

MERRIMAC VILLAGE BOARD/SEWER/WATER SPECIAL MEETING AGENDA

100 COOK STREET, MERRIMAC, WI
VILLAGE HALL LARGE MEETING ROOM

Tuesday, September 22, 2020 5:00 PM

During COVID-19 social distancing, the public is still welcome to attend meetings. We request you email merrimac@merr.com to indicate you plan to attend. Per Emergency Order #1, masks are required.

1. Call to order & examination of notice of meeting
2. Public Input
3. Thank you note from MCS Principal for PPE
4. Presentation of 2021 Budget Pre-Planning
 - a. Staff Compensation Increase and Budget Impact
 - i. Wages and Salaries
 - ii. Wisconsin Retirement System
 - iii. Individual Coverage Health Reimbursement Arrangement (ICHRA)
 - iv. Required Motions and Resolutions (2020-02-06 through 2020-04-09)
 - b. Provision of Safe & Reliable Water and Sewer Service
 - i. Current Needs
 - ii. Recent and Proposed Projects
 - iii. Proposed Sewer Rates for 2021 and 2022
 - iv. Draft Resolution (2020-01-10)
 - c. Additional Items that may affect 2021 and future budgets
 - d. Proposed Tax Levy Increase
 - i. Resolution (2020-05-09)
 - e. Affect of Revenue Increase on 2021 Budget and Cash Flow
 - f. Q&A
5. Resolutions and Motions Regarding Item 4
6. Proposed expenditures
 - a. Pole Saw and Weed Whacker
 - b. Cleaning and Jetting of RSF Collector Pipe
 - c. Stop plate for WWTP Splitter Box
7. Adjourn

Next Regular Meeting: Tuesday October 13, 5 pm

Posted: September 18, 2020 by Margaret Budde, Village Assistant

RESOLUTION 2020-02-09

Item 4.a.i.
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RESOLUTION IDENTIFYING GUIDANCE FOR PROVIDING HOURLY EMPLOYEES WITH WAGES COMPARABLE TO WISCONSIN MUNICIPALITIES OF LESS THAN POPULATION 1,500

WHEREAS, the Trustees of the Village of Merrimac, Sauk County, Wisconsin are committed to providing fair wages and benefits that attracts and retains dedicated staff; and

WHEREAS, having dedicated, long-term employees is in the best interest of all the residents of the Village of Merrimac; and

WHEREAS the Wisconsin Rural Water Association (WRWA) performs Wisconsin salary surveys for hourly employees (Directors of Public Works, Maintenance Operators, and Office Staff) every 2-3 years, based on municipality population; and

NOW, THEREFORE, BE IT RESOLVED by the Village of Merrimac Board of Trustees to use the following guidance for determining yearly raises of employees in good standing:

1. To apply Wisconsin-based salary survey averages by WRWA for DPW, Operator, and Office Staff classes of employees for municipalities under 1,500.
2. To provide yearly cost-of-living adjustments based on Midwest data from the Bureau of Labor Statistics.
3. For new-hire trainees, upon reaching their 6-month anniversary, to provide a wage of approximately 80% of average for the staff class, with yearly proportional increases so as to reach 100% of average wage at 7 years of employment.
4. For internal promotion employees, to provide a starting wage of approximately 85% of average for the staff class, with yearly proportional increases so as to reach 100% of average wage at 5 years of service in that position.

Adopted and recorded September 22, 2020.

Approved September 22, 2020.

APPROVED: _____

Philip Budde, President

ATTEST: _____

Brian Mooney, Administrator/Clerk/Treasurer

**RESOLUTION OF INCLUSION UNDER THE WISCONSIN RETIREMENT SYSTEM
FOR FULL-TIME EMPLOYEES**

WHEREAS, the Trustees of the Village of Merrimac, Sauk County, Wisconsin are committed to providing fair wages and benefits that attracts and retains dedicated staff.

