

Utilities Committee

Wednesday, July 3, 2019

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1 The Meeting of the Utilities Committee was called to order at 7:00 p.m. on Wednesday, July 3,
2 2019. It was noted that the meeting had been announced and a notice posted at City Hall.

3
4 Roll call was taken, with the following members present: Ald. Dan Stevens, Ald. Jim Olson,
5 Ald. Kim Smith, Village of Holmen Trustee Micah Wyss, Village of West Salem Trustee Leroy
6 Brown

7
8 Also Present: City Administrator Eric Rindfleisch, Financial Services Director/Treasurer Fred
9 Buehler, Planning Manager Katie Aspenson, Ald. Tom Smith, La Crosse MTU Transit Manager
10 Adam Lorentz, Running, Inc. General Manager Jeff Burckhardt

11
12 **Item 2 – Approval of minutes from the previous meeting**

13
14 Motion by Ald. Olson, second by Micah, to approve the minutes from the previous meeting as
15 printed and on file in the City Clerk’s Office.

16
17 On voice vote, motion carried.

18
19 **Item 3 – Public Input (limited to 3 minutes/individual)**

20
21 Ald. Stevens called three times for anyone wishing to provide public input and closed that
22 portion of the meeting.

23
24 **Consideration and possible action on the following items:**

25
26 **Item 4 – MASS TRANSIT**

27
28 a. Shared Ride Transit:

29 1. Financials (Justin Running or Jeff Burckhardt/Fred Buehler)

30
31 Jeff shared the following May 2019 Shared Ride statistics with the committee:

- 32
33 • **West Salem Trips:** 597 (a decrease of 45 from May 2018)
34 • **Holmen Trips:** 1,347 (an increase of 62 from May 2018)
35 • **Onalaska Trips:** 2,782 (a decrease of 279 from May 2018)
36 • **Total Trips:** 4,726 (a decrease of 262, or 5.25 percent, from May 2018)
37 • **MTU Passes:** 644 (a decrease of 79 from May 2018)
38 • **Agency Trips:** 1,164 (an increase of 230 from May 2018)
39 • **Year-to-Date Trips:** 23,207 (a decrease of 1,161 from May 2018)
40 • **Revenue:** \$94,697 (an increase of \$12,412, or 15.08 percent, from May 2018)
41

Utilities Committee

Wednesday, July 3, 2019

2

42 Ald. Stevens asked Jeff to what he attributed the substantial increase in revenue.

43

44 Jeff noted there was a fare increase in 2019, and he also noted there has been a substantial
45 increase in agency trips.

46

47 Motion by Ald. K. Smith, second by Ald. Olson, to accept the Shared Ride Transit Financials
48 and place them on file.

49

50 Leroy asked if there still is a decrease in ridership in the other municipalities Running, Inc.
51 serves.

52

53 Jeff said yes and told Leroy there are many instances in which it is not unusual to see a decrease
54 in ridership during the summer months.

55

56 On voice vote, motion carried.

57

58 2. Purchase 3 vehicles for the next two years at a cost of \$204,000 using a grant of
59 \$163,200 and 20% being local share of \$40,800

60

61 Fred noted the Utilities Committee has had a significant amount of discussion about this topic at
62 its last two meetings. Fred explained that when the City of Onalaska is looking at purchasing
63 vehicles, the city places it on the TIP local, meaning through the LAPC. Fred said, "When it
64 makes it through the process of meetings ... and gets to the state level and everything continues
65 to move forward at the state level, they call it a 'STIP.' Once it makes it through that level, it
66 goes to the federal government for allocation to the State of Wisconsin." Fred told committee
67 members that while he had wanted to purchase two vehicles over the next three years, all six
68 vehicles were moved to 2021. Fred said he explained that the city could not wait until 2021 to
69 purchase vehicles, and he told committee members that both he and City Engineer Jarrod Holter
70 had spoken to Wisconsin Department of Transportation officials, who then assisted them. Fred
71 said an official from Region 5 of the Federal Transit Administration (FTA) had contacted him
72 and informed him \$204,000 have been restricted for the City of Onalaska to purchase six
73 vehicles. Fred said three vehicles will be purchased for the next two years, and he told
74 committee members Jarrod will begin the process to get it to the TIP in 2021.

