u>\$ 9,346,320</u>	<u>1,099,326</u>	<u>10,445,646</u>

Business-type Activities

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>	<u>Amounts Due Within One Year</u>
2010 G.O. note	5/1/10	5/1/29	2.91%	\$ 222,618	155,127	10,987
2011 G.O. note	7/13/11	5/1/31	2.4%	174,403	125,611	7,655
2012 G.O. bonds	6/12/12	12/1/24	.9-2.15%	834,212	576,840	77,165
2013 G.O. bonds	5/30/13	9/1/32	2.0-3.0%	5,915,000	4,765,000	275,000
2016 G.O. bonds	10/12/16	9/1/36	2.0-2.25%	2,550,000	2,395,000	105,000
					<u>\$ 8,017,578</u>	<u>475,807</u>

Debt service requirements to maturity for business-type activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 475,807	177,495	653,302
2019	483,840	168,573	652,413
2020	495,622	159,314	654,936
2021	502,419	149,620	652,039
2022	515,494	139,626	655,120
2023-2027	2,459,460	542,081	3,001,541
2028-2032	2,504,936	265,202	2,770,138
2033-2036	580,000	32,753	612,753
	<u>\$ 8,017,578</u>	<u>1,634,664</u>	<u>9,652,242</u>

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

G. Governmental Activities Net Position/Fund Balances

Governmental activities net position reported on the government-wide statement of net position at December 31, 2017 includes the following:

Governmental Activities	
Net investment in capital assets:	
Capital assets, net of accumulated depreciation	\$ 48,722,219
Less: related long-term debt outstanding, excluding unspent capital related debt proceeds and non-capital borrowings	<u>(8,890,962)</u>
	39,831,257
Restricted	
Non-Expendable - Cemetery perpetual care	70,933
Expendable	
Impact fee	580,709
Tourism and convention	77,208
Cemetery	71,090
Pension benefits	1,015,702
Unrestricted	<u>16,912,919</u>
Total Governmental Activities Net Position	\$ <u>58,559,818</u>

Governmental fund balances reported on the fund financial statements at December 31, 2017 include the following:

Nonspendable - Major Funds	
General Fund	
Delinquent personal property taxes	\$ 974
Inventory of supplies	161,298
Prepaid expenditures	24,224
Non-major Funds	
Permanent Fund - Cemetery Perpetual Care	70,933
Restricted - Non-Major Funds	
Impact fee	580,709
Tourism and convention	77,208
Cemetery - Expendable	71,090
Road construction – unspent debt proceeds	63,630
Committed - Major Funds	
General Fund – Park and recreation equipment	246,740
Storm Water Management	4,201,550
Non-Major Funds	
Capital equipment – Future capital outlays	3,721,478
Assigned - Major Funds	
General fund –Community policing	17,502
Debt service	957,177
Non-Major Funds	
Road construction	978,163
Sports complex	608,152
Capital equipment	1,069,977
Unassigned – Major Fund	
General fund	<u>4,413,252</u>
Total Governmental fund balance	\$ <u>17,264,057</u>

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Other Information

A. Defined Benefit Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees.

All employees, initially employed by a participating WRS employer on or after July 1, 2011 and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

A. Defined Benefit Pension Plan - continued

By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. During the reporting period, the WRS recognized \$367,821 in contributions from the employer.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2017, the City of Pewaukee reported a liability of \$310,884 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City of Pewaukee's proportion of the net pension liability was based on the City of Pewaukee's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the City of Pewaukee's proportion was .03771766%, which was an increase of .0008655% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017 the City of Pewaukee recognized pension expense of \$791,783.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

A. Defined Benefit Pension Plan - continued

At December 31, 2017, the City of Pewaukee reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 118,540	(977,702)
Net differences between projected and actual earnings on pension plan investments	1,547,479	-
Changes in assumptions	325,041	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	100	(25,551)
Employer contributions subsequent to the measurement date	429,011	-
Total	\$ <u>2,420,171</u>	<u>(1,003,253)</u>

Deferred outflows of resources of 429,011 related to pension resulting from the City of Pewaukee's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability the year ended December 31, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2018	\$ 724,432	(320,343)
2019	724,431	(320,343)
2020	593,429	(317,524)
2021	(51,674)	(44,871)
2022	542	(172)

Actuarial assumptions. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Market Value
Long-Term Expected Rate of Return	7.2%
Discount Rate	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

A. Defined Benefit Pension Plan - continued

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns
As of December 31, 2016

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50	45	8.3	5.4
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	120	7.4	4.5
<u>Variable Fund Asset Class</u>				
U.S. Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%. Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

A. Defined Benefit Pension Plan – continued

Sensitivity of the City of Pewaukee's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City of Pewaukee's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the City of Pewaukee's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate <u>(6.20%)</u>	Current Discount Rate <u>(7.20%)</u>	1% Increase to Discount Rate <u>(8.20%)</u>
City of Pewaukee's proportionate share of the net pension liability (asset)	\$ 4,089,873	\$ 310,884	\$ (2,599,109)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage during the past three years.

C. Joint Ventures

Parks and Recreation

On November 4, 1996 the City entered into an agreement with the Village of Pewaukee to create a joint park and recreation department commencing January 1, 1997. The agreement created a joint board comprised of seven voting and two non-voting members for purposes of facilitating and overseeing the operation of the department. The voting board members, one from each municipality's governing board, two citizen representatives from the Village and three from the City, are appointed to staggered terms.

Operating costs and resulting revenues of the department are apportioned to each participant based upon the percentage determined as part of the budget formulation for the subsequent year. All costs for acquisition, improvement or maintenance of land, buildings and fixtures are borne by the municipality in which the land or facilities are located. Total operating costs for 2017 were \$1,147,905 and the City received \$214,472 for costs apportioned to the Village.

The joint department agreement provides for dissolution of the department in the event of an affirmative vote of the governing bodies. Such dissolution would be delayed for six months to allow time for the joint department to wind up its affairs. Upon dissolution, either of the units of government may provide the other unit of government the opportunity to purchase its interest in the assets of the joint department at the value fixed by agreement or by appraisal.

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

C. Joint Ventures - continued

Library

The City of Pewaukee and the Village of Pewaukee jointly operate the Pewaukee Public Library that has provided library services to both communities since 2005. The Joint Library Board consists of seven members, three citizens from each community and one representative nominated by the Superintendent of the Pewaukee School District. Local representatives are appointed by the Mayor, subject to confirmation by the Common Council. The Joint Library Board shall plan for, implement and manage all library services, programs and activities. The Board prepares a budget for the operation and maintenance of the library which is presented to the City and Village on or before August 1 of each year. The City made payments totaling \$744,143 to the library for 2017, or 75% of the shared expenditures.

The intergovernmental agreement is for a twenty-year term and then automatically renews for five-year terms unless notice of intent to terminate the agreement is provided. Termination would become effective on January 1 at least twelve months from the date of notification.

Financial information related to the library as of December 31, 2017 is available directly from the Library Director.

D. Segment Information

The City provides water and sewer services. Segment information for the year ended December 31, 2017 is as follows:

	Water Utility	Sewer Utility	Total
Operating revenues	\$ 2,106,877	3,279,818	5,386,695
Operating expenses:			
Operations and maintenance	1,079,150	1,790,272	2,869,422
Depreciation	1,055,800	1,377,949	2,433,749
Amortization	138,880	-	138,880
Taxes	2,022	-	2,022
Net operating income (loss)	(168,975)	111,597	(57,378)
Non-operating revenues	7,453	115,309	122,762
Non-operating expenses	163,776	36,658	200,434
Grants and contributions	386,784	353,717	740,501
Transfers to General Fund:			
Payment in lieu of property taxes	557,342	-	557,342
Assets:			
Current assets	1,786,547	17,359,164	19,145,711
Capital assets, net of depreciation	37,116,629	39,155,289	76,271,918
Other assets	1,807,437	2,528,886	4,336,323
Total assets	40,710,613	59,043,339	99,753,952
Deferred outflows of resources	158,206	76,881	235,087
Liabilities:			
Current liabilities	1,247,142	948,519	2,195,661
Long-term liabilities	6,145,925	1,395,846	7,541,771
Other liabilities	6,726,669	782,336	7,509,005
Total liabilities	14,119,736	3,126,701	17,246,437
Deferred inflow of resources	79,871	36,282	116,153

CITY OF PEWAUKEE
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

D. Segment Information - continued

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Net position:			
January 1, 2017	\$ 27,165,068	55,413,272	82,578,340
Change in net position	(495,856)	543,965	48,109
December 31, 2017:			
Invested in capital assets, net of related debt	30,583,539	37,670,801	68,254,340
Restricted	68,979	32,613	101,592
Unrestricted	(3,983,306)	18,253,823	14,270,517
Net cash provided (used) by:			
Operating activities	1,007,879	1,700,920	2,708,799
Non-capital and related financing activities	(547,523)	-	(547,523)
Capital and related financing activities	(322,249)	(667,969)	(990,218)
Investing activities	6,373	98,447	104,820
Cash and cash equivalents:			
January 1, 2017	1,127,115	8,879,372	10,006,487
December 31, 2017	1,271,595	10,010,770	11,282,365

E. Subsequent Events

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 18, 2018 the date the financial statements were available to be issued. There were no subsequent events that required recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PEWAUKEE
BUDGETARY COMPARISON STATEMENT
General Fund and Storm Water Management Fund
Year Ended December 31, 2017

	Original and Final Budget	Actual Amounts	Variance with Final Budget
General Fund:			
Budgetary fund balance, January 1	\$ 5,731,273	5,731,273	-
Resources (inflows):			
Taxes	6,457,198	6,488,526	31,328
Intergovernmental	1,374,725	1,419,266	44,541
Regulation and compliance	1,559,685	1,496,745	(62,940)
Charges for services	3,400,519	3,450,230	49,711
Interest	108,700	104,311	(4,389)
Miscellaneous	70,600	92,749	22,149
Sale of assets	345,000	340,000	(5,000)
Transfers in	575,000	574,132	(868)
Amounts available for appropriation	<u>19,622,700</u>	<u>19,697,232</u>	<u>74,532</u>
Charges to appropriations (outflows):			
General government	2,076,581	1,739,913	336,668
Public safety and judicial	7,136,907	6,805,733	331,174
Health and sanitation	945,926	935,042	10,884
Public works	1,589,985	1,401,628	188,357
Culture and recreation	1,951,517	1,892,048	59,469
Unclassified	173,099	41,466	131,633
Transfers out	17,412	2,017,412	(2,000,000)
Total charges to appropriations	<u>13,891,427</u>	<u>14,833,242</u>	<u>(941,815)</u>
Fund balance, December 31	\$ <u>5,731,273</u>	<u>4,863,990</u>	<u>(867,283)</u>
Storm Water Management Fund:			
Budgetary fund balance, January 1	\$ 3,689,463	3,689,463	-
Resources (inflows):			
Charges for services	1,558,748	1,551,489	(7,259)
Interest	10,000	17,647	7,647
Miscellaneous	44,600	83,999	39,399
Transfers in	17,832	17,832	-
Amounts available for appropriation	<u>5,320,643</u>	<u>5,360,430</u>	<u>39,787</u>
Charges to appropriations (outflows):			
Public works	644,921	625,779	19,142
Capital outlay	4,067,401	219,883	3,847,518
Claims and settlements	-	52,881	(52,881)
Transfer out	260,337	260,337	-
Total charges to appropriations	<u>4,972,659</u>	<u>1,158,880</u>	<u>3,813,779</u>
Fund balance, December 31	\$ <u>347,984</u>	<u>4,201,550</u>	<u>3,853,566</u>

See independent auditors' report and accompanying notes to required supplementary information

CITY OF PEWAUKEE
WISCONSIN RETIREMENT SYSTEM
Year Ended December 31, 2017

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2015	0.03676663%	(\$903,089)	4,320,562	(20.9%)	102.74%
12/31/2016	0.03685216%	598,841	4,460,859	13.4%	98.20%
12/31/2017	0.03771766%	310,884	4,631,126	6.7%	99.12%

SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS

Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered - Employee Payroll
12/31/2015	\$365,736	365,736	-	4,320,562	8.46%
12/31/2016	360,217	360,217	-	4,460,859	8.08%
12/31/2017	367,821	367,821	-	4,631,126	7.94%

See independent auditors' report and accompanying notes to required supplementary information

CITY OF PEWAUKEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(1) Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1 (C) to the basic financial statements. The City prepares an annual budget on a basis consistent with generally accepted accounting principles.

The general fund budget is adopted at the departmental level of expenditure. All other governmental funds of the City are adopted at the functional level of expenditure. Transfers between departments and changes to the overall budget must be approved by a two-thirds majority of the Common Council. There were no amendments made to the original approved 2017 budget.

(2) Wisconsin Retirement System Pension

The City is required to present the last ten fiscal years' data; however, the standards allow the City to present as many years as are available until ten fiscal years are presented.

There were no changes of benefit terms for any participating employer in WRS.

There were no changes in the assumptions.

SUPPLEMENTARY INFORMATION

CITY OF PEWAUKEE
General Fund

STATEMENT OF REVENUES COMPARED TO BUDGET

Year Ended December 31, 2017

	Actual	Budget	Variance: Favorable (Unfavorable)
Taxes:			
General property	\$ 6,123,597	6,123,597	-
Public accommodation	245,978	225,000	20,978
Other	118,951	108,601	10,350
	<u>6,488,526</u>	<u>6,457,198</u>	<u>31,328</u>
Intergovernmental:			
State shared revenues	628,966	610,049	18,917
Exempt computer aids	61,967	62,804	(837)
Fire insurance dues	112,938	92,500	20,438
Transportation aids	489,840	485,872	3,968
Lake patrol reimbursements	9,619	8,500	1,119
Tank inspection aids	5,233	4,000	1,233
County recycling aids	108,576	111,000	(2,424)
Other	2,127	-	2,127
	<u>1,419,266</u>	<u>1,374,725</u>	<u>44,541</u>
Regulation and compliance:			
Licenses:			
Liquor class A	572	600	(28)
Liquor class B	14,952	12,000	2,952
Special class B licenses	20	10	10
Operator	8,114	5,000	3,114
Cigarette	500	500	-
Amusement	1,090	800	290
Hotel and motel	75	75	-
Dog and kennel	8,408	5,400	3,008
Permits:			
Building	510,715	450,000	60,715
Electrical	117,339	100,000	17,339
Plumbing	115,728	80,000	35,728
Erosion	58,170	80,000	(21,830)
State code stamps	3,053	4,000	(947)
Sign	3,366	4,000	(634)
Street opening	6,850	8,000	(1,150)

CITY OF PEWAUKEE
General Fund

STATEMENT OF REVENUES COMPARED TO BUDGET

Year Ended December 31, 2017

	Actual	Budget	Variance: Favorable (Unfavorable)
Regulation and compliance - continued:			
Permits - continued:			
Outdoor entertainment	\$ 300	300	-
Fire inspection - commercial building:	166,309	160,000	6,309
Special event	6,010	9,000	(2,990)
Other	8,630	500	8,130
Fines:			
Court	336,323	500,000	(163,677)
Lake patrol	2,030	2,500	(470)
Video service provider fee	100,951	104,000	(3,049)
AT&T video service fee	27,240	33,000	(5,760)
	<u>1,496,745</u>	<u>1,559,685</u>	<u>(62,940)</u>
Charges for services:			
Publication fees	1,020	1,000	20
Copies	60	300	(240)
Administrative fees	1,760	4,000	(2,240)
Planning and zoning fees	5,170	6,000	(830)
Special assessment letters	11,438	11,000	438
Certified survey maps and plat review fees	2,820	6,000	(3,180)
Zoning letter fees	600	225	375
Legal review fees	10,923	25,000	(14,077)
Engineering review fees	52,724	98,000	(45,276)
Refuse collection	711,124	691,920	19,204
House numbers	1,062	1,400	(338)
Weed cutting	-	500	(500)
Boat launch fees	12,485	8,000	4,485
Ambulance runs	502,347	429,000	73,347
Fire and ambulance services	1,477,604	1,500,000	(22,396)
Private fire protection plan	17,975	8,000	9,975

CITY OF PEWAUKEE
General Fund

STATEMENT OF REVENUES COMPARED TO BUDGET

Year Ended December 31, 2017

	Actual	Budget	Variance: Favorable (Unfavorable)
Charges for services - continued:			
Management services	\$ 60,000	60,000	-
Building inspection contract	74,560	50,000	24,560
Park equipment usage fees	9,853	6,000	3,853
Park and recreation contracts	214,472	243,174	(28,702)
Recreational program fees	210,895	175,000	35,895
Field trips	19,966	22,000	(2,034)
Club use fees	15,579	18,000	(2,421)
Reservation fees	29,556	30,000	(444)
WPRA ticket sales	6,237	6,000	237
	<u>3,450,230</u>	<u>3,400,519</u>	<u>49,711</u>
Interest:			
Investments	98,551	106,000	(7,449)
Other	5,760	2,700	3,060
	<u>104,311</u>	<u>108,700</u>	<u>(4,389)</u>
Miscellaneous:			
Rent:			
Water and sewer utility	36,000	36,000	-
Other	5,619	5,600	19
Recycling	4,588	3,000	1,588
Insurance recoveries	3,491	-	3,491
Credit card rebate	5,956	5,000	956
Gifts and donations	12,360	2,500	9,860
Insurance dividend	20,837	15,000	5,837
Delinquent personal property recoveries	347	1,500	(1,153)
Other	3,551	2,000	1,551
	<u>92,749</u>	<u>70,600</u>	<u>22,149</u>
Total revenues	\$ <u>13,051,827</u>	<u>12,971,427</u>	<u>80,400</u>

CITY OF PEWAUKEE
General Fund

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

Year Ended December 31, 2017

	Actual	Budget	Variance: Favorable (Unfavorable)
General government:			
Mayor	\$ 7,054	9,624	2,570
Common council	43,167	45,003	1,836
Fire commission	172	240	68
Public works committee	65	265	200
Administration	185,851	207,333	21,482
Human resources	171,037	172,306	1,269
Clerk/treasurer	345,784	384,834	39,050
Assessor	75,883	78,750	2,867
Board of review	219	601	382
Outside services	201,329	254,141	52,812
Elections	12,738	20,675	7,937
Facilities	236,990	292,819	55,829
Information technology	296,976	340,989	44,013
Insurance	107,912	110,200	2,288
Plan commission	54,422	157,090	102,668
Board of appeals	314	1,711	1,397
	<u>1,739,913</u>	<u>2,076,581</u>	<u>336,668</u>
Public safety and judicial:			
Municipal court	127,336	149,672	22,336
Law enforcement	2,423,712	2,470,810	47,098
Fire and rescue	3,890,232	4,078,664	188,432
Building services	364,453	437,761	73,308
	<u>6,805,733</u>	<u>7,136,907</u>	<u>331,174</u>
Health and sanitation:			
Animal control	6,699	7,000	301
Weed, lake and wetlands	146,469	146,900	431
Refuse collection and recycling	781,874	792,026	10,152
	<u>935,042</u>	<u>945,926</u>	<u>10,884</u>

CITY OF PEWAUKEE
General Fund

STATEMENT OF EXPENDITURES COMPARED TO BUDGET

Year Ended December 31, 2017

	Actual	Budget	Variance: Favorable (Unfavorable)
Public works:			
Engineering	\$ 366,146	440,360	74,214
Safety program	5,997	7,850	1,853
Highway and transportation	1,029,485	1,141,775	112,290
	<u>1,401,628</u>	<u>1,589,985</u>	<u>188,357</u>
Culture and recreation:			
Library	744,143	744,143	-
Parks	491,328	550,806	59,478
Recreation	656,577	656,568	(9)
	<u>1,892,048</u>	<u>1,951,517</u>	<u>59,469</u>
Unclassified	<u>41,466</u>	<u>173,099</u>	<u>131,633</u>
Total expenditures	\$ <u><u>12,815,830</u></u>	<u><u>13,874,015</u></u>	<u><u>1,058,185</u></u>

CITY OF PEWAUKEE
Storm Water Management Fund

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET

Year Ended December 31, 2017

	Actual	Budget	Variance: Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 1,551,489	1,558,748	(7,259)
Interest earnings	17,647	10,000	7,647
Miscellaneous	83,999	44,600	39,399
Total revenues	<u>1,653,135</u>	<u>1,613,348</u>	<u>39,787</u>
Expenditures:			
Administration	354,440	273,410	(81,030)
Storm water maintenance	22,957	70,130	47,173
Ditch and culvert maintenance	163,260	131,168	(32,092)
Street sweeping	14,755	19,290	4,535
Catch basin maintenance	36,579	66,306	29,727
Permit compliance	33,788	84,617	50,829
Capital outlays	-	15,000	15,000
Infrastructure improvements	219,883	4,067,401	3,847,518
Total expenditures	<u>845,662</u>	<u>4,727,322</u>	<u>3,881,660</u>
Excess (deficiency) of revenues over expenditures	<u>807,473</u>	<u>(3,113,974)</u>	<u>3,921,447</u>
Other financing sources (uses):			
Claims and settlements	(52,881)	-	(52,881)
Transfer from general fund	17,412	17,412	-
Transfer from cemetery fund	420	420	-
Transfer to debt service	(260,337)	(260,337)	-
Total other financing sources (uses)	<u>(295,386)</u>	<u>(242,505)</u>	<u>(52,881)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	512,087	<u>(3,356,479)</u>	<u>3,868,566</u>
Fund balance, January 1	<u>3,689,463</u>		
Fund balance, December 31	\$ <u><u>4,201,550</u></u>		

CITY OF PEWAUKEE
Debt Service Fund

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET

Year Ended December 31, 2017

	Actual	Budget	Variance: Favorable (Unfavorable)
Revenues:			
Taxes:			
General tax levy	\$ 1,081,708	1,081,708	-
Special assessments	361,464	90,600	270,864
Build America bond rebate	12,643	13,580	(937)
Interest earnings	18,319	16,800	1,519
Total revenues	<u>1,474,134</u>	<u>1,202,688</u>	<u>271,446</u>
Expenditures:			
Debt service:			
Principal	1,344,729	1,341,570	(3,159)
Interest	232,877	221,455	(11,422)
Total expenditures	<u>1,577,606</u>	<u>1,563,025</u>	<u>(14,581)</u>
Excess (deficiency) of revenues over expenditures	<u>(103,472)</u>	<u>(360,337)</u>	<u>256,865</u>
Other financing sources:			
Transfers in	260,337	260,337	-
Total other financing sources	<u>260,337</u>	<u>260,337</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	156,865	<u>(100,000)</u>	<u>256,865</u>
Fund balance, January 1	<u>800,312</u>		
Fund balance, December 31	<u>\$ 957,177</u>		

