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Office of the City Clerk
Taped and Televised

COMMITTEE OF THE WHOLE
Regular Meeting
Tuesday, July 14, 2026 - 5:45 PM
Christine Nuernberg Hall

Minutes

1) Call to Order and Roll Call

The meeting was called to order by Mayor Nerbun at 5:45 p.m.

Present:
Mayor Nerbun, Alderman Strzelczyk, Alderman Tolocko, Alderman Mayr, Alderman Hansher, Alderman Parrish, Alderman Bratt, Alderman Gebhardt
Not present: Alderman Bach (Excused)

Also present: City Administrator William Jones, Assistant City Administrator Jessica Wolff, Finance Director Brenda Arnett, Assistant Finance Director Marie Keyser, City Clerk Caroline Fochs, City Attorney Brian Sajdak, City Engineer Kristen Lundeen

2) Approval of Meeting Minutes

a) Meeting Minutes of June 4, 2026 Special Meeting

Amendment requested under Item 8a) Lodging Tax, to replace "implementing" with "considering" with regard to moving forward with a lodging tax.

MOTION:	Motion to approve the June 4, 2026, meeting minutes with amendment
MOVER:	Alderman Robert Strzelczyk
SECONDER:	Alderman Dale Mayr
AYES:	Mayor Andrew Nerbun, Alderman Robert Strzelczyk, Alderman Kelly Tolocko, Alderman Dale Mayr, Alderman Jeffrey Hansher, Alderman Brian Parrish, Alderman Peter Bratt
NAY:	Alderman William Gebhardt

DEEMED NAY:	Alderman Gregg Bach
RESULT:	Approved with Amendments

b) Meeting Minutes of June 9, 2026

MOTION:	Motion to approve the June 4, 2026, meeting minutes
MOVER:	Alderman Robert Strzelczyk
SECONDER:	Alderman Dale Mayr
AYES:	Mayor Andrew Nerbun, Alderman Robert Strzelczyk, Alderman Kelly Tolocko, Alderman Dale Mayr, Alderman Jeffrey Hansher, Alderman Brian Parrish, Alderman Peter Bratt, Alderman William Gebhardt
DEEMED NAY:	Alderman Gregg Bach
RESULT:	Approved by Voice Acclamation

3) Introduction

a) Introduction

City Administrator Jones provided a recap of the June 4th workshop, highlighting discussions on financial policies, TID 3, city facilities, long-term capital planning, and alternative revenues. Proposed amendments to Financial Policies 9 and 10 were approved by the Finance and Personnel Committee and will be brought forth to the Common Council. Mr. Jones provided updates on the pedestrian crossing signals, the summer banner package, and potential residual increment from the TID 3 closure. A contract was awarded for the design of the Mequon Commons Master Plan, phase one, with a resolution to transfer a $700,000 surplus from the General Fund to the new Captial Fund pool account. Mr. Jones advised the members to expect pool designed drafts, fire department RFPs, and further discussion on lodging tax and vehicle registration fees at future Committee of the Whole meetings. The meeting at hand will focus primarily on water utilities and touch on sewer utilities.

4) Water Utility Funding Discussion

Consultant Brian Roemer from Ehlers & Associates, presented on the fiscal sustainability of the water and sewer utilities. The goal is for each utility to be self-funding, with key financial metrics being debt coverage and reserves. The Public Service Commission (PSC) in Wisconsin has stringent regulations for rate adjustments, which often take significant time. He offered three opportunities for rate adjustments: simplified rate cases (limited to once a year and specific eligibility criteria), conventional rate cases (available anytime), and purchase water adjustments (for supplier rate changes).

Mr. Roemer explained how the PSC uses a specific methodology for revenue requirement determination, focusing on operating expenses, depreciation, and a rate of return, which is currently benchmarked at 4.9% with fluctuations. The city's water utility is currently above the PSC's benchmark rate of return and has historically been healthy, above its revenue requirement. Projections show the utility's remaining rate being adequate, but Mr. Roemer stressed the importance of staying ahead to avoid larger adjustments. A 4.6% rate adjustment was projected to increase quarterly bills by approximately $5–$6. The recommended reserve policy is six months of operating and maintenance expenses plus the next year's debt payment, aligning with rating agency recommendations. The city can implement a pilot payment for the water utility, up to a maximum regulated by the PSC. The purchase water adjustment is allowable when suppliers adjust their rates.

5) Sewer Utility Funding Update

Mr. Roemer explained that the sewer utility is performing well, with reserves meeting targets. The decision to cash fund the East Lift Station E made historical cash-funded capital look high, but otherwise, the utility is financially sound. Unlike water, the sewer utility is not regulated by the PSC, allowing for more flexibility in rate adjustments. He recommended a 3% annual rate adjustment to keep pace with inflationary expenses and a flat tax levy. He reported that the capital plan, including the lift station, can be cash-funded from designated project funds and reserves.

6) Review of Utility Financial Policies

Public Works Director Lundeen explained that the draft policy language was presented to conform reserve calculations for both water and sewer utilities to the recommended model: six months of operating expenditures plus the next year's debt payment. The sewer utility policy may require additional language to address potential shortfalls in meeting reserve requirements. For the water utility, clarifying language regarding bond covenants will be added to the reserve policy. Ms. Lundeen advised the Committee that these policies will be presented at the August meeting for further discussion and approval.

a) Sewer Reserve Policy Amendment

b) Water Reserve Policy Amendment

c) New Water Funding Policy Draft

7) Update on Fund Balance Discussion - June 4 Financial Planning Workshop

Mr. Roemer presented a comparison of the city's current fund balance policy (10-12% of general funds) with that of rated peers, most of whom have higher fund balance policies. While the city's current policy is met, a higher fund balance could potentially lead to a better credit rating, yielding interest rate savings on future debt. The potential savings on a public safety building over 20 years was estimated at $500,000. A discussion ensued about the feasibility and desirability of increasing the fund balance policy, with a request to seek further input from rating agencies on the amount needed to achieve a higher rating.

a) Interest Rate Impact - Enhanced Credit Rating

b) Review of Policies - Other Comparable Communities

8) Impact Fee Discussion

Mr. Roemer provided preliminary calculations for police and fire impact fees for a new public safety building project. The estimated fees are approximately $2,100 per multifamily unit and $2,700 per single-family home. These fees, collected when an application for a building permit is submitted, would reduce the borrowing amount for the project, leading to interest savings. The collection and use of these fees are subject to specific regulations, including an eight-year usage limit. The Committee expressed support for further analysis and discussion on implementing these impact fees.

9) Other Matters

10) Informational Items

a) Committee of the Whole Planning Calendar

11) Adjourn

MOTION:	Motion to adjourn at 7:35 pm.
MOVER:	Alderman Dale Mayr
SECONDER:	Alderman Peter Bratt
AYES:	Mayor Andrew Nerbun, Alderman Robert Strzelczyk, Alderman Kelly Tolocko, Alderman Dale Mayr, Alderman Jeffrey Hansher, Alderman Brian Parrish, Alderman Peter Bratt, Alderman William Gebhardt
DEEMED NAY:	Alderman Bach
RESULT:	Approved by Voice Acclamation

Respectfully Submitted,
Janet Meyer, Deputy Clerk