75

76 Fred told committee members he is almost ready to file the grant, but he still needed one piece of
77 information to provide Region 5 – specifically, a list of the six vehicles the city intends to get rid
78 of and the odometer reading on each one – that Jeff had provided earlier Wednesday. Fred said
79 the FTA registry looks at any vehicle that has logged more than 100,000 miles, and is five years
80 old or older. Fred said, "We should be just fine with the vehicles," noting one of which is a 2012
81 model. Fred referred to committee members' packets and noted the Shared Ride vehicles had
82 logged 412,194 miles over the calendar year. Fred asked Jeff how many vehicles were in
83 operation at one time.

84

Reviewed 7/8/19 by Fred Buehler

Utilities Committee

Wednesday, July 3, 2019

3

85 Jeff estimated nine Shared Ride vehicles operate simultaneously at their peak.

86

87 Fred noted the 2012 model vehicle has logged 255,000 miles, and the vehicle with the lowest
88 amount of mileage has logged 102,000.

89

90 Jeff told committee members maintenance costs increase dramatically when a vehicle exceeds
91 100,000 miles, noting transmission issues are common. Jeff also told committee members the
92 vehicles, Dodge minivans, are passenger vehicles and are not designed to stop and go the entire
93 day. Jeff said it is not unusual for Shared Ride to have to replace engines and transmissions on
94 vehicles once they reach 100,000 miles.

95

96 Fred told committee members the money has to go back to the FTA if the city makes more than
97 \$5,000 per vehicle on the vehicles that will be sold. Anything less than \$5,000 per vehicle may
98 be utilized for any vehicles that are purchased in the future. Fred said he is seeking approval to
99 continue proceeding with the grant for the vehicles, and also to continue proceeding with
100 pursuing a capital grant for a total of six vehicles at a value of \$204,000.

101

102 Motion by Ald. K. Smith, second by Leroy, to authorize the City of Onalaska to continue
103 pursuing the purchase of three vehicles for the next two years at a cost of \$204,000, utilizing a
104 grant of \$163,200 and 20 percent local share being \$40,800.

105

106 Micah asked what can be expected as far as the timing for the local share so that the Village of
107 Holmen may know for budgeting purposes.

108

109 Fred told Micah that funds have been budgeted through the City of Onalaska, the Village of
110 Holmen, and the Village of West Salem or the past couple years with the assumption of a value
111 of \$34,100 per vehicle. Fred told Micah the \$204,000 figure is calculated by multiplying
112 \$34,100 by 6, and he assured Micah there should be sufficient funding in the budget to purchase
113 proportionally based on ridership.

114

115 For clarification, Leroy asked if three vehicles will be purchased in 2020, and three in 2021.

116

117 Fred said yes and told committee members he hopes to order the vehicles within the next 30
118 days. Fred also asked Jeff if he expects the vehicles to arrive either in October or November.

119

120 Jeff said he expects the vehicles to arrive in late autumn.

121

122 Ald. Stevens asked Fred how the old vans are disposed.

123

124 Fred told Ald. Stevens the old vehicles are sold on Wisconsin Surplus, per FTA requirements.
125 The funds received from the sale of the vehicles go back into the Shared Ride program.

126

127 On voice vote, motion carried.

Reviewed 7/8/19 by Fred Buehler

Utilities Committee

Wednesday, July 3, 2019

4

128

129 b. MTU Transit financials (Adam Lorentz)

130

131 Adam shared the following information with committee members:

132

- 133 • The AVL (Automated Vehicle Locator) has given MTU Transit different data
- 134 capabilities, and he hopes to share a different type of report with the committee either at
- 135 its August or September meeting. This report not only will share the financials, but it
- 136 also will break down ridership in greater detail.
- 137 • Adam is working on new pricing for the city agreements. Numerous City of Onalaska
- 138 residents have requested that two prices be listed, and Adam said he will list both current
- 139 pricing and the pricing that fills in the day gap.
- 140 • Four new buses will debut July 10. The week of July 7-13 also is “Celebrating Transit
- 141 Week.”
- 142 • The City of La Crosse Finance and Personnel Committee approved MTU Transit’s
- 143 electric buses. The goal is to have two electric buses in service by the end of 2020.