CITY OF PEWAUKEE
Non-Major Governmental Funds

COMBINING BALANCE SHEET

December 31, 2017

	Special Revenue	Capital Projects	Permanent	Total Non-Major Funds
Assets:				
Cash and cash equivalents	\$ 742,142	4,398,856	70,933	5,211,931
Investments	-	3,455,009	-	3,455,009
Receivables:				
Current taxes	17,453	469,059	-	486,512
Accounts	30,337	711	-	31,048
Restricted assets:				
Cash and cash equivalents:				
Capital projects	-	63,630	-	63,630
Total assets	<u>\$ 789,932</u>	<u>8,387,265</u>	<u>70,933</u>	<u>9,248,130</u>
Liabilities, Deferred Inflows of Resources and Fund Balance:				
Liabilities:				
Accounts payable	\$ 13,200	98,574	-	111,774
Construction contracts payable	-	869,791	-	869,791
Unearned revenue	<u>12,725</u>	<u>-</u>	<u>-</u>	<u>12,725</u>
Total liabilities	<u>25,925</u>	<u>968,365</u>	<u>-</u>	<u>994,290</u>
Deferred Inflows of Resources				
Subsequent year's tax levy	<u>35,000</u>	<u>977,500</u>	<u>-</u>	<u>1,012,500</u>
Fund Balance:				
Nonspendable	-	-	70,933	70,933
Restricted	729,007	63,630	-	792,637
Committed	-	3,721,478	-	3,721,478
Assigned	<u>-</u>	<u>2,656,292</u>	<u>-</u>	<u>2,656,292</u>
Total fund balance	<u>729,007</u>	<u>6,441,400</u>	<u>70,933</u>	<u>7,241,340</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 789,932</u>	 <u>8,387,265</u>	 <u>70,933</u>	 <u>9,248,130</u>

CITY OF PEWAUKEE
Non-Major Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended December 31, 2017

	Special Revenue	Capital Projects	Permanent	Total Non-Major Funds
Revenues:				
Taxes	\$ 588,948	1,400,000	-	1,988,948
Intergovernmental	3,049	21,953	-	25,002
Charges for services	138,575	-	2,912	141,487
Interest	1,527	26,345	-	27,872
Total revenues	<u>732,099</u>	<u>1,448,298</u>	<u>2,912</u>	<u>2,183,309</u>
Expenditures:				
Current:				
Public safety	3,049	-	-	3,049
Health and sanitation	18,690	-	-	18,690
Economic development	547,050	-	-	547,050
Capital outlay	-	3,453,410	-	3,453,410
Total expenditures	<u>568,789</u>	<u>3,453,410</u>	<u>-</u>	<u>4,022,199</u>
Excess (deficiency) of revenues over expenditures	<u>163,310</u>	<u>(2,005,112)</u>	<u>2,912</u>	<u>(1,838,890)</u>
Other financing sources (uses):				
Transfers in	-	2,000,000	-	2,000,000
Transfers out	(17,210)	-	-	(17,210)
Total other financing sources (uses)	<u>(17,210)</u>	<u>2,000,000</u>	<u>-</u>	<u>1,982,790</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	146,100	(5,112)	2,912	143,900
Fund balance, January 1	<u>582,907</u>	<u>6,446,512</u>	<u>68,021</u>	<u>7,097,440</u>
Fund balance, December 31	<u>\$ 729,007</u>	<u>6,441,400</u>	<u>70,933</u>	<u>7,241,340</u>

CITY OF PEWAUKEE
Non-Major Special Revenue Funds

COMBINING BALANCE SHEET

December 31, 2017

	Impact Fee	Tourism and Convention	Public Safety Grants	Cemetery	Total
Assets:					
Cash and cash equivalents	\$ 580,709	57,022	15,774	88,637	742,142
Taxes receivable	-	-	-	17,453	17,453
Accounts receivable	-	30,337	-	-	30,337
Total assets	\$ 580,709	87,359	15,774	106,090	789,932
Liabilities, Deferred Inflows of Resources and Fund Balance:					
Liabilities:					
Accounts payable	\$ -	10,151	3,049	-	13,200
Unearned revenue	-	-	12,725	-	12,725
Total liabilities	-	10,151	15,774	-	25,925
Deferred inflows of resources:					
Subsequent year's tax levy	-	-	-	35,000	35,000
Fund balance:					
Restricted	580,709	77,208	-	71,090	729,007
Total fund balance	580,709	77,208	-	71,090	729,007
Total liabilities, deferred inflows of resources and fund balance	\$ 580,709	87,359	15,774	106,090	789,932

CITY OF PEWAUKEE
Non-Major Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended December 31, 2017

	Impact Fee	Tourism and Convention	Green Space Facilities	Public Safety Grants	Cemetery	Total
Revenues:						
General tax levy	\$ -	-	-	-	15,000	15,000
Public accommodation tax	-	573,948	-	-	-	573,948
Intergovernmental	-	-	-	3,049	-	3,049
Charges for services:						
Impact fees	130,617	-	-	-	-	130,617
Interment fees	-	-	-	-	5,750	5,750
Lot sales	-	-	-	-	1,188	1,188
Columbarium niche sales	-	-	-	-	1,020	1,020
Interest earnings	778	310	-	-	439	1,527
Total revenues	<u>131,395</u>	<u>574,258</u>	<u>-</u>	<u>3,049</u>	<u>23,397</u>	<u>732,099</u>
Expenditures:						
Public safety	-	-	-	3,049	-	3,049
Health and sanitation	-	-	-	-	18,690	18,690
Economic development	-	547,050	-	-	-	547,050
Total expenditures	<u>-</u>	<u>547,050</u>	<u>-</u>	<u>3,049</u>	<u>18,690</u>	<u>568,789</u>
Excess of revenues over expenditures	131,395	27,208	-	-	4,707	163,310
Other financing uses:						
Transfers out	<u>-</u>	<u>-</u>	<u>(16,790)</u>	<u>-</u>	<u>(420)</u>	<u>(17,210)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	131,395	27,208	(16,790)	-	4,287	146,100
Fund balance, January 1	<u>449,314</u>	<u>50,000</u>	<u>16,790</u>	<u>-</u>	<u>66,803</u>	<u>582,907</u>
Fund balance, December 31	<u>\$ 580,709</u>	<u>77,208</u>	<u>-</u>	<u>-</u>	<u>71,090</u>	<u>729,007</u>

CITY OF PEWAUKEE
Non-Major Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ACTUAL AND BUDGET

Year Ended December 31, 2017

	Impact Fee		Tourism and Convention		Green Space Facilities		Public Safety Grants		Cemetery		Total	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Revenues:												
General tax levy	\$ -	-	-	-	-	-	-	-	15,000	15,000	15,000	15,000
Public accommodation tax	-	-	573,948	525,000	-	-	-	-	-	-	573,948	525,000
Intergovernmental	-	-	-	-	-	-	3,049	-	-	-	3,049	-
Charges for services:												
Impact fees	130,617	59,520	-	-	-	-	-	-	-	-	130,617	59,520
Interment fees	-	-	-	-	-	-	-	-	5,750	3,000	5,750	3,000
Lot sales	-	-	-	-	-	-	-	-	1,188	264	1,188	264
Columbarium niche sales	-	-	-	-	-	-	-	-	1,020	460	1,020	460
Interest earnings	778	300	310	1,500	-	-	-	-	439	60	1,527	1,860
Total revenues	<u>131,395</u>	<u>59,820</u>	<u>574,258</u>	<u>526,500</u>	<u>-</u>	<u>-</u>	<u>3,049</u>	<u>-</u>	<u>23,397</u>	<u>18,784</u>	<u>732,099</u>	<u>605,104</u>
Expenditures:												
Public safety	-	-	-	-	-	-	3,049	-	-	-	3,049	-
Health and sanitation	-	-	-	-	-	-	-	-	18,690	24,500	18,690	24,500
Economic development	-	-	547,050	459,700	-	-	-	-	-	-	547,050	459,700
Total expenditures	<u>-</u>	<u>-</u>	<u>547,050</u>	<u>459,700</u>	<u>-</u>	<u>-</u>	<u>3,049</u>	<u>-</u>	<u>18,690</u>	<u>24,500</u>	<u>568,789</u>	<u>484,200</u>
Excess (deficiency) of revenues over expenditures	131,395	59,820	27,208	66,800	-	-	-	-	4,707	(5,716)	163,310	120,904
Other financing uses:												
Transfers out	-	-	-	-	(16,790)	-	-	-	(420)	(420)	(17,210)	(420)
Excess (deficiency) of revenues over expenditures and other financing uses	<u>131,395</u>	<u>59,820</u>	<u>27,208</u>	<u>66,800</u>	<u>(16,790)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,287</u>	<u>(6,136)</u>	<u>146,100</u>	<u>120,484</u>
Fund balance, January 1	<u>449,314</u>		<u>50,000</u>		<u>16,790</u>		<u>-</u>		<u>66,803</u>		<u>582,907</u>	
Fund balance, December 31	<u>\$ 580,709</u>		<u>77,208</u>		<u>-</u>		<u>-</u>		<u>71,090</u>		<u>729,007</u>	

CITY OF PEWAUKEE
Non-Major Capital Projects Funds

COMBINING BALANCE SHEET

December 31, 2017

	Road Construction	Sports Complex	Capital Equipment	Total
Assets:				
Cash and cash equivalents	\$ 1,893,861	730,995	1,774,000	4,398,856
Investments	-	-	3,455,009	3,455,009
Taxes receivable	143,990	-	325,069	469,059
Accounts receivable	-	711	-	711
Restricted assets:				
Cash and cash equivalents:				
Capital projects	63,630	-	-	63,630
Total assets	\$ 2,101,481	731,706	5,554,078	8,387,265
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	\$ 71,712	-	26,862	98,574
Construction contracts payable	687,976	123,554	58,261	869,791
Total liabilities	759,688	123,554	85,123	968,365
Deferred Inflows of Resources:				
Subsequent year's tax levy	300,000	-	677,500	977,500
Fund Balance:				
Restricted	63,630	-	-	63,630
Committed	-	-	3,721,478	3,721,478
Assigned	978,163	608,152	1,069,977	2,656,292
Total fund balance	1,041,793	608,152	4,791,455	6,441,400
Total liabilities, deferred inflows of resources and fund balance	\$ 2,101,481	731,706	5,554,078	8,387,265

CITY OF PEWAUKEE
Non-Major Capital Projects Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND BUDGET

Year Ended December 31, 2017

	Road Construction		Sports Complex		Capital Equipment		Total	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Revenues:								
General property taxes	\$ 200,000	200,000	-	-	1,200,000	1,200,000	1,400,000	1,400,000
Intergovernmental	21,953	-	-	-	-	-	21,953	-
Interest earnings	3,393	8,500	3,439	-	19,513	-	26,345	8,500
Total revenues	<u>225,346</u>	<u>208,500</u>	<u>3,439</u>	<u>-</u>	<u>1,219,513</u>	<u>1,200,000</u>	<u>1,448,298</u>	<u>1,408,500</u>
Expenditures:								
Capital outlays	1,634,045	2,135,000	95,472	190,000	1,723,893	1,951,541	3,453,410	4,276,541
	<u>1,634,045</u>	<u>2,135,000</u>	<u>95,472</u>	<u>190,000</u>	<u>1,723,893</u>	<u>1,951,541</u>	<u>3,453,410</u>	<u>4,276,541</u>
Excess (deficiency) of revenues over expenditures	<u>(1,408,699)</u>	<u>(1,926,500)</u>	<u>(92,033)</u>	<u>(190,000)</u>	<u>(504,380)</u>	<u>(751,541)</u>	<u>(2,005,112)</u>	<u>(2,868,041)</u>
Other financing sources:								
Face amount of long-term debt	-	1,145,900	-	-	-	-	-	1,145,900
Transfers in	1,000,000	-	-	-	1,000,000	-	2,000,000	-
	<u>1,000,000</u>	<u>1,145,900</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>1,145,900</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>(408,699)</u>	<u>(780,600)</u>	<u>(92,033)</u>	<u>(190,000)</u>	<u>495,620</u>	<u>(751,541)</u>	<u>(5,112)</u>	<u>(1,722,141)</u>
Fund balance, January 1	<u>1,450,492</u>		<u>700,185</u>		<u>4,295,835</u>		<u>6,446,512</u>	
Fund balance, December 31	<u>\$ 1,041,793</u>		<u>608,152</u>		<u>4,791,455</u>		<u>6,441,400</u>	

CITY OF PEWAUKEE
Permanent Fund - Cemetery Perpetual Care

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Year Ended December 31, 2017

Revenues:		
Charges for services:		
Perpetual care	\$	2,912
Expenditures:		
Unclassified		<u>-</u>
Excess of revenues over expenditures		2,912
Fund balance, January 1		<u>68,021</u>
Fund balance, December 31	\$	<u><u>70,933</u></u>

CITY OF PEWAUKEE
Enterprise Funds
Water Utility

COMPARATIVE STATEMENTS OF POSITION

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,260,335	477,878
Other receivables	494,575	421,473
Special assessments	12,048	13,016
Inventory of supplies	8,329	8,324
Restricted assets - cash and cash equivalents	<u>11,260</u>	<u>649,237</u>
Total current assets	<u>1,786,547</u>	<u>1,569,928</u>
Fixed assets:		
Land	530,387	530,387
Construction in progress	229,111	2,143,122
Buildings	5,823,683	5,823,683
Improvements other than buildings	43,995,370	41,132,523
Furniture and equipment	<u>845,599</u>	<u>799,235</u>
	51,424,150	50,428,950
Less: Accumulated depreciation	<u>14,307,521</u>	<u>13,297,566</u>
Net fixed assets	<u>37,116,629</u>	<u>37,131,384</u>
Other assets:		
Special assessments	1,295,341	1,298,333
Unamortized charges	<u>512,096</u>	<u>650,976</u>
Total other assets	<u>1,807,437</u>	<u>1,949,309</u>
Total assets	<u>40,710,613</u>	<u>40,650,621</u>
Deferred outflows of resources:		
Deferred outflows related to pensions	<u>158,206</u>	<u>206,775</u>

CITY OF PEWAUKEE
Enterprise Funds
Water Utility

COMPARATIVE STATEMENTS OF POSITION

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Liabilities and Net Position:		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 127,314	107,065
Construction contracts payable	76,991	106,802
Due to general fund	557,342	547,523
Customer advances on construction	53,408	53,408
Accrued interest on long-term debt	44,922	41,527
Current portion of long-term debt	<u>387,165</u>	<u>433,430</u>
Total current liabilities	1,247,142	1,289,755
Long-term liabilities (net of current portion):		
General obligation debt	6,145,925	6,533,090
Due to sewer	6,263,171	5,312,577
Assessments due developers	442,882	442,882
Net pension liability	<u>20,616</u>	<u>36,407</u>
Total liabilities	<u>14,119,736</u>	<u>13,614,711</u>
Deferred Inflows of Resources:		
Deferred inflows related to pensions	<u>79,871</u>	<u>77,617</u>
Net position, restated:		
Net investment in capital assets	30,583,539	30,164,864
Restricted for:		
Capital projects	11,260	649,237
Pension	57,719	92,751
Unrestricted	<u>(3,983,306)</u>	<u>(3,741,784)</u>
Total net position	<u>\$ 26,669,212</u>	<u>27,165,068</u>

CITY OF PEWAUKEE
Enterprise Fund
Water Utility

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES

Years Ended December 31, 2017 and 2016

	2017	2016
Operating revenues:		
Sale of water:		
Residential	\$ 920,650	925,865
Multi-family	168,936	178,775
Commercial	402,500	413,534
Industrial	99,534	94,753
Public authorities	5,416	2,966
	<u>1,597,036</u>	<u>1,615,893</u>
Public fire protection	424,709	415,330
Private fire protection	72,112	68,077
Customer's forfeited discounts	7,301	10,106
Other revenue	5,719	6,838
Total operating revenues	<u>2,106,877</u>	<u>2,116,244</u>
Operating expenses:		
Plant operation and maintenance:		
Salaries and wages	133,146	141,850
Transportation expense	10,847	11,865
Power purchased for pumping	232,142	228,072
Chemicals	111,120	102,096
Operating supplies	56,649	112,146
Repairs of water plant	105,795	174,668
	<u>649,699</u>	<u>770,697</u>
General operating expenses:		
Administrative salaries	148,897	172,407
Office supplies and expenses	29,971	25,662
Outside services employed	83,301	65,635
Insurance	13,267	11,396
Employee benefits	133,735	135,383
Other general expenses	20,280	20,732
	<u>429,451</u>	<u>431,215</u>
Total operation and maintenance	1,079,150	1,201,912
Depreciation	1,055,800	1,022,572
Amortization	138,880	138,880
Taxes	2,022	2,217
Total operating expenses	<u>2,275,852</u>	<u>2,365,581</u>
Net operating loss	<u>(168,975)</u>	<u>(249,337)</u>
Non-operating income (expenses)		
Interest income	7,453	11,210
Interest expense	(147,354)	(112,501)
Bond premium	-	48,646
Bond issue costs	-	(27,206)
Loss on disposal of fixed assets	(16,422)	-
Total non-operating income (expenses)	<u>(156,323)</u>	<u>(79,851)</u>
Loss before contributions and transfers	(325,298)	(329,188)
Contributions	386,784	764,806
Transfer out	(557,342)	(547,523)
Change in net position	<u>\$ (495,856)</u>	<u>(111,905)</u>

CITY OF PEWAUKEE
Enterprise Funds
Sewer Utility

COMPARATIVE STATEMENTS OF POSITION

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 10,010,770	8,879,372
Other receivables	909,262	717,580
Due from water	6,263,171	5,312,577
Special assessments	175,961	176,156
Total current assets	<u>17,359,164</u>	<u>15,085,685</u>
Fixed assets:		
Construction in progress	66,407	66,407
Buildings	3,800,396	3,800,396
Improvements other than buildings	58,316,808	57,984,384
	<u>62,183,611</u>	<u>61,851,187</u>
Less: Accumulated depreciation	23,028,322	21,650,373
Net fixed assets	<u>39,155,289</u>	<u>40,200,814</u>
Other assets:		
Special assessments	2,528,886	2,894,510
Total assets	<u>59,043,339</u>	<u>58,181,009</u>
Deferred outflows of resources:		
Deferred outflows related to pensions	<u>76,881</u>	<u>90,793</u>

CITY OF PEWAUKEE
Enterprise Funds
Sewer Utility

COMPARATIVE STATEMENTS OF POSITION

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Liabilities and Net Position:		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 836,701	439,774
Construction contracts payable	12,555	-
Accrued interest on long-term debt	10,621	11,136
Current portion of long-term debt	<u>88,642</u>	<u>83,152</u>
Total current liabilities	948,519	534,062
Long-term liabilities (net of current portion):		
General obligation debt	1,395,846	1,484,488
Assessments due developers	723,610	737,189
Long-term contract payable	50,740	50,740
Net pension liability	<u>7,986</u>	<u>16,642</u>
Total liabilities	<u>3,126,701</u>	<u>2,823,121</u>
Deferred Inflows of Resources:		
Deferred inflows related to pensions	<u>36,282</u>	<u>35,409</u>
Net position, restated:		
Net investment in capital assets	37,670,801	38,633,174
Restricted for:		
Pension	32,613	38,742
Unrestricted	<u>18,253,823</u>	<u>16,741,356</u>
Total net position	<u>\$ 55,957,237</u>	<u>55,413,272</u>

CITY OF PEWAUKEE
Enterprise Fund
Sewer Utility

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Sewer service charges:		
Residential	\$ 2,290,455	2,239,492
Commercial	779,778	768,878
Industrial	176,169	171,089
Public authorities	7,804	8,124
Other revenue	<u>25,612</u>	<u>24,195</u>
Total operating revenues	<u>3,279,818</u>	<u>3,211,778</u>
Operating expenses:		
Plant operation and maintenance:		
Sewage treatment charges	1,263,084	1,262,591
Salaries and wages	77,845	85,719
Power purchased for pumping	44,373	46,695
Supplies and expenses	15,912	16,185
Maintenance	<u>67,943</u>	<u>254,750</u>
	<u>1,469,157</u>	<u>1,665,940</u>
General operating expenses:		
Administrative salaries	136,179	157,099
Office supplies and expenses	29,971	25,460
Outside services employed	52,276	88,129
Insurance	13,266	11,396
Employee benefits	69,038	54,573
Other general expenses	<u>20,385</u>	<u>20,692</u>
	<u>321,115</u>	<u>357,349</u>
Total operation and maintenance	1,790,272	2,023,289
Depreciation	<u>1,377,949</u>	<u>1,375,689</u>
Total operating expenses	<u>3,168,221</u>	<u>3,398,978</u>
Net operating income (loss)	<u>111,597</u>	<u>(187,200)</u>
Non-operating income (expenses)		
Interest income	115,309	139,496
Interest expense	<u>(36,658)</u>	<u>(45,068)</u>
Total non-operating income (expenses)	<u>78,651</u>	<u>94,428</u>
Income (loss) before contributions	190,248	(92,772)
Contributions	<u>353,717</u>	<u>1,068,647</u>
Change in net position	<u>\$ 543,965</u>	<u>975,875</u>

CITY OF PEWAUKEE

Enterprise Funds

Water and Sewer Utility

ANALYSIS OF UTILITY PLANT IN SERVICE

Years Ended December 31, 2017 and 2016

	Utility Plant				% Rate	Accumulated Depreciation			
	Balance	Additions	Disposals	Balance		Balance	Additions	Disposals	Balance
	Dec. 31, 2016			Dec. 31, 2017		Dec. 31, 2016			Dec. 31, 2017
Water Utility:									
Source of supply plant:									
Wells and springs	\$ 2,352,135	-	-	2,352,135	2.90	931,128	68,212	-	999,340
Supply mains	237,834	-	-	237,834	1.80	81,404	4,281	-	85,685
Pumping plant:									
Land	530,387	-	-	530,387	-	-	-	-	-
Structures and improvements	5,823,683	-	-	5,823,683	3.20	2,405,713	186,357	-	2,592,070
Electric pumping equipment	1,633,047	188,747	53,586	1,768,208	4.40	506,342	75,972	40,082	542,232
Other pumping equipment	201,872	-	-	201,872	4.40	152,459	5,157	-	157,616
Water treatment plant	382,284	-	-	382,284	6.00	216,489	22,937	-	239,426
Transmission and distribution plant:									
Distribution reservoirs and standpipes	2,002,834	2,709,534	-	4,712,368	1.90	720,691	63,795	-	784,486
Transmission and distribution mains	26,138,214	-	-	26,138,214	1.30	4,701,171	339,796	-	5,040,967
Services	4,112,019	-	4,845	4,107,174	2.90	1,600,020	119,248	1,928	1,717,340
Meters	658,416	26,832	3,835	681,413	5.50	271,837	36,951	3,835	304,953
Hydrants	3,413,868	-	-	3,413,868	2.20	991,020	75,106	-	1,066,126
General plant:									
Transportation equipment	303,711	-	-	303,711	13.30	252,825	40,394	-	293,219
Office furniture and equipment	191,081	-	-	191,081	Var.	176,849	9,342	-	186,191
Other general equipment	304,268	46,364	-	350,632	Var.	289,443	8,252	-	297,695
Power operating equipment	175	-	-	175	7.50	175	-	-	175
	<u>48,285,828</u>	<u>2,971,477</u>	<u>62,266</u>	<u>51,195,039</u>		<u>13,297,566</u>	<u>1,055,800</u>	<u>45,845</u>	<u>14,307,521</u>
Sewer Utility:									
Buildings and structures	3,800,396	-	-	3,800,396	2.00	858,583	76,008	-	934,591
Collection sewers	33,807,612	10,700	-	33,818,312	1.00	5,418,789	338,130	-	5,756,919
Force mains	2,300,854	-	-	2,300,854	3.33	872,934	76,618	-	949,552
Services	5,193,369	-	-	5,193,369	1.00	747,117	51,934	-	799,051
Pumping equipment	4,029,806	-	-	4,029,806	5.00	2,422,818	201,490	-	2,624,308
Other equipment	354,539	21,864	-	376,403	Var.	328,314	11,363	-	339,677
Treatment plant	12,298,204	299,860	-	12,598,064	5.00	11,001,818	622,406	-	11,624,224
	<u>61,784,780</u>	<u>332,424</u>	<u>-</u>	<u>62,117,204</u>		<u>21,650,373</u>	<u>1,377,949</u>	<u>-</u>	<u>23,028,322</u>
Construction in progress									
Water	2,143,122	-	1,914,011	229,111		-	-	-	-
Sewer	66,407	-	-	66,407		-	-	-	-
	<u>2,209,529</u>	<u>-</u>	<u>1,914,011</u>	<u>295,518</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>112,280,137</u>	<u>3,303,901</u>	<u>1,976,277</u>	<u>113,607,761</u>		<u>34,947,939</u>	<u>2,433,749</u>	<u>45,845</u>	<u>37,335,843</u>

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 5.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Update Regarding the Waukesha/Pewaukee Convention and Visitors Bureau [Tritz]

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 6.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Discussion and Possible Action to Approve the Temporary Beer License for the Kiwanis to Hold a Beer Garden at Nettesheim Park Located at N26 W27495 Prospect Avenue (PWC 0936-988) on July 14, 15 and 16 [Tarczewski]

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

ATTACHMENTS:

Description

Kiwanis Application

Application for Temporary Class "B" / "Class B" Retailer's License

See Additional Information on reverse side. Contact the municipal clerk if you have questions.