WHEREAS, providing retirement benefits through the State of Wisconsin's Employee Trust Fund demonstrates the Village's commitment to a happy and stable workforce; and

WHEREAS, having dedicated, long-term employees is in the best interest of all the residents of the Village of Merrimac; and

NOW, THEREFORE, BE IT RESOLVED by the Village of Merrimac Board of Trustees that:

1. The Board authorizes and approves participation in the Wisconsin Retirement System on the effective date of January 1, 2021.
2. Eligible employees will participate in the WRS beginning on the effective date pursuant to the following: The Village of Merrimac will provide a one-time offer to current eligible employees to elect or waive WRS participation as of the above effective date. All eligible employees hired after the above effective date must be enrolled in the WRS. The Village of Merrimac will recognize 0% of prior creditable service. Employees who waive WRS coverage and continue to be employed by this employer will never be eligible for future WRS coverage.
3. Employees who elect to waive coverage in WRS may continue to participate in the Village's program with Empower Retirement, to receive a match of up to the required WRS employer contribution, currently 6.75%.
4. This resolution must be provided to WRS by, and is irrevocable after, November 15, 2020

Adopted and recorded September 22, 2020.

Approved September 22, 2020.

APPROVED: _____
Philip Budde, President

ATTEST: _____
Brian Mooney, Administrator/Clerk/Treasurer

Certification

Item 4a.ii
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I hereby certify that this resolution is a true, correct, and complete copy of the resolution adopted by the above governing body on September 22, 2020.

I understand that Wis State. Section 943.395 provides criminal penalties for knowingly making false or fraudulent statements, and hereby certify that, to the best of my knowledge and belief, the above information is true and correct

Certifying Officer signature and title:

Brian Mooney, Administrator/Clerk/Treasurer

Date: _____

Employer EIN: 39-0992792

**RESOLUTION DECLARING OFFICIAL INTENT TO PROVIDE INDIVIDUAL
COVERAGE HEALTH REIMBURSEMENT ARRANGEMENTS (ICHRA)
FOR FULL TIME EMPLOYEES**

WHEREAS, the Trustees of the Village of Merrimac, Sauk County, Wisconsin are committed to providing fair wages and benefits that attracts and retains dedicated staff.

WHEREAS providing a tax-free health benefit helps attract and retain dedicated employees; and

WHEREAS, having dedicated, long-term employees is in the best interest of all the residents of the Village of Merrimac; and

WHEREAS, the Village of Merrimac, Sauk County, Wisconsin has since 2018 provided a \$200/month taxable stipend to full-time employees to assist with their health insurance premiums; and

WHEREAS, the ICHRA is a tax-free benefit that can be applied to employees' out-of-pocket expenses outlined in IRS Publication 502; and

NOW, THEREFORE, BE IT RESOLVED by the Village of Merrimac Board of Trustees:

1. To discontinue the \$200/month taxable stipend currently provided to all full-time employees on December 31, 2020.
2. To enter into an agreement with TASC of Madison, Wisconsin, to provide an ICHRA for all full-time employees, effective January 1, 2021, for a yearly administrative fee of \$750.
3. To define "full-time" for the eligibility for ICHRA benefit as 35 hours per week.
4. To provide a \$400/month benefit for all 40 hour per week employees, prorated based on hours of employment.
5. To reevaluate the monthly benefit on a yearly basis during budget hearings.
6. To provide following provisions:
 - a. To allow the full amount of balance at the end of each year to be rolled over into the next year.
 - b. To allow accumulation of the benefit, without a ceiling.

Item 4a,iii
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- c. To allow employees who either (i) retire in good standing having given one-year's notice or (ii) who have been declared disabled by the Social Security Administration, to receive the unused balance of the ICHRA as a one-time taxable payout upon planned retirement or upon official SSA-declaration of disability.
- d. No interest income or other appreciation will apply to unused balances

Adopted and recorded September 22, 2020.

Approved September 22, 2020.

APPROVED: _____

Philip Budde, President

ATTEST: _____

Brian Mooney, Administrator/Clerk/Treasurer

**RESOLUTION DECLARING OFFICIAL INTENT TO LEVY FOR DEBT SERVICE
ON 2020 TAXES PAYABLE IN 2021.**

WHEREAS, the Village of Merrimac, Sauk County, Wisconsin has operated under a \$20,000 to \$35,000 budget deficit in the General Fund since 2016; and

WHEREAS the inflation-adjusted value of the Village's property tax revenue has declined 22.4 percent since 2003.