144

145 c. Holmen Transit Input (Holmen Rep.)

146

147 Micah noted he will be unable to attend the August 7 Utilities Committee meeting.

148

149 d. West Salem Transit Input (West Salem Rep.)

150

151 No report.

152

153 e. Onalaska Transit Input (Onalaska Rep.)

154

155 No report.

156

157 Micah and Leroy were allowed to leave the meeting.

158

159 **Item 5 – UTILITIES**

160

161 a. **Resolution 34-2019** – Authorizing the Direct Charge of Public Fire Protection

162

163 Fred told committee members the Utilities Committee and the Common Council had authorized
164 a water rate increase. Fred also told committee members City Administrator Rindfleisch had
165 brought to his attention the passage of Act 59 in September 2017. Fred said City Administrator
166 Rindfleisch and city legal counsel had done an interpretation of some of the language included in
167 Act 59. Fred said municipalities that work with the Public Service Commission must complete
168 an application the PSC reviews, the city reviews the PSC’s findings, a public hearing is
169 established for the utility, the public hearing is held, and there is a starting date. Fred referred to
Reviewed 7/8/19 by Fred Buehler

Utilities Committee

Wednesday, July 3, 2019

5

170 a period of time written on a whiteboard and said the period of time could be three to four
171 months. Fred told committee members the city will examine this project separate from the water
172 rate increase and said authorization is required for items being done by the Engineering
173 Department. Fred said all Engineering Department projects (well, reservoir) must be approved
174 by the PSC before he may compile facts and figures. Fred said the full-blown increase will take
175 three or four months and will not occur until March or April 2020. Fred said, "If we do this one
176 here this way, on this Act 59, we'll be able to have it effective one month."

177
178 Fred referred to "Rate File 2019" and "Rate File 2010" on the back side of the resolution
179 included in committee members' packets, and he said Act 59 refers to any public fire protection
180 rate that was in effect in 2013. Fred said the city applied for a water rate increase in 2010. The
181 city levied a 3-percent increase, and the rates were adjusted effective January 1, 2019. Fred
182 addressed fire hydrant rental, which is established by the PSC as a rate file structure, and said the
183 rate file for hydrant rental changes only when the PSC reviews the city's rates for an increase.
184 Fred said, "In 2010, it stayed the same until 2015. In 2015 we did a two-year stage. The hydrant
185 rental changed again in 2015 and 2016, and it stayed the same from 2016 to 2019. It will stay
186 the same until the PSC [increases it]. Act 59 states whatever rate was effective in 2013 – the rate
187 that was effective in 2013 is the 2010 one – compared to whatever rate it is today ... Today it's
188 \$415,170, and back in 2013 it was \$366,651. That difference, under Act 59, allows the city, if
189 we go through an application, to apply that difference to the Water Utility through the billing
190 cycle. There are different ways of applying it to the Water Utility, and the one the vast majority
191 of the people use is the modification on the meter size. When you get your water bill. There's
192 the flat charge, which is the meter size, and you have your consumption. The resolution in front
193 outlines what you see here, and that's what the city would like to do."

194
195 City Administrator Rindfleisch noted the hydrant rental is the same as the fire protection charge,
196 and he told committee members the funds collected from hydrant rental are not directed toward
197 the Fire Department. Rather, it is the charge the PSC requires to be collected for the Water
198 Utility to generally oversize the Water Utility so there is available volume and pressure to fight
199 fires. City Administrator Rindfleisch said the perfect water system design would allow the last
200 house on the end of a block receives the last bit of water that is sufficient and nothing is
201 oversized because then it would be inefficient. City Administrator Rindfleisch said, "You are
202 oversizing. You're creating reservoirs for fire protection so when you do have a fire and you
203 pull up to the hydrants, those hydrants are maintained, they're in good working order, when you
204 hook up to it for firefighting capabilities there is enough water pressure there, and there is
205 enough volume there to put out a fire. The PSC applies that charge and requires that revenue to
206 be collected by the utility to support that oversizing of that for fire protection services purposes."