FEE \$ 10.00

☐ Town ☐ Village ☒ City of PEWAUKEE

Application Date: 6-13-18

County of WAUKESHA

The named organization applies for: (check appropriate box(es).)

☐ A Temporary Class "B" license to sell fermented malt beverages at picnics or similar gatherings under s. 125.26(6), Wis. Stats.

☐ A Temporary "Class B" license to sell wine at picnics or similar gatherings under s. 125.51(10), Wis. Stats.

at the premises described below during a special event beginning 7-13-18 and ending 7-15-18 and agrees to comply with all laws, resolutions, ordinances and regulations (state, federal or local) affecting the sale of fermented malt beverages and/or wine if the license is granted.

1. Organization (check appropriate box) →

- ☒ Bona fide Club ☐ Church ☐ Lodge/Society
☐ Chamber of Commerce or similar Civic or Trade Organization
☐ Veteran's Organization ☐ Fair Association

(a) Name Pewaukee Kiwanis

(b) Address PO Box 131 Pewaukee, WI 53072
(Street) ☐ Town ☒ Village ☐ City

(c) Date organized 6-23-37

(d) If corporation, give date of incorporation N/A

(e) If the named organization is not required to hold a Wisconsin seller's permit pursuant to s. 77.54 (7m), Wis. Stats., check this box: ☐

(f) Names and addresses of all officers:

President Wyatt Bepavich

Vice President Mary Boersma

Secretary Bill Nicholson

Treasurer Paul Brown

(g) Name and address of manager or person in charge of affair: Pat Gallagher
909-C Quinlan Dr., Pewaukee, WI 53072

2. Location of Premises Where Beer and/or Wine Will Be Sold, Served, Consumed, or Stored, and Areas Where Alcohol Beverage Records Will be Stored:

(a) Street number N26 W27495 Prospect Ave - Nettesheim Park

(b) Lot _____ Block _____

(c) Do premises occupy all or part of building? _____

(d) If part of building, describe fully all premises covered under this application, which floor or floors, or room or rooms, license is to cover: _____

3. Name of Event

(a) List name of the event Winnebego Beer Garden

(b) Dates of event 7-13, 14, 15-18

DECLARATION

The Officer(s) of the organization, individually and together, declare under penalties of law that the information provided in this application is true and correct to the best of their knowledge and belief.

Officer Paul L Brown 6-12-18
(Signature/date)

Officer Wyatt K 6-12-18
(Signature/date)

Date Filed with Clerk _____

Date Granted by Council _____

(Name of Organization)
Officer William L. Nuh 6-12-18
(Signature/date)

Officer Mary Boersma 6-12-18
(Signature/date)

Date Reported to Council or Board _____

License No. _____

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 7.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Discussion and Possible Action to Approve the Revised Application for an Outdoor Entertainment Permit for Smokey's

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

ATTACHMENTS:

Description

Smokey's Application

Draft Permit

2018 APPLICATION FOR OUTDOOR ACTIVITY ON PREMISES WHERE ALCOHOLIC BEVERAGES ARE CONSUMED

RECEIVED
APR 24 2018

CITY OF PEWAUKEE
CLERK'S OFFICE
ANNUAL FEE: \$30

FILING DEADLINE IS APRIL 23rd, 2018

Bait Shop

Smokeys Musky's
Name of Business

N27 W27250 Woodland Dr
Address of Business

Property Zoned

Pew.

53072
Zip

Lois Lannon
Contact Person / Agent for the Business

City 310

810940-1624
Phone Number

Lannon, Lois
Owner of the Property

262 691-9659
Owner's Phone Number

LIST NORMAL BUSINESS HOURS OF OPERATION

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<u>5:30-8</u>	<u>7-8</u>	<u>7-8</u>	<u>7-8</u>	<u>7-8</u>	<u>7-8</u>	<u>5:30-8</u>

List Proposed Start to Finish Times on Each of the Days

(Please mark "N/A" if not applicable)

SPORTS RELATED OUTDOOR ACTIVITIES

VOLLEYBALL

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

HORSESHOES

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

BAGS

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

CLAY TARGET SHOOTING

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

OTHER

(please list in space below)

SEE ATTACHED

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

ENTERTAINMENT RELATED OUTDOOR ACTIVITIES

DINING / DRINKING

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

TYPE OF AREA

<input type="checkbox"/> DECK	<input type="checkbox"/> PATIO	<input type="checkbox"/> GARDEN	<input type="checkbox"/> DESIGNATED SMOKING AREA	<input type="checkbox"/> OTHER
Square Footage of Area	Square Footage of Area	Square Footage of Area	Square Footage of Area	Square Footage of Area
Seating Capacity	Seating Capacity	Seating Capacity	Seating Capacity	Seating Capacity

TYPE OF MUSIC

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<input type="checkbox"/> Recorded <input type="checkbox"/> Live <input type="checkbox"/> Amplified <input type="checkbox"/> Unamplified	<input type="checkbox"/> Recorded <input type="checkbox"/> Live <input type="checkbox"/> Amplified <input type="checkbox"/> Unamplified	<input type="checkbox"/> Recorded <input type="checkbox"/> Live <input type="checkbox"/> Amplified <input type="checkbox"/> Unamplified	<input type="checkbox"/> Recorded <input type="checkbox"/> Live <input type="checkbox"/> Amplified <input type="checkbox"/> Unamplified	<input type="checkbox"/> Recorded <input type="checkbox"/> Live <input type="checkbox"/> Amplified <input type="checkbox"/> Unamplified	<input type="checkbox"/> Recorded <input type="checkbox"/> Live <input type="checkbox"/> Amplified <input type="checkbox"/> Unamplified	<input type="checkbox"/> Recorded <input type="checkbox"/> Live <input type="checkbox"/> Amplified <input type="checkbox"/> Unamplified

Sound: Please list how many speakers you will have and on your site plan indicate where they will be located and where the sound is directed.

Lighting: Please list what types of lights you have, how many, what the wattage is and indicate where they will be located on your site plan.

The following items MUST accompany this application:

- ☐ **SITE PLAN** to scale, showing buildings on the premises, outdoor facilities and distance to buildings on adjoining properties.
- ☐ **SCALED DRAWING OR MAP** showing the location of all speakers or other means of providing music, television and/or sporting activities.
- ☐ **BUILDING PLAN OF OPERATION**

If you have any questions about this process, please contact the City Planner, H.E. "Clink" Clinkenbeard, during his regular office hours of Wednesday and Thursday 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 4:30 p.m. at (262) 691-0770.

WEDNESDAY LEAGUE POSSIBLE 25

APRIL 28 MISTAKE ON THE LAKE

MAY 5 MUSKIE INC QUAD COUNTY TOURNAMENT

MAY 12 BOB LASS MUSKY TOURNAMENT

POSSIBLE
BEER
SALES

MAY

JUNE 23 MONCHES FISH & GAME OUTING

AUG 25 MUSKIE INC ~~TOURNAMENT~~ VETERANS OUTING

SEPT 22 MUSKIE INC TOURNAMENT

OCT 20 3 CHARLIES



JUNE 16 BIG BROTHERS, BIG SISTERS

JUNE 13 TO AUG 15 EVERY WEDNESDAY

BADGES + BUDDIES

NO BEER

- 20 Parking Passes
from city
Todd Radcliffe - Before 28



OUTDOOR ENTERTAINMENT PERMIT
VALID FROM JULY 1, 2018 THROUGH JUNE 30, 2019

SMOKEY'S BAIT SHOP
N27 W27250 WOODLAND DRIVE
PEWAUKEE, WI 53072

In accordance with City of Pewaukee Ordinance Section 11.02 an outdoor entertainment permit has been issued for the following activities:

DRINKING / PATIO						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
5:30 a.m. – 8 p.m.	7 a.m. – 8 p.m.	7 a.m. – 8 p.m.	7 a.m. – 8 p.m.	7 a.m. – 8 p.m.	7 a.m. – 8 p.m.	5:30 a.m. – 8 p.m.

MUSKY FISHING TOURNAMENT LEAGUE						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			Unknown			

Given under my hand and the corporate seal of the City of Pewaukee, County of Waukesha, State of Wisconsin, this 5th day of June, 2018.

Kelly Tarczewski – Clerk/Treasurer

NOTICE OF CHANGES FOR SMOKEY'S

Lois is asking to be able to serve alcohol outside again. Last year you denied her request due to an illegal non-conforming structures and she was told you'd revisit it the following year. The Clerk's Office needs direction especially because she is looking for the **entire** property and we require specific screened areas.

Lois indicated the tournaments are schedule from April 28th – October 20th.

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 8.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Public Hearing Related to the 2018 - 2019 Liquor Licenses and Possible Action to Issue [Tarczewski]

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

ATTACHMENTS:

Description

License Request File

	B	C	D	E	F	G	H	N	O	P	Q	R	S	AA	AB	AC	AD
2	Wisconsin Seller's Permit Number	Doing Business As	Location	Owner/Applicant or Agent	Phone	Application Type	Renewal Type	2018 - 2019 Premises Request (Items in RED are changes to the premise description)	Outdoor Activity Permit	Cigarette Application	Amusement Application	Total Amuse Items	Hotel Application	Fees Due	Amount Paid	Balance Due	Requested Action
3	456-0000042288-03	5 O'Clock Club of Pewaukee LTD	N28 W26658 Peterson Dr.	Richard D. Knutson	(262) 691-9960	RENEWAL	Class B Beer & Class B Liquor	Storage Liquor: Basement 2 rooms, 1 with beer cooler, 1 with liquor storage cage, kitchen and 1st floor hallway, bar. Storage of Records: 2nd floor - 2 offices, 1 store room, 3rd floor attic - old record storage. Service Areas: main bar room, three dining rooms, outdoor deck and lower patio entry area, back lawn area towards garden (East)	Approved by Plan Comm on 5/17/2018	NO	NO	0	NO	\$660	\$60	\$600	Approve Contingent Upon Receiving the Balance Due.
4	456-0000572370-02	Andrea's Red Rooster	N14 W22032 Watertown Rd.	Dennis Barton	(262) 574-1230	RENEWAL	Class B Beer & Class B Liquor	Restaurant, Bar, Deck/Patio, Office, Garage	Approved by Plan Comm on 5/17/2018	NO	YES	2	NO	\$680	\$680	\$0	Approve
5	456-1028185737-03	Aqua Beauty Lounge LLC	W279 N2221 Prospect Ave	Jaime Lefever	(262) 691-1814	RENEWAL	Class B Beer & Class B Liquor	Entire Building, Patio, Storage in Basement	Approved by Plan Comm on 5/17/2018	NO	NO	0	NO	\$660	\$660	\$0	Approve
6	456-1027444517-02	The Beer Depot	N27 W26980 Prospect Ave.	Patrick J. Mischker	(262) 696-4602	RENEWAL	Class A Beer & Class A Liquor	Sold & Stored Upstairs, Additional Storage in the Basement and Backroom	NO	YES	NO	0	NO	\$730	\$730	\$0	Approve
7	456-1026579511-04	Boomers Sports Pub & Grill	N29 W24483 Watertown Rd.	Tyler E. Pasdera	(262) 691-2558	RENEWAL	Class B Beer & Class B Liquor	Bar, Lounge, Cabana Bar, Volleyball Courts, Outdoor Field & Grass Area West of Building, Enclosed Deck, Liquor Closets, Basement Storage, Walk In Coolers, Parking Lot and Back Field.	Approved by Plan Comm on 5/17/2018	NO	YES	11	NO	\$770	\$770	\$0	Approve
8	456-1029711168-02	Crossings Restaurant	N20 W22951 Watertown Rd.	Tracey Denise Evans	(262) 513-2008	RENEWAL	Class B Beer & Class C Wine	Served in Dining Room, Stored in Kitchen & Walk-In Cooler	NO	NO	NO	0	NO	\$230	\$230	\$0	Approve
9	456-0000399634-02	Curly's Waterfront	W272 N2696 Lakeview Blvd.	Ryan P. Gardner	(262) 691-4343	RENEWAL	Class B Beer & Class B Liquor	Main Bar Level, Outside Patio & Lower Level Cooler	Approved by Plan Comm on 5/17/2018	NO	YES	7	NO	\$730	\$730	\$0	Approve
10	456-1028241860-02	Docs Dry Dock Inc.	N38 W27091 Parkside Rd.	Joshua K. Goodman	(262) 691-9947	RENEWAL	Class B Beer & Class B Liquor	14 Seat Bar & 5 Tables for Sales, Storage Downstairs, Behind Bar & Storage Cabinet	NO	NO	NO	0	NO	\$630	\$630	\$0	Approve
11	456-1029029600-02	Edgewater of Pewaukee Lake LLC	W296 N2315 Prospect Ave.	Bernie Kook	(262) 696-4578	RENEWAL	Class B Beer & Class B Liquor	Lower Level: 4126 Square feet, includes the pub-area, kitchen, bathrooms restaurant and bar area, game area, liquor storage & coolers. Main Level: 4126 square feet, includes all areas main restaurant, kitchen, bar area (2), bathrooms, outside deck and entry area. Outside area: 2,880 square foot paved patio area and a 1,880 square foot garden area. Second Floor: 2 offices. Attic: Storage	Approved by Plan Comm on 5/17/2018	NO	YES	4	NO	\$670	\$670	\$0	Approve
12	456-1027857803-02	Gina's Sports Dock	W278 N2345 Prospect Ave.	Gina M. Schwister	(262) 695-9600	RENEWAL	Class B Beer & Class B Liquor	Main Bar, Beach Bar & Basement	Approved by Plan Comm on 5/17/2018	NO	YES	5	NO	\$710	\$710	\$0	Approve
13	456-1027337007-03	Holiday Inn	N14 W24140 Tower Pl.	Terry A. Waite	(262) 506-6300	RENEWAL	Class B Beer & Class B Liquor	Three-story hotel with basement & outdoor area.	NO	NO	NO	0	YES	\$655	\$655	\$0	Approve
14	456-0000338626-03	Jack's Café	N4 W22496 Bluemound Rd	John M. Cameron	(262) 521-2444	RENEWAL	Class B Beer & Class C Wine	In Store & Patio (spring - fall)	NO	NO	NO	0	NO	\$230	\$230	\$0	Approve
15	456-0000084516-03	The Loft & Chapel at Cedar Ridge	N7 W23827 Bluemound Rd	Jeffery R. Becker	(262) 547-2300	RENEWAL	Class B Beer & Class B Liquor	Reception Halls, Bar Areas, Dance Floors, Outdoor Gazebo & Patio	NO	NO	NO	0	NO	\$630	\$630	\$0	Approve
16	456-1027167982-03	Machine Shed	N14 W24145 Tower Pl.	Terry A. Waite	(262) 523-1322	RENEWAL	Class B Beer & Class B Liquor	Single Story Restaurant	NO	NO	NO	0	NO	\$630	\$630	\$0	Approve
17	456-0000483241-03	Marriott GE Medical Systems	N16 W22419 Watertown Rd.	Maribel Adam	(262) 574-8840	RENEWAL	Class B Beer & Class C Wine	All meeting rooms, pre-function areas, restaurant, kitchen & storerooms	NO	NO	NO	0	NO	\$230	\$230	\$0	Approve
18	456-0002312934-02	Marriott - Milwaukee West	W231 N1600 Corporate Ct.	Keith E. Kramar	(262) 574-0888	RENEWAL	Class B Beer & Class B Liquor	Lounge, restaurant, banquet rooms and hotel rooms. Storage in main liquor room off of the kitchen, walk-in cooler in kitchen, lobby lounge (coolers & cabinets) and banquet stand-up cooler used for beer & wine only.	NO	NO	NO	0	YES	\$655	\$655	\$0	Approve
19	456-1029231911-02	Michael's House of Prime	W278 N2316 Prospect Ave.	Richard C. Buckley	(262) 691-1450	RENEWAL	Class B Beer & Class B Liquor	Bar Room & Basement, Storage Cabinet, Restaurant, Dining Room & Coolers	NO	NO	NO	0	NO	\$630	\$630	\$0	Approve
20	456-1022074981-02	Mug Shotz Bar & Grill	W270 N2793 Elm Ave.	Craig Werner	262-696-4177	RENEWAL	Class B Beer & Class B Liquor	Bar Area & Back Dining Room Bar, Walk-In Cooler, and Liquor Room	NO	YES	YES	14	NO	\$870	\$30	\$840	Approve Contingent Upon Receiving Outstanding Balance Due
21	456-1026406658-03	Pewaukee Golf Club	N12 W26506 Golf Rd.	Frank Romano	(262) 544-8585	RENEWAL	Class B Beer & Class B Liquor	Back room coolers, behind bar, locked cabinets on north wall, in the restaurant Golf Course and Clubhouse	NO	NO	NO	0	NO	\$630	\$630	\$0	Approve
22	456-1029191280-02	Point Burger Bar	W229 N1400 Westwood Dr.	Brian J. Ward	(262) 955-9192	RENEWAL	Class B Beer & Class B Liquor	First Floor, Patio & Parking Lot Wednesday Evenings During Classic Car Shows ONLY	Approved by Plan Comm on 5/17/2018	NO	YES	50	NO	\$1,130	\$1,130	\$0	Approve

	B	C	D	E	F	G	H	N	O	P	Q	R	S	AA	AB	AC	AD
	Wisconsin Seller's Permit Number	Doing Business As	Location	Owner/Applicant or Agent	Phone	Application Type	Renewal Type	2018 - 2019 Premises Request (Items in RED are changes to the 2017-2018 premise description)	Outdoor Activity Permit	Cigarette Application	Amusement Application	Total Amuse Items	Hotel Application	Fees Due	Amount Paid	Balance Due	Requested Action
23	456-1020421794-02	Queen of Apostles Church	N35 W23360 Capitol Dr.	Marita Pietrykowski	262-695-1535	RENEWAL	Class B Beer & Class C Wine	Parish Hall & Gathering Space Parking Lot During Parish Festival	NO	NO	NO	0	NO	\$230	\$230	\$0	Approve
24	456-1029506074-02	SABR Tag LLC	W229 N1400 Westwood Dr.	Carey Catania	(414) 877-0800	RENEWAL	Class B Beer & Class B Liquor	Bar Area, Storage Room & Walk-In Cooler	NO	NO	YES	6	NO	\$690	\$690	\$0	Approve
25	456-1020058235-03	Smokey's Bait Shop	N27 W27250 Woodland Dr.	Lois Laimon	(262) 691-9659	RENEWAL	Class A Beer	Store & Upstairs Shop & Patio Area	Approved by Plan Comm on 5/17/2018	NO	NO	0	NO	\$160	\$160	\$0	Approve Contingent Upon Common Council taking action on their Outdoor Entertainment Permit
26	456-1029577453-02	The Station Pub & Grill	W226 N3013 Duplainville Rd.	Jason Zinda	(262) 695-5300	RENEWAL	Class B Beer & Class B Liquor	Basement Storage, Ground Floor Bar & Restaurant Area, Kitchen, Cooler, Liquor Storage Room , Office, Patio, Horseshoe Pits, Soccer Golf & Soccer Pool Areas.	Approved by Plan Comm on 5/17/2018	NO	NO	11	NO	\$770	\$770	\$0	Approve
27	456-1027337011-03	Thunder Bay Grille	N14 W24130 Tower Pl.	Terry A. Waite	(262) 523-4244	RENEWAL	Class B Beer & Class B Liquor	Single Story Restaurant w/ Basement and Outdoor Patio Area	NO	NO	NO	0	NO	\$630	\$630	\$0	Approve
28	456-1020050195-03	Waukesha Gun Club	N22 W23170 Watertown Rd.	John C. Tans	(262) 547-9785	RENEWAL	Class B Beer & Class C Wine	Club House, Summer Kitchen & Patio Next to Summer Kitchen	Approved by Plan Comm on 5/17/2018	NO	NO	0	NO	\$260	\$260	\$0	Approve
29	456-1027337007-03	Wildwood Lodge	N14 W24121 Tower Pl.	Terry A. Waite	(262) 506-2000	RENEWAL	Class B Beer & Class B Liquor	Three Story Hotel with Basement	NO	NO	NO	0	YES	\$655	\$655	\$0	Approve
30	456-0000412696-03	Wonderland Tap	W233 N536 CTH 164	Robert J. Boehnen	(262) 547-6788	RENEWAL	Class B Beer & Class B Liquor	Bar, Cooler, Liquor Room, Horseshoe Pits	Approved by Plan Comm on 5/17/2018	NO	YES	7	NO	\$730	\$730	\$0	Approve
31	456-0000287614-03	Kwik Trip #396	W229 N2086 Redford Blvd.	Paul Johnson	(262) 446-2032	RENEWAL	Class A Beer & Class A Liquor (Wine Only)	One-Story Frame Construction with Storage in Locable Walk-In Cooler & Cabinetry	N/A	YES	NO	N/A	NO	\$330	\$330	\$0	Approve
32	456-1028259700-02	BP Pantry 41	W265 N2693 Meadowbrook Rd.	Punjab Walia	(262) 691-9710	RENEWAL	Class A Beer & Class A Liquor (Wine Only)	On Premises Only, Walk-In Cooler	N/A	YES	NO	N/A	NO	\$330	\$330	\$0	Approve contingent upon revising the premise description
33	456-0000450209-03	Stoneridge Mart	W240 N1485 Pewaukee Rd.	Sukhdeep Garcha	(262) 549-5099	RENEWAL	Class A Beer & Class A Liquor (Wine Only)	Cooler, Building & Basement	N/A	YES	NO	N/A	NO	\$330	\$330	\$0	Approve

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 9.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Discussion and Possible Action Regarding the Contract for Planning Services by Wrayburn Consulting, LLC [Klein]

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

ATTACHMENTS:

Description

Wrayburn Contract



Wrayburn Consulting, LLC
262-893-3903
info@wrayburnconsulting.com
13500 Watertown Plank Road, Suite 100
Elm Grove, WI 53122

Consulting Agreement

The City of Pewaukee retains Wrayburn Consulting, LLC through its sole member, Nicholas J. Fuchs, for the purpose of providing municipal planning services as an independent contractor/consultant.