WHEREAS the Village's expenses in the General Fund are expected to increase due to employee salaries and benefits by a total of approximately \$15,700, and the Village's revenues from Intergovernmental Aid are expected to decrease by a minimum of \$8,000; and

WHEREAS the State of Wisconsin permits General Obligation debt service authorized after July 1, 2005, to be included in the Allowable Levy; and

WHEREAS the Village General Fund currently holds General Obligation debt for the 2009 Highway 78 project with the Bank of Prairie du Sac, with a yearly debt service of \$48,419.04; and

WHEREAS the Village General Fund currently holds General Obligation Debt for the 2019 purchase of the Village Tractor with the Bank of Prairie du Sac, with a yearly debt service of \$6,633.36; and

WHEREAS, it is desirable that the Village establish budgets that reduce deficits; and

WHEREAS, adding \$55,042.40 of debt service to the tax levy would increase homeowner property taxes approximately \$70 per year per \$100,000 in home value; and

NOW, THEREFORE, BE IT RESOLVED by the Village of Merrimac Board of Trustees, that the 2020 Tax Levy payable in 2021 include Annual Debt Service for the Highway and Tractor Debts in the amount of \$55,042.40.

Furthermore, the Village Board directs the Administrator to place the authorized amount of debt service on Section D, Line E of the 2020 Municipal Levy Limit Worksheet, Form SL-202m.

Adopted and recorded September 22, 2020.

Item 4d(i)

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Approved September 22, 2020.

APPROVED: _____

Philip Budde, President

ATTEST: _____

Brian Mooney, Administrator/Clerk/Treasurer

RESOLUTION TO IMPLEMENT TWO-STEP SEWER RATE INCREASE

WHEREAS, the Trustees of the Village of Merrimac, Sauk County, Wisconsin are committed to providing safe and reliable sewer service to all residents and to providing proper treatment to our wastewater before discharge; and

WHEREAS the Village's system of sewers, pumping stations, and force mains was last upgraded in 2003 and requires important upgrades to continue to provide safe and reliable service; and

WHEREAS the Village's Wastewater Treatment Plant frequently experiences exceedances of its Total Nitrogen Limit of 15.3 mg/L during winter months; and

WHEREAS the cost to implement the required improvements is beyond the Village Sewer Fund's ability to self-finance; and

WHEREAS the Village Board intends to finance the project through the Wisconsin Department of Natural Resources Clean Water Fund (CWF); and

WHEREAS the Clean Water Fund (CWF) requires sewer rates that, in a selected Test Year, completely cover debt service, Operations and Maintenance (O&M) expenses, and a yearly contribution to an Equipment Replacement Fund, without budget deficits; and

WHEREAS an additional \$48,000 of revenue is required for 2021 to cover debt service, O&M, and Equipment Replacement Fund contribution; and

WHEREAS the additional \$48,000 of sewer revenue plus the 3 percent PSC-approved water rate increase would result in a typical residential utility bill increase of approximately 20%; and

WHEREAS approximately \$34,000 of further additional revenue is required in the 2022 Test Year to cover debt service, O&M, and Equipment Replacement Fund contribution; and

NOW, THEREFORE, BE IT RESOLVED by the Village of Merrimac Board of Trustees.

Item 4b.iv
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1. The Sewer Usage Volume Charges will be increased from \$7.00 / 1,000 gal to \$8.78 / 1,000 gal.
2. The Base Sewer Charges will be increased as follows:
 - a. 5/8" Meter: from \$35.25 / month to \$44.14 / month
 - b. 1" Meter: from \$86.05 / month to \$107.78 / month
 - c. 1.5" Meter: from \$169.09 / month to \$211.87 / month
3. This sewer rate increase will go into effect on or around October 25, 2020.
4. Another sewer rate increase, to be determined based on engineer-projected costs, will be required in Fall 2021.

Adopted and recorded October 13, 2020.

Approved October 13, 2020.

APPROVED: _____

Philip Budde, President

ATTEST: _____

Brian Mooney, Administrator/Clerk/Treasurer