207
208 City Administrator Rindfleisch said there are two collection methods throughout the state. The
209 first method is to levy a charge on the water bills. The second way is to apply it on the tax levy.
210 City Administrator Rindfleisch said historically, the City of Onalaska has done it purely on the
211 tax levy, and he noted that is the amount totaling \$415,170, which is to be expected in 2020.

Reviewed 7/8/19 by Fred Buehler

Utilities Committee

Wednesday, July 3, 2019

6

212 This is revenue that comes off the General Fund taxes, and it goes directly to the Water Utility
213 for the purposes of keeping the system healthy and oversized for fire protection services. City
214 Administrator Rindfleisch said that under other statutes put in by the State of Wisconsin, any
215 new fees charged by a municipality for services currently on the tax roll would require the
216 municipality to reduce the tax levy by the same amount. City Administrator Rindfleisch said Act
217 59 allows 2013 as a base year and told committee members any service currently provided on the
218 tax levy – in this case, the fire protection fee – means the city may use the base as 2013 and
219 move the difference between the two to the ratepayers without the corresponding reduction the
220 property tax levy.

221
222 City Administrator Rindfleisch said, “On one hand, it’s a way you can increase your available
223 funds to expend from the tax levy by shifting a portion of that to the water rate payers. The other
224 portion of that is who benefits from fire protection, [and that is] everybody in the municipality,
225 including institutions, nonprofits, [and] other organizations. But not all those organizations pay
226 property taxes, so it’s another way of making the payment equitable for all the water users. We
227 could not shift the entire amount to the water bill – Act 59 still prohibits that – but it does allow
228 that more equitable sharing, at least a portion, not be that \$48,519. As a budget concept, it does
229 allow additional flexibility with the budget going into the budget system. But also as an
230 equitable concept, it does allow all those who benefit from having the hydrants inground begin to
231 pay a portion for that. It’s not all on the backs of the homeowners who are the majority of the
232 property tax owners in the city.”

233
234 Ald. Stevens told City Administrator Rindfleisch it is his understanding that the city still would
235 be spending the \$415,170 if this did not pass, and the city also would have less flexibility with
236 the budget.

237
238 City Administrator Rindfleisch told Ald. Stevens he is correct and said, “It’s not establishing
239 anything new. The PSC establishes that fee, which we must charge, and it’s historically been on
240 the property tax.”

241
242 Ald. Stevens asked if this is “almost a wash” to the average homeowner.

243
244 Fred directed committee members’ attention to the “Meters” page of their packets and noted he
245 had drawn a line approximately a quarter of the way through. Fred said that as of December 31,
246 2018, the City of Onalaska had 7,017 meters, which are broken down as follows: Residential
247 (6,094), Commercial (441), Industrial (7), Public Authority (42), Multifamily Residential (101),
248 Irrigation (135), Wholesale (10), and In Stock (187). These are the quantity of meters, based on
249 size, out there to the general public. Fred said the PSC will take the \$48,519 and tell the city
250 how much of a price increase there will be. Fred said the PSC’s findings will come back to the
251 city. Fred noted there are two schedules (“Residential” and “Nonresidential”) included in
252 committee members’ packets, and he said, “[The PSC] will take what we are requesting through
253 an application [and] decide how it’s calculated. Hopefully we’ll get an answer back in three

Reviewed 7/8/19 by Fred Buehler

Utilities Committee

Wednesday, July 3, 2019

7

254 months or so, then we will have a public hearing to proceed forward, then we would want to
255 have it effective [January 1, 2020], if at all possible. if we have the hearing in time.” Fred said
256 he is seeking approval of the methodology from the committee, and approval to apply for an
257 application review relating to the public fire protection.

258
259 Fred returned to Ald. Stevens’ question and told him, “It won’t be a wash. It’s going to be a cost
260 to the Water Utility. Keep in mind the flat charge is charged four times a year. That’s \$17 you’ll
261 see on your water bill four times a year.”

262
263 Ald. Stevens said, “What I was getting at is the fee they’re paying through their water bill,
264 theoretically they are not paying that on their general taxes.” Ald. Stevens also said he believes a
265 notice that had recently been sent out mentioned the fire fee, adding, “If there were constituents
266 who inquired about this, I want to be able to explain it properly.”

267
268 Fred said he believes the topic of public fire protection had started being discussed within the last
269 30 days.

270
271 Ald. K. Smith referred to Resolution 34-2019 and asked Fred, “Are these known figures?”

272
273 Fred told Ald. K. Smith they are the factual figures and said, “When we did an across the board
274 increase of 3 percent, the Public Service Commission took 2016, which was the last public fire
275 protection rate file we had, took 3 percent of it, and that is how they arrived at the \$415,170.”

276
277 City Administrator Rindfleisch told Ald. K. Smith, “The PSC has reviewed these numbers.”

278
279 Fred said these are the rate file, or factual, numbers.

280
281 Ald. K. Smith referred to the \$48,519 and asked Fred if he had done an estimate as to the average
282 home in the City of Onalaska with average service would be affected.

283
284 Fred told Ald. K. Smith it has nothing to do with consumption, and he addressed her question by
285 stating, “When you start doing that, you’re expecting me to be a person working for the Public
286 Service Commission. If you were to take, for example, if you look at the rate file, the 5/8-[inch
287 meter] and the 3/4-[inch meter] is the same rate [\$17]. If you took the 1,658 [number of
288 residential units with a 5/8-inch meter] plus the 4,146 [number of residential units with a 3/4-inch
289 meter], divided by [\$48,519], then divide it again by four quarters, you’ll get a pretty close
290 figuring of what it is.”

291
292 Ald. K. Smith asked Fred if he had done that.

293
294 Fred said no, but offered to do so.

295

Utilities Committee

Wednesday, July 3, 2019

8

296 City Administrator Rindfleisch said, “Conceptually, the answer to your question about is it a
297 wash or not is yes. What is being shifted from property tax to the Water Utility rate payers is the
298 same dollar amount. It won’t be spread equally because the non-property taxpaying entities
299 would also be included in that. Forty-eight thousand dollars is not a large number to be divided
300 by the number of households that we have in the city, so the difference is minimal, to be honest.
301 Also, currently we do not levy the full amount of taxes available to us. Because of the
302 expenditure restraints, we can’t spend the amount. If we don’t levy the replacement, it would be
303 a property tax savings overall, minimally to each individual property owners, but it would be a
304 savings. But full disclosure, I discovered Act 59 because of the question about the Public Safety
305 Referendum. At some point, do we put that question on the ballot as a referendum question to
306 exceed the property tax levy? That question assumes we are maximizing our tax levy to its
307 fullest, and this is one methodology I discovered that we are not maximizing our tax levy to its
308 fullest where we have things on there that wouldn’t necessarily need to be on the tax levy that
309 could be spent elsewhere. [This is] unrelated to this entire conversation, but where this may be
310 going is not necessarily all for that. Depending on what the referendum question – and
311 depending on if it even goes on the ballot – is, how do I make sure we’re using our tax levy in
312 the most appropriate way? This is one method I found that we could be better off spending
313 elsewhere.”

314
315 Fred said it would be approximately \$19.00 per quarter, per residential customer compared to
316 \$17.00 today.

317
318 Motion by Ald. K. Smith, second by Ald. Olson, to approve Resolution 34-2019 – Authorizing
319 the Direct Charge of Public Fire Protection.

320
321 Fred said, “I just want to make sure for the minutes [it’s] as outlined on the resolution because
322 it’s not taking the entire public fire protection. It’s only taking a differential between 2013 and
323 2019, which is as outlined in the resolution.”

324
325 On voice vote, motion carried.

326
327 **Adjournment**

328
329 Motion by Ald. K. Smith, second by Ald. Olson, to adjourn at 7:37 p.m.

330
331 On voice vote, motion carried.

332
333
334 Recorded by:

335
336 Kirk Bey