In consideration of such services, agreed to be rendered and furnished by Wrayburn Consulting, LLC, the City of Pewaukee shall compensate Wrayburn Consulting, LLC, at an hourly rate of \$50.00 per hour.

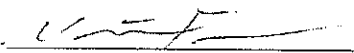
In consideration of the foregoing, Wrayburn Consulting, LLC agrees to use due diligence in performing all plan review services under the direction of the Mayor and Common Council and the City Administrator or his designate.

Services will be rendered on an hourly basis, billable monthly in tenths of an hour.

Either party can terminate this agreement upon a 30 day notice, and the sole liability and entitlement of the parties shall be for services rendered to and through the date of the termination notice.

Dated this 20th day of APRIL, 2018.

Wrayburn Consulting, LLC


Nicholas J. Fuchs

City of Pewaukee


CITY ADMINISTRATOR

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 10.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Discussion and Possible Action to Approve the Installation of LED Invue Style Lights in the Parking Lot at City Hall in the Amount of \$20,905.06 and Determine Funding [Klein]

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

ATTACHMENTS:

Description

Lighting Proposal

Proposal

FROM: KMB Electric
N4 W27099 Northview Rd
Waukesha WI 53188
262-442-3649

Page. No. 1

PROPOSAL SUBMITTED TO:

Name: Scott Klein
Phone: 262-691-0770 Date: 2/3/18
Street: W240 N3065 Pewaukee RD
City: Pewaukee
State: WI Zip: 53072

I propose to furnish all materials and perform all labor necessary to complete the following:

- Upgrade (13) parking lot lights to LED Invue style
- Use existing poles that are in place already, and new light heads would be bolted to poles using new brackets supplied by manufacture.
- Photometrics were calculated by lighting supplier
- Price includes lift rental, labor and materials

All of the work is to be completed in a substantial and workmanlike manner for the sum of Twenty Thousand Nine Hundred Five and 06/100 Dollars (\$20,905.06). Payment to be made once as the work progresses to the value of One Hundred percent (100%) of all work completed. The entire amount of the contract is to be paid within 30 days after completion.

Any alterations or deviation from the above specifications involving extra cost of material or labor will be executed upon written order for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

Authorized Signature _____

ACCEPTANCE

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal for which City of Pewaukee agrees to pay the amount mentioned in said proposal and according to the terms thereof.

Signature _____

Date _____

DESCRIPTION

LED technology combined with the Icon luminaires unique form creates the choice solution for modern site lighting applications. The Icon luminaires gentle curves and sleek profile create a shape that is beyond common. Two unique arm choices combined with structural element options provide no limitations in bridging to the architectural application.

SPECIFICATION FEATURES

Construction

HOUSING: Heavy-wall, one-piece, die-cast aluminum housing has precise tolerance control and repeatability in manufacturing. Integral aluminum heat sink provides superior heat transfer in +40°C ambient environment. **DOOR:** One-piece, die-cast aluminum construction with tool-less release latch. Door swings down and is retained on heavy duty leaf/pin hinge. **GASKET:** Continuous gasket provided to seal housing to door. **HARDWARE:** Tool-less release button latches are stainless steel/aluminum construction, painted to match housing and allow access to internal housing and electrical components.

Optics

Choice of twelve patented, high-efficiency AccuLED Optics™ distributions. Optics are precisely designed to shape the light output, maximizing efficiency and application spacing. AccuLED Optics technology creates consistent distributions with the scalability to meet customized application requirements. Offered Standard in 4000K (+/- 275K) CCT and minimum 70 CRI. Optional 3000K CCT, 70 or 80 CRI. For the ultimate level of spill light control, an optional house-side shield accessory can be field or factory installed. The house-side shield is designed to seamlessly integrate with the SL2, SL3 or SL4 optics.

Electrical

LED drivers mount to die-cast aluminum back housing for optimal heat sinking, operation efficacy, and prolonged life.

Standard drivers feature electronic universal voltage (120-277V 50/60Hz), 347V 60Hz or 480V 60Hz operation. 480V is compatible for use with 480V Wye systems only. Greater than 0.9 power factor, less than 20% harmonic distortion, and is suitable for operation in -40°C to 40°C ambient environments. All fixtures are shipped standard with 10kV/10kA common – and differential – mode surge protection. LightBARs feature an IP66 enclosure rating and maintain greater than 95% lumen maintenance at 60,000 hours per IESNA TM-21. Occupancy sensor and dimming options available.

Mounting

UPSWEEP ARM: Manufactured of heavy-wall cast aluminum. Internal bolt guides provided for positioning arm to housing and pole. **LINEAR ARM:** Manufactured of heavy-wall extruded aluminum. Arm features internal bolt guides for positioning arm to housing and pole. **STRUCTURAL MOUNT:** Die-cast aluminum cleat, factory mounted and finished in luminaire color. Stainless steel structural rod measures 1/2" in diameter and is provided in luminaire finish or optional natural finish. Product functions in conjunction with linear arm. Invue poles provided pre-drilled for suspension mount applications. See Invue pole brochure for complete selection of matching poles. **STRUCTURAL WALL MOUNT:** Die-cast aluminum cleat, factory mounted to luminaire and finished in luminaire color. Stainless steel structural rod measures 1/2" in diameter and is provided in luminaire finish or optional natural finish. Wall

bracket works in conjunction with linear arm. Mounting arms ordered separately.

Slide Arm

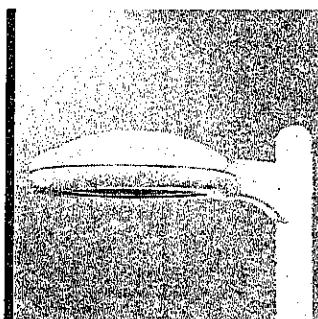
An elegant cantilever arm assembly articulates the Icon housing in suspended balance. The extended aluminum arm and rear suspension detail in conjunction with the flowing lines from pole to luminaire provide a dramatic form where excitement in architectural design is desired. Arm weldment assembly manufactured of 6061, 6063 cast aluminum subcomponents. The medium Icon arm (SDM) assembly mounts to a 5" O.D. round straight pole equipped with a 4" O.D. by 10" tall tenon. The Small Icon Arm (SDS) Fits 4" O.D. tenon or slipfits over 4" round straight pole. Arm secures to pole with provided stainless steel hex head fasteners and includes a removable side cap for wire access and inspection.

Finish

Housing is finished in five-stage super TGIC polyester powder coat paint, 2.5 mil nominal thickness for superior protection against fade and wear. LightBAR cover plates are standard white and may be specified to match finish of luminaire housing. Standard colors include black, bronze, grey, white, dark platinum and graphite metallic. RAL and custom color matches available. Consult Outdoor Architectural Colors brochure for a complete selection.

Warranty

Five-year warranty.



ICS/ICM ICON LED

ICM 1 - 6 LightBARs
ICS 1 - 4 LightBARs
Solid State LED

ARCHITECTURAL
AREA/SITE LUMINAIRE

CERTIFICATION DATA

UL/cUL Listed
IP66 LightBARs
LM79 / LM80 Compliant
3G Vibration Tested
ISO 9001

ENERGY DATA

Electronic LED Driver
>0.9 Power Factor
<20% Total Harmonic Distortion
120-277V/50 & 60Hz, 347V/60Hz,
480V/60Hz
-40°C Minimum Temperature
40°C Ambient Temperature Rating

EPA

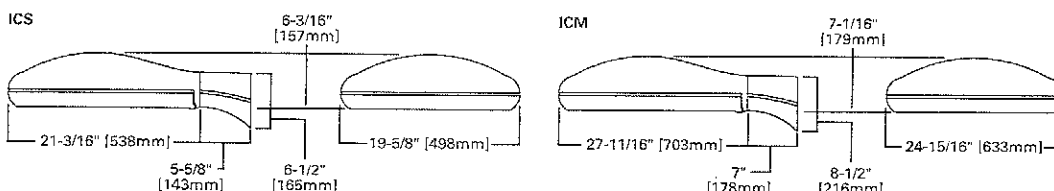
Effective Projected Area: (Sq. Ft.)
ICS Icon Small:
Single: 0.69
Single Structural: 0.71

ICM Icon Medium:
Single: 1.09
Single Structural: 1.11

SHIPPING DATA

Approximate Net Weight:
ICS Icon Small: 37 lbs. (16.82 kgs.)
ICM Icon Medium: 50 lbs. (22.73 kgs.)

DIMENSIONS



**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 11.**

DATE: June 18, 2018

DEPARTMENT: PW - Water/Sewer

PROVIDED BY: Jeffrey L. Weigel, Public Works Director

SUBJECT:

Discussion and Action to Approve the Water Reserve Capacity Study (RCA) June 1, 2018 Proposal of Ruekert & Mielke with an Initial Cost of \$15,000 [Weigel]

BACKGROUND:

The City Water Utility, and its predecessor Town of Pewaukee Sanitary District No. 3 has imposed a Water Reserve Capacity Assessment (RCA) fee due upon connection to the water system since the 1970's. In recent years the Wisconsin Public Service Commission (PSC) staff have questioned the adequacy of the RCA, and required the City Utility to update its model. In 2015 Ruekert & Mielke completed an analysis/study and submitted same to PSC. PSC have questions on that submittal, and is requiring the Utility to further evaluate the RCA study/analysis.

FINANCIAL IMPACT:

The need for the study is regulatory compliance. The 2018 W/S Budget had \$20,000 approved for a water system facilities plan. We recommend re-programming \$15,000 towards the RCA study update.

RECOMMENDED MOTION:

Common Council approves the Water RCA study per the June 1, 2018 Ruekert & Mielke proposal with funding to come from the Water System Facilities Planning funds.

ATTACHMENTS:

Description
R & M June 1 2018 proposal
2015 Water RCA Study
Qualifications

4001 Nakoosa Trail, Suite 200 • Madison, WI 53714-1380 • Tel. (608) 819-2600

June 1, 2018

Mr. Jeffrey L. Weigel, Ms. Jane Mueller
City of Pewaukee
W240 N3065 Pewaukee Road
Pewaukee, WI 53072

Re: Reserve Capacity Assessment 2018 Review Proposal

Dear Mr. Jeffrey Weigel and Ms. Jane Mueller:

Thank you for granting Ruekert & Mielke, Inc. (R/M) the opportunity to help the City of Pewaukee (City) with reserve capacity assessments (RCA) and compliance with required regulatory accounting. This proposed project builds on the work we did under our proposal dated May 23, 2014, for RCA analysis.

The City's Needs

In our meeting on May 24, 2018, we understand that you have the following needs:

1. Evaluate the City's compliance with the RCA ordinance.
2. Compare RCA revenue with capital expenditures.
3. Identify possible changes to the RCA charges, policy, and accounting practices to avoid this issue in the future.
4. Present the City's plan to resolve and prevent future RCA issues, to the Wisconsin Public Service Commission. Gain PSC approval of the proposed resolution.

This proposal outlines our proposed approach to meet your needs.

Tasks

R/M proposes undertaking the following tasks to meet the City's needs:

1. Send an initial data request to City staff.
2. Attend a meeting to kick-off the project and gather data.
3. Evaluate compliance with the RCA ordinance:
 - a. Review the City's RCA ordinance.
 - b. Obtain 2015, 2016, and 2017 new customer collections, and current RCA charges and collections.
 - c. Recalculate RCA charges for new customers and check against actual charges.

~ Marketing Dept > PROPOSALS > Proposals 2018 > CT 03_KRW_Kenosha > Pewaukee, City > Sewer Rate Ordinance Review, Water & Storm Water Rate and Financial Plan > Proposal > Weigel Mueller- Weigel Mueller- 20180601 - Reserve Capacity Assessment Review Proposal.docx~

Mr. Jeffrey L. Weigel, Ms. Jane Mueller
Reserve Capacity Assessment 2018 Review Proposal
June 1, 2018
Page 2

- d. Develop recommendations as appropriate to ensure the accuracy of RCA charges.
4. Update cumulative RCA collections and capital expenditures since 2003:
 - a. Review the City's PSC annual reports from 2004 through 2017 to determine the total value of plant additions that should have been funded through RCAs, per the City's policy.
 - b. Conduct conference call with Rotroff Jeanson and City staff to identify the plant that should have been funded through other special assessments, or developer agreements, per the City's policy. Get consensus on the value of plant so funded.
 - c. Estimate the value of deferred special assessments based on the City's land use plans.
 - d. Starting with assumed zero balance in 2003, recalculate cumulative RCA collections, expenditures, and net balance.
 - e. Submit a draft calculation of cumulative collections and expenditures and net balance to City staff for review, feedback, and acceptance.
 - f. Submit calculation to PSC to request PSC's acceptance that it fulfills the requirements of the 2014 order.
5. Update future RCAs and plant accounting practices:
 - a. Forecast future connections, if appropriate, based on recent history.
 - b. Update forecasted future plant expenditures, if appropriate, based on input from R/M engineering staff.
 - c. Update the starting balance of the RCA fund based on above analysis.
 - d. Update forecasted weighted average interest rate, if appropriate.
 - e. Evaluate the City's policy of deferring RCAs.
 - f. Forecast the trajectory of RCAs.
 - g. Calculate what portion of forecasted plant construction is funded by forecasted RCA collections.
6. Garner PSC buy in:
 - a. Write a plan for resolving regulatory accounting for RCAs, funding capital expenditures, and setting RCAs at an appropriate level.
 - b. Meet with PSC accountants to obtain PSC feedback and preliminary acceptance of the City's proposed resolution.
 - c. Present a case that the City should receive a simplified rate increase as it addresses the RCA accounting issues. Pending PSC's and your approval, prepare and submit a simplified rate increase application.

Mr. Jeffrey L. Weigel, Ms. Jane Mueller
Reserve Capacity Assessment 2018 Review Proposal
June 1, 2018
Page 3

7. Present conclusions and recommendations in a report:
 - a. Prepare and submit a draft report to City staff for review.
 - b. Garner feedback and discuss the RCA policy and plant accounting practices with City staff and possibly Retroff Jeanson.
 - c. Obtain City Council approval as necessary for policy changes.
 - d. Prepare a final report and send to Pewaukee.
8. Submit to PSC for approval:
 - a. Submit our report to the PSC.
 - b. Obtain PSC approval of the proposed resolution and future RCA fees and policies.

Proposed Fee

The project effort depends on what we need to do to gain acceptance from the PSC. We plan to gain an understanding on how much effort may be entailed early in the process by meeting with PSC and presenting a concrete plan of specific steps for their review and feedback. Project effort also depends on the timeliness and quality of data received from Retroff Jeanson and City staff. An in-person kick-off and data gathering meeting will help us gather and vet data efficiently.

We propose to charge our standard hourly rates of \$140 for economic consultant – three and \$130 for economic consultant – two, plus miscellaneous expenses. Based on our estimate of the effort to gain PSC acceptance, we estimate that we would complete the proposed scope for \$15,000. If the PSC presents unexpected issues that increase the required effort, we will obtain your written approval before continuing work beyond \$15,000.

Mr. Jeffrey L. Weigel, Ms. Jane Mueller
Reserve Capacity Assessment 2018 Review Proposal
June 1, 2018
Page 4

We look forward to working with you to resolve these issues and continue the Pewaukee Water Utility's financial sustainability and high level of service to residents. Please call us to further discuss your needs, our proposed scope, or anything else in this proposal.

Very truly yours,

RUEKERT & MIELKE, INC.



Andrew J. Behm
Economic Consultant
ABehm@ruekert-mielke.com

AJB:rsf
Enclosure

cc: Ken R. Ward, Ruekert & Mielke, Inc.
File

Mr. Jeffrey L. Weigel, Ms. Jane Mueller
Reserve Capacity Assessment 2018 Review Proposal
June 1, 2018
Page 5

CLIENT NAME:

City of Pewaukee

By: _____

Title: _____

Date: _____

ATTEST:

By: _____

Title: _____

Date: _____

Designated Representative:

Name: _____

Title: _____

Phone Number: _____

ENGINEER:

Ruekert & Mielke, Inc.

By:  _____

Ryan Amtmann, P.E.

Title: Vice PresidentDate: June 1, 2018

Designated Representative:

Name: Andrew BehmTitle: Economic Consultant

Phone Number: (262) 953-6298

March 17, 2015

Mr. Jeffrey L. Weigel, P.E.
Director of Public Works/Engineer
City of Pewaukee
W240 N3065 Pewaukee Road
Pewaukee, WI 53072

RE: City of Pewaukee - Water RCA Study

Dear Mr. Weigel,

We have completed a draft of the Water Reserve Capacity Assessment (RCA) update and submit our analysis and findings for your review.

Ruekert & Mielke, Inc. (R/M) was originally retained to update the prior RCA studies and develop a tracking tool that could be used to monitor Water RCA balance and assess the adequacy of the current annual charge through the planning period 2015-2035. This tool comparing actual expenditures to RCA income will enable the City of Pewaukee Water Utility to comply with the Public Service Commission Final Decision in Docket 4625-WR-102. In this docket, the PSC required the Utility to file a report of the cumulative status of RCA collections compared to costs each year. This report is to be filed in conjunction with the Utility's PSC Annual Report by April 1st each year.

We prepared a schedule of RCA charges for water facilities using a projection of new customer connections and project costs for the planning period. Project funding includes a combination of RCA cash and new debt issuances. A copy of that analysis is enclosed. We believe that the revised method of forecasting RCA income based on historical analysis will track more accurately with actual experience and address the timing concerns that the PSC staff was concerned with in conducting the 2013-14 water rate case. This method will provide full recovery of the costs that the City can expect to incur for the water projects needed to extend service to future development.

Reserve Capacity Assessments

Reserve capacity assessments were computed for facilities based on the premise that new connections to the system should be required to "buy into" the new capacity needed to serve their parcel. In the earlier studies, the RCAs were computed for each infrastructure system by dividing a projection of future planned improvements to be financed through RCAs by the new capacity of the proposed capital facilities in Residential Equivalent Connections (RECs), to arrive at a current charge per REC. For the current study, the present RCA level was increased to provide a base RCA charge beginning in 2015. This new base charge is increased

Mr. Jeffrey L. Weigel, P.E.
Re: Water RCA Study
March 17, 2015
Page 2

by an inflation factor of 3.00% per year to meet cash and debt financing requirements over the study period. Annual revenue was calculated by multiplying the applicable annual RCA charge by the 10-year annual average of system REC connections. The 10-year average is 75 new RECs per year. This annual amount is added to the running RCA historical dollar balance. The study included a design forecast of future supply, storage and transmission assets needed to serve new customers through the 2035 planning period. These capital assets were either directly netted out of the RCA balance or financed with estimated new debt and the annual debt service paid out of RCA funds. Using this method, it was determined that the 2014 RCA charge of \$4,208 would need to be increased to the 2015 charge of \$4,328 per REC and inflated 3.00% annually to meet the capital requirements through the design period.

The Tracking Schedule can be updated by the Utility to reflect the recent year's actual RCA revenue and project cost/debt service, and used to assess adequacy of the RCA charge going forward. This Schedule may then be submitted to the PSC as a supplement to the PSC Annual Report in full compliance with the recent PSC water rate decision in Docket 4625-WR-102.

Pursuant to past City practice, RCAs were computed to include each of the following types of assets: existing and future water system supply, storage and transmission mains to serve new customers. The PSC's schedules and rate case work papers showing 2012 plant adjusted to comply with the 2003 amended PSC accounting requirements of the Uniform System of Accounts is the basis for this study. These schedules were then adjusted as follows:

- 1) RCA funded plant was added for CY 2013 per information provided by the Utility's accounting firm Rotroff, Jeanson & Company.
- 2) RCA funded plant was added for CY 2014 per information provided by the Utility.
- 3) Capital costs for treatment plant included in the PSC staff estimate for the period 2004-2012 was adjusted to remove treatment plant capital cost which is typically not funded with RCAs. This is consistent with PSC staff Anne Waymouth's November 26, 2013 letter to Jeff Weigel regarding the RCA and related rate case issues.
- 4) Water system assets were adjusted to include an estimate of planned facility costs to be financed in part or total by RCA funds 2015 through 2035. The Utility's review of the cost breakout of recent water main projects was used to calculate the portion of the water main project estimated to be funded with RCAs.

Mr. Jeffrey L. Weigel, P.E.
Re: Water RCA Study
March 17, 2015
Page 3

- 5) The total historical value of RCA collections was reduced by the amount of outstanding long-term debt associated with RCA funded plant to arrive at the current balance of the RCA fund.

RCA Charge and Application

As shown in Table 5 of the enclosed analysis, the 2015 water utility RCA is \$4,328 per REC. This base rate would be inflated 3.00% per year through the design period to be adjusted as needed to reflect actual costs/changes over the study period. The water RCAs would apply only to new connections within the City of Pewaukee to be provided with water service. Consistent with the recent past they would not be applied on private fire protection connections. We recommend laterals larger than one-inch be charged based on the rate multiplied by the PSC established ratio of equivalent service laterals but not to exceed the charge on a 3-inch lateral. This creates more equity between large and small users without jeopardizing desirable business growth.

The planned cost of future capital facilities, in terms of RECs, was computed based on information and data contained in the above-referenced PSC rate case workpapers from Docket 4625-WR-102 and R/M planning documents of supply, storage and transmission mains for the period 2015-2035.

Evaluation of RCA Use

The RCA alternative is consistent with past and current City practice in funding water supply, storage and transmission main capital costs. By adopting the past methodology of determining the RCA charge it continues the rate philosophy previously used. By simplifying the application to the historical 10-year annual REC connection average it makes the tracking mechanism more administratively feasible and realistic in terms of the dollars that can be depended on to be generated over the typical 20-year life of bonds or other debt vehicles. Because of the magnitude of the projected capital improvements to be funded with RCA dollars, it is necessary to provide long-term financing. The associated debt service can be paid using RCA cash, but will require structuring the bonds to pay only annual interest with the full principal due with the final payment.

Broadly speaking, RCAs have the advantage of fewer fund management requirements as compared for example to an Impact Fee. Each separate component of the RCA does not have to be deposited into a separate account. There is also no requirement that RCAs be applied only to the proportionate share of the cost of each improvement needed to serve future development.

A disadvantage of using RCAs is that the PSC is now requiring the Utility to provide annual tracking and reporting of actual RCA revenues and expenditures. In so doing the PSC is

Mr. Jeffrey L. Weigel, P.E.
Re: Water RCA Study
March 17, 2015
Page 4

ensuring that the capital facilities that are needed and authorized by the Agency in separate construction dockets can be adequately funded outside of water rates. The PSC is not allowing RCA funded project costs in water utility rate base. Thus the water rates it sets for the Utility will not provide for these capital costs. The Utility will need to annually review its RCA fund balance, actual RCA project cost and determine the adequacy of its RCA charge. While an additional step to administer, this process is healthy in that it results in the Utility knowing the adequacy of its RCA charge in conjunction with its PSC set water rates and other developer and special assessments in being adequate to meet the cash flow needs of the Utility. Ultimately, it serves to better inform the Utility as to its overall financial viability as it expands to serve a growing customer base.

Although the Utility is not required to maintain a separate fund for the RCAs in order to meet PSC tracking requirements, it should establish segregated accounting that enables it to identify the RCA balance at any point in time. The detail or at least the RCA balance should be made part of the Utility's financial statements and PSC filed Annual Report.

Conclusions and Recommendations

The City should adopt the revised RCA fee structure as a means of reasonably meeting its capital cost needs consistent with its past and that does achieve a fair outcome between existing and new customers. Using the historical RCA alternative is consistent with the PSC's understanding and recent water rate treatment of the capital costs for supply, storage and transmission facilities in the water rate case in Docket 4625-WR-102.

In adopting and administering the revised RCA fee option, the City/Utility needs to regularly take the following actions:


- 1) Annually review and account for the actual capital expenditures and RCA collections. Provide segregated accounting of these financials. File this information as part of its PSC Annual Report.
- 2) Every 3 years revisit the proposed project list for the 2015-2035 study period and adjust it to show actual cost and projected changes as system needs evolve.

Mr. Jeffrey L. Weigel, P.E.
Re: Water RCA Study
March 17, 2015
Page 5

The proposed alternative should be reviewed by the City Attorney with respect to the legal aspects of implementation.

Very truly yours,

RUEKERT & MIELKE, INC.



David A. Sheard
Senior Economic Consultant
dsheard@ruekert-mielke.com

DAS:crp

Enclosure

cc: Kenneth R. Ward, P.E., Ruekert & Mielke, Inc.
File

**REPORT ON RESERVE CAPACITY
ASSESSMENTS FOR
WATER SYSTEM FACILITIES**

**CITY OF PEWAUKEE
WAUKESHA COUNTY, WISCONSIN**

MARCH 2015

Approved by The City of Pewaukee Common Council April 20, 2015

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RESERVE CAPACITY ASSESSMENTS FOR WATER SYSTEM FACILITIES

RESERVE CAPACITY ASSESSMENTS

The City of Pewaukee assesses a Reserve Capacity Assessment (RCA) for water system facilities against new development.

Wisconsin Statutes §66.0703 authorizes municipalities to levy and collect special assessments upon property for special benefits conferred upon such property by municipal work. Reserve Capacity Assessments are established to provide a mechanism to fund excess capacity in the water system needed to serve future users. The Reserve Capacity Assessments computed in this report are based on the premise that new users are required to buy into the amount of excess capacity needed to serve their development.

The City initially levied the Reserve Capacity Assessments for water system facilities in approximately 1977. The amounts of the charges were re-evaluated and revised in 1996 and 2004 due to a number of new capital improvements undertaken by the City. This report re-evaluates the charges again based on anticipated significant capital improvements for the water facilities in the planning period 2015-2035. The report consists of the following schedules:

1. Reserve Capacity Assessment for existing RCA charges – Table 1
2. Pewaukee REUs and Total Dollars Collected – Table 2
3. Forecast Capital Improvements to be Funded in Part by RCAs – Table 3
4. Cash and Debt Financing for Project Costs – Table 4
5. RCA Fee Computation and Cash Flow Projection – Table 5
6. Appendix including Report on Water Supply, Pumping and Storage Facilities Needed to Serve Future Demands

The properties against which the Reserve Capacity Assessments are proposed include all properties within the City of Pewaukee that are not yet connected to the municipal water system. These properties are benefited by the availability of reserved excess capacity in the City's water system and the future improvements. The Reserve Capacity Assessments constitute an exercise of municipal authority as outlined in Wis. Stats §66.0703.

Reserve Capacity Assessments may be deferred as determined by the City Council but become due and payable at connection to the water system. The City does not mandate connection but deferred assessments will be adjusted annually according to the RCA charge listing in Table 5.

Reserve Capacity Assessment for Existing Water System Capacity

The existing City water supply and distribution system serves customers within the City of Pewaukee only. The system consists of wells, pumping stations, booster stations, storage tanks and reservoirs, and water mains, hydrants, valves and meters.

Based on projected costs of needed new well capacity, storage and transmission mains in the 2015-2035 study period and forecast new customer connections through 2045, an annual RCA per Residential Equivalent Connection (REC) is computed as shown in Table 5. The RCA dollar balance is used to fund new well capacity, storage and transmission mains (oversizing). Certain transmission main projects are funded in part or whole by developer contribution or special assessments. Other capital costs including treatment that benefits new and existing customers alike is financed through general service rates as prescribed by the Public Service Commission (PSC).

Reserve Capacity Assessment for Planned Water System Capacity

In 2014, as part of the RCA evaluation, Ruekert/Mielke prepared water supply, storage and transmission facilities planning through 2035 for the City. This planning effort evaluated the capacity of the system to serve both existing and future customers and is incorporated herein by reference with a summary in the Appendix to this Report. The planning study recommended additional well, pumping station, treatment, storage and transmission main facilities. The improvements will be needed primarily to provide excess capacity for anticipated future development in the City of Pewaukee and generally will be funded through RCAs or debt financing amortized with RCA cash.

The cash flow projection in Table 5 takes into account the actual fee collections to date, future debt service for future projects and projected fees to be collected from new development in the future. Based on this analysis, the calculated RCA for 2015 would be \$4,328 per REC. This amount would be increased annually for inflation (3.00% in attached Table 5). The RCA fee represents the amount that would generate sufficient revenues to cover the RCA share of cash or debt service given the underlying assumptions.

The estimated total cost of the planned water system improvements, including estimated future transmission water mains for the planning period is \$29,583,530ⁱ. Approximately \$11,774,019 would be RCA funded either with cash payment or debt amortized with RCA funds. Based on the estimated cost and the total forecast number of REU connections over the planning period, an annual Reserve Capacity Assessment per REC is computed for the facilities as shown in Table 5.

ⁱ In 2014 dollars

CITY OF PEWAUKEE WATER STUDY – ADEQUACY OF RCA CHARGES

Water RCAs (Reserve Capacity Assessments)

March 17, 2015

Ruekert & Mielke, Inc.

Project No. 26-10031.100

Table 1: RCA for Existing RCA Charges

Reserve Capacity Assessment for Existing RCA Charges					Table 1
			<u>City's 1996 Review</u>	<u>City's 2004 Review</u>	
<u>1996 Analysis</u>	Estimated Cost		\$7,794,875	\$15,811,000	
	Collected		\$0	\$2,408,000	
	Net		\$7,794,875	\$13,403,000	
	REUs		5200	4540	
	RCA Fee		\$1,499.01	\$2,952.20	
Estimated increase in ave day demand mgd		1.562			
RM est 2020 ave day pumpage				2,602,000 mgd	
2013 ave day				1,246,000	0.4788624
<u>2004 Analysis</u>	Estimated Cost	\$13,403,000	\$13,403,000		
	REUs	4540	4540		
	RCA Fee	\$2,952.20	\$2,952.20		
		Estimated 2020 annual pumpage		949,730,000 mgd	
<u>RCA Fee (Inflationary Increase)</u>					
2005		3,190			
2006		3,318			
2007		3,438			
2008		3,514			
2009		3,735			
2010		3,713			
2011		3,869			
2012		4,008			
2013		4,100			

Table 2: Pewaukee REUs and Total Dollars Collected

Table 2

Pewaukee REUs and Total Dollars Collected

Year	Amount	Rate	REU's	5 yr ave	10 yr
1977-86	\$998,755	\$950	1051.3		
1987	\$177,415	\$1,295	137.0		
1988	\$282,310	\$1,295	218.0		
1989	\$593,758	\$1,295	458.5		
1990	\$317,275	\$1,295	245.0		
1991	\$174,178	\$1,295	134.5	238.6	
1992	\$208,495	\$1,295	161.0	243.4	
1993	\$205,257	\$1,295	158.5	231.5	
1994	\$233,747	\$1,295	180.5	175.9	
1995	\$557,496	\$1,295	430.5	213.0	317.5
1996	\$384,680	\$1,500	256.5	237.4	238.0
1997	\$382,674	\$1,500	255.1	256.2	249.8
1998	\$408,749	\$1,500	272.5	279.0	255.3
1999	\$438,745	\$1,500	292.5	301.4	238.7
2000	\$342,047	\$1,475	231.9	261.7	237.3
2001	\$229,810	\$1,700	135.2	237.4	237.4
2002	\$221,007	\$1,734	127.5	211.9	234.1
2003	\$97,308	\$1,775	54.8	168.4	223.7
2004	\$235,568	\$2,950	79.9	125.8	213.6
2005	\$345,960	\$3,190	108.5	101.2	181.4
2006	\$182,158	\$3,318	54.9	85.1	161.3
2007	\$252,848	\$3,438	73.5	74.3	143.1
2008	\$168,245	\$3,514	47.9	72.9	120.6
2009	\$141,139	\$3,735	37.8	64.5	95.2
2010	\$255,360	\$3,713	68.8	56.6	78.9
2011	\$383,551	\$3,869	99.1	65.4	75.3
2012	\$438,886	\$4,008	109.5	72.6	73.5
2013	\$215,396	\$4,100	57.0	74.4	73.7
	\$8,872,817		5537.6		

Table 3: Forecast Capital Improvements to be Funded by RCAs - Page 1

Table 3 Forecast Capital Improvements to be Funded by RCAs Page 1 of 2											
Updated through 12/31/14 actuals											
Item Description	Year Planned	Cost	Percent RCA Funded	RCA Fee Amount	2014	1 2015	2 2016	3 2017	Inflation Rate 4 2018	0.03 5 2019	6 2020
Well 8	2014	\$2,194,611	100%	\$2,194,611	\$2,194,611						
WM - Swan Road	2014	\$1,037,172	Actual	\$87,206	\$87,206						
Swan Road wetland and culver crossing	2014	\$103,459	100%	\$103,459	\$103,459						
WM-Lakefield Dr.	2014	\$349,523	Actual	\$34,783	\$34,783						
WM-Duplainville/Lindsay/Weyer	2014	\$947,579	Actual	\$77,026	\$77,026						
Duplainville/Lindsay/Weyer--RR & Duplainville Crossing	2014	\$89,915	100%	\$89,915	\$89,915						
WM-Bluemound Road S.	2014	\$634,739	Actual	\$63,257	\$63,257						
Well 5 Treatment ^{1/}	2015	\$1,274,000	0%	\$0		\$0					
Replacement Elevated Tank ^{2/}	2015	\$2,525,000	0%	\$0		\$0					
WM-Deer Haven Ct. to E. Fieldhack Dr.	2015	\$115,570	1%	\$1,156		\$1,190					
WM-Lindsay Road WM (Wilhar to Swan Road)	2016	\$3,318,900	25%	\$829,725			\$880,255				
Lindsay Road (Wilhar to Swan Road) STH 74 Crossing	2016	\$263,250	100%	\$263,250			\$279,282				
WM-Bluemound Road CTH F and River Crossings	2018	\$1,299,935	75%	\$974,951					\$1,097,316		
WM-CTH SS (780 feet west of CTH G to Orchard Lane)	2018	\$494,416	10%	\$49,442					\$55,647		
WM-CTH SS (Oak St. W. to Edgewater DR.)	2018	\$863,993	10%	\$86,399					\$97,243		
WM-Edgewater/Spring Creek Dr.	2018	\$611,130	10%	\$61,113					\$68,783		
Booster Station 1	2020	\$130,000	100%	\$130,000							\$155,227
WM-Lindsay Road (Swan Road to High St.)	2020	\$2,232,620	25%	\$558,155							\$666,466
Lindsay Road (Swan Road to High St.) STH 164 crossing	2020	\$185,250	100%	\$185,250							\$221,198
WM-High St. (Lindsay Rd. north to CTH KF)	2020	\$171,958	25%	\$42,990							\$51,332
Well 13 (Sandstone Well...at Well No. 8)	2025	\$734,000	100%	\$734,000							
Northwest Area Well	2025	\$877,500	100%	\$877,500							
NW Area Elevated Tank	2025	\$1,177,000	100%	\$1,177,000							
WM-Ryan Road (CTH KF)--(High St. to 1400' sout of S. of CTH JK)	2025	\$294,840	25%	\$73,710							
WM-Ryan Road (CTH KF)--(E-W, N-S segment to Capitol Dr. Crossing)	2025	\$1,945,327	25%	\$486,332							
Ryan Road (CTH KF) Capitol Dr. Crossing	2025	\$292,500	100%	\$292,500							
WM-Ishnala Trails (Capitol Dr. to Glacier Rd)	2025	\$941,460	10%	\$94,146							
WM-Glacier Rd (Ishnalla to Village of Pewaukee)	2025	\$916,695	10%	\$91,670							
Glacier Rd (Ishnalla to Village of Pewaukee) river crossing	2025	\$91,000	100%	\$91,000							
Booster Station 2	2025	\$130,000	100%	\$130,000							
WM-Springdale Road (developer financed)	2035	\$633,932	1%	\$6,339							
WM-Springdale Road Extension (Capitol Dr to Weyer Road)	2035	\$1,666,080	75%	\$1,249,560							
Booster Station 3	2035	\$130,000	100%	\$130,000							
TOTAL PROJECTS		\$28,673,354		\$11,266,444	\$2,650,257	\$1,190	\$1,159,537	\$0	\$1,318,990	\$0	\$1,094,223
FINANCING					Cash	Cash	Debt		Debt		Cash
Debt							\$1,159,537		\$1,318,990		
Cash					\$2,650,257	\$1,190					\$1,094,223
^{1/} Treatment facilities are placed in rate base and not paid for with RCA funds ^{2/} Replace smaller tank with 750,000 gallon tank: 1/3 of the added capacity is to meet 2035 peak day demand but use "0" as it was included in rate base in 2014 rate case ^{3/} Assumes annual cost inflation of 3% per year											

Table 3: Forecast Capital Improvements to be Funded by RCAs - Page 2

Table 3 Forecast Capital Improvements to be Funded by RCAs Page 2 of 2																										
7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Total	
																									\$2,194,611	
																									\$87,206	
																									\$103,459	
																									\$34,783	
																									\$77,026	
																									\$89,915	
																									\$63,257	
																									\$0	
																									\$0	
																									\$1,190	
																									\$880,255	
																									\$279,282	
																									\$1,097,316	
																									\$55,647	
																									\$97,243	
																									\$68,783	
																									\$155,227	
																									\$666,466	
																									\$221,198	
																									\$51,332	
				\$1,016,028																					\$1,016,028	
				\$1,214,665																					\$1,214,665	
				\$1,629,243																					\$1,629,243	
				\$102,032																					\$102,032	
				\$673,197																					\$673,197	
				\$404,888																					\$404,888	
				\$130,320																					\$130,320	
				\$126,892																					\$126,892	
				\$125,965																					\$125,965	
				\$179,950																					\$179,950	
														\$11,793											\$11,793	
														\$2,324,550											\$2,324,550	
														\$241,838											\$241,838	
\$0	\$0	\$0	\$0	\$5,603,181	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,578,181											\$14,405,559	
Debt														Cash												
\$5,603,181														\$2,578,181												
																								\$14,405,559		

Table 4: Cash and Debt Financing for Project Costs - Page 1

Table 4 - Cash and Debt Financing for Project Costs Page 1 of 2

Part 1- Debt Financing

Annual Debt Service								Interest Rate Term	4.00% 20	Interest Payments Principal at end					
Initial Debt Year	Total Actual / Projected Project Costs	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2016	\$1,159,537			\$46,381	\$46,381	\$46,381	\$46,381	\$46,381	\$46,381	\$46,381	\$46,381	\$46,381	\$46,381	\$46,381	\$46,381
2017	\$0														
2018	\$1,318,990					\$52,760	\$52,760	\$52,760	\$52,760	\$52,760	\$52,760	\$52,760	\$52,760	\$52,760	\$52,760
2019	\$0														
2020	\$0							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$0														
2022	\$0														
2023	\$0														
2024	\$0														
2025	\$5,603,181												\$224,127	\$224,127	\$224,127
2026	\$0			\$0											
Total	\$8,081,708	\$0	\$0	\$46,381	\$46,381	\$99,141	\$99,141	\$99,141	\$99,141	\$99,141	\$99,141	\$99,141	\$323,268	\$323,268	\$323,268

Part 2- Cash Financing

Total	\$6,323,851	\$2,650,257	\$1,190					\$1,094,223							
Total ^{1/}	\$14,405,559	\$2,650,257	\$1,190	\$46,381	\$46,381	\$99,141	\$99,141	\$1,193,364	\$99,141	\$99,141	\$99,141	\$99,141	\$323,268	\$323,268	\$323,268

1/ The total plant that is either debt or cash financed is \$14,405,559 which is more than CIP tab total of \$ 11,266,444 due to inflating projects 3% per year from estimate in 2014 dollars

Table 4: Cash and Debt Financing for Project Costs - Page 2

2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Total
\$46,381	\$46,381	\$46,381	\$46,381	\$46,381	\$46,381	\$46,381	\$1,205,919											\$2,087,167
\$52,760	\$52,760	\$52,760	\$52,760	\$52,760	\$52,760	\$52,760	\$52,760	\$52,760	\$1,371,749									\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							\$2,374,181
																		\$0
																		\$0
																		\$0
																		\$0
																		\$0
\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$5,827,308		\$10,085,726
\$323,268	\$323,268	\$323,268	\$323,268	\$323,268	\$323,268	\$323,268	\$1,482,805	\$276,887	\$1,595,876	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$5,827,308	\$0	\$14,547,074
																		\$0
																		\$0
																		\$0
							\$2,578,181											\$6,323,851
\$323,268	\$323,268	\$323,268	\$323,268	\$323,268	\$323,268	\$323,268	\$4,060,986	\$276,887	\$1,595,876	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$224,127	\$5,827,308	\$0	\$20,870,925

Table 5: RCA Fee Computation and Cash Flow Projection

Table 5						
RCA Fee Computation and Cash Flow Projection						
Year	New REUs	Fee/REC ⁽¹⁾	Collected	Interest Income ⁽²⁾	Cash Cost or Debt Service	Balance
1977-2012	0	var	\$8,657,421	\$0	(\$5,292,871)	\$3,364,550
2013	57	\$4,100.00	\$215,396	\$16,823	(\$93,668)	\$3,503,101
2014	116	\$4,208.00	\$489,588	\$17,516	(\$2,650,257)	\$1,359,947
2015	75	\$4,328.00	\$324,600	\$6,800	(\$1,190)	\$1,690,157
2016	75	\$4,458.00	\$334,350	\$8,451	(\$46,381)	\$1,986,576
2017	75	\$4,592.00	\$344,400	\$9,933	(\$46,381)	\$2,294,527
2018	75	\$4,730.00	\$354,750	\$11,473	(\$99,141)	\$2,561,609
2019	75	\$4,872.00	\$365,400	\$12,808	(\$99,141)	\$2,840,676
2020	75	\$5,018.00	\$376,350	\$14,203	(\$1,193,364)	\$2,037,865
2021	75	\$5,169.00	\$387,675	\$10,189	(\$99,141)	\$2,336,588
2022	75	\$5,324.00	\$399,300	\$11,683	(\$99,141)	\$2,648,430
2023	75	\$5,484.00	\$411,300	\$13,242	(\$99,141)	\$2,973,831
2024	75	\$5,649.00	\$423,675	\$14,869	(\$99,141)	\$3,313,234
2025	75	\$5,818.00	\$436,350	\$16,566	(\$323,268)	\$3,442,882
2026	75	\$5,993.00	\$449,475	\$17,214	(\$323,268)	\$3,586,303
2027	75	\$6,173.00	\$462,975	\$17,932	(\$323,268)	\$3,743,942
2028	75	\$6,358.00	\$476,850	\$18,720	(\$323,268)	\$3,916,243
2029	75	\$6,549.00	\$491,175	\$19,581	(\$323,268)	\$4,103,731
2030	75	\$6,745.00	\$505,875	\$20,519	(\$323,268)	\$4,306,856
2031	75	\$6,947.00	\$521,025	\$21,534	(\$323,268)	\$4,526,147
2032	75	\$7,155.00	\$536,625	\$22,631	(\$323,268)	\$4,762,135
2033	75	\$7,370.00	\$552,750	\$23,811	(\$323,268)	\$5,015,427
2034	75	\$7,591.00	\$569,325	\$25,077	(\$323,268)	\$5,286,561
2035	75	\$7,819.00	\$586,425	\$26,433	(\$4,060,986)	\$1,838,432
2036	75	\$8,054.00	\$604,050	\$9,192	(\$276,887)	\$2,174,788
2037	75	\$8,296.00	\$622,200	\$10,874	(\$1,595,876)	\$1,211,985
2038	75	\$8,545.00	\$640,875	\$6,060	(\$224,127)	\$1,634,793
2039	75	\$8,801.00	\$660,075	\$8,174	(\$224,127)	\$2,078,914
2040	75	\$9,065.00	\$679,875	\$10,395	(\$224,127)	\$2,545,057
2041	75	\$9,337.00	\$700,275	\$12,725	(\$224,127)	\$3,033,930
2042	75	\$9,617.00	\$721,275	\$15,170	(\$224,127)	\$3,546,247
2043	75	\$9,906.00	\$742,950	\$17,731	(\$224,127)	\$4,082,801
2044	75	\$10,203.00	\$765,225	\$20,414	(\$5,827,308)	(\$958,868)
2045	75	\$10,509.00	\$788,175	(\$4,794)	\$0	(\$175,487)
2046	75	\$10,824.00	\$811,800	(\$877)	\$0	\$635,435
Total			\$26,409,830	\$483,070	(\$26,257,464)	
1. Assumes 3.00% annual rate increase after 2015 2. Assumes 0.50% interest rate per year on the RCA fund balance						

APPENDIX

**City of Pewaukee
Water Supply, Pumping and Storage Facilities
Needed to Serve Future Demands
September, 2014**

The City of Pewaukee water supply, pumping and storage facilities are adequate for meeting current and near future demands. This capability exists without the need for Wells 5 and 8. The Well 8 pumping station currently is under construction. This well project started over 10 years ago, with hydrogeologic investigation looking for sites where high capacity shallow wells could be drilled. At that time it was anticipated that additional well capacity would be needed in the near future. The production well was completed in 2009 but construction of the pumping station was delayed, in part due to the severe slow down in development caused by the recession. Development is beginning to return, so the decision was made to construct the pumping station.

Well 5 has been in service since 1993. In 2014, the Wisconsin Department of Natural Resources (DNR) notified the City that the water discharged by the well was in violation of the standard for gross alpha emissions. The City has since minimized the use of Well 5 and recently submitted to the DNR a preliminary schedule for getting the well back into compliance. It is expected that it will be necessary to construct treatment facilities at Well 5 to remove the sources of the alpha emissions.

As stated above, the City's existing supply, pumping and storage facilities, not including Wells 5 and 8, are adequate for meeting current and near future demands. However, Well 5, Well 8 and additional facilities will be needed to meet the demands projected to occur with full build-out of developable land in the City.

An additional 1.00 MGD of well capacity will be needed to meet future demands. The City's two most recent wells were constructed in the shallow dolomite aquifer. Water in this aquifer is low in radionuclides. Unfortunately, extensive investigation has determined that it will be difficult to find additional high capacity dolomite well sites within the City. The sandstone aquifer underlies the entire City, but the water from this aquifer is likely to contain radionuclides, possibly in excess of the allowable limit. At three of the City's existing well sites, both shallow dolomite and sandstone wells were drilled. The water from the wells is blended in an on-site reservoir. The blended water, which is compliant with the radionuclide standards, is then pumped to customers. Blending is the least expensive method of achieving compliance with the radionuclide standards.

For a portion of the City's future water supply needs, it is proposed to drill a sandstone well at the Well 8 site. A 500 gpm well is proposed, which would allow blending at approximately a one-to-one ratio. The actual blending ratio needed to achieve compliance can't be known until the sandstone well is drilled and the water tested. It may be necessary to pump the sandstone well at less than 500 gpm in order to assure compliance with the radionuclide standards.

Assuming the sandstone well can be pumped at 500 gpm, at least 200 gpm of additional well capacity will be needed. It is proposed to construct an additional well in the northwest part of the City. Currently there are no water system facilities in the northwest part of the City. This portion of the City is somewhat isolated because it is separated from the remainder of the City by the Village of Pewaukee. In order to provide water service to this area, it will be necessary to construct a water main through the Village. Because the northwest part of the City will be supplied through a single long transmission main, it is recommended that the future well be constructed there. The land in the far west part of the City may be underlain by a significant sand and gravel aquifer. Hydrogeologic investigations will be needed to explore for potential well sites.

Current storage capacity is adequate. The Well 8 facility includes a 0.29 MG reservoir which will be needed to meet projected future demands. For a number of years it has been planned to replace the existing 250,000 gallon elevated tank located at the City Hall site with a larger tank. The original location selected for the new tank was initially approved, but subsequently rejected by Waukesha County for being too close to the Waukesha County Airport. The location currently under consideration is at the City Hall site. A 750,000 gallon tank was approved by the DNR and PSC.

A future 200,000 gallon tank will be located in the northwest portion of the City, west of the Village of Pewaukee, when that area develops.

FINANCIAL SERVICES

OVERVIEW

Is your community concerned about looming infrastructure needs, encroaching property tax limits, rising utility rates, or tightening regulations? Are you meeting the high expectations for service quality and reliability?

Ruekert & Mielke, Inc. (R/M) partners with municipalities and companies to find and solve financial challenges. Our deep knowledge and expert analysis give our clients confidence.

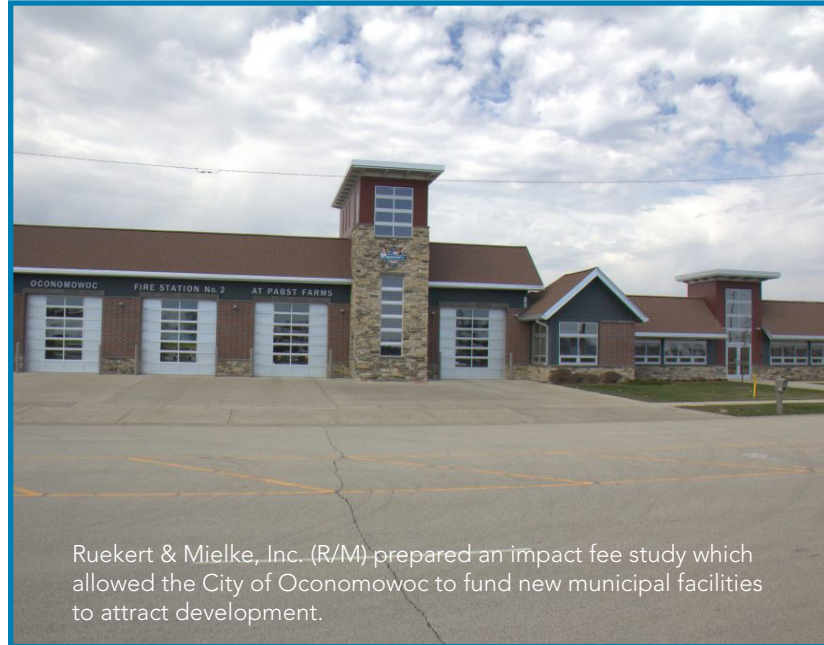
PROJECT SPOTLIGHT

- Sussex, WI & Racine, WI - water and wastewater rates, intermunicipal cost and revenue sharing agreements
- Fox Point, WI & Slinger, WI - storm water rates and credit policies
- New Berlin, WI & Racine, WI - Great Lakes diversion applications
- Racine, WI - conservation and water loss planning
- Franklin, WI; Waukesha, WI; Sheboygan, WI; and Hartford, WI - impact fees and assessments studies
- Franklin, WI; Kenosha, WI; Milwaukee, WI; and a Wisconsin ethanol plant - expert witness in contested PSC proceedings
- Pewaukee, WI - litigation support
- Hudson, WI & Racine, WI - utility consolidation studies, evaluation of public fire protection direct charges, and utility acquisition support including regulatory approvals
- Erie, PA - capital planning

"With assistance from R/M's financial team, water rate applications to the Public Service Commission have never been easier. R/M's experts have extensive financial knowledge and know how to apply it. R/M's relationships and location in Madison make working with state agencies a breeze. They successfully navigate the bureaucracy in Madison and deliver results."

-CITY OF RACINE, WI

VISIT ruekertmielke.com/financial-services or contact our finance experts to discover what we can do for you!



Ruekert & Mielke, Inc. (R/M) prepared an impact fee study which allowed the City of Oconomowoc to fund new municipal facilities to attract development.

SERVICES

- Impact fee and Special Assessment Studies
- Utility Acquisitions and Consolidations
- Wholesale Water and Sanitary Sewer Contracts and Intermunicipal Negotiations
- Water, Sanitary Sewer, and Storm Water Cost of Service and Rate Design
- Expert Witness and Strategy
- Grant Applications and Funding Strategies
- Water Loss Management and Conservation Planning
- Utility Demand and Revenue Forecasting
- Asset Management and Capital Improvement Plans

WATER RESOURCES

STORM WATER MANAGEMENT

Ruekert & Mielke, Inc. (R/M) is highly experienced in completing the full range of storm water management and erosion control projects, from planning and design through construction review. We take a comprehensive approach to storm water management, looking at both short and long-term solutions as they relate to environmental concerns, land use plans, future population projections, and commercial development. Grant opportunities and storm water utility formation are supplementary services that we are proud to provide to our clients.

R/M utilizes our web-based geographic information systems (GIS) portal as a primary communication and delivery tool for our storm water management projects. The GIS graphic interface provides a simple interface for water quality and flood control modeling results, providing community staff with an effective method to present results to elected officials and project stakeholders.



PROJECT SPOTLIGHT

- City of Greenfield - Wildcat Creek Waterway Improvements
- City of Kenosha - Water Resources Master Plan
- City of Wauwatosa - Ruby Avenue Flood Mitigation
- City of Watertown - Comprehensive Storm Water Management Plan

"Working with R/M has been wonderful, as they provide professional expertise, explanation, quality work, and efficiency."

-City of Kenosha, WI

SERVICES

- Storm Water Management System Planning and Design
- Green Infrastructure
- Construction of Individual and Regional Storm Water Management Facilities
- Floodplain Modeling and Mapping
- National Pollutant Discharge Elimination System (NPDES) Permit Compliance Assistance
- Streambank Stabilization
- Storm Water Utility Creation and Rate Studies
- Storm Water Grant Preparation
- Geographic Information System (GIS) Solutions

ANDREW J. BEHM

FINANCIAL ANALYST, Madison Location
abehm@ruekert-mielke.com • 608.819.2600

PROFILE

Andrew joined Ruekert & Mielke, Inc. (R/M) in 2016 as a Financial Analyst. Before joining R/M, he worked providing management and financial assistance to municipal water, wastewater, and energy utilities in Wisconsin and around the country, including work as an analyst at the Wisconsin Public Service Commission. At R/M, he continues to help municipalities find financial and management solutions for public utilities.

EDUCATION

- B.S. Economics
- University of Wisconsin - Madison
- Master of Public Affairs
- University of Wisconsin - Madison

EXPERIENCE

Water Cost of Service & Rate Design

Andrew analyzed cost of service and designed rates for approximately 80 municipal water utilities in Wisconsin and around the country. In 2009, Andrew designed conservation rates for the City of Janesville, WI that were among the first in the state. Andrew helped the City of Beloit, WI and the Town of Menasha, WI communicate water rate increases to industrial customers and collaborate with those customers.

Wastewater Cost of Service & Rate Design

Andrew has analyzed cost of service and designed wastewater rates in multiple municipalities in Lake County, IL as well as in New London, WI, facilitating proactive meetings with industrial customers to explain the need for rate changes and discuss the impact on customers.

Cost Sharing Agreements

Andrew audited an inter-municipal water cost sharing arrangements for the City and Township of Marquette, MI and another for the Cities of Holland and Zeeland, MI. Andrew audited cost sharing bills twice between Xcel Energy and Southern Minnesota Municipal Power Agency. He also twice audited cost sharing bills among the three joint owners of the Redbud Generating Plant in Oklahoma.

Electric & Natural Gas Cost of Service & Rate Design

Andrew prepared cost of service analysis and designed rates for municipal utilities around the country, aiding municipalities in Missouri, California, and Iowa. Andrew was a key communicator when performing a rate study for Gainesville Regional Utilities (GRU) in Florida, which included analysis for wholesale customers and electric generation owned by GRU. Andrew also prepared electric rate applications to the Wisconsin Public Service Commission for Richland Center, WI and New London, WI.

Water Cost of Service Expert Witness

Andrew served as an expert witness in contest rate proceedings for Kenosha Water Utility and Milwaukee Water Works. His testimony covered customer demands, water for public fire protection, and the allocation of water mains and storage, among other areas. He helped the Village of Pleasant Prairie and the City of Kenosha voluntarily agree to beneficial operational changes despite their ongoing contested proceeding before the Public Service Commission.

EDWARD F. MAXWELL

FINANCIAL ANALYST, Madison Location
emaxwell@ruekert-mielke.com • 608.819.2600

PROFILE

Edward joined Ruekert & Mielke, Inc. (R/M) in 2017 as a financial analyst. Before joining R/M, he worked in private-sector finance, analyzing capital investments, forecasting expenses and revenue, and crafting department budgets. At R/M, he creates financial solutions for all clients, from municipalities to corporate businesses.

EDUCATION

- Bachelor of Arts in English - Lawrence University, Appleton
- Master of Business Administration - Corporate Finance & Investment Banking - Wisconsin School of Business, Madison

EXPERIENCE

Wastewater Cost of Service Rate and Design

Edward has analyzed cost of service and designed rates for utilities for communities ranging from Thiensville, Wisconsin, to Erie, Pennsylvania. For Erie's utility, Edward forecasted the cash flow and the rate increases needed to fund the increased debt service from all the infrastructure upgrades required in the next ten years.

RCA Studies

Edward has conducted RCA studies and offered recommendations for fee schedules. Based on the study he performed for Hartford sewer, Edward proposed several alternatives that would ensure Hartford sewer's capital expenditures for new development would be fully funded.

Forecasting

Edward has forecasted demand and expenses. Analyzing trends, he has forecasted demand for several products nationwide. He has forecasted expenses for departments at several corporations on line items, including obsolescence, marketing, and selling.

Capital Projects Evaluation

Edward has analyzed numerous capital projects, including equipment to revamp the largest product line at Springs Window Fashions. Using the capital asset pricing model, he determined the rate of return on these investments.

Ordinance Revisions

Edward has revised ordinances for municipalities to ensure compliance with law changes and to reflect best practices. For Fox Point, he revised the storm water ordinances so that Fox Point was complying with NR 151 and had language that encouraged green infrastructure.

Budget Creation

Edward has partnered with multiple departments in corporations to develop annual budgets. He helped the departments provide business cases to management to justify their proposed budgets. At Lands' End, he worked with marketing to solve a budget overage.

MAUREEN A. MCBROOM

ENVIRONMENTAL COORDINATOR, Waukesha/Milwaukee Locations

mmcbroom@ruekert-mielke.com • 262.542.5733

PROFILE

Maureen is dedicated to the protection and improvement of Wisconsin's resources through close collaboration with municipalities and their citizens. Efficient & effective implementation, driven by strong relationships and communication, are drivers behind her project implementation strategies. She has experience in the WDNR's Runoff Program, specifically issuing WPDES Permit coverage for construction site erosion control & long-term storm water plans, industrial storm water sites and municipal separate storm sewer system (MS4) permittees. Maureen has been with R/M since 2015.

EDUCATION

- B.S. Environmental Science - Carroll College (University)
- Wetland Delineation Training - University of Wisconsin, LaCrosse

REGISTRATIONS & AFFILIATIONS

- NASECA Certified Erosion Control Inspector
- NASECA-WI Project Committee Co-Director
- Southeastern Wisconsin Watersheds Trust (Sweet Water) board member
- Founding member and co-chair of Southeast Region Green Tier Support Team (internal DNR team)
- Founding member of the Rock River Storm Water Group (2008)
- Former member of the Rock River TMDL Implementation Team (internal DNR team)
- Former co-chair of the Rock River TMDL Implementation – Urban Storm Water Sector Team (internal DNR Team)
- Former member of the Urban Storm Water Sector Team sub-committee to draft TMDL implementation language for statewide MS4 permits

EXPERIENCE

**includes project experience prior to joining R/M*

Storm Water Management Planning

Drafted and developed community-wide storm water plans to manage storm water and improve water quality, specifically addressing TMDLs.

City of Oconomowoc, WI; Village of Dousman, WI; Village of Hartland, WI; Village of Fox Point, WI

TMDL Implementation

Mid-Moraine Water Quality Collective - collaborating with municipalities, consulting firms, and non-profit groups to find cost-effective and common sense solutions to water quality improvement goals in the Milwaukee River watershed

Waterway Improvement Projects

Village of Sussex, WI - Spring Creek Daylighting project: assisted with grant funding, permit review for channel realignment and naturalization project; Town of Genesee, WI - Genesee Roller Mill Dam removal project: on-site daily during dam removal, channel realignment and stabilization; established and maintained new vegetation along channel and former mill pond

Water Quality Planning

City of Waukesha, WI - Frame Park Creek / Upper (IL) Fox River Sub-watershed; Mason Creek Sub-watershed, WI - Mason Creek River Protection Group

Additional Experience

Past Member of the SEWRPC Regional Chloride Impact Study Technical Advisory Committee

SWWT Regional Green Infrastructure Roundtables - participant

Managed urban storm water grant program (construction and planning grants) for 3 counties

Assisted with drafting and revising Waukesha County erosion control and post-construction storm water ordinance through the Waukesha County Storm Water Advisory Council (SAC)

MAUREEN A. SCHNEIDER

PROJECT ENGINEER, Waukesha Location

mschneider@ruekert-mielke.com • 262.542.5733

PROFILE

Maureen is passionate about finding effective, efficient, and environmentally sustainable solutions to engineering problems. She has been employed with Ruekert & Mielke, Inc. (R/M) since September of 2017 as a Project Engineer. Prior to this, she graduated from Milwaukee School of Engineering in 2014 and received a Masters of Freshwater Science and Technology from the University of Wisconsin-Milwaukee in 2017. At R/M, Maureen is involved in a wide variety of projects, including the development of storm water management plans, WinSLAMM and water distribution system modeling, grant writing, regulatory permit applications, and other storm water and water quality improvement projects.

EDUCATION

- B.S. - Milwaukee School of Engineering, Milwaukee, WI, BioMolecular Engineering with Chemistry Minor
- M.S. - Freshwater Science and Technology, UW-Milwaukee, Milwaukee, WI

REGISTRATIONS & AFFILIATIONS

- Southeastern Wisconsin Watersheds Trust (Sweet Water) Bacteria Working Group Member
- Strategic Grant Development Workshop, December 2017, Milwaukee, WI
- Using WinSLAMM: Meeting Urban Stormwater Management Goals, February 2018, Madison, WI
- Waukesha County Storm Water Workshop Presenter: "Bacteria in Storm Water", March 2018.

EXPERIENCE

Storm Water Management Plans and MS4 Permit Compliance

Town of Norway, Town of Randall, Village of Saukville, Village of Fox Point, Town of West Bend, Village of Elm Grove

Maureen has contributed to the development of Storm Water Management Plans for the above communities. She also assisted the communities with other permit related requirements, such as annual reports, winter road management plans, illicit discharge programs, etc.

Waterway Improvement Projects

City of Greenfield, Village of Brown Deer

Maureen has worked on several stream restoration projects. Maureen has assisted in the Village of Brown Deer's efforts to remove concrete lining in Beaver Creek to naturalize the stream. She has also contributed to the Wildcat Creek Restoration project in the City of Greenfield. Maureen has worked on design aspects, acquiring necessary regulatory permits, as well as developing erosion control, vegetation, by-pass, spills, and de-watering plans for these projects.

Water Quality Modeling

Town of West Bend, Village of Saukville

Maureen contributes to water quality mapping and WinSLAMM modeling for municipal Storm Water Management Plans. This information is used to determine if the municipality's existing conditions are in compliance with regulatory requirements. If they are not in compliance, Maureen's modeling work includes developing new storm water solutions to help them meet their goals. An important part of this work is keeping open lines of communication between R/M, regulatory agencies, and the community staff. This ensures that the final product will be accepted by all parties involved. Maureen excels at timely, effective communication and developing good working relationships with clients.

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 12.**

DATE: June 18, 2018

DEPARTMENT: PW - Water/Sewer

PROVIDED BY: Jeffrey L. Weigel, Public Works Director/City Engineer

SUBJECT:

Discussion and Action to Approve the June 1, 2018 Proposal from Ruekert & Mielke to Evaluate the Sewer Utility Rate, the Storm Water Utility Rate, and Develop a Plan for the Repayment of Sewer Utility Funds [Weigel].

BACKGROUND:

Earlier this year we reported that the Water Utility has used Sewer Utility funds to pay for Water Utility Projects. We also identified the need for the rate based utilities (Water, Sewer and Storm Water) to establish and maintain a fee structure attendant to the needs of the respective utility. The Storm Water Fee has not been reviewed and evaluated since its inception in 2011. The Sewer Utility fee is due for review. We also believe it prudent to include the development of a plan to reimburse the Sewer funds used by Water Utility as a part of this financial evaluation effort.

FINANCIAL IMPACT:

The 2018 Sewer Budget includes \$40,000 for Sewer Facilities planning. We recommend re-programming \$19,340 of this \$40k for the Water Utility repayment plan to Sewer Utility (\$9,800) and Sewer Utility Ordinance evaluation (\$9,540). We recommend that the Storm Water Rate/Project funding come from a re-programming \$11,032 of the TMDL Reduction fund(\$24,000) as the TMDL regulations have not yet come forward.

RECOMMENDED MOTION:

Common Council approves the June 1, 2018 proposal from Ruekert & Mielke to Water, Wastewater, and Storm Water study proposal with the funds coming from Sewer Facility Planning (\$19,340) and Storm Water TMDL (\$11,032).

ATTACHMENTS:

Description

June 1 2018 R & M Rate proposal

Qualifications

4001 Nakoosa Trail, Suite 200 • Madison, WI 53714-1380 • Tel. (608) 819-2600

June 1, 2018

Mr. Jeffrey L. Weigel, Ms. Jane Mueller
City of Pewaukee
W240 N3065 Pewaukee Road
Pewaukee, WI 53072

Re: Water, Wastewater, and Storm-water Proposal

Dear Mr. Jeffrey Weigel and Ms. Jane Mueller:

Thank you for granting Ruekert & Mielke, Inc. (R/M) the opportunity to help the City of Pewaukee (City) manage its utility finances. This proposal has three parts; addressing the finances of water, wastewater, and storm-water. R/M will submit a separate proposal for work with the Public Service Commission and regulatory accounting for the City's reserve capacity assessments.

The City's Needs

In our meeting on May 24, 2018, we understood that you have three main needs:

1. A plan for the City's water utility to repay funds borrowed from City's wastewater utility.
2. A review of the City's draft wastewater ordinance to inspect the rate revision process and to check fees for loopholes.
3. A review of the City's storm-water rates, cash reserves, and planned storm-water projects.

This proposal outlines our proposed approach to meet these needs.

Project Scope

We propose undertaking the following tasks to meet the City's needs:

Initiate Project

1. Prepare and send to the City an initial request for data.
2. Attend and lead kick-off meeting with the City to establish communication processes and review the project scope, timeline, and also the initial data request.

~ Marketing Dept > PROPOSALS > Proposals 2018 > CT 03_KRW_Kenosha > Pewaukee, City > Sewer Rate Ordinance Review, Water & Storm Water Rate and Financial Plan > Proposal > Weigel Mueller - Weigel Mueller- 20180601 - Water, Wastewater, and Storm-water Proposal.docx~

Mr. Jeffrey L. Weigel, Ms. Jane Mueller
Water, Wastewater, and Storm-water Proposal
June 1, 2018
Page 2

Water Utility Plan

3. Gather financial and operating information for water utility from Public Service Commission annual reports and City records, including cash reserves and amount owed to wastewater utility.
4. Develop a financial forecast model.
5. Talk with City staff about reasonable assumptions for the forecast model.
6. Develop cash reserve goals based on industry-best practice, and write a recommended cash reserve policy.

Wastewater Ordinance

7. Gather wastewater financial and operating information.
8. Review the rate revision process for the draft ordinance, and also the fees for new development.
9. Compare the ordinance rate revision process to best practices used in other municipalities.
10. Sensitivity-test the ordinance rate revision process to understand the range of likely results. Stress-test to ensure the process works correctly even with unexpected input values.
11. Talk with City staff about loopholes in wastewater development fees experienced in the past. Search the ordinance for loopholes and compare to best practices.
12. Recommend ordinance revisions to resolve any problems discovered.

Storm-water Rates and Projects

13. Gather storm-water financial information and planned projects.
14. Review planned projects. Recommend project priority and timing for the next five years. Incorporate projects to prepare for possible future regulations, such as chloride reductions and a Total Maximum Daily Load study for the Illinois Fox River system.
15. Develop an impaired waters strategy to comply with Part 1 G 2 of the City's Wisconsin Pollutant Discharge Elimination System municipal separate storm sewer system Permit Number WI-S050105-3. Incorporate the prioritized storm-water projects into the impaired waters strategy as appropriate.
16. Recommend storm-water rates and a written reserve policy based on financial information and planned projects.

Mr. Jeffrey L. Weigel, Ms. Jane Mueller
Water, Wastewater, and Storm-water Proposal
June 1, 2018
Page 3

Conclude Project and Report

17. Write draft report describing our conclusions and recommendations.
18. Meet with City staff and decision makers to present conclusions and recommendations, answer questions, and gather feedback.
19. Write a final report incorporating your feedback.

Deliverables

We propose to provide the following deliverables to the City:

1. Initial data request
2. Recommended written water utility cash reserve policy
3. Recommended revisions to the draft wastewater ordinance
4. A draft report and opportunity for City staff to ask questions and discuss them to ensure full understanding.
5. A prioritized list of recommended storm-water projects
6. An impaired waters storm-water strategy
7. A draft report presenting our conclusions and recommendations. We expect the draft report to comprise five to twenty pages, plus supporting tables, depending on the number of project components.

Scope Assumptions

Our proposed scope assumes that you provide requested data in a timely fashion. An in-person kick-off and data gathering meeting will help us gather data efficiently. Our proposed scope includes one draft report and a dedicated opportunity for you to provide input. You are welcome to share your input at any time during the project.

We are available to provide services outside our proposed scope. With your written approval, we would perform additional services and charge our standard rates in effect at the time we perform the work.

Proposed Fee

We can execute the project most efficiently by undertaking the three components simultaneously. However, our proposal gives City flexibility to undertake some components of the project and not others or to undertake components one at a time rather than simultaneously.

We propose to complete all three project components simultaneously for a lump-sum price of \$17,732, including reimbursable expenses. We would perform these services in

Mr. Jeffrey L. Weigel, Ms. Jane Mueller
Water, Wastewater, and Storm-water Proposal
June 1, 2018
Page 4

accordance with the attached terms and conditions. To provide flexibility, we propose the following lump-sum prices for individual project components:

Water Utility Plan	\$9,800
Wastewater Ordinance	\$9,540
Storm-water Rates and Projects	\$11,032

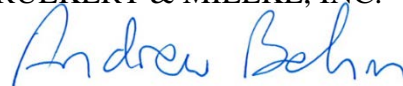
The individual prices also include reimbursable expenses. The sum of the individual prices exceeds the combined price, representing the efficiency of performing multiple components at the same time. We have not shown every possible combination of components. Please contact us if you need more information about the cost to perform two project components or to perform components one at a time.

We will proactively communicate with you throughout the project at an agreed-upon frequency. The updates will keep you apprised of our status with respect to the scope, tasks completed and remaining, the timeline we anticipate for remaining tasks, and any changes to the project.

We look forward to working with you to ensure the Pewaukee water, wastewater, and storm-water utilities' financial sustainability and efficient service to Pewaukee residents. Please call us to further discuss your needs, our proposed scope, or anything else in this proposal.

Very truly yours,

RUEKERT & MIELKE, INC.



Andrew J. Behm

Economic Consultant

ABehm@ruekert-mielke.com

AJB:rsf
Enclosure

cc: Ken R. Ward, Ruekert & Mielke, Inc.
File

Mr. Jeffrey L. Weigel, Ms. Jane Mueller
Water, Wastewater, and Storm-water Proposal
June 1, 2018
Page 5

CLIENT NAME:

City of Pewaukee

By: _____

Title: _____

Date: _____

ATTEST:

By: _____

Title: _____

Date: _____

Designated Representative:

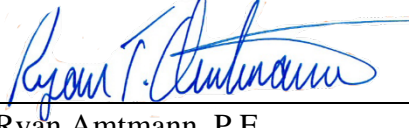
Name: _____

Title: _____

Phone Number: _____

ENGINEER:

Ruekert & Mielke, Inc.

By: 
Ryan Amtmann, P.E.Title: Vice PresidentDate: June 1, 2018

Designated Representative:

Name: Andrew BehmTitle: Economic Consultant

Phone Number: (262) 953-6298

FINANCIAL SERVICES

OVERVIEW

Is your community concerned about looming infrastructure needs, encroaching property tax limits, rising utility rates, or tightening regulations? Are you meeting the high expectations for service quality and reliability?

Ruekert & Mielke, Inc. (R/M) partners with municipalities and companies to find and solve financial challenges. Our deep knowledge and expert analysis give our clients confidence.

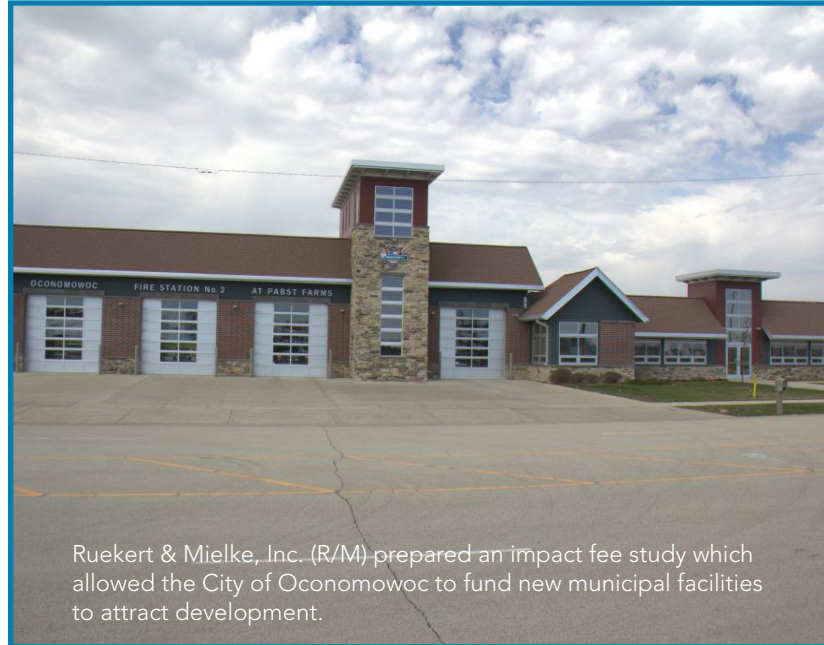
PROJECT SPOTLIGHT

- Sussex, WI & Racine, WI - water and wastewater rates, intermunicipal cost and revenue sharing agreements
- Fox Point, WI & Slinger, WI - storm water rates and credit policies
- New Berlin, WI & Racine, WI - Great Lakes diversion applications
- Racine, WI - conservation and water loss planning
- Franklin, WI; Waukesha, WI; Sheboygan, WI; and Hartford, WI - impact fees and assessments studies
- Franklin, WI; Kenosha, WI; Milwaukee, WI; and a Wisconsin ethanol plant - expert witness in contested PSC proceedings
- Pewaukee, WI - litigation support
- Hudson, WI & Racine, WI - utility consolidation studies, evaluation of public fire protection direct charges, and utility acquisition support including regulatory approvals
- Erie, PA - capital planning

"With assistance from R/M's financial team, water rate applications to the Public Service Commission have never been easier. R/M's experts have extensive financial knowledge and know how to apply it. R/M's relationships and location in Madison make working with state agencies a breeze. They successfully navigate the bureaucracy in Madison and deliver results."

-CITY OF RACINE, WI

VISIT ruekertmielke.com/financial-services or contact our finance experts to discover what we can do for you!



Ruekert & Mielke, Inc. (R/M) prepared an impact fee study which allowed the City of Oconomowoc to fund new municipal facilities to attract development.

SERVICES

- Impact fee and Special Assessment Studies
- Utility Acquisitions and Consolidations
- Wholesale Water and Sanitary Sewer Contracts and Intermunicipal Negotiations
- Water, Sanitary Sewer, and Storm Water Cost of Service and Rate Design
- Expert Witness and Strategy
- Grant Applications and Funding Strategies
- Water Loss Management and Conservation Planning
- Utility Demand and Revenue Forecasting
- Asset Management and Capital Improvement Plans

WATER RESOURCES

STORM WATER MANAGEMENT

Ruekert & Mielke, Inc. (R/M) is highly experienced in completing the full range of storm water management and erosion control projects, from planning and design through construction review. We take a comprehensive approach to storm water management, looking at both short and long-term solutions as they relate to environmental concerns, land use plans, future population projections, and commercial development. Grant opportunities and storm water utility formation are supplementary services that we are proud to provide to our clients.

R/M utilizes our web-based geographic information systems (GIS) portal as a primary communication and delivery tool for our storm water management projects. The GIS graphic interface provides a simple interface for water quality and flood control modeling results, providing community staff with an effective method to present results to elected officials and project stakeholders.



PROJECT SPOTLIGHT

- City of Greenfield - Wildcat Creek Waterway Improvements
- City of Kenosha - Water Resources Master Plan
- City of Wauwatosa - Ruby Avenue Flood Mitigation
- City of Watertown - Comprehensive Storm Water Management Plan

"Working with R/M has been wonderful, as they provide professional expertise, explanation, quality work, and efficiency."

-City of Kenosha, WI

SERVICES

- Storm Water Management System Planning and Design
- Green Infrastructure
- Construction of Individual and Regional Storm Water Management Facilities
- Floodplain Modeling and Mapping
- National Pollutant Discharge Elimination System (NPDES) Permit Compliance Assistance
- Streambank Stabilization
- Storm Water Utility Creation and Rate Studies
- Storm Water Grant Preparation
- Geographic Information System (GIS) Solutions

ANDREW J. BEHM

FINANCIAL ANALYST, Madison Location
abehm@ruekert-mielke.com • 608.819.2600

PROFILE

Andrew joined Ruekert & Mielke, Inc. (R/M) in 2016 as a Financial Analyst. Before joining R/M, he worked providing management and financial assistance to municipal water, wastewater, and energy utilities in Wisconsin and around the country, including work as an analyst at the Wisconsin Public Service Commission. At R/M, he continues to help municipalities find financial and management solutions for public utilities.

EDUCATION

- B.S. Economics
- University of Wisconsin - Madison
- Master of Public Affairs
- University of Wisconsin - Madison

EXPERIENCE

Water Cost of Service & Rate Design

Andrew analyzed cost of service and designed rates for approximately 80 municipal water utilities in Wisconsin and around the country. In 2009, Andrew designed conservation rates for the City of Janesville, WI that were among the first in the state. Andrew helped the City of Beloit, WI and the Town of Menasha, WI communicate water rate increases to industrial customers and collaborate with those customers.

Wastewater Cost of Service & Rate Design

Andrew has analyzed cost of service and designed wastewater rates in multiple municipalities in Lake County, IL as well as in New London, WI, facilitating proactive meetings with industrial customers to explain the need for rate changes and discuss the impact on customers.

Cost Sharing Agreements

Andrew audited an inter-municipal water cost sharing arrangements for the City and Township of Marquette, MI and another for the Cities of Holland and Zeeland, MI. Andrew audited cost sharing bills twice between Xcel Energy and Southern Minnesota Municipal Power Agency. He also twice audited cost sharing bills among the three joint owners of the Redbud Generating Plant in Oklahoma.

Electric & Natural Gas Cost of Service & Rate Design

Andrew prepared cost of service analysis and designed rates for municipal utilities around the country, aiding municipalities in Missouri, California, and Iowa. Andrew was a key communicator when performing a rate study for Gainesville Regional Utilities (GRU) in Florida, which included analysis for wholesale customers and electric generation owned by GRU. Andrew also prepared electric rate applications to the Wisconsin Public Service Commission for Richland Center, WI and New London, WI.

Water Cost of Service Expert Witness

Andrew served as an expert witness in contest rate proceedings for Kenosha Water Utility and Milwaukee Water Works. His testimony covered customer demands, water for public fire protection, and the allocation of water mains and storage, among other areas. He helped the Village of Pleasant Prairie and the City of Kenosha voluntarily agree to beneficial operational changes despite their ongoing contested proceeding before the Public Service Commission.

EDWARD F. MAXWELL

FINANCIAL ANALYST, Madison Location
emaxwell@ruekert-mielke.com • 608.819.2600

PROFILE

Edward joined Ruekert & Mielke, Inc. (R/M) in 2017 as a financial analyst. Before joining R/M, he worked in private-sector finance, analyzing capital investments, forecasting expenses and revenue, and crafting department budgets. At R/M, he creates financial solutions for all clients, from municipalities to corporate businesses.

EDUCATION

- Bachelor of Arts in English - Lawrence University, Appleton
- Master of Business Administration - Corporate Finance & Investment Banking - Wisconsin School of Business, Madison

EXPERIENCE

Wastewater Cost of Service Rate and Design

Edward has analyzed cost of service and designed rates for utilities for communities ranging from Thiensville, Wisconsin, to Erie, Pennsylvania. For Erie's utility, Edward forecasted the cash flow and the rate increases needed to fund the increased debt service from all the infrastructure upgrades required in the next ten years.

RCA Studies

Edward has conducted RCA studies and offered recommendations for fee schedules. Based on the study he performed for Hartford sewer, Edward proposed several alternatives that would ensure Hartford sewer's capital expenditures for new development would be fully funded.

Forecasting

Edward has forecasted demand and expenses. Analyzing trends, he has forecasted demand for several products nationwide. He has forecasted expenses for departments at several corporations on line items, including obsolescence, marketing, and selling.

Capital Projects Evaluation

Edward has analyzed numerous capital projects, including equipment to revamp the largest product line at Springs Window Fashions. Using the capital asset pricing model, he determined the rate of return on these investments.

Ordinance Revisions

Edward has revised ordinances for municipalities to ensure compliance with law changes and to reflect best practices. For Fox Point, he revised the storm water ordinances so that Fox Point was complying with NR 151 and had language that encouraged green infrastructure.

Budget Creation

Edward has partnered with multiple departments in corporations to develop annual budgets. He helped the departments provide business cases to management to justify their proposed budgets. At Lands' End, he worked with marketing to solve a budget overage.

MAUREEN A. MCBROOM

ENVIRONMENTAL COORDINATOR, Waukesha/Milwaukee Locations

mmcbroom@ruekert-mielke.com • 262.542.5733

PROFILE

Maureen is dedicated to the protection and improvement of Wisconsin's resources through close collaboration with municipalities and their citizens. Efficient & effective implementation, driven by strong relationships and communication, are drivers behind her project implementation strategies. She has experience in the WDNR's Runoff Program, specifically issuing WPDES Permit coverage for construction site erosion control & long-term storm water plans, industrial storm water sites and municipal separate storm sewer system (MS4) permittees. Maureen has been with R/M since 2015.

EDUCATION

- B.S. Environmental Science - Carroll College (University)
- Wetland Delineation Training - University of Wisconsin, LaCrosse

REGISTRATIONS & AFFILIATIONS

- NASECA Certified Erosion Control Inspector
- NASECA-WI Project Committee Co-Director
- Southeastern Wisconsin Watersheds Trust (Sweet Water) board member
- Founding member and co-chair of Southeast Region Green Tier Support Team (internal DNR team)
- Founding member of the Rock River Storm Water Group (2008)
- Former member of the Rock River TMDL Implementation Team (internal DNR team)
- Former co-chair of the Rock River TMDL Implementation – Urban Storm Water Sector Team (internal DNR Team)
- Former member of the Urban Storm Water Sector Team sub-committee to draft TMDL implementation language for statewide MS4 permits

EXPERIENCE

**includes project experience prior to joining R/M*

Storm Water Management Planning

Drafted and developed community-wide storm water plans to manage storm water and improve water quality, specifically addressing TMDLs.

City of Oconomowoc, WI; Village of Dousman, WI; Village of Hartland, WI; Village of Fox Point, WI

TMDL Implementation

Mid-Moraine Water Quality Collective - collaborating with municipalities, consulting firms, and non-profit groups to find cost-effective and common sense solutions to water quality improvement goals in the Milwaukee River watershed

Waterway Improvement Projects

Village of Sussex, WI - Spring Creek Daylighting project: assisted with grant funding, permit review for channel realignment and naturalization project; Town of Genesee, WI - Genesee Roller Mill Dam removal project: on-site daily during dam removal, channel realignment and stabilization; established and maintained new vegetation along channel and former mill pond

Water Quality Planning

City of Waukesha, WI - Frame Park Creek / Upper (IL) Fox River Sub-watershed; Mason Creek Sub-watershed, WI - Mason Creek River Protection Group

Additional Experience

Past Member of the SEWRPC Regional Chloride Impact Study Technical Advisory Committee

SWWT Regional Green Infrastructure Roundtables - participant

Managed urban storm water grant program (construction and planning grants) for 3 counties

Assisted with drafting and revising Waukesha County erosion control and post-construction storm water ordinance through the Waukesha County Storm Water Advisory Council (SAC)

MAUREEN A. SCHNEIDER

PROJECT ENGINEER, Waukesha Location

mschneider@ruekert-mielke.com • 262.542.5733

PROFILE

Maureen is passionate about finding effective, efficient, and environmentally sustainable solutions to engineering problems. She has been employed with Ruekert & Mielke, Inc. (R/M) since September of 2017 as a Project Engineer. Prior to this, she graduated from Milwaukee School of Engineering in 2014 and received a Masters of Freshwater Science and Technology from the University of Wisconsin-Milwaukee in 2017. At R/M, Maureen is involved in a wide variety of projects, including the development of storm water management plans, WinSLAMM and water distribution system modeling, grant writing, regulatory permit applications, and other storm water and water quality improvement projects.

EDUCATION

- B.S. - Milwaukee School of Engineering, Milwaukee, WI, BioMolecular Engineering with Chemistry Minor
- M.S. - Freshwater Science and Technology, UW-Milwaukee, Milwaukee, WI

REGISTRATIONS & AFFILIATIONS

- Southeastern Wisconsin Watersheds Trust (Sweet Water) Bacteria Working Group Member
- Strategic Grant Development Workshop, December 2017, Milwaukee, WI
- Using WinSLAMM: Meeting Urban Stormwater Management Goals, February 2018, Madison, WI
- Waukesha County Storm Water Workshop Presenter: "Bacteria in Storm Water", March 2018.

EXPERIENCE

Storm Water Management Plans and MS4 Permit Compliance

Town of Norway, Town of Randall, Village of Saukville, Village of Fox Point, Town of West Bend, Village of Elm Grove

Maureen has contributed to the development of Storm Water Management Plans for the above communities. She also assisted the communities with other permit related requirements, such as annual reports, winter road management plans, illicit discharge programs, etc.

Waterway Improvement Projects

City of Greenfield, Village of Brown Deer

Maureen has worked on several stream restoration projects. Maureen has assisted in the Village of Brown Deer's efforts to remove concrete lining in Beaver Creek to naturalize the stream. She has also contributed to the Wildcat Creek Restoration project in the City of Greenfield. Maureen has worked on design aspects, acquiring necessary regulatory permits, as well as developing erosion control, vegetation, by-pass, spills, and de-watering plans for these projects.

Water Quality Modeling

Town of West Bend, Village of Saukville

Maureen contributes to water quality mapping and WinSLAMM modeling for municipal Storm Water Management Plans. This information is used to determine if the municipality's existing conditions are in compliance with regulatory requirements. If they are not in compliance, Maureen's modeling work includes developing new storm water solutions to help them meet their goals. An important part of this work is keeping open lines of communication between R/M, regulatory agencies, and the community staff. This ensures that the final product will be accepted by all parties involved. Maureen excels at timely, effective communication and developing good working relationships with clients.

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 13.**

DATE: June 18, 2018

DEPARTMENT: Public Works

PROVIDED BY: Jeffrey L. Weigel, Public Works Director

SUBJECT:

Discussion and Possible Action to Send a Letter to the Rocky Point Road Property Owners Concerning a Possible Stone or Asphalt Shoulder Improvement Project [Weigel]

BACKGROUND:

Rocky Point Road was paved by the Town in 1998 under a project that pulverized the existing pavement and laid down 4" of asphalt over the pulverized pavement. Shortly after the construction of the project we realized that our decision to allow the peaty topsoil along the raised road bed resulted in a soft, often rutted grass shoulder. Several times in the past 20 years residents have asked the City to do something about the soft shoulders.

In fall of 2016 Street Division staff installed a test section of shoulder work, replacing the 3' wide grass shoulder with asphalt millings. Now, two years later that section appears to be holding up well. As a result, we are requesting authorization to send a letter to the Rocky Point Road property owners asking if they would be interested in our expanding this shoulder replacement in parts, or all of Rocky Point Road. The attached draft letter would be the first step in restarting the soft shoulder discussions.

FINANCIAL IMPACT:

At this point there would be no direct fiscal impact. If there is a positive response for large sections of the road for this shoulder replacement, then there would be future installation costs for consideration.

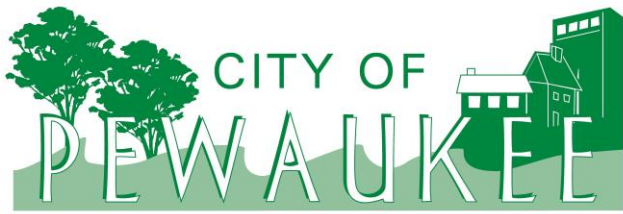
RECOMMENDED MOTION:

Common Council authorizes the letter inquiring on soft shoulder replacement to be sent to the Rocky Point Road property owners.

ATTACHMENTS:

Description

Proposed draft letter to Rocky Point Rd property owners



**Department of Public Works
Engineering Division**

W240N3065 Pewaukee Road

Pewaukee, WI 53072

Phone: (262) 691-0804 • Fax: (262) 691-5720

Email: publicworks@pewaukee.wi.us

June __, 2018

Dear _____

Rocky Point Road was last paved in 1998, and this work raised the elevation of the road pavement by about 5". The gap created by the raised road edge was then filled with topsoil. These topsoil roadside shoulder areas have been a maintenance problem since, with frequent rutting by vehicles either parking or traveling off of the paved edges.

A potential solution for the roadside rutting is to remove the topsoil shoulder and instead fill in this 3' wide shoulder area with stone beneath asphalt millings. In October of 2016 we worked with two homeowners on the east side of Rocky Point Rd using these asphalt millings in front of their homes (the third and fourth house north of CTH SS on the east side of Rocky Point Road). This test section of shoulder appears to be holding up well through 2 winters and has no ruts.

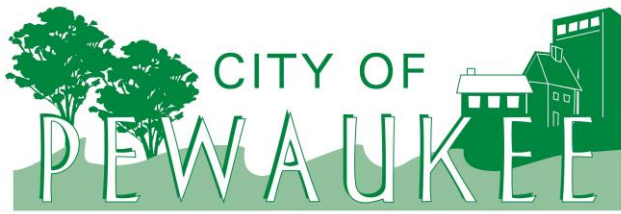
The purpose of this letter is to ask Rocky Point Road property owners if they would like an asphalt milled solution installed in front of their property. We do not anticipate there would be an assessment to property owners for this correction. We welcome your comments by letter, e-mail (publicworks@pewaukee.wi.us) or telephone by July 20th. Please include your address in any communication.

We do not plan any shoulder work in those segments of Rocky Point Road that currently have concrete curb and gutter at the road edge.

We will summarize the comments received and advise the Common Council at the August 6, 2018 meeting.

Sincerely,

Jeffrey L. Weigel, PE
Public Work Director/City Engineer



**Department of Public Works
Engineering Division**

W240N3065 Pewaukee Road

Pewaukee, WI 53072

Phone: (262) 691-0804 • Fax: (262) 691-5720

Email: publicworks@pewaukee.wi.us

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 14.**

DATE: June 18, 2018

DEPARTMENT: PW - Water/Sewer

PROVIDED BY: Jeffrey Weigel, Public Works Director

SUBJECT:

Discussion and Possible Action to Authorize the City Staff to Send a Letter to the Oak Street and Peninsula Drive Property Owners Inquiring, or Informing on the Intent to Install Municipal Water as Part of the Proposed Road Reconstruction Project [Weigel]

BACKGROUND:

Oak Street was last paved in 1996 with pulverizing the asphalt base and laying down 4" of asphalt. Peninsula Drive was reconstructed in 1991 with the full removal of the asphalt and gravel base, installation of 10" of crushed stone and 4" of asphalt.

The drainage along both streets is poor, with little available pitch, close exposure to lake water levels, and subsoils that are susceptible to expansion and contraction due to moisture and frost. You may recall that significant sections of Oak Street and Peninsula Drive were submerged by the Pewaukee Lake flooding for several weeks in 2008.

The Common Council approved the attached letter at the Feb. 6, 2017 council meeting; however, we did not send the letter for two reasons: 1) the paving project was delayed to 2019 for budget purposes; and 2) the letter suggests significant changes to the special assessment commencement policies that had not been vetted by Council. We bring this back to the Council for consideration, understanding that several questions may need answers:

- 1) What is the City policy moving forward on extending public water in areas where street reconstruction projects are considered?
- 2) Will the local residents dictate whether the water is extended? Or, will it be City policy to build the water at the time of street reconstruction regardless of the local public opinion or vote?
- 3) If the City decides that the local vote will determine if the water is extended in the area, and if that vote is no--or not at this time, should the City continue to plan and construct water infrastructure such as water towers, transmission mains and wells to eventually provide service to these areas?
- 4) What should the commencement date be on the water main special assessments?

The Common Council was briefed earlier this year on the fiscal status of the City Water Utility. We also indicated that making a paradigm shift in the policies of water main extension special assessments may be a slow process. The street pavement condition of Oak and Peninsula suggest that repaving should occur soon. The lack of municipal water in this more densely populated (by homes) area of the City. Public water may be more needed to safely serve this area in the near future, and public water certainly improves fire protection in this area.

FINANCIAL IMPACT:

The fiscal impacts could be many, dependent on what outcome is ultimately decided by the Council.

Should the Council opt to continue with past practices and not authorize the water installation, then the costs of the water towers, transmission mains and wells that have been constructed to serve the City as a whole will not be recovered for some period of time, perhaps 25 years or more while the City waits for the neighborhood to opt into the water system. Consideration should then be given for not planning to serve this area for an extended period of time and not including future costs of water system improvements for this area in the planning.

Should the City opt to continue with past practices of putting the water main in, but not requiring the payment of special assessments until the property opts to connect would increase the significant expenditures for water with no expected cost recovery date.

Should the City opt to change the special assessment practices to require the payment of at least the pipe special assessments to commence at some known date, such as within 1-year of installation (suggested in last year's draft letter) or say 5 years (similar to our sanitary sewer special assessment policy) then the accounts would be able to report the expenditures and anticipated cost recoveries in our regular reports.

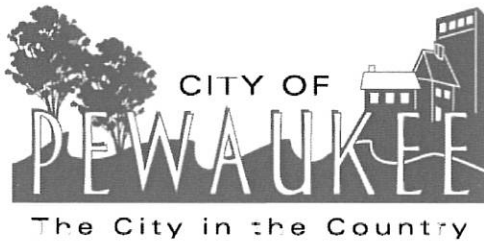
RECOMMENDED MOTION:

Staff recommends that we begin to change our water special assessment policy with this project by sending a letter to residents stating that we are planning to construct the water main in Oak Street and Peninsula Drive as a part of a future road construction project, anticipated in 2019, and that special assessments would be levied for the water project as well as the street project, and that the water assessment payments would begin after 5 years from installation, and payable over the next 10 years (years 6-15 after water installation). Connection would be voluntary.

ATTACHMENTS:

Description

Draft letter and issue from Feb 2017



Department of Public Works

W240 N3065 Pewaukee Road
Pewaukee, WI 53072

DPW Main Office: (262)-691-0804 Fax: 691-5729
Water & Sewer Division 691-0804 Fax: 691-5729
Street Division 691-0771 Fax: 691-6079
Engineering Division 691-0804 Fax: 691-5729

TO: Common Council

FR: Jeffrey Weigel, Public Works Director

DT: January 31, 2017

RE: Authorize letter inquiring on interest in municipal water service for Oak Street & Peninsula Drive

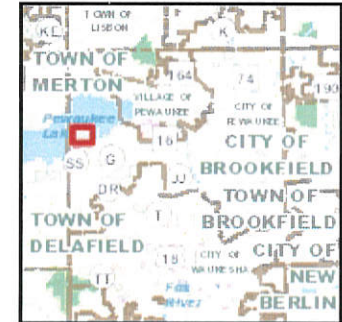
REQUESTED ACTION:

Common Council authorizes staff to send a letter to the property owners on Oak Street and Peninsula Drive inquiring on the level of interest in the City installing municipal water services as a part of a future street paving project.

RATIONALE:

In recent Capital Budget proposals for road projects, we have included the reconstruction of Oak Street and Peninsula Drive in the lake region. 2017 is a year for engineering design and 2018 is anticipated for street reconstruction.

The general project limits are Oak Street between Rocky Point Road and Woodland Drive, and all of Peninsula Drive. Please see the enclosed air photo. This area is generally rural in nature (ditches) and very dense in homes. All homes are served by sanitary sewer constructed by the Lake Pewaukee Sanitary District (LPSD) and private wells. The existing municipal water is shown in blue, limited to the homes constructed as a part of the Rocky Point subdivision. As a part of the design process in these types of areas, we recommend sending a letter similar to the enclosed Draft letter to inquire if any of the property owners are interested in municipal water. This is particularly important given the high groundwater in the area, and it would be very expensive to add the water mains after the road is reconstructed, must likely resulting in the total reconstruction of the road pavement and road base should water be added at a date after the 2018 project.



Legend

- Civil Division Boundary
- Parks
- Sanitary Mains
- Water Mains
- Municipal Boundary_1K
- Railroad_1K
- TaxParcel_1K_Labels
- SimultaneousConveyance
- Assessor Plat
- CSM
- Condo Plat
- Subdivision Plat
- TaxParcel_1K
- Cartoline_1K
- <all other values>
- EA-Easement_Line
- PL-DA
- PL-Extended_Tie_line
- PL-IA
- PL-Meander_Line
- PL-Note
- PL-Original_Parcel_Line
- PL-PT
- PL-Tie
- PL-Tie_Line
- ROW_CL
- RR_CL
- RW_Radius
- SD-SD_Block_O_100

0 372.73 Feet

City of Pewaukee Disclaimer

Notes:

Printed: 1/31/2017



February __, 2017

To the residents along Oak Street, Lincoln Avenue, Chicago Avenue, and Peninsula Drive:

The City is planning to reconstruct Oak Street, Lincoln Avenue, Chicago Avenue, and Peninsula Drive in the near future. It is prudent to ask the residents in this area if there is an interest in obtaining municipal water service prior to the road construction project. Along with this letter you will find a post card "ballot" to use to express your wishes on the water issue. Please mark the ballot and return it to the City Hall Public Works Department by _____. We will bring the results of the ballot or survey to the Public Works Commission at the _____ meeting (6:00 PM, City Hall Council Chambers). We will ask the Commission for the authorization to prepare the water plans if a majority of the residents were to respond in favor of the water. If a majority respond against the water, we will recommend canceling the water main project.

Please note that these ballots are used only to see if there is enough interest to authorize the engineering. A "yes" vote does not make a commitment to approve the water. If the water engineering is authorized, a Public Hearing will be held after the plans are prepared and bid. At that time, the Common Council will make the decision to approve or reject the water project, based on the public input before and during the hearing. Many projects are carried to the hearing stage only to be rejected by the residents and Council.

The costs of the water main pipes, hydrants and service laterals are paid by the residents through special assessments. Our consulting engineers have estimated the cost of these assessments to be between \$8,000 and \$10,000 per home. Connection to the water system is voluntary, but payment of the assessments will begin within one year of installation, and can be spread over ten years. Should you choose to connect to the water system, another assessment (hook-up fee) of \$4,397 (201 6 rate) will be due. The hook-up fee is required only at the time of connection. You will also have costs associated with the work your plumber must do to connect to the water. You may keep your private well for watering your yard if your well and plumbing meet the code requirements and a permit is obtained from the City. Finally, as a water customer, you will receive a bill every three months. Our rate is \$2.83 for each 1000 gallons of water plus a fixed meter charge. A "typical" home would be billed somewhere around \$66 per quarter (\$22 per month), depending on how much water you use.

We realize that this may be a confusing issue. Please feel free to attend the March 11th Public Works Commission meeting or call us if you have questions.

Sincerely,

Jeffrey L. Weigel, PE
Public Works Director

Cc: Acting Mayor Bierce
Alderperson Kara
Alderperson Brown

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM 15.**

DATE: June 18, 2018

DEPARTMENT: Clerk/Treasurer

PROVIDED BY:

SUBJECT:

Discussion and Possible Action to Make Appointments to Various Boards, Committees and Commissions [Mayor Bierce]

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION:

ATTACHMENTS:

Description

Appointments Needed

PLAN COMMISSION	Original	Current Term	
	Appointment	From	To
Karen Salituro	4/2/2018	4/2/2018	5/1/2019
Sullivan, Sean (Engineer)	9/4/2007	5/15/2017	5/1/2018
Janka, Ted	5/1/2003	5/4/2015	5/1/2018
Linsmeier, Dave (Park & Recreation Board)	4/3/2006	5/15/2017	5/1/2018
Wunder, Christine	7/1/2004	5/15/2017	5/1/2020
Bierce, Steve - Mayor	6/6/2016	4/17/2017	Indefinitely
Bergman, Brandon - Alderman	5/17/2017	5/17/2017	Indefinitely

According to Section 1.03(2) of the Pewaukee Municipal Code the membership should be as follows: consisting of (7) members; the mayor (presiding officer), (1) Alderman, (1) representative from the Joint Park & Recreation Board (selected by the Park & Recreation Board) and (4) citizen members with experience and qualifications related to planning matters (1) of which needs to be a full-time City Engineer. (3) of the citizen members are to serve an alternating 3-year term. *The 4th citizen engineer member, the alderman and Joint Park & Recreation Board representative shall be appointed annually in April.* Citizen members are compensated.

ZONING BOARD OF APPEALS	Original	Current Term	
	Appointment	From	To
Fuchs, John - Chairman	7/20/2015	7/20/2015	5/1/2018
Thomas Matt	5/7/2012	5/4/2015	5/1/2018
Heise, Mike	10/7/2002	5/2/2016	5/1/2019
Marlin, Katie	7/18/2016	7/18/2016	5/1/2018
VACANCY			5/1/2019
Welcenbach, Robert - Alternate	6/1/2015	5/15/2017	5/1/2020
Tredwell, Jim - Alternate	2/15/2016	2/15/2016	5/1/2019

It consists of (5) regular members. Their terms shall be for a staggered three (3) year period. The Mayor shall appoint the Chairperson. There shall also be (2) alternates for staggered three (3) year term. *The Mayor shall annually designate as 1st and 2nd Alternate.* The 1st alternate will fill any vacancy and complete the regular appointee's term and the 2nd alternate will fill the 1st alternate's term, leaving the 2nd alternate position need to be filled. On 1/2/2007 Ordinance 06-24 was passed revising the membership.

BOARD OF REVIEW	Original	Current Term	
	Appointment	From	To
Wille, Scott	6/1/2015	5/15/2017	5/1/2019
Smiley, Laura	7/15/2013	5/2/2016	5/1/2018
Jaschke, Jim	5/2/2011	5/2/2016	5/1/2018
Robinson, Gwenn	5/2/2011	5/15/2017	5/1/2019
Lorier, Bob	4/18/2016	5/15/2017	5/1/2019
VACANCY - Alternate			5/1/2019
VACANCY - Alternate			5/1/2018

An all citizen Board of Review was established by Ordinance #06-02 on 02/06/2006. It requires seven (7) citizen members to serve alternating two (2) year terms. Current compensation is \$20 per meeting per action of the Common Council on 8/18/2003. On August 17th, 2009 Ordinance 09-13 was created, recreating section 1.08(1) of the municipal code. The Board now consists of five (5) members and two (2) alternates.

FIRE COMMISSION	Original	Current Term	
	Appointment	From	To
Bertoni, Angelo	4/19/2004	5/6/2013	5/1/2018
Goff, Bob	7/18/2011	6/1/2015	5/1/2020
Novack, Kathleen	9/15/2014	9/15/2014	5/1/2019
Millard, Mark	4/19/2004	5/2/2016	5/1/2021
Elaine Kroening	11/5/2014	5/15/2017	5/1/2022

The Fire Commission was originally part of the Police & Fire Commission that was created by Ordinance 04-10 on 4/19/2004. With the anticipated disbanding of the Police Department on 1/1/2010 ordinance 9.21 was created and passed on 12/21/2009. The membership remains as a five (5) citizen members; each to serve an alternating 5 - year term. Compensation is \$20 per meeting.

PUBLIC WORKS COMMITTEE	Original	Current Term	
	Appointment	From	To
Swan, David	8/4/2008	5/15/2017	5/1/2020
Tormey, Jeff	10/5/2015	5/2/2016	5/1/2019
Pievach, Michael	10/19/2009	5/18/2015	5/1/2018
Bierce, Steve - Mayor	4/17/2017	4/17/2017	Indefinitely
Wamser, Jerry - Alderman	5/7/2012	6/6/2016	Indefinitely

This Committee was created by Ordinance 99-10 on 4/20/1999. It is to consist of five (5) members; the Mayor, one (1) Common Council member and three (3) citizen members. The appointments shall be made at the first regular meeting of a newly elected Council (except for the Mayor's position). No mention of compensation was noted.

JOINT LIBRARY BOARD	Original	Current Term	
	Appointment	From	To
Noll, Dale	5/2/2016	5/2/2016	5/1/2018
Muchowski, Laura (nominated by Pewaukee School District)	2/21/2005	5/15/2017	5/1/2020
Wildman, Karen	7/15/2013	5/2/2016	5/1/2019
Kara, Jeff - Alderman	6/6/2016	6/6/2016	Indefinitely
Village Resident			
Village Resident			
Village Trustee			

This Board was created by Ordinance 05-4 on 1/17/2005. The Board consists of (3) members appointed by the Village Board and (3) members appointed by the City Common Council. No more than (1) member from each municipality shall be an elected official. (1) additional member shall be a City of Pewaukee resident and shall be nominated by the Superintendent of the Pewaukee School District and appointed by the Common Council. Members shall serve a staggering 3-year term.

JOINT PARK & RECREATION BOARD	Original	Current Term	
	Appointment	From	To
Majeskie, Gary	2/19/2018	2/19/2018	1/1/2019
Kaatz, Del	1/20/2003	5/15/2017	1/1/2020
Linsmeier, Dave	4/3/2006	5/4/2015	1/1/2018
Dziwulski, Brian - Alderman	7/17/2017	7/17/2017	Indefinitely
Village Resident			
Village Resident			
Village Trustee			

This Board was created by Ordinance 96-19 on 11/4/1996. The Board consists of (7) voting members and (2) non-voting ex-officio members. The breakdown of members is as follows: (1) Village Trustee, (2) Village citizens, (1) City Alderman, and (3) City residents. In addition the Administrators from the Village and City may attend meetings and take part in discussions. The terms are 3-years with appointments in January. Although no compensation was listed in the ordinance, citizen members are being paid \$20 for each meeting they attend.

ETHICS BOARD	Original	Current Term	
	Appointment	From	To
Farley, Tom	2/7/2008	5/15/2017	4/30/2020
Farrow, Margaret	2/7/2008	5/2/2016	4/30/2019
Zipperer, Al	5/4/2009	6/1/2015	4/30/2018
VACANCY - Alternate			4/30/2018

The Ethics Board was established by Ordinance 06-16 on 9/5/2006. It consists of (3) regular citizen members and (1) alternate. Once established there will be alternating 3-year terms. There is no compensation for this position

TOURISM COMMISSION	Original	Current Term	
	Appointment	From	To
Bierce, Steve - Mayor	1/1/2017	1/1/2017	Indefinitely
Wamser, Jerry - Alderman	9/19/2017	9/19/2017	9/19/2018
Brown, Colleen - Alderman	9/19/2017	9/19/2017	9/19/2018
Grosch, Ray - Alderman	9/19/2017	9/19/2017	9/19/2018
Kramar, Keith (Marriott)	09/19/17	9/19/2017	9/19/2018

Created by Ordinance 16-22 on September 19, 2016. It is to consist of the Mayor and (3) Alderman and (1) member who shall represent the Wisconsin Hotel & motel industry. Commissioners shall serve for a one-year term. Among the members they shall elect a chairperson, vice-chairperson and secretary.

FINANCE COMMITTEE	Original	Current Term	
	Appointment	From	To
Bergman, Brandon - Alderman	5/4/2015	6/6/2016	Indefinitely
Brown, Colleen - Alderman	5/6/2013	6/6/2016	Indefinitely
Noyes, Jason	6/1/2015	6/1/2015	Indefinitely
Klein, Scott - Administrator	1/1/2017	1/1/2017	Indefinitely

Created by Ordinance 09-02 on January 19th, 2009. The Committee shall consist of the following:
Two (2) Common Council Members & the City Administrator. The appointments are to be made by the first regular meeting of the newly elected Council. The Mayor shall designate the chairman and secretary of the committee. On November 16th, 2009 it was revised by Ordinance 09-18 to add one (1) resident preferably with a financial background and Administrator as staff representative.

HUMAN RESOURCE COMMITTEE	Original	Current Term	
	Appointment	From	To
Kara, Jeff - Alderman	6/1/2015	6/6/2016	Indefinitely
Grosch, Ray - Alderman	6/6/2016	6/6/2016	Indefinitely
Bergersen, Lisa - Human Resource Director	1/19/2009	1/19/2009	Indefinitely

Created by Ordinance 09-02 on January 19th, 2009. The Committee shall consist of the following:
Two (2) Common Council Members & the Human Resource Director. The appointments are to be made at the first regular meeting of the newly elected Council. The Mayor shall designate the chairman and secretary of the committee. Revised on November 16th, 2009 by Ordinance 09-18 to name the HR Director as staff representative.

PEWAUKEE LAKE PATROL ADVISORY COMMITTEE	Original	Current Term	
	Appointment	From	To
Iding, Jay - Police Chief			
Kara, Jeff - Alderman	7/17/2017	7/17/2017	Indefinitely
Town of Delafield - Supervisor			
Village of Pewaukee - Trustee			
Koepp, Thomas - Lake Pewaukee Sanitary District	5/2/2011	5/2/2011	Indefinitely

Created upon discussion at the Common Council meeting on 2/2/2009. A termination needs to be made on the make-up of committee members and the purpose of the group. Town of Delafield has different opinion on the appointment of Thomas Koepp and doesn't believe he belongs on the committee. Whereas we wanted someone from the LPSD to serve on the committee for times when the water levels were too high to help determine safety.

BIKE & PEDESTRIAN PATH PLANNING COMMITTEE	Original	Current Term	
	Appointment	From	To
VACANCY			Indefinitely
Grosch, Ray - Alderman	3/6/2017	3/6/2017	Indefinitely
Blackwood, Jim	9/19/2016	9/19/2016	Indefinitely
VACANCY			Indefinitely
Ford, Ross	9/19/2016	9/19/2016	Indefinitely
Vitale, John	9/19/2016	9/19/2016	Indefinitely

After safety concerns were voiced from several area parents. The Committee was created at the Common Council meeting dated August 15, 2016. Alderman Bierce volunteered to head the committee.

LAKE MANAGEMENT PLAN ADVISORY COMMITTEE	Original	Current Term	
	Appointment	From	To
City of Pewaukee - Grosch, Ray - Alderman	6/6/2016	6/6/2016	Indefinitely
Town of Delafield - Supervisor			Indefinitely
Village of Pewaukee - Trustee			Indefinitely
Koepp, Thomas - Lake Pewaukee Sanitary District			Indefinitely

Created upon discussion at the Common Council meeting on February 4, 2013. The committee shall consist of one (1) elected official from the City of Pewaukee, one (1) from the Village of Pewaukee and one (1) from the Town of Delafield. Also serving is a member of the Lake Pewaukee Sanitary District.

ALCOHOL COMMITTEE	Original	Current Term	
	Appointment	From	To
Bierce, Steve - Mayor		6/6/2016	Indefinitely
Origin Unknown			

RESIDENCE BOARD	Original	Current Term	
	Appointment	From	To
VACANCY - District #1			5/1/2019
VACANCY - District #2			5/1/2021
VACANCY - District #3			5/1/2023
<p>Created by Ordinance 18-01 Approved on January 15, 2018. The Board shall consist of three (3) citizens residing in the City one (1) from each Aldermanic District. Members shall serve for a term of five (5) years and shall serve no more than two (2) consecutive terms. The terms for the initial members of the Residence Board shall be staggered with one member serving one (1) year, a second member serving three (3) years and the third member serving five (5) years.</p>			

**CITY OF PEWAUKEE
COMMON COUNCIL AGENDA ITEM •**

DATE: June 18, 2018

DEPARTMENT: PW - Water/Sewer

PROVIDED BY:

SUBJECT:

Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved as authorized under Section 19.85(1)(g), Stats., specifically with regard to the City's Sports Complex contract #114005 and the City's Commerce Circle Manhole Repair contract #26-10002.200, both contracts with BCF Construction Corp.

BACKGROUND:

FINANCIAL IMPACT:

RECOMMENDED MOTION: