11333 N. Cedarburg Road
Mequon, WI 53092
Phone: 262-236-2914
Fax: 262-242-9655

www.ci.mequon.wi.us

Office of the City Clerk
Taped & Televised

COMMITTEE OF THE WHOLE
Tuesday, July 11, 2023
6:30 PM
Christine Nuernberg Hall

Agenda

1. Call to Order, Roll Call
2. Approval of Meeting Minutes
   a. June 13, 2023
3. Discussion
   a. Policy Discussion Related to Industrial Land Uses
   b. Proposed Implementation Plan - 2022 Classification & Compensation Study
4. Informational Items
   a. Committee of the Whole Planning Calendar
   b. 2024 Budget Development Calendar
   c. Town Center TID #3 Project Expenditure Update
5. Future Policy Items for Discussion/Consideration/Analysis
6. Adjourn

Dated: July 11, 2023 */s/ Andrew Nerbun, Mayor*

Notice is hereby given that a quorum of other governmental bodies may be present at this meeting to present, discuss and/or gather information about a subject over which they have decision-making responsibility, although they will not take formal action thereto at this meeting.

Persons with disabilities requiring accommodations for attendance at this meeting should contact the City Clerk's Office at 262-236-2914, twenty-four (24) hours in advance of the meeting.

Any questions regarding this agenda may be directed to the City Administrator's Office at 262-236-2941, Monday through Friday, 8:00 AM – 4:30 PM.

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COMMITTEE OF THE WHOLE
Tuesday, June 13, 2023
6:45 PM
Christine Nuernberg Hall

Minutes

1. Call to Order, Roll Call

Mayor Nerbun called the meeting to order at 7:03 PM.

Present:
Mayor Andrew Nerbun
Alderman Robert Strzelczyk
Alderman Kelly Tolocko
Alderman Dale Mayr
Alderman Jeffrey Hansher
Alderman Gregg Bach
Alderman Brian Parrish
Alderman Kathleen Schneider
Alderman William Gebhardt

Also present: City Administrator Jones, City Attorney Sajdak, City Clerk Fochs, Finance Director Engroff, Director of Public Works/City Engineering Lundeen, Deputy Director of Utilities Driscoll, Director of Community Development Tollefson, Police Chief Pryor, Administrative Assistant Schlereth, press and interested public.

2. Approval of Meeting Minutes

a. April 11, 2023

RESULT: **Approved by Voice Acclamation [Unanimous]**
MOVED BY: Alderman Mayr
SECONDED BY: Alderman Strzelczyk

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Schneider, Gebhardt

3. Discussions

   a. 2022-2025 Strategic Plan Update

   City Administrator Jones reviewed the process and the progress since implementation. Future and current projects and estimated time lines were discussed.

4. Resolutions

   a. **RESOLUTION 4052** A Resolution Adopting and Implementing the City of Mequon Municipal Emergency Operations Plan

   Police Chief Pryor gave an overview of the Emergency Management Plan and outline following input from the County. All members were appreciative and look forward to any training involved following Council approval.

   RESULT: **Approved by Voice Acclamation [Unanimous]**
   MOVED BY: Alderman Schneider
   SECONDED BY: Alderman Strzelczyk

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Schneider, Gebhardt

5. Future Policy Items for Discussion/Consideration/Analysis

6. Adjourn

   Motion to adjourn at 7:47 PM.

   RESULT: **Approved by Voice Acclamation [Unanimous]**
   MOVED BY: Alderman Bach
   SECONDED BY: Alderman Parrish

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Schneider, Gebhardt

Respectfully Submitted,

Janet Meyer
Deputy Clerk

11333 N. Cedarburg Road
Mequon, WI 53092-1930
Phone: 262-242-3100
Fax: 262-242-9655

www.ci.mequon.wi.us **Office of Community Development**

TO: Committee of the Whole
FROM: Kim Tollefson, Director of Community Development
DATE: July 11, 2023
SUBJECT: Policy Discussion Related to Industrial Land Uses

Background

The Economic Development Board has been considering industrial land uses in the southwest area of the City since January 2023. The impetus for these land use discussions were two residential development concept plans presented to the Common Council in 2022, located in the central area of the City south of the Mequon Business Park, and located on Light Industrial (B-5) zoned lands. While some members of the Council at the time believed residential land uses in the proposed location may had merit, the Council directed staff to consider the potential for future industrial land uses elsewhere in the community. Accordingly, staff is advancing this policy discussion per the Board's direction based on the analysis completed thus far, to gauge the Common Council's interest regarding the implementation of potential zoning changes. These changes would include the following:

- Substantiate current Rural Industrial zoned land with specificity of use and development standards.
- Master plan the utilities and infrastructure.
- Conversion of industrially zoned land to residential, south of the Mequon Business Park.

Property Owner Outreach: Planning staff has notified all property owners within the study area and has discussed the concepts and analysis to date. In turn, some property owners have indicated their interest in attending the July 11 Committee of the Whole meeting.

I. Potential Industrial Area in Southwest Mequon

Location, Marketability and Regional Agency Input:
Location: Assessing the surrounding context and current uses of land as well as the neighborhood assets of such is a typical first step in any such policy analysis. The southwest area of the City currently has approximately 295 acres of Light Industrial (B-5) and Rural Industrial (B-6) zoned land (see attached Current Zoning Map and Zoning District Standards). The scope of the study area is identified on the attached map and does not include the current residential zoning north of a critical environmental area that runs east and west through a section of the land.

The neighborhood context includes a variety of quasi- and light-to-medium industrial operations both in Mequon and the neighboring communities of Milwaukee and Germantown. These existing uses include catering services, multi-tenant office, landscape contracting, petroleum services, warehouse and cold storage facilities, waste collection services, landfills, trucking companies, auto and fuel suppliers. In the neighboring community of Menomonee Falls there are new industrial, manufacturing and office developments.

Marketability and Regional Agency Input: The site is close in proximity to HWY 41/45 where, in addition to new development in the Village of Menomonee Falls, the Village of Germantown has planned for and seen significant growth (285 acres) in pure industrial development along HWY 41/45 and Holy Hill Road through a TID, Further, there is opportunity for additional growth.

Staff sought input from Ozaukee County Economic Development, Milwaukee 7 (M7) and Wisconsin Economic Development Corporation (WEDC). The following highlights the input received:

- Prime location given proximity to north Milwaukee County and south Washington County as well as west Waukesha County. Transportation options and the larger labor pool are significantly positive and access to Hwy 41/45 is only 5-7 minutes.
- Public water is critical, especially given the requirements for fire protection.
- Public sewer is important, but if public sewer is not desired or feasible, maintain a heavier type of industrial user. Office, corporate parks and light industrial uses will expect public sewer.
- Well maintained roads are critical.
- The proximity to established residential is not adjacent, which is good.

Zoning District: The Board vetted a draft of uses - permitted or conditional - for a future industrial zoning district (see attached Use Table with preliminary technical standards). Additional standards, such as building design and operational, are necessary and continue to be evaluated for the Board's review. Generally, the Board directed staff to trend land uses towards medium levels of operations or intensity while maintaining thresholds for operations that pose a greater risk of pollution, contamination, odor or vibrations and noise.

Infrastructure: Based on the technical standards and the overall study area's acreage, the new area could accommodate 9M square feet of industrial use at a floor area ratio of 50%. Based on that, an infrastructure analysis has been initiated (see accompanying memoranda dated June 19, 2023, from Public Works Director Kristen Lundeen).

Sewer: The nearest public sewer main is located at the intersection of County Line and Granville Road. To serve the study area with public sewer, expansion of the sewer service area is required. This process typically takes 6-9 months, and requires the approval of SEWRPC, WDNR and MMSD. A baseline analysis was completed to determine if a gravity system can serve the area of scope. The analysis concluded that such will not be feasible for the entire study area. Therefore, alternative routes to serve the area are currently being explored. Detailed analysis will be necessary before requesting the expansion of the City's Sewer Service Area (SSA). As part of this analysis, the City is considering the Residential West Growth Area as a potential development to be served, and how that would impact any potential expansion of the current SSA.

Water: The nearest public water main will be located at the intersection of County Line and Swan Road at the time of construction for a new subdivision, Swan Ridge Farms. Expansion of a new public water main requires a contract amendment with the City of Milwaukee.

An analysis of infrastructure size, location and necessary connectivity is required to determine the cost of infrastructure improvements, followed by a policy discussion of whether the City wants to make the expenditure for infrastructure expansion or to require that a developer build and contribute such infrastructure. This is a similar process to the one staff addressed for the City's Central Growth Area, as well as the new Ulao Creek Neighborhood.

Roads: The roads in this area are jointly owned and will require negotiations with other governmental entities related to improvements and maintenance. As such, Washington County, the Village of Germantown and the City of Milwaukee will be partners related to any corresponding road improvements. The City has begun an evaluation of the trip generation based on the type and number of industrial operations at full buildout. This will assist the City in determining upgrades to current road conditions for future projected use. The road will likely remain as two lanes of travel, with a center turn lane and acceleration/deceleration lanes. In addition, the staff is evaluating potential concentrated traffic locations for common access points and can provide the benefits and drawbacks associated with this analysis.

The City rates each of the roads as 'Good' to 'Very Good'. The City has an established road program with ratings and annual approval of road work. The City roads are categorized as follows (please see attached Paser Ratings System Key):

- Wausaukee Road (County Line to 0.5 miles N of Donges): Rating 7
- County Line Road (Wausaukee to Granville): Rating 7
- County Line Road (Granville, east ¾ mile): Rating 8
- Granville Road (Freistadt to Mequon): Rating 8
- Granville Road (Mequon to County Line): Rating 7

At this point, there are no plans for reconstruction of these road sections in the 5-year plan for portions maintained by the City.

Next Steps: Should the Common Council Committee of the Whole determine that industrial zoning and potential public infrastructure improvements have merit at this location, staff recommends the following next steps:

1. Sewer Service Analysis via Consultant (contract to return to Council for authorization):
   a) Q3 of 2023
   b) Budget expenditure 2024

2. Based on sewer analysis, petition to expand Sewer Service Area (SSA)

3. During SSA review process:
   a) Discussion of financial policy associated with expansion of infrastructure.
   b) Partnership/negotiation regarding water, roads.
   c) Property owner coordination
   d) Final draft of zoning district standards

Additional steps may include the following:

1. Study Ancillary Features: Name / Signage / Landscaping / Broker (Expenditures)
2. Study Economic Development Partnerships: Ozaukee County Economic Development / M7 / Wisconsin Economic Development Corporation

II. Conversion of Industrially Zoned Land to Residential, South of Mequon Business Park

Background: Staff is advancing this policy discussion related to future residential land use in the City, in conjunction with the discussion regarding additional industrial land uses. Within the last year, two residential development proposals were advanced to the Common Council for consideration in the study area described below.

Neighborhood Context: The neighborhood of study is generally located on Baehr Road, south of Donges Bay and north of County Line Roads. Land uses to the north include mid-sized industrial and office, agricultural to the west, a mix of uses to the east and low density residential to the south, including single-family residential neighborhoods on the south side of County Line Road, and in the Village Brown Deer. Lily Lane Preserve and Trinity Creek are environmental features that connect the study area to the Mequon Nature Preserve and the Milwaukee River.

Zoning District: The subject area is currently zoned Light Industrial, Single-Family, Critical Environmental, and Agricultural Overlay. Because of the mixed zoning and land uses, the area was identified in the 2035 Comprehensive Plan as a future study area. Planning staff believes the features of the area are ideal for residential development, with the use of senior or plex development at the north to transition from industrial land use. This is a familiar and tested land use pattern within the City, including developments such as Essex Place, Hidden Creek, Windsor Estates, as well as Winding Hollow and Mequon Court Apartments on the west side of Port Washington Road. With respect to converting this area for residential development, proposed densities and the assessment of sewer and water service infrastructure are critical factors. Notably, the developments to the east and west are both served with private lift stations, limiting the City's ability to master plan the infrastructure in the same manner as a proposed southwest industrial zoning area.

Attachments:
Director of Public Works Memo (PDF)
SW Industrial Sewer Tech Memo (PDF)
SW Industrial Water Tech Memo (PDF)
Current Zoning Map (PDF)
CURRENT ZONING STANDARDS (DOCX)
B5 and B6 (PDF)
Zoning Use Table and Comparison (XLSX)
PASER Rating System (PDF)
Land Use Map (PDF)
Google Map (PDF)
City of Mequon Sewer Map (PDF)

11333 N. Cedarburg Rd 60W
Mequon, WI 53092-1930
Phone (262) 236-2938
Fax (262) 242-9655

www.ci.mequon.wi.us

PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Economic Development Board

FROM: Kristen Lundeen, Director of Public Works/City Engineer

DATE: June 19, 2023

SUBJECT: Public Utility Service to Southwest Mequon

The attached technical memos provide an overview of the requirements to serve the southwest corner of the City with public utilities. A summary of the connection location and constraints on serving the area is detailed below. In addition to the technical requirements for service, public utility infrastructure requires several policy discussions as well.

From a public utility perspective, the density and specific use of the buildings will have a large impact on the technical requirements for service. As noted in the memos, industrial uses create a wide-ranging demand on public utilities. Warehousing, as an example, generates minimal waste and therefore minimal impact on the sewer system. Likewise, it has a minimal draw on the water system, but may require more capacity to ensure proper fire protection. A bottling plant places a higher demand on both sewer and water, and therefore may restrict the allowable development or increase the size and cost of public infrastructure.

SEWER

Properties within the southwest corner of the City would be served by connecting and extending public sewer infrastructure from the existing location at the County Line Road and Granville Road intersection.

Limiting factors for serving the area with public sewer infrastructure relate to topography and discharge limits. Serving properties via gravity is the standard for new development. A portion of the area could be served by an extension of the existing sewer infrastructure, but gravity service is limited and other properties would require installation of a lift station.

All City of Mequon sewers ultimately discharge into the Milwaukee Metropolitan Sewerage District (MMSD) system. MMSD imposes limits on discharge into the system. As noted, the varying levels of discharge based upon the specific industrial uses may limit the type or density of development within the area.

WATER

Properties within the southwest corner of the City would be served by public water infrastructure in one of two ways:

1. Extending the existing infrastructure from the intersection of County Line Road and Swan Road, after a second connection and meter pit is installed as a condition of the Swan Ridge Farms subdivision.
2. Petition Milwaukee Water Works for a contract amendment to allow for a third connection to the system.

The design for the public water infrastructure depends upon both the size of the facilities to achieve compliant fire protection and the type of use, as noted above. As public water infrastructure is pressurized, topography is not the limiting factor for extension.

POLICY

The southwest corner of the City is not currently included within the Sewer Service Area (SSA) nor the Mequon Water Utility Service Area (MWUSA). In accordance with the Water Connection Policy, if a SSA boundary amendment were completed to include the lands, it would automatically be included in the MWUSA. However, if the City determined that the area would remain outside of the SSA, the City could separately consider amending the MWUSA to include the area and serve with public water infrastructure. That is the policy decision that was made for the Ulao Creek Neighborhood, due to prohibitive sewer costs. Therefore the City must determine whether boundary amendments will be requested for the SSA, the MWUSA or both.

New development in the SSA and/or MWUSA is required to build and contribute public infrastructure at the time of construction. Fundamentally, this results in higher construction costs for properties located further from the existing infrastructure. This can impact the marketability and/or property value of the lands within the area. In 2015, the City addressed this concern for the Central Growth Area by assessing for the sanitary sewer costs, whereby all benefitting properties paid an equitable portion of the sewer costs. Please note that the Mequon Water Utility cannot build public infrastructure on prospect at the cost of existing rate payers, nor by referendum can the City of Mequon pay for public water infrastructure costs.

City staff can facilitate a policy discussion on public utility financing outlining the various options for consideration.

TIMELINE

One critical path item for public infrastructure is the sewer service area boundary amendment. The boundary amendment first requires Sewer Utility District Commission recommendation and Common Council approval, which can typically be accomplished in one meeting night. The boundary amendment includes a list of all impacted properties, which must be contiguous to the existing sewer service area. The process also requires a public hearing.

Once approved at the City level, the request is forwarded to SEWRPC, WDNR and MMSD for approval and that process is typically six to nine months. Both SEWRPC and MMSD include all of the City of Mequon within the planning boundary, therefore expansion should not be a policy debate and is more administrative to ensure compliance.

Please note that the sewer service area boundary amendment has an immediate fiscal impact on property owners. MMSD capital charges are levied as a sewer tax. Therefore all properties within the sewer service area pay the sewer tax, regardless of access to public sewer. Staff generally recommends that the request be initiated concurrent to a development application so that property owners do not pay additional taxes while the market determines the demand for construction.

Once the sewer service area boundary amendment is approved, properties within the boundary may connect to public sewer. Staff recommends that a sewer study be completed to define critical elevations and/or lift station citing and design parameters to prepare for development. This study could be completed concurrently with the request for the sewer service area boundary amendment.

Further, the study could be completed prior to the sewer service area boundary amendment, to both determine the serviceability to the area (gravity service versus lift stations, etc). Please note that this would require an additional policy discussion. Typically, the City requires that new development be self-funding, and not impact existing taxpayers or rate payers. If the design is completed on prospect, the City would need to determine whether the taxpayers fund the design, the sewer rate payers fund the design, or whether the design costs are assessed against the properties in combination with a future construction project.

The policy discussions regarding both design and infrastructure financing and ownership could also be concurrent to the sewer service area boundary amendment. Fundamentally the capacity and design of the system will be the driving factor for either the traditional build and contribute model, or utilized for a public infrastructure construction project. The pipe depth and sizing will be the same regardless of the financing mechanism.

For public water infrastructure, if the properties are included within the sewer service area, it is required to be served by public water infrastructure. As noted, if the area is ultimately not included within the sewer service area, the Water Utility Commission could consider a Mequon Water User Service Area boundary amendment to include the section, similar to the process completed for the Ulao Creek Neighborhood. The amendment can take place at a regularly scheduled meeting and is not subject to public hearing requirements.

Similar to the recommendation for public sewer infrastructure, a master utility plan for water infrastructure is recommended. Please note that the Mequon Water Utility cannot finance, design or construct public water infrastructure on prospect. The City could finance the project, but Water Utility funds are regulated such that existing water rate payers cannot fund future development.

Staff recommends against constructing public utility infrastructure on prospect. Unused and underutilized infrastructure cause maintenance issues and drive up the cost to all utility rate payers. If the City proactively generates a master utility plan for the area, defining the required capacity, sizing and general layout for the infrastructure, it can leverage the initial development for construction. Regulatory approvals are a typical part of the review process and can be incorporated into standard approvals.

For both sewer and water, the City could construct the public infrastructure and special assess for the cost. Special assessments are statutorily regulated, and will add three to six months to the construction process. Please note that the build and contribute model can be structured to allow for a refund clause in lieu of a special assessment, reducing the timeline and financial obligation of the City.

As it relates to regulatory approvals for the public water infrastructure, the Public Service Commission includes all of the City of Mequon in the Water User Service Area, therefore any expansion is required at the Water Utility Commission level only. In addition to Mequon Water Utility approvals, construction plans must be approved by the WDNR. Plans for individual developments and larger trunk projects are reviewed in generally the same timeframe, so there is no impact on the timeline for leveraging the development process to install the mainline public water infrastructure.

11333 N. Cedarburg Road
Mequon, Wisconsin 53092
Phone: (262) 236-2934
Fax: (262) 242-9819
engineering@ci.mequon.wi.us
www.ci.mequon.wi.us
Public Works/Engineering

Date: June 16, 2023

To: Economic Development Board

From: Kevin Driscoll, Deputy Director of Utilities

Subject: SW Industrial Area, Sanitary Sewer Service Concept

A Sewer Utility service extension to the Southwest Industrial Area in the City of Mequon requires engineering and regulatory government processes to be addressed, and these anticipated requirements are summarized and outlined below to identify factors for further consideration on how to move forward with an additional evaluation.

Engineering

Sanitary sewer systems are generally designed with in one of three ways: gravity systems, lift stations, or privately owned wastewater treatment systems. Gravity systems are preferred due to cost and maintenance of passive conveyance systems that only need routine cleaning and inspection on an infrequent basis. Lift Stations are required when gravity sewers cannot be designed due to topographical considerations such as hills and valleys often due to rivers and creeks and tributaries, where lift stations require a high level of maintenance and attention by dedicated staff for reliable operation. Privately Owned Wastewater Treatment Systems, commonly referred to as POWTS, are sanitary systems such as mound systems, septic systems or holding tanks. These POWTS are typically constructed when sanitary sewer is not available, often due to gravity sewer not being feasible due to topography or due to lift stations with force mains being cost prohibitive.

Allowable Discharge and Capacity

The Sewer Utility would need to confirm design parameters and can model a conceptual sanitary collection system. This system would be designed based on the allowable discharge capacity into the existing municipal intercepting sewer at Granville and County Line Road. Based on the 2050 Facilities Plan for the Milwaukee Metropolitan Sewerage District (MMSD), the City of Mequon Sewer Utility is limited to approximately 3.5 million gallons per day (MGD). Existing allocated flow within the system is less than 3.5 MGD, therefore there is available flow to assign to future growth. The critical elevation, understood as the lowest point of connection to mitigate risk, is 138.80 feet (local datum). Please see the information below regarding how the capacity and critical elevation impacts sanitary sewer service to the area.

With a restriction on the volume of available capacity, an evaluation to size the sewer to allow for ultimate build-out plan and conditions is next. Questions to address: Will the sewer serve only the area bounded by County Line Road to the south, Granville Road to the east, Donges Bay Road to the north and Wausaukee Road to the west? Or should the sewer be sized for an ultimate build out extending north of Donges Bay Road? If the system is not sized appropriately to accommodate future development, the sanitary sewer system would restrict the area and use of the properties allowed to connect.

Capacity is a factor to further evaluate. MMSD further details capacity limits based upon geographic area. These geographic areas are designated as basins and named for the municipality (Mequon is ME) and the basin number. The southwest corner of the City would potentially impact multiple basins. Based on the MMSD 2050 facility plan, the Huntington Park and Swan Ridge area is allowed 170,000 gallons per day from basin ME3009, and basin ME3013 is allocated 3,497,000 gallons per day (3.5 mgd). ME3013 includes Section 31, 30, 29, 20, & 19 as previously introduced above.

The existing topography of the southwest corner of the City includes hills and valleys formed by the Little Menomonee River, the Little Menomonee Creek and unnamed tributaries. The topography in the area north of West County Line Road and west of North Granville Road is limited due to depth of cover, and that topography limits the feasibility of extending sanitary system to the north. If designed, for sanitary sewer service extension along Granville, that area could consider a lift station and a force main. Ownership of the lift station would be included in future policy discussions. Other areas in Mequon with industrial zoning are served by private lift stations and have private force mains. Those property owners incur additional upfront (construction) and ongoing (maintenance) costs.

In lieu of a gravity trunk sewer along North Granville Road, the topography along West County Line Road may allow for gravity sewer service to areas with higher elevations. In addition, the topography along North Wausaukee Road that extend to the north of West County Line Road is approximately 40 feet above the critical elevation and could be considered further or model with funding an additional study to determine if it could be served via gravity sewer.

Area

The area for potential rezoning was identified by Community Development staff ranging from 4,000,000 square feet to 9,500,000 square feet. That equates to 91.83 acres and 206.61 acres respectively. For industrial zoning, water use and domestic or industrial wastewater production can widely vary. Uses may range from a warehouse with little domestic wastewater to a metal fabrication facility with batch dumps, to a beverage facility or rendering plant that creates a high yield wastewater. Typical industrial zoning may apply a 0.1 cubic feet per second per acre for heavy water use, where less water intensive industrial facilities may apply a design factor closer to 0.01 cubic feet per second/acre or less, similar to traditional residential zoning. A range of uses would need to be evaluated to avoid restricting service to properties that would exceed the allowable discharge limit. In addition, if industrial wastewater output is known at other facilities anticipated that would relocate to the area, then a projection could be made, and taken into account to adhere with allowable discharge limit.

The eastern portion of Section 32 consists of Huntington Park and the Swan Ridge Farms Subdivision, and these areas are in the Sanitary Sewer Service Area north of County Line Road, south of Donges Bay Road, and east of the Little Menomonee River. However, Section 31, located west of Granville Road is not in the sanitary sewer service area. In addition, Sections 30, 29, 20 & 19 to the north of Donges Bay Road are also outside of sanitary sewer service area. These areas are not currently allowed to be connected to sanitary sewer without a sewer service area amendment.

Sewer Service Area Amendment

For an area to be served by sanitary sewer, it needs to be included in the Sanitary Sewer Service Area. An amendment to the Sanitary Sewer Service Area requires approvals from the Sewer Utility District Commission, Common Council, the MMSD, the Southeastern Wisconsin Regional Planning Commission, and the Wisconsin Department of Natural Resources by statute. An amendment to the sanitary sewer service area typically takes 6 to 9 months and may follow a rezoning resolution recommended by the City of Mequon Planning Commission.

In addition, those parcels in the sanitary sewer service will incur an annual sanitary tax to pay for capital costs of wastewater treatment. Those connected to the sanitary sewer system will incur the annual sanitary tax plus a quarterly fee for collecting and treating their wastewater.

The most recent amendments to the City of Mequon Sanitary Sewer Service Area included the Swan Ridge Farms Subdivision in 2022, and in 2015 the Central Growth area was added where that now includes the Highlander Estates and Enclave subdivisions. Gravity sanitary sewer extensions were evaluated by consultants for their feasibility and based on the existing topography. Ultimately the City constructed the Wauwatosa Road sanitary sewer mainline, and assessed all benefitting properties for the cost of the sewer. Both subdivision gravity sewer extensions are based on the City's 'Developer-Build-and-Contribute" policy.

Construction Costs

Gravity sanitary sewers are cheaper to construct, operate and maintain compared to lift stations. The cost of piping and excavation are somewhat similar for each, however lift stations require a pump house structure, control panels, SCADA integration for alarms, back-up generators and fuel, ongoing electrical costs, ongoing repairs and maintenance of pumps and valves and replacement of mechanical pumps and valves. Those are elements that create life cycle costs that gravity systems do not require.

Gravity sewers mains can be constructed along terrain to accommodates adequate depth of cover for connecting building sewer laterals. However, drainage features such as creeks or rivers, like the Little Menomonee River, may create topographical challenges to meet design criteria. Preliminary analysis of the topography along County Line Road is favorable to gravity sewer extension. However, the topography along Granville Road would likely require a lift station to cross the Little Menomonee River due to the limited depth of cover to meet the critical elevation at the connection to the sanitary manhole in County Line Road.

Developer Build and Contribute Policy

The City of Mequon has a Developer Build and Contribute policy where the owners of respective land construct infrastructure for the benefit of their privately owned site development, then contribute the infrastructure in the public right of way to the City. This is regulated by a Development Agreement at the time of application.

Assessment to Benefitting Properties

As noted above, the City has utilized special assessments as a mechanism to distribute the cost of public infrastructure among benefitting properties. In the Developer Build and Contribute model, the developer is funding the cost of the public infrastructure. For sanitary sewer, this increases the cost of construction for properties located further from existing infrastructure than other properties. In the past, the City has utilized special assessments to allow equal access to public utilities for all property owners, while also equitably distributing the costs. This ensure that existing rate payers do not bear the cost of development. However, this also adds cost to all benefitting property owners, whether they intend or are ready to develop or not.

Public infrastructure funding will be a critical policy decision for serving the southwest corner of the City.

memo

To: Economic Development Board

From: Eric Fulsaas, PE – Engineer, City Water and Jim Voigt – Operations Manager, City Water

Date: June 16, 2023

Re: SW Industrial Area Water Service Concept

Mequon Water Utility (Utility) service to the conceptual Southwest Industrial Area (SW Industrial Area) depends on a number of factors. These factors include both physical engineering requirements along with regulatory and governmental processes. Below is a summary of the various factors and the information or processes needed to address the factor.

Engineering Requirements

Water distribution systems must be sized to meet both the domestic water consumption and fire protection requirements. In most cases, the limiting design factor of the distribution system is the fire protection requirements. Currently the Mequon Water Utility water connection policy requires new commercial and industrial developments to meet a fire flow requirement of 2,500 gpm unless granted an exemption. ISO fire flow recommends a required fire flow of 3,500 gpm for three (3) hours for industrial areas. The Utility would have to determine if the existing Mequon water connection policy requirement would apply or if the Utility would adopt a higher requirement for the SW Industrial Area.

The Utility would need to confirm that fire protection is the limiting factor for distribution design and not domestic water consumption. At this stage there is not sufficient information to estimate water consumption for the SW Industrial area, as the utility has no idea how water intensive the industrial customers that develop in the area will be. Warehousing typically has a very low domestic demand, but very high fire flow demand, whereas a bottling plant is the exact opposite.

After the flow requirements are determined (domestic and fire protection), the conceptual distribution and transmission mains could be modeled. The nearest public water main will be located at the intersection of County Line Road and Swan Road pending the construction of a new subdivision, Swan Ridge Farms. This development will add a second connection between the Utility and Milwaukee Water Works (MWW) capable of providing 1,500 gpm at normal operating conditions.

While not currently modeled for verification, serving the SW Industrial Area from Swan Rd may not be feasible or desirable. Serving the SW Industrial Area from the upcoming second connection requires a long dead end greater than 5,300’. A dead end both impacts available fire flow and service reliability. Dead ends require larger diameter mains to meet similar fire flow requirements compared to looped systems because water flows only from a single direction. Upsizing the dead-end infrastructure to meet fire flows typically results in a main that is oversized for domestic usage and requires continual flushing and maintenance to maintain a chlorine residual. Additionally, a long dead end would have no redundancy and a single main break anywhere on the main would shut down the entire SW Industrial Area. A potential solution to this issue would be a third MWW connection closer to the proposed SW Industrial Area.

If a third MWW connection is the chosen solution to serving the SW Industrial Area, the Utility would need to contact MWW for system information at the proposed connection point (elevation, pressure, available flow). The third connection would greatly decrease the length of dead end main to serve the SW Industrial Area, but would require a new wholesale meter vault. This vault is required at the boundary of the MWW and Mequon Utility system and meters the water the Utility purchases from MWW. Assuming the MWW system is looped, a proposed third connection point may require smaller diameter mains to provide the same level of service compared to serving from the second connection.

Regulatory and Governmental Requirements

Serving the SW Industrial Area also has non-engineering factors to consider. The Mequon Water Utility is a voluntary utility and all expansion is under a *build and contribute* model. This requires a developer or property owner to fund the design and construction of any new public water mains and then transfer the ownership title of the infrastructure to the Utility. This includes the possibility of the City acting as the “Developer” here and building/contributing the infrastructure to the Utility as was done with the TIF district on

Mequon Rd in 2008. Depending on the needed infrastructure requirements based on engineering, the cost to install the infrastructure could vary greatly. The Utility requires a water service agreement with any developer stipulating the conditions of any build and contribute project. This agreement is drafted by Utility and City staff but requires Water Commission approval. Details of the process required to connect to the Mequon Water Utility can be found in the existing Water Connection Policy.

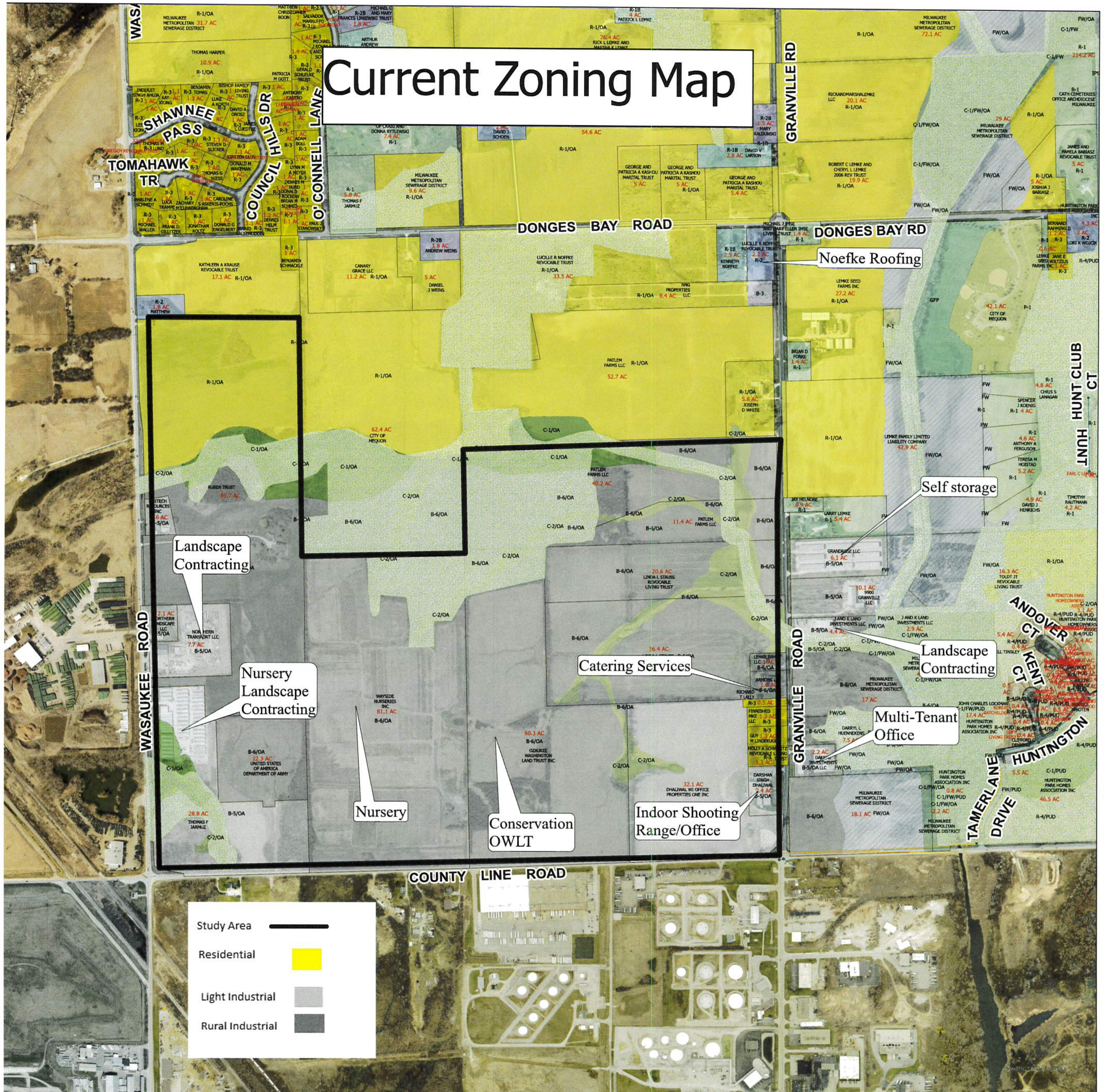
The SW Industrial Area is within the City of Mequon limits, so the Utility can provide service without Public Service Commission (PSC) approval. Depending on the infrastructure requirements and design, the main extension may require PSC Construction Authorization. Authorization is required for main extensions if the main is eight inches or greater in nominal diameter and three or more miles long. If PSC authorization is required, regulatory approval may take up to 180 days. PSC authorization is also required if there is a third meter pit or supply point to serve this area.

The SW Industrial Area is not within the current Mequon Water Utility User Service Area. If the SW Industrial Area was included in the Sanitary Sewer Service Area, the Water Utility User Service Area would automatically expand to match the Sanitary Sewer Service Area per Section III of the Water Connection Policy. If it is determined that sanitary service is not provided, the Water Commission would need to approve the addition of of this area to the Water Utility User Service Area in order to allow for water main extension and service of Utility customers in this area. This would follow a process similar to the recent addition of the Ulao Creek Neighborhood to the Water Utility User Service Area.

If a third connection with MWW is determined to be the best service method for the SW Industrial Area, a contract amendment with MWW would be required. This amendment would need to establish the location of the third connection and the normal operating conditions. If a contract amendment is required, the amendment would need to be approved by both Mequon and Milwaukee, which would take roughly six months based on meeting schedules.

Any infrastructure that is proposed also requires DNR approval. State code Chapter NR 108 allows the DNR 90 days to review plans for new construction or improvements relating to a public water system. The DNR currently has an average review process timeframe of 55-65 days for water main only plans, with all other plan types around 60-90 days.

Current Zoning Map



CURRENT ZONING STANDARDS:

B-5 (Light Industrial) and B-6 (Rural Industrial)

Sec. 58-298. - B-5 light industrial district.

(a) *Purpose*. The B-5 light industrial district is intended to provide for the development of limited industrial and office uses.

(b) *General requirements.*

(1) The development shall be designed and sized in a manner which is architecturally, aesthetically and operationally harmonious with surrounding development.

(2) All business, servicing, processing or storage except for off-street parking or loading, shall be conducted within completely enclosed buildings unless specifically approved by the planning commission.

(3) The development shall be improved with underground utilities.

(4) Site access shall be oriented to internal circulation drives with limited access provided to city streets.

(5) No external nuisance which is offensive by reason of odors, lighting, smoke, fumes, dust, vibrations, noise, pollution or hazardous by reason of excessive danger of fire or explosion shall be permitted.

(6) In approving or disapproving proposed locations for uses under this section the planning commission shall give due consideration to the character and suitability of development for the area in which any such use is proposed to be located and shall also base its decision on such evidence as may be presented to the city planning commission regarding traffic generation, ground water impact, sewage disposal impact, lighting, soil limitations and the emission of noise, smoke, dust or dirt, odorous or noxious gases attributed to the proposed use. The city planning commission, in applying the provisions of this section, shall in writing recite the particular facts upon which it bases its conclusion. The applicant shall have an opportunity to present evidence contesting such unsuitability or propose adequate mitigation, if they so desire. Thereafter, the city planning commission may affirm, modify or withdraw its determination of unsuitability.

(7) Site development shall be approved by the planning commission in accordance with this chapter.

(8) [Reserved.]

(c) *Permitted uses.* Permitted uses shall include, but not necessarily be limited to, the following:

(1) Light manufacturing.

(2) Processing.

(3) Wholesaling.

(4) Distribution.

(5)

Research and development.

(6) Printing and publication.

(7) Professional offices and services including, but not limited to, accounting, architectural, chiropractic, dental, medical, engineering and legal services.

(8) Business offices and services including, but not necessarily limited to, advertising agency, management consulting, manufacturing representatives, public relations, stenographic, travel agency and duplicating services.

(9) Financial, insurance and real estate offices and services including, but not necessarily limited to, financial institutions, security brokers, holding and investments, insurance agency, insurance carriers, governmental and public services.

(10) Reupholstery and furniture repair.

(11) Specialty trade contractor or building service provider without outside storage of materials including but not limited to: landscaping, exterminating, carpentry, plumbing, electrical, and janitorial services.

(d) *Permitted accessory uses.* Garages for storage of vehicles used in conjunction with the operation of the business or for occupants of the premises.

(e) *Conditional uses.* Conditional uses shall include, but not necessarily be limited to, the following:

(1) Barbershops and beauty salons.

(2) Bookstores.

(3) Commercial child day care facilities.

(4) Restaurants (not including fast food facilities).

(5) Florists (not including greenhouses).

(6) Gift shops.

(7) Pharmacies.

(8) Studios for photography, painting, music, sculpture, dance or other recognized fine art.

(9) Residential quarters for the owner, proprietor, commercial tenant, employee or caretaker located in the same building as the business.

(10) Lumber and building supply yards.

(11) Transportation terminals.

(12) Warehousing as principal use.

(13) Automobile service facilities.

(14) Satellite dishes and transmission towers.

(15)

Public and/or private utilities, telecommunication installations, transmission and distribution lines, poles, and other accessories. Specific regulations related to wireless telecommunication installations shall be subject to this chapter When a utility proposes a main inter-city transmission facility, the utility shall give notice to the city of such intention and of the date of hearing before the public service commission. Public and/or private utility installations less than three feet in height shall be subject only to City of Mequon staff approval and may be allowed subject to staff-imposed conditions regarding, among other things, effective screening from public view with all season vegetation.

(16) Development that includes a proposed modification to one or more standard district regulation applicable to the base zoning district and located on a vacant parcel which is non-conforming to the required base zoning district standards for minimum lot size or minimum lot width.

(17) Pet day-cares and kennels pursuant to the specific requirements set forth in division 11

(18) Fitness centers.

(19) Development that includes a proposed modification to one or more standard district regulation applicable to the base zoning district and located on an improved parcel with an existing structure in which parcel, or improvement, or both, are non-conforming to any of the required base zoning district standards.

(20) Indoor sport shooting range.

(21) Resale furniture and household merchandise.

- The resale floor area shall not exceed 3,000 square feet.
- No outdoor display of merchandise.
- All windows into the tenant space shall remain clear of merchandise or shelving unless approved by planning commission.
- No sale of clothing or clothing accessories.

(22) Architectural salvage.

- The resale floor area shall not exceed 3,000 square feet.
- No outdoor display of merchandise.
- All windows into the tenant space shall remain clear of merchandise or shelving unless approved by planning commission.
- No sale of clothing or clothing accessories.

(23) Outdoor power equipment stores, including the servicing, repair and sales of new and used outdoor power equipment (equipment containing small engines or motors) and related parts, supplies, attachments and accessories.

(f) *Lot size*. The minimum lot size shall have an area of not less than one acre.

(g)

Building size/floor area ratio. The building(s) floor area ratio shall not exceed 30 percent.

(h) *Building height.* The height of any structure shall not exceed 50 feet unless otherwise allowed in accordance with section 58-418.

(i) *Minimum building setback.* All structures within the B-5 district shall be set back from the ultimate road right-of-way as follows:

(1) Freeways, 50 feet.

(2) All other streets and highways (excluding local streets), 65 feet, except when parking is proposed between the road and building the minimum setback shall be 95 feet.

(3) Local streets, 60 feet.

(j) *Minimum building offset.* No building or structure, hereafter erected, shall be placed closer than 20 feet to a side or rear lot line. If, however, adjoining property is zoned residential, no building or structure shall be placed closer than 30 feet to the adjoining residentially zoned lot line.

(k) *Open space ratio.*

(1) The open space ratio shall not be less than 40 percent except as follows:

a. Future additions to buildings that were approved by the planning commission prior to August 12, 1994, shall be subject to a 30 percent open space ratio.

b. Properties which were the subject of planned unit development zoning or development agreement approval prior to August 12, 1994, shall be subject to the contractual open space ratio approved by the city pursuant to such planned unit development zoning or development agreement.

c. Construction of additional buildings on sites developed prior to August 12, 1994, shall be subject to a 30 percent open space ratio.

d. Proposed redevelopment/reconstruction of sites developed prior to August 12, 1994, shall be subject to the 40 percent open space ratio if the redevelopment razes more than 50 percent of the existing building(s). If the redevelopment does not raze more than 50 percent of the existing building(s), a development shall be subject to a 30 percent open space ratio.

(2) No lot or parcel that was previously developed under a less restrictive open space ratio shall be deemed nonconforming due to lack of compliance with this current more restrictive open space ratio.

(l) *Lot width and lot length.* The minimum average lot width and minimum average lot length shall be 150 feet.

(m) *Off-street parking.* Off-street parking shall be in accordance with applicable regulation set forth in this chapter.

(n)

Minimum parking and driveway offset. No driveway or parking area shall be located closer than 20 feet from a side or rear lot line unless specifically waived by the planning commission.

(o) *Minimum parking setback.* No driveway (excluding the portion of driveway required for road access) or parking area shall be located closer than 25 feet to the ultimate road right-of-way.

(p) *Loading docks.* Loading docks shall generally not face a dedicated or reserved public street.

(q) *Roof-mounted equipment.* Roof-mounted equipment shall be located, screened and/or painted to minimize visibility from streets and adjacent sites.

(r) *Storage.* Garbage and refuse containers shall be screened from view from streets and adjacent sites.

(Code 1957, § 3.08(5); Ord. No. 99-984, 1-11-2000; Ord. No. 2001-1008, 3-13-2001; Ord. No. 2003-1079, §§ IX, X, 9-9-2003; Ord. No. 2005-1143, § 15, 9-13-2005; Ord. No. 2006-1180, § II, 3-14-2006; Ord. No. 2008-1238, § I, 4-8-2008; Ord. No. 2008-1254, § I, 10-14-2008; Ord. No. 2008-1265, § V, 1-13-2009; Ord. No. 2010-1316, § I, 6-8-2010; Ord. No. 2015-1461, § I(Att.), 11-10-2015; Ord. No. 2019-1540, § I, 3-12-2019; Ord. No. 2019-1543, Exh. B, 4-9-2019; Ord. No. 2019-1559, § III, 1-14-2020; Ord. No. 2021-1588, § I, 5-11-2021)

Editor's note— Ord. No. 2008-1265, § V, adopted January 13, 2009, deleted subsection 58-298(e)(1), thus renumbering subsections 58-298(e)(2)—(18) as 58-298(e)(1)—(17). Subsequently, Ord. No. 2008-1265, § V, added subsection 58-298(e)(19), which was renumbered as subsection 58-298(e)(18), at the discretion of the editor, to preserve the style of this Code. See also the Code Comparative Table.

Sec. 58-299. - B-6 rural industrial zoning district.

(a) *Establishment.* The B-6 district is established to provide the opportunity for low intensity and low impact industrial development that preserves rural character and viewsheds within the unsewered rural area.

(b) *General requirements.*

(1) All industrial uses shall be administered as conditional uses. Therefore, the planning commission shall have authority to require conditions of approval deemed necessary to protect, among other things, the city's tax base, natural environment, and quality of life. Above average traffic (i.e., auto and truck) generation, water use, and sewer use industries are discouraged.

(2) All business, servicing or processing, except for off-street parking or loading, shall be conducted within completely enclosed buildings. Outside storage is not permitted except as specifically approved by the planning commission.

(3) The planning commission shall have authority to require conditions of approval deemed necessary to protect the area's rural character and moderate the possible negative visual and operational impacts of industrial development.

(4) No external nuisance, which is offensive by reason of odors, lighting, smoke, fumes, dust, vibrations, noise, and pollution or hazardous by reason of excessive danger of fire or explosion, shall be permitted.

(5) In approving or disapproving proposed locations for uses under this section the planning commission shall give due consideration to the character and suitability of development for the area in which any such use is proposed to be located and shall also base its decision on such evidence as may be presented to the city planning commission regarding traffic generation, ground water impact, sewage disposal impact, lighting, soil limitations and the emission of noise, smoke, dust or dirt, odorous or noxious gases attributed to the proposed use. The city planning commission, in applying the provisions of this section, shall in writing recite the particular facts upon which it bases its conclusion. The applicant shall have an opportunity to present evidence contesting such unsuitability or propose adequate mitigation, if they so desire. Thereafter, the city planning commission may affirm, modify or withdraw its determination of unsuitability. The presumption shall be in favor of the planning commission's findings and requirements regarding the limitations on the type and size of proposed businesses.

(6) Site development shall be approved by the planning commission in accordance with sections 58-107 to 58-112; 58-439 to 58-442; and 58-562 to 58-567.

(c) *Permitted uses.*

(1) Agricultural uses.

(d) *Accessory uses.*

(1) Residential quarters for the owner/proprietor located in the same building as the business.

(2) Accessory buildings and uses customarily incidental to the above uses including, but not limited to, garages and dumpster storage facilities.

(e) *Conditional uses.*

(1) Light industrial uses (note: these uses shall not include heavy fabrication, food processing, warehousing/distribution, transportation terminals, junkyards, and lumberyards as a principle use.

(2) Public and or private utility, transmission and distribution lines, poles, and other accessories provided that when the utility proposes a main inter-city transmission facility, the utilities shall give notice to the planning commission of such intention and of date of hearing before the public service commission, and before actual construction shall file with the planning commission a map description of the route of transmission line. Public and/or private utility installations less than three feet in height shall be subject only to city staff approval and may be allowed subject to staff imposed conditions regarding, among other things, effective screening from public view with all season vegetation.

(3) Wineries.

(4) Microbreweries.

(5) Indoor sport shooting range.

(f) *Lot size.* The minimum lot size shall have an area of not less than five acres.

(g) *Floor area ratio.* The building(s) floor area ratio shall not exceed 30 percent.

(h) *Building height.* The height of any structure shall not exceed 35 feet.

(i) *Minimum building setback.* All structures within the B-6 district shall be set back a minimum of 100 feet from the ultimate road right-of-way.

(j) *Minimum building offset.* No building or structure, hereafter erected, shall be placed closer than 50 feet to a B-6 zoned side or rear lot line and/or 100 feet to a residentially zoned side or rear lot line.

(k) *Open space ratio.* The open space ratio shall not be less than 40 percent.

(l) *Lot width.* The minimum lot width shall be 300 feet.

(m) *Off-street parking.* In accordance with applicable regulation set forth in sections 58-439 to 58-442.

(n) *Minimum parking and driveway offset.* No driveway or parking area shall be located closer than 50 feet to a B-6 zoned side or rear lot line and/or 100 feet to a residentially zoned side or rear lot line.

(o) *Minimum parking setback.* No driveway (excluding the portion of driveway required for road access) or parking area shall be located closer than 50 feet to the ultimate road right-of-way.

(Ord. No. 2005-1157, § I, 1-10-2006; Ord. No. 2012-1391, § I, 1-8-2013; Ord. No. 2013-1396, § I[Att.], 4-9-2013; Ord. No. 2015-1461, § I(Att.), 11-10-2015)

USE TABLE

Uses	City of Mequon B5 Light Ind	City of Mequon B4 Business Park	City of Mequon B6 Rural Ind	City of Mequon UC MC Mixed Comm	NEW SW	Menomonee Falls I1 Light Ind	Menomonee Falls I2 Heavy Ind	Menomonee Falls I3 Executive	Germantown M1 Limited Ind	Germantown M2 General	Germantown M3 Special	Germantown HIA Overlay
light manufacturing	P	C	C	P	P	P		P	p	P	P/C	
processing	P	C			P	P		P				
wholesale	P	C			P	P			P	P	P	
distribution	P	C			P	P						
R & D	P	C		P	P	P		P				
Print and Publication	P	C			P	P						
offices	P	P			P	P		P				
furniture repair	P				P							
specialty trade	P			P								
salons	C	C		C								
bookstores	C	C										
daycare	C	C			ACCESSORY			P		C		
non fast food restaurants	C				ACCESSORY							
florists - large scale assembly and storage	C	C			P							
gift shops	C	C										
pharmacy	C	C			ACCESSORY							
studios for art	C	C										
lumber / bldg supply	C			P	C	C						
transporation terminals	C				C		C					
warehousing	C	C			C	P			p	P	P	
auto service	C	C										
pet day care / kennels	C	C		C								
fitness centers	C	C						P				
indoor sport shooting	C		C									
resale furniture and household merch	C											
architectural salvage	C											
outdoor power equiipment	C											
theatres		C										
agriculture			P	P	NON CONFORM					C		
wineries			C	P								
microbreweries			C	P								
storage					P	P			P	P/C	P	
commercial bakeries				C	P							
greenhouses				P				P				
corporate campus					P	P		P				
salvage					C		C					
heavy manufacture					C		C	P				
High tech w corporate and headquarters				P	P							
athletic fields				P/C				P				
banks								P				
data processing				P	P			P				
recycling					P					C		
second had goods retail										C		
landfill										C		
schools				C								
religious institutions				C								
vet clinics				C								
Lodge / clubs				C								
Performing Arts Center				C								

TECHNICAL STANDARDS	
Min Lot Size	2 Acre
Min Lot Width	150 feet
FAR	50%
Bldg HT	50 feet
Setback	50 feet
Offset*	30 feet
Open Space	30%

P=Permitted
C=Conditional

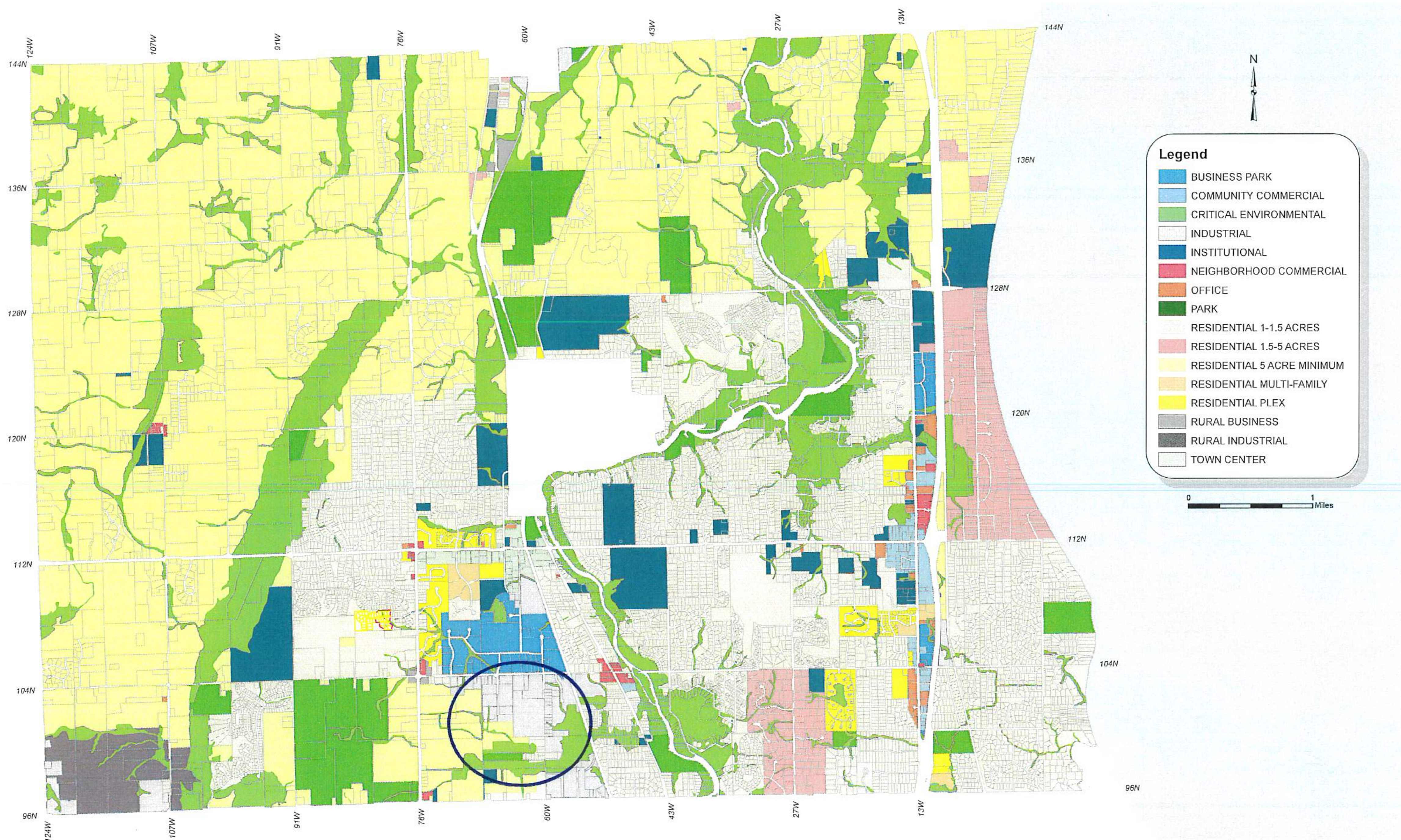
Attachment: Zoning Use Table and Comparison (8572 : Industrial Land Uses)

Rating system

Surface rating	Visible distress*	General condition/ treatment measures
10 Excellent	None.	New construction.
9 Excellent	None.	Recent overlay. Like new.
8 Very Good	No longitudinal cracks except reflection of paving joints. Occasional transverse cracks, widely spaced (40′ or greater). All cracks sealed or tight (open less than 1⁄4″).	Recent sealcoat or new cold mix. Little or no maintenance required.
7 Good	Very slight or no raveling, surface shows some traffic wear. Longitudinal cracks (open 1⁄4″) due to reflection or paving joints. Transverse cracks (open 1⁄4″) spaced 10′ or more apart, little or slight crack raveling. No patching or very few patches in excellent condition.	First signs of aging. Maintain with routine crack filling.
6 Good	Slight raveling (loss of fines) and traffic wear. Longitudinal cracks (open 1⁄4″–1⁄2″). Transverse cracks (open 1⁄4″–1⁄2″), some spaced less than 10′. First sign of block cracking. Sight to moderate flushing or polishing. Occasional patching in good condition.	Shows signs of aging. Sound structural condition. Could extend life with sealcoat.
5 Fair	Moderate to severe raveling (loss of fine and coarse aggregate). Longitudinal and transverse cracks (open 1⁄2″ or more) show first signs of slight raveling and secondary cracks. First signs of longitudinal cracks near pavement edge. Block cracking up to 50% of surface. Extensive to severe flushing or polishing. Some patching or edge wedging in good condition.	Surface aging. Sound structural condition. Needs sealcoat or thin non-structural overlay (less than 2″)
4 Fair	Severe surface raveling. Multiple longitudinal and transverse cracking with slight raveling. Longitudinal cracking in wheel path. Block cracking (over 50% of surface). Patching in fair condition. Slight rutting or distortions (1⁄2″ deep or less).	Significant aging and first signs of need for strengthening. Would benefit from a structural overlay (2″ or more).
3 Poor	Closely spaced longitudinal and transverse cracks often showing raveling and crack erosion. Severe block cracking. Some alligator cracking (less than 25% of surface). Patches in fair to poor condition. Moderate rutting or distortion (greater than 1⁄2″ but less than 2" deep). Occasional potholes.	Needs patching and repair prior to major overlay. Milling and removal of deterioration extends the life of overlay.
2 Very Poor	Alligator cracking (over 25% of surface). Severe rutting or distortions (2″ or more deep). Extensive patching in poor condition. Potholes.	Severe deterioration. Needs reconstruction with extensive base repair. Pulverization of old pavement is effective.
1 Failed	Severe distress with extensive loss of surface integrity.	Failed. Needs total reconstruction.

** Individual pavements will not have all of the types of distress listed for any particular rating. They may have only one or two types.*

CITY OF MEQUON - LAND USE PLAN - 2035

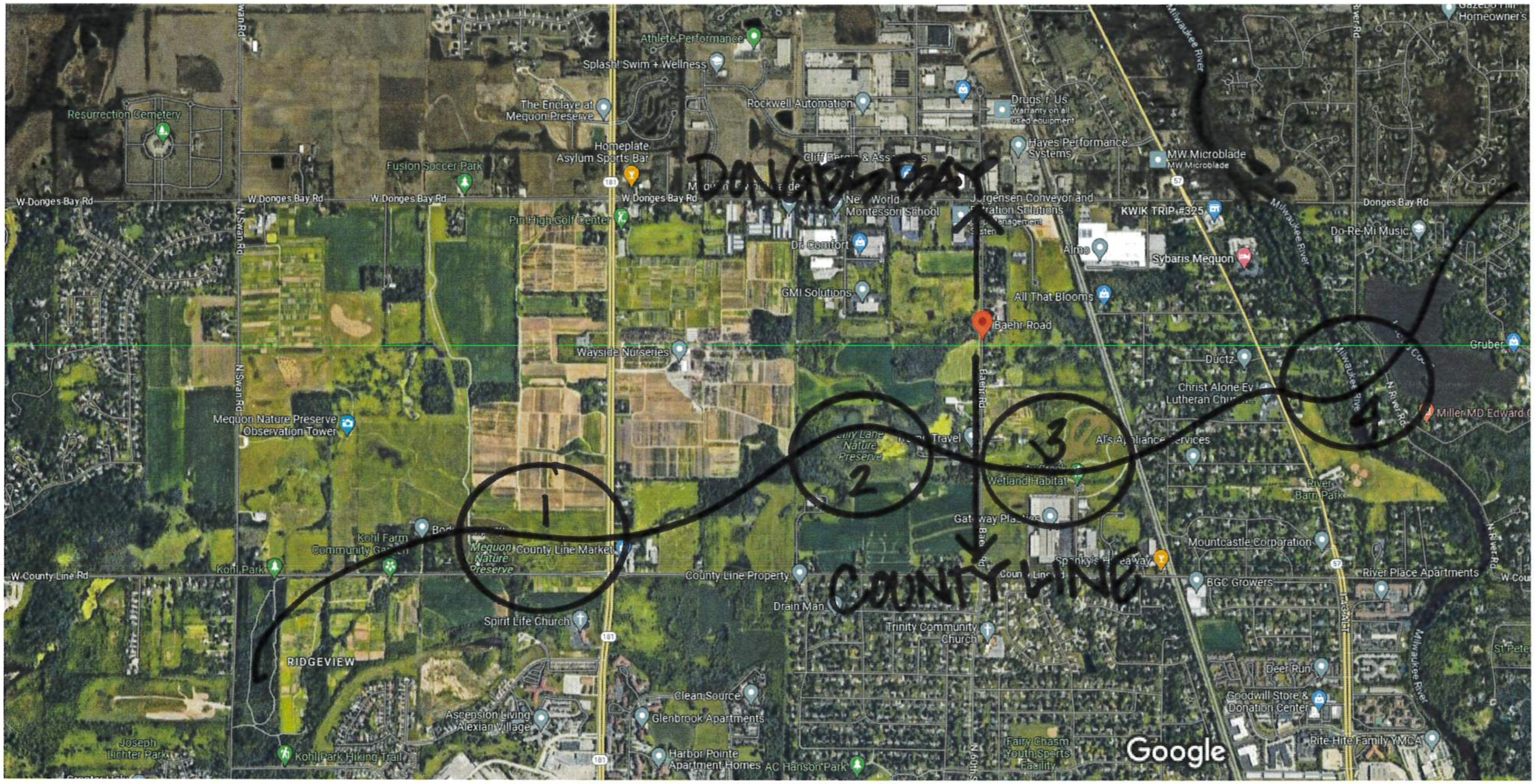


1. PROPERTY SHALL NOT BE CLASSIFIED AS NON-CONFORMING IF ITS ZONING DESIGNATION IS DIFFERENT THAN ITS LAND USE PLAN DESIGNATION

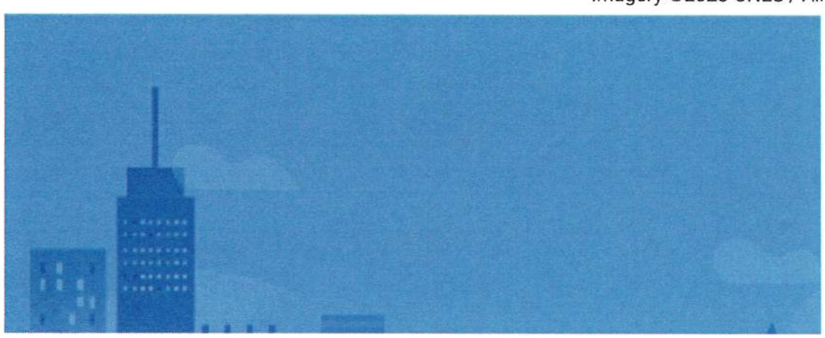
2. THE LAND USE PLAN MAP IS A GENERAL ILLUSTRATION OF FUTURE LAND USE AND IS NOT INTENDED TO REFLECT THE DETAILS OF EXISTING DEVELOPMENT LAND USES

Attachment: Land Use Map (8572 : Industrial Land Uses)

Google Maps Baehr Rd



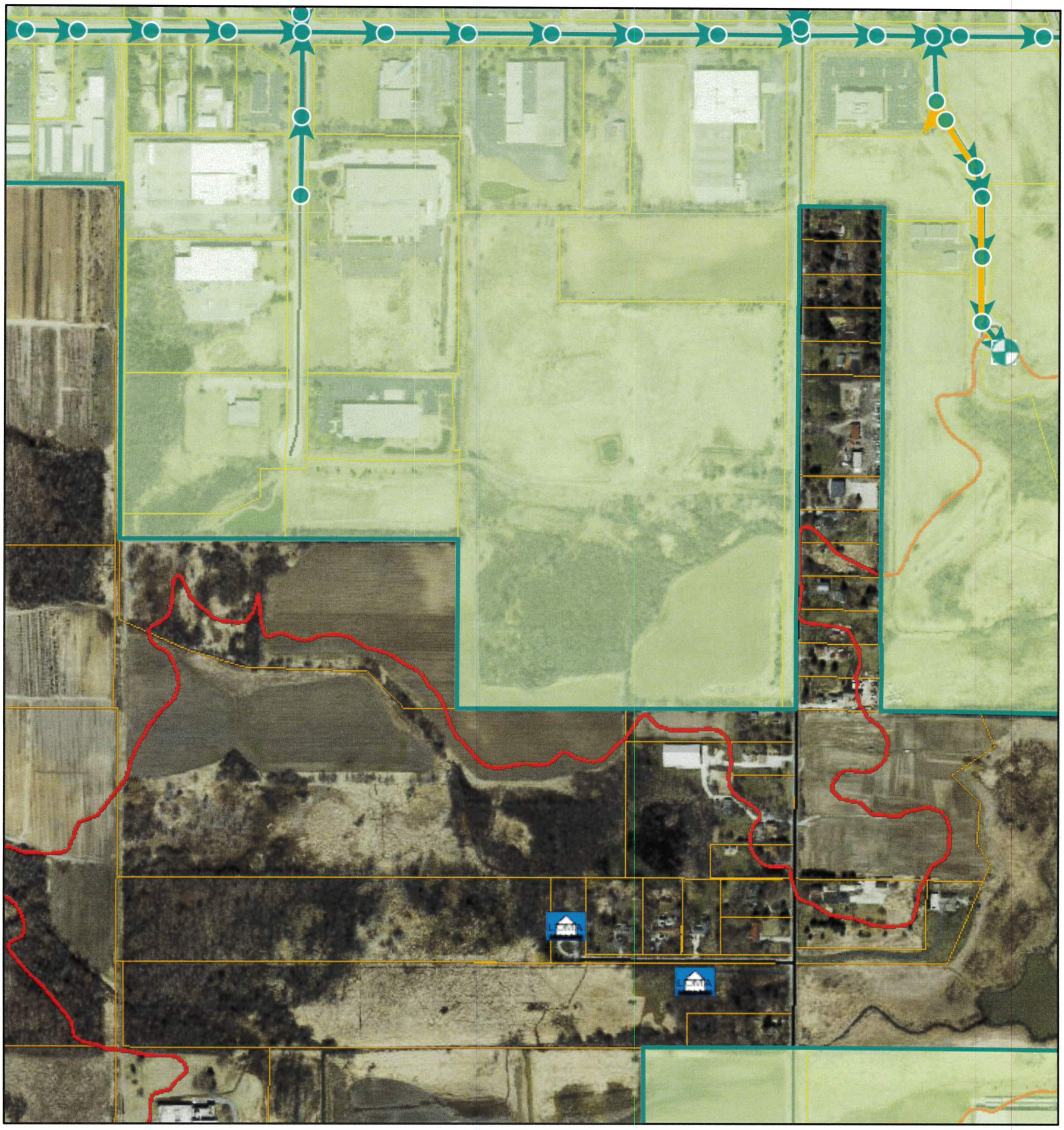
Imagery ©2023 CNES / Airbus, Maxar Technologies, U.S. Geological Survey, USDA/FPAC/GEO, Map data ©2023 Google 1000 ft



1. NATURE PRESERVE
2. LILY LANE PRESERVE
3. TRINITY CREEK RESTORATION
4. MILWAUKEE RIVER

Attachment: Google Map (8572 : Industrial Land Uses)

City of Mequon



6/23/2023, 9:58:28 AM

Sanitary Structures
Lift Station
Manhole
Wet Well
Sanitary Pipes
Force Main
Main

Sewer Utility District
FEMA Floodlines
A - 100 Year Floodplain
AE - 100 Year Floodplain with BFE
FLOODWAY
Shoreland and Floodplain Zoning Fill
Base Flood Elevations

Floodplain Islands
Floodplain Fill
LOMA
Parcels
Road Reservation
Road Right-of-Way
Condominium

1:9,028

0 0.05 0.1 0.2 mi

0 0.07 0.15 0.3 km

Milwaukee County GIS & Land Information | Source: USDA NRCS, Esri |

Attachment: City of Mequon Sewer Map (8572 : Industrial Land Uses)

11333 N. Cedarburg Road
Mequon, WI 53092-1930
Phone: 262-242-3100
Fax: 262-242-9655

www.ci.mequon.wi.us **Office of Administration**

TO: **Committee of the Whole**
FROM: **Justin Schoenemann, Assistant City Administrator**
DATE: **July 3, 2023**
SUBJECT: **Proposed Implementation Plan - 2022 Classification & Compensation Study**

Background

The last time the City completed a compensation analysis was in 2014 with the assistance of Verisight. Since the completion of the 2014 study, the City has provided non-represent employees with a cost-of-living adjustment each year, as well as a merit increase on top of the annual cost-of-living adjustment in 2019 and 2020. The merit system was suspended in 2021 due to the impacts of COVID-19 and the organization's need to pivot resources to maintain existing staffing levels. As such, employees received a 1% wage adjustment for that year. In 2022, all employees who satisfactorily completed an annual evaluation received a 2.5% wage increase. Subsequently, the City provided a 3% wage adjustment for employees. Below is a table that depicts the City's' year-over-year wage adjustments for non-represented employees.

Annual Cost-of-living Adjustment (COLA) for Non-Represented Employees									
Year	2015	2016	2017	218	2019	2020	2021	2022	2023
COLA	2%	1.75%	1.5%	1.75%	2%+1%	2%+1%	1%	2.5%	3%

In June of 2022, the City of Mequon commenced a Classification and Compensation Study for all non-represented positions within the organization. The study's goal was to have an external expert review the City's existing pay structure and policies. To complete that study, GovHR held virtual kickoff meetings with staff last summer. Subsequently, employees completed a number of steps, including answering job analysis questionnaires and participating in virtual one-on-ones with GovHR's team to document the duties of each position. While GovHR analyzed the City's internal data provided by staff, its team also gathered data from 19 other regional local governments identified by GovHR as comparable organizations. GovHR presented its initial findings to the Common Council in January of this year. Following that meeting, GovHR's team refined the data, culminating in a report that was finalized in March. Additionally, as part of the study, GovHR's team created a new pay scale for all non-represented positions based on the internal and external data that was collected. A copy of the final report is attached.

Analysis

At its April meeting, the Common Council approved the first two implementation steps recommended by GovHR. The Common Council authorized the new pay plan, which is now in effect for all non-represented positions, and approved the distribution of funds set aside in this year's budget to increase compensation for employees with wages that fell below their new prescribed pay grade. Those employees are now at the minimum of their respective grades, and the necessary payroll adjustments were completed in May. Now the organization is positioned to consider additional implementation steps recommended by the study.

As the City moves into 2024, staff recommends it be the organization's goal to implement the third recommendation from the study, which is a one-time longevity increase. More specifically, the study suggests the City provide a 1% wage increase for employees who have been with the organization between 3 years and 8 years, a 2% salary increase for employees between 8 and 15 years, and a 3% wage increase for those who have been employed longer than 15 years.

Furthermore, GovHR recommends the continued practice of providing employees with an annual cost-of-living adjustment and an additional merit increase based on individual performance each year, in connection with advancing employees through their pay grades. While a cost-of-living and merit adjustment system can move employees through their pay grade year-over-year, it would benefit the organization to add a mechanism to ensure employees are advancing through their pay grade, in the event the merit system does not adequately do so over the duration of an employee's career.

Additionally, the recommendations in the compensation study necessitate the development of new annual performance evaluation forms that all departments can use as the City heads into 2024. The new forms will include a system to derive a score based on individual performance, that will in turn determine an employee's merit increase. The merit increase will be in addition to the annual cost-of-living adjustment. With the City's goal of providing the one-time longevity increase recommended by the study in 2024, it is anticipated that the organization will be able to resume the merit system starting in 2025.

Fiscal Analysis

The City set aside $50,000 in funds to finance the initial implementation costs of the study this year. After adopting the new pay plan, the full amount was authorized and allocated to address employees with compensation below the minimum of their pay grades. Going into 2024 additional funds will be needed to support the goal of implementing the one-time longevity adjustment recommended by the study. To that end, City staff will present background information, fiscal analysis, and implementation goals to members of the Council at the July Committee of the Whole meeting to gather feedback. The implementation process for the one-time longevity adjustment and all other goals going forward is anticipated to occur through the annual budgeting process. This approach affords the Common Council the opportunity to view the implementation costs associated with the study, in conjunction with other annual budget priorities.

Recommendation

As indicated, City staff will be in attendance at the July 11 Committee of the Whole meeting to provide an overview regarding the key components of the proposed plan for implementing recommendations contained within the 2022 Classification and Compensation Study, and to gather input from members of the Committee.

Attachments:
City of Mequon Classification and Compensation Study Report (PDF)

City of Mequon

CLASSIFICATION AND COMPENSATION STUDY

FINAL REPORT

March 2023

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APPENDICES

I. INTRODUCTION

GovHR USA, LLC (GovHR) is pleased to have had the opportunity to work with the City of Mequon on this Classification and Compensation Study. Human resource management is a significant concern as governmental services continue to increase in cost and complexity, and the resources to fund local governments are constrained. Day-to-day operations present challenging administrative problems in planning, organizing, and directing human resource functions in order to achieve maximum efficiency and effectiveness in the delivery of municipal services. A properly developed and administered Classification and Compensation Plan forms the foundation for meeting these challenges. It helps to ensure that the City can not only recruit the best and brightest employees but can also retain those employees, even in a competitive marketplace. By retaining qualified and experienced employees, the City avoids the costs of re-recruitments and lost productivity, while maximizing the benefits of the investments it has made in employees and the institutional and community knowledge acquired by those employees over their tenures.

GovHR understands the high expectations that have been established in Mequon for service delivery and competitiveness in recruiting and retaining excellent employees. These factors have been taken into consideration in the analysis and reflected in the Study results.

A. Scope of Work

The scope of work called for GovHR to carry out the following:

Job Evaluation Analysis and Job Classification System

Below is a list of tasks included in this component of the Study (listed in the order that the work was performed):

- **Study preparation and project meetings**. Met with the Assistant City Administrator to discuss Study methods and expectations, and to review the current Classification and Compensation Plan and organizational structure. GovHR also met with Department Heads to review the project and scope of work.
- **Material distribution**. Prepared a memorandum of explanation, which was distributed to employees. Held meetings with employees to discuss the Job Analysis Questionnaire (JAQ) and to explain the scope and purpose of the Study. Employees were allowed about ten (10) days to complete the questionnaire. The completed questionnaires were then reviewed by each employee's Supervisor and/or Department Head. The JAQs were returned to GovHR within approximately three (3) weeks of distribution.

- **Determined comparable communities and collected compensation data.** GovHR determined a logical survey sample of "like" communities that impact the compensation market of Mequon. Then, GovHR designed and sent out the survey for the benchmark positions covered in the Study. The final list of comparable communities was reviewed in advance with the Assistant City Administrator, Department Heads, and the Common Council.

- **Job Evaluation Analysis and Establishment of a Classification Plan**. Upon return of the JAQs by the City, GovHR performed the following:

  - Read each JAQ and corresponding Job Description in its entirety.
  - Conducted virtual interviews with at least one (1) employee in each position covered by the Study to further understand the scope of duties and responsibilities of the position.
  - Applied a measurement system of Job Evaluation Factors to all positions, which formed the basis for internal rankings (equity) of positions.
  - Upon completion of the Job Evaluation measurements, a new Classification Plan was developed.

Salary Survey

The following tasks were included in this component of the Study:

- Tabulated, summarized, and analyzed comparative compensation information obtained from the comparable communities. Prepared pay tabulations that compared the salary ranges of the City of Mequon to the salary ranges of its comparable communities. Prepared comparison calculations at the 50th, 60th, 65th, 75th and 80th percentiles. Displayed data for each jurisdiction and for each position and summarized the data in table form. Based on discussions with the City and the gathered data, developed salary ranges that would establish Mequon as a payer at the 50th percentile of the salary data from the comparable communities, which is consistent with past practice.

- Based on the above data, developed, and recommended new salary schedules and recommended new Job Titles for some positions.

- Analyzed and summarized the FLSA classifications.

Draft and Final Report Preparation

- A preliminary analysis of the data and recommended Classification and Compensation Plan was shared with the Assistant City Administrator and Department Heads.

- A draft report was prepared by GovHR and sent electronically to the City.

- A presentation of the draft findings was conducted for the City Council.

- This final report has been prepared and transmitted electronically.

II. EXECUTIVE SUMMARY

A Classification and Compensation Study encompasses a significant amount of information that can be time consuming to condense and organize into an abbreviated format. Therefore, GovHR has compiled this Executive Summary in order to provide a quick synopsis regarding the major components, findings and recommendations of this Study. The purpose of a well-designed Classification and Compensation Study is twofold. First, it establishes internal equity (ranking) among employees across Departments in the City. Second, it assures external equity/competitiveness by comparing the compensation of Mequon employees against market data.

A. Internal Equity - Classification Plan Development

The Study developed a new Classification Plan for approximately fifty-five (55) non-union positions in the City and Library. To complete this task, the Consultant completed a Job Evaluation. The Job Evaluation included the completion of a questionnaire by all employees covered in the Study and interviews with at least one (1) employee working in each position covered by the Study (see Appendix A). Upon the completion of those tasks, the Consultants assigned a numerical value to each position so that like positions within the organization would be grouped together in a classification to produce an internal equity hierarchy. Nine (9) factors were used for the evaluation of Mequon's positions:

1) Preparation and Training
2) Experience Required
3) Decision Making and Independent Judgment
4) Responsibility for Policy Development
5) Planning of Work
6) Contact with Others
7) Work of Others (Supervision Exercised)
8) Working Conditions
9) Use of Technology/Specialized Equipment

The product of this internal ranking is shown in Table 1, which lists the City's positions with their Position Score, also known as a Classification Plan. The higher the Job Evaluation Score, the higher the position is within the Classification Plan. Positions are listed in alphabetical order within each grade.

B. Job Title Changes

After conducting the Job Evaluation noted above, the Consultants observed some inconsistencies with the market and the actual duties assigned to some positions. Therefore, the following Job Title changes have been recommended based on clarification of duties and market trends.

Current Title	Proposed New Title
Sewer Foreman	Sewer Section Supervisor
Highway Section Foreman	Highway Section Supervisor
Records Clerk	Records Specialist

C. External Equity – Market Competitiveness

The next component of the Classification and Compensation Study involved establishing external competitiveness. A group of communities comparable to the City was established. The Consultants started with all cities and villages in Ozaukee, Washington, Sheboygan, Fond Du Lac, Dodge, Jefferson, Waukesha, and Milwaukee Counties, plus the communities of Sun Prairie, Middleton, and Pleasant Prairie with a population between 8,000 and 75,000. After that, a specific set of comparison criteria (e.g., total equalized value, property tax levy per capita, basic spending, etc.) was applied to each community (see Appendix B). Based on the results of this analysis, eighteen (18) communities with a total compatibility score of seventy-four (74) or greater were deemed to be most comparable to the City. In addition, the City added Grafton, Pleasant Prairie, and Sheboygan to the list because they have been used as comparables in the past and are competitors in the marketplace. The full list of the twenty-one (21) chosen comparable is listed below.

Grafton*	Brookfield	Brown Deer*
Cedarburg*	Franklin*	Germantown*
Greendale	Greenfield*	Menomonee Falls*
Middleton*	Muskego*	New Berlin*
Oak Creek*	Oconomowoc*	Pewaukee City*
Pleasant Prairie*	Sheboygan*	Sun Prairie*
Wauwatosa*	West Bend*	Whitefish Bay*

**Communities shown above with an asterisk responded to the survey or supplied GovHR with a copy of their Compensation Plan.*

Salary Data

GovHR then prepared and distributed a salary survey to the twenty-one (21) comparable communities. The nineteen (19) communities shown above with an asterisk responded to the survey either by directly responding to the survey or supplying GovHR with a copy of their most recent Compensation Plan. The salary summary results can be found in Table 2 and the detailed salary data can be found in Appendix C. To provide external competitiveness for the City's salaries, the salary ranges derived from this data collection were used to help establish the proposed Compensation Plan. In some cases where there was not enough salary range data, actual salaries were used. The recommended pay ranges are contained within Table 3 of the report.

Proposed Classification and Compensation Plan

The goal of this Study was to recommend a Classification and Compensation Plan that is internally equitable and externally competitive. To accomplish this, a Compensation Plan was developed using the 50th percentile comparison of the salary ranges that were acquired through the salary survey. There are three (3) separate plans: a plan for the non-union City positions, a plan/recommended compensation for the non-union Fire positions; and a plan for the Library positions.

The resulting Classification and Compensation Plan for the City consists of ten (10) pay grades; one (1) being lowest and ten (10) being highest and is broken down into three (3) bands: Grades 1 – 3, Grades 4 – 7, and Grades 8 – 10. All proposed pay ranges are open ranges. There is a 10% gradation between Grades 1 – 3; an 8% gradation between Grades 4 – 7; and a 20% gradation between Grades 8 – 9. Grades 1 – 7 have a 35% range spread from minimum to maximum and Grades 8 – 9 have a 40% range spread from minimum to maximum. Grade 10 is reserved for the City Administrator whose pay is established by contract.

The Classification and Compensation Plan for the Library consists of five (5) pay grades; one (1) being lowest and five (5) being highest and is broken down into four (4) bands: Grades 1, Grades 2 – 3, Grade 4, and Grade 5. All proposed pay ranges are open ranges. There is a 10% gradation between Grades 2 – 3. Grades 1 – 4 have a 35% range spread from minimum to maximum and Grade 5 has a 40% range spread from minimum to maximum.

The Classification and Compensation Plan for the non-union Fire positions consists of five (5) pay grades; one (1) being lowest and five (5) being highest and is broken down into two (2) bands: Grades 1 – 2, and Grades 3 – 5. All proposed pay ranges are open ranges. There is a 10% gradation between Grades 1 – 2 and a 35% range spread. Grades 3 - 5 have a 40% range spread from minimum to maximum.

Future Administration of the Classification and Compensation Plan

Within the body of this report, GovHR has outlined how the City can maintain the Classification and Compensation Plan. GovHR will supply the City with a User's Manual and all associated documents to maintain the Classification and Compensation Plan and the steps to ensure the City remains competitive with the market in the years to come.

III. JOB EVALUATION

GovHR's approach to Job Evaluation involves a quantitative point and factor comparison method, which cross-compares all positions in the organization against numerous factors such as educational requirements, experience, work conditions, etc. Therefore, all jobs in each organizational unit (e.g., Police, Administration, Finance, etc.) may be compared against each other, based upon the same factors.

In conducting the Job Evaluation exercise, it must be emphasized that the position, and not the incumbent's qualifications, performance, or years of service in the position, is evaluated. An incumbent employee may feel he/she should be placed in a higher level (i.e., receive more points) because the individual performs well, has a long tenure with the organization, and/or has additional education or skills not required to perform that job, or may feel he/she does more tasks than a similar employee in another Department, but these are not valid determinants for a position.

Before reviewing the results of the evaluation of the positions, it is important to note that the purpose of a Job Evaluation is to identify whether a job is more or less advanced than, or equal to, other jobs in the organization, based on nine (9) objective factors. While these factor definitions are guidelines, they are constructed to allow limited flexibility of interpretation while at the same time providing a strict framework and structure for comparison. The nine (9) factors used for the evaluation of Mequon's positions are as follows:

1) Preparation and Training
2) Experience Required
3) Decision Making and Independent Judgment
4) Responsibility for Policy Development
5) Planning of Work
6) Contact with Others
7) Work of Others (Supervision Exercised)
8) Working Conditions
9) Use of Technology/Specialized Equipment

As part of the Job Evaluation process, the duties, responsibilities, and qualification requirements for each position were reviewed via a thorough reading of the incumbent's current job description and a Job Analysis Questionnaire (JAQ) completed by each employee (Appendix A). In addition, GovHR conducted interviews with at least one (1) employee in each of the positions covered by the Study. Points were then assigned to each factor by selecting the description that best fits the appropriate level of compliance. In other words, a position that requires a master's degree would receive more points under the "Preparation and Training" factor than positions that did not require this advanced degree. Points for each factor were then totaled for each position. Using this method, the positions were found to fall into distinguishable Job Factor Analysis (JFA) scores and Position Score levels. Table 1 contains the Classification Plan, including the Position Title, the Proposed New Title (if applicable), the Position Score, and proposed Grade for the evaluated positions. Positions are listed in alphabetical order within each grade.

As part of the service provided in the Compensation Study, GovHR makes Job Title change recommendations to either reflect a better description of the job being performed or to be consistent with trends in the organization or the marketplace. Based on this, GovHR recommends the following Job Title changes:

Current Title	Proposed New Title
Sewer Foreman	Sewer Section Supervisor
Highway Section Foreman	Highway Section Supervisor
Records Clerk	Records Specialist

A. Determination of Fair Labor Standards Act Designation

The Fair Labor Standards Act (FLSA) imposes certain minimum wage and overtime pay requirements on employers for jobs that are covered under the Act. Most jobs, including the majority of public-sector jobs, are covered under the Act and entitled to overtime pay. But certain positions, mostly office jobs, are "exempt" from coverage under the Act and therefore not entitled to overtime pay.

Employers often misclassify employees as exempt (and therefore not entitled to overtime pay) because of a misunderstanding of the law or unfamiliarity with the rules. An incorrect determination regarding whether certain positions within an organization are entitled to overtime pay can subject an employer to back pay, penalties and expensive fines if the employees file a complaint with the Department of Labor and if the Department decides to file a lawsuit against the employer. Thus, it is very important to make the proper determination regarding the status of each job within the organization, and whether that job is entitled to the rights and protections afforded to workers under the FLSA.

Before any determination can be made, it is important to become familiar with the many rules, regulations and exceptions contained in the Fair Labor Standards Act. These rules can be complex, and the determination regarding whether a particular position is covered by the Act is not always clear-cut. GovHR began its analysis by having employees complete a questionnaire that has been specifically designed to elicit responses from the employees regarding the types of duties they are required to perform on a regular basis (see Appendix A). The answers provided were generally sufficient for GovHR to determine if the position was or was not exempt under the Act. GovHR also gathered additional information during the employee interviews, including concrete examples of the types of policies the employees had been involved in formulating, or whether the employees had significant input or sole discretion on things such as hiring, firing and discipline of other employees in their departments.

It is important to note that the FLSA provides certain minimum standards that the employer must provide, and that cannot be waived or reduced by the nonexempt employee either individually or through a collective bargaining agreement. The employer can, of course, choose to also apply minimum wage and overtime pay requirements to otherwise exempt employees, or to exceed the minimum requirements for some or all of its employees by agreement.

As a result of a review of the positions covered by the Study, GovHR recommends further review by the City of the following positions to determine if the FLSA assignment of is correct:

Administrative Coordinator	Non-Exempt (currently exempt)
Inspector	Exempt (currently non-exempt)

IV. THE CLASSIFICATION PLAN

A Classification Plan provides for a systematic arrangement of positions into classifications. A position, often referred to as a job (e.g., Administrative Assistant), contains a specific set of duties and responsibilities and that is the objective of the classification process – not the person currently holding that job. A classification is a grouping of positions which have similar levels of knowledge, skills and abilities needed to perform the job. The positions are also similar in nature of work, level of work difficulty and responsibilities. Positions allocated to the same classification are sufficiently similar with respect to the types of factors enumerated above to permit them to be compensated at the same general level of pay. The positions do not have to be identical, they can be in different departments, dealing with different subject matters and performing different duties.

It is this arrangement of positions and resulting classification structure that forms the basis for the Classification Plan. As noted in the previous section, a Job Evaluation and Classification Plan is not intended to assess individual performance. To that end, a position that belongs in a certain classification is not entitled to be placed in a higher classification simply because the individual performs with a high degree of success and efficiency, nor is it placed in a lower classification simply because the incumbent performs with low competence or productivity. Variations in individual performance are not recognized by differences in classifications, instead they are management issues. Similarly, there is a tendency in some work forces to use the Classification Plan to reward longevity, even though the duties and responsibilities of individual positions may not have changed over time. Longevity is not a classification factor and the Classification Plan should not be used in this manner.

As an assessment of duties performed and of responsibilities exercised, a Classification Plan is an exceedingly useful managerial tool. It provides the fundamental rationale for the Compensation Plan and helps management identify positions which have taken on (or in some cases reduced) duties and responsibilities. Through proper maintenance of the Classification Plan, employees are assured of management's continuing concern about the nature of work that they carry out and its reward in the form of appropriate pay levels and relationships. The Classification Plan also provides the basis for recruitment, screening, and selection of employees in direct relationship to job content. Promotional ladders, as well as opportunities for lateral career development, are also evidenced by the logical grouping of allied occupational classifications and hierarchies.

V. SALARY DATA

The City initiated this Study with the objective of assuring that its Compensation Plan is both internally equitable and externally competitive. The Job Evaluation System (outlined in Section III) is performed to address the issue of internal equity. To achieve external competitiveness, a market survey of comparable jurisdictions was conducted. The following explains the labor market review and collection of salary data.

A. Selection of Comparable Jurisdictions for Data Purposes

Selecting jurisdictions for the comparison group is an important element in a Classification and Compensation Study. When selecting jurisdictions to serve as comparables, it is important to use particular criteria to evaluate the other jurisdictions to assure that those chosen as comparables will be the most similar to Mequon.

To determine which municipalities should be used for survey purposes, GovHR first considered all cities and villages in Ozaukee, Washington, Sheboygan, Fond Du Lac, Dodge, Jefferson, Waukesha, and Milwaukee Counties, plus the communities of Sun Prairie, Middleton, and Pleasant Prairie with a population between 8,000 and 75,000. Then, GovHR applied the following criteria:

Criterion	Total Possible Points	Factor Weight
1. Population	20	20%
2. Total Equalized Value	15	15%
3. Property Tax Revenue	15	15%
4. Basic Spending Per Capita	15	15%
5. Shared Revenues	15	15%
6. Per Capita Debt	10	10%
7. Proximity	10	10%
	100	100%

Within each of the seven (7) categories, ranges of compatibility were established. For example, the closer a community was to matching Mequon's estimated population, the closer the community would be to receiving the maximum of one hundred (100) points. A community whose population was significantly larger or smaller than the City's population would receive fewer or even zero (0) points. Thus, a municipality achieving a total of one hundred (100) points would be considered most comparable to the City of Mequon. A community with zero (0) points was therefore determined to be the least comparable to Mequon. A more detailed explanation of the methodology used to determine the comparable communities is included in Appendix B.

A cut-off of seventy-four (74) points was established to select the communities most similar to Mequon across the seven (7) categories. After applying the seven (7) criteria, eighteen (18) communities achieved seventy-four (74) or more compatibility points on the comparison scale with Mequon. In addition, the City added Grafton, Pleasant Prairie, and Sheboygan to the list because they have been used as comparables in the past and are competitors in the marketplace. The full list of the twenty-one (21) chosen comparable is listed below.

Brookfield	Brown Deer*	Cedarburg*
Franklin*	Germantown*	Grafton*
Greendale	Greenfield*	Menomonee Falls*
Middleton*	Muskego*	New Berlin*
Oak Creek*	Oconomowoc*	Pewaukee City*
Pleasant Prairie*	Sheboygan*	Sun Prairie*
Wauwatosa*	West Bend*	Whitefish Bay*

**Communities listed above with an asterisk responded to the salary survey or supplied GovHR with a copy of their Compensation Plan.*

In addition, to the data collected above, GovHR also incorporated data from the Economic Research Institute's Salary Assessor tool as a private sector data point for specific positions that can be found in the private sector and available on their tool for the Mequon, WI region.

B. Salary Survey

After identifying the comparable communities, the Consultants then prepared and distributed a salary survey to the twenty-one (21) comparable communities. Nineteen (19) of the communities responded to the survey or supplied GovHR with a copy of their Compensation Plan/Union Contracts. Table 2 is a summary of the benchmark salary survey data. The detailed salary survey data for each position is contained in Appendix C. It is important to make a few observations regarding Table 2 and Appendix C.

1) The salary data is information that was available as of October and November 2022. The new recommended salary ranges for the City were developed using this salary data from the comparable communities.
2) Some of the comparable municipalities provided salary range minimums and maximums for comparison purposes, while others (those that don't utilize salary ranges as part of their pay plans) provided actual salaries for surveyed positions. The salary range minimums and maximums were analyzed to determine the 50^{th}, 60^{th}, 65^{th}, 75^{th} and 80^{th} percentiles to identify wage ranges for "average" and "above average" payers. Any actual salaries provided by the comparable municipalities were only analyzed in a few instances when there was not enough salary range information. Salary ranges are a better gauge of market salaries than an actual salary and are thus preferred to conduct analysis.
3) Data contained within Appendix C has been thoroughly reviewed. If the Consultants determined the data was not relevant, it was removed. Thus, if a specific position within the salary survey has two worksheets associated with it in Appendix C, then data was removed. The second data sheet will have the word "Edited" after the title of the position surveyed. If a specific data point was removed, it is highlighted on the first and second worksheets and then removed on the second worksheet associated with the position.

C. Appraisal and Use of Salary Data

While comparing Mequon's current salaries to those paid by other employers in the comparable communities, it must be noted that variations in compensation may be due to several factors, including:

1) Organizational size and economic conditions can have an impact on positions. In smaller organizations, employees are often asked to "wear many hats" and therefore take on more duties and responsibilities than would normally be required of a certain position. In addition, the economic downturn forced organizations to "do more with less", compelling staff to take on more

duties and responsibilities than they had in the past. Therefore, it becomes increasingly harder to compare "like" positions within organizations.

2) Some employers place a different relative worth on certain groups of employees. For example, some employers are forced to place a higher value on certain employees or groups of employees because of the market, and therefore, pay them more. Overall, the policies and value judgments of different employers in compensating the same kind of work can vary widely. There is rarely a single prevailing rate for any particular kind of work, even within the same labor market.
3) It can be difficult to make exact comparisons among the different employers of the duties and responsibilities of ostensibly similar jobs.

Nevertheless, comparative salary data is widely recognized as a good measure of the appropriate compensation rates with respect to the prevailing market. This data is also useful as an indication of prevailing opinions concerning the compensation relationships that should exist among different classifications of work. Of equal importance, however, are the internal relationships for the various positions that were accomplished in the Job Evaluation portion of this Study.

VI. COMPENSATION PLAN DEVELOPMENT AND RECOMMENDATIONS

A. Development of the Compensation Plan

A basic element in any human resources management program is adequate and equitable employee compensation. A Compensation Plan of this nature is essential if qualified employees are to be recruited and retained. To achieve this goal, there must be a reasonable and widely accepted model of Job Factors upon which the Compensation Plan rests. Application of this model was the purpose of the Job Evaluation aspect of this Study. The Plan presented in this report is designed to accomplish the Study goals by:

1) Providing for equal compensation for work of equivalent job content and responsibility.
2) Facilitating adjustments to compensation levels based on changing economic and employment conditions that impact these interrelationships.
3) Establishing compensation ranges that compare favorably with those of other equivalent jurisdictions within the appropriate labor market.

In preparing this Plan, the Study only looked at base compensation. The compensation associated with longevity or other fringe benefits was not analyzed or factored into the Compensation Plan.

B. Compensation Plan Options for the City's Consideration

One of the purposes of this Study was to provide an updated Compensation Plan that relates to the external market and is internally equitable. Below is a detailed explanation of three (3) different Compensation Plans:

1) Defined Increment Plan: This is a Compensation Plan that has salary ranges with a minimum and a maximum with defined percentage increments (e.g., 3%) in between. If an employee has a satisfactory performance evaluation, he/she systematically advances through the compensation range. The performance evaluation and resulting salary increment increase occurs annually.
2) Open Range Merit Plan: This is a Compensation Plan that also has salary ranges with minimums and maximums, but without defined percentage increments in between. Employees are advanced through the compensation range based on an annual satisfactory performance evaluation, with the percentage of their increase determined annually by the City.
3) Blended Merit Plan: This is a Compensation Plan that uses techniques from both a Defined Increment Plan and an Open Range Merit Plan.

In considering which Plan to use, it is important to understand that employees at various levels of responsibility may react differently toward, and be motivated differently by, the Compensation Plan they work under. Management personnel that are goal-oriented may have a higher acceptance of the Open Range Merit Plan, and thus tend to be more comfortable with this method of compensation. Mid to lower-level positions may want the assurance of a defined salary increase based on satisfactory performance. Possible advantages and disadvantages of each Plan are summarized below.

Defined Increment Plan

Advantages

City: A Defined Increment Plan has the advantage of creating financial predictability because it is easier for management to predict and plan for salary increases on an annual basis.

Employees: Employees like a Defined Increment Plan because it offers security and predictability for advancement through the range. Another advantage of this Plan is that it offers a high degree of internal equity and fairness – the expectation that fellow workers in this Plan are all being treated the same.

Disadvantages

City: The City may feel that a Defined Increment Plan simply rewards compensation increases on a routine basis. However, by tying the increase to a satisfactory performance evaluation, the City can be assured that only employees with acceptable performance will receive a salary increase.

Employees: Employees may feel unmotivated to perform at an above average or at a superior level, knowing their salary increase amount is pre-determined. One way to remove this negative notion is to allow an employee with a superior performance evaluation to get a two (2) increment increase. This, however, would be the exception and not the rule. Most employees would be considered “average” performers and receive a one (1) increment increase.

Open Range Merit Plan

Advantages

City: The Open Range Merit Plan tends to motivate employees to perform at a higher level, thereby achieving greater production/benefit for the City. This Plan also enables the supervising authority to reward high-performing employees with a salary increase greater than a defined increment.

Employees: Employees who are high performers like working under this Plan as they can earn a higher percentage salary increase.

Disadvantages

City: Anticipating the cost of merit increases has less financial predictability, as it is not always possible to know how many employees will be high performers in any given year. However, the City can fund a "merit increase pool" for all Open Range Merit Plan employees to receive an average percentage (i.e., a 2-3% increase), knowing that some employees will receive less (or no) increase and some employees will earn more.

Employees: An Open Range Merit Plan can create a perceived inequity regarding how individuals are granted salary increases. It is incumbent upon management to use an equitable performance evaluation system when implementing this Plan. It is also incumbent on management to ensure that the performance evaluation system is applied fairly and that supervisors receive appropriate training on conducting the evaluation and using the evaluation tool properly.

Blended Merit Plan

There are positives and negatives for both Defined Increment and Open Range Merit Plans. However, it is also possible to design a pragmatic salary system that uses elements of both Defined Increment and Open Range Merit Plans. It is becoming increasingly common for organizations to have a Blended Merit Plan for various levels of positions that reflects the particular circumstances and culture of the organization. A Plan of this type is customizable to the needs of the organization. It is also the preferred Plan for organizations that are transitioning from a Defined Increment Plan to an Open Range Merit Plan. The following is one example of a Blended Merit Plan:

Exempt: All exempt employees are in an Open Range Merit Plan.

Non-exempt: Non-exempt employees are in a Blended Merit Plan. In this Plan, salary ranges begin at the minimum with, for example, three (3) defined increments and then transition into an open range. The initial increment of the assigned range is intended as the normal hiring/promoting rate. Increments two (2) and three (3) would be awarded upon successful completion of the employee's initial evaluation period and/or after another period that is set by the City (e.g., increment two (2) after the initial evaluation and increment three (3) after an additional year of employment.) After that, the employee may advance through the open range as a result of a successful performance evaluation.

C. Recommendation: Open Range Merit Plan

GovHR is recommending that the City adopt an Open Range Merit Plan. An Open Range Merit Plan has salary ranges with minimums and maximums, but without defined percentage increments in between. Employees are advanced through the ranges based on an annual satisfactory performance evaluation, with the percentage of their increase determined by their supervisor and City Administration. Advancement of employees in an Open Range Merit Plan is not based on longevity within a position or years of service with the City.

The Open Range Merit Plan also allows maximum flexibility for the City relative to recruitment and funding as employees can be hired within the range and the increases provided annually for meritorious performance can fluctuate based on available funding. Given Mequon's goal to recruit, reward and retain motivated, high-performing employees, the Open Range Merit Plan has been selected for recommendation.

D. Pay Philosophy and Proposed Compensation Plan

An important component in the process of developing a Compensation Plan is understanding and applying the pay philosophy of the City. GovHR worked with the City to develop a proposed Plan at the 50th for consideration. In addition, the proposed plan has a FY 2023 implementation option with an additional 3% COLA included in the ranges to stay current with the market.

Proposed Compensation Plan and Structure

The next step in this process is to combine the Position Score included in Tables 1 and 2 with the proposed salary ranges in Table 3. There are three (3) separate plans: a plan for the non-union City positions; a plan/compensation recommendations for the non-union Fire positions; and a plan for the Library positions.

The Classification and Compensation Plan for the City consists of ten (10) pay grades; one (1) being lowest and ten (10) being highest and is broken down into three (3) bands: Grades 1 – 3, Grades 4 – 7, and Grades 8 – 10. All proposed pay ranges are open ranges. There is a 10% gradation between Grades 1 – 3; an 8%

gradation between Grades 4 – 7; and a 20% gradation between Grades 8 – 9. Grades 1 – 7 have a 35% range spread from minimum to maximum and Grades 8 – 9 have a 40% range spread from minimum to maximum. Grade 10 is reserved for the City Administrator and is established by contract.

The Classification and Compensation Plan for the Library consists of five (5) pay grades; one (1) being lowest and five (5) being highest and is broken down into four (4) bands: Grades 1, Grades 2 – 3, Grade 4, and Grade 5. All proposed pay ranges are open ranges. There is a 10% gradation between Grades 2 – 3. Grades 1 – 4 have a 35% range spread from minimum to maximum and Grade 5 has a 40% range spread from minimum to maximum.

The Classification and Compensation Plan for the non-union Fire positions consists of five (5) pay grades; one (1) being lowest and five (5) being highest and is broken down into two (2) bands: Grades 1 – 2, and Grades 3 – 5. All proposed pay ranges are open ranges. There is a 10% gradation between Grades 1 – 2 and a 35% range spread. Grades 3 - 5 have a 40% range spread from minimum to maximum.

Note 1: Different compensation grades may have different ranges from minimum to maximum compensation. It is appropriate for the lower grades in a Compensation Plan to have a smaller spread from minimum to maximum as it is likely that new employees would start at the minimum compensation of the range. Conversely, it is more likely that more experienced employees or Department Head level employees may be hired at a rate above the minimum compensation of a range, thus it is necessary to have a greater spread from minimum to maximum compensation.

Note 2: Gradation refers to the relationship between the minimum compensation of one grade to the minimum compensation of the next grade. In this case, the starting compensation for employees in Grade 2 in the City's Plan is 10% higher than Grade 1 and so on. The gradation will vary depending upon the relationship between the salary data for the grade, the number of grades in the compensation band and the established compensation range.

Table 2 combines all of the classification and compensation data at the 50th percentile.

Implementation and Administration of the Compensation Plan

Implementation of the Compensation Plan, as it affects individual employees, should be under the following pattern of adjustments:

1) Employees whose present compensation is below the minimum compensation of the range for their classification should be raised to the minimum of the range.
2) The compensation of employees whose present compensation is within the range for their classification should be slotted into the new Compensation Plan at their current pay rate.
3) The compensation of employees whose present compensation is above the maximum compensation of the range should be held at their present rate, without a reduction in compensation, until such time that further market analysis indicates commensurate alignment with the marketplace. However, the City can consider lump sum increases for these employees, which does not impact base compensation levels, until the ranges adjust to include the individual employee compensation rates.

In other studies, GovHR has been asked for ideas on how to address the situation of long-term employees whose current compensation falls near the bottom (within 5 - 10%) of the proposed range. If this occurs, it illustrates that the position has been compensated at less than the market rate for someone with similar tenure. Thus, some communities elect to make additional adjustments for those employees at implementation. This program is discretionary for the City to adopt and only occurs one time, at the implementation of the new Classification and Compensation Plan. If the City wishes to consider such a program, an example is illustrated below:

Service	Adjustment
1 - 3 Years	0%
Over 3 and up to 8 Years	1%
Over 8 and up to 15 Years	2%
Over 15 Years	3%

Employee Advancement through the Ranges

To implement the new Compensation Plan, GovHR recommends that the starting salary of the range (minimum through 1st or 2nd quartile) is the general hiring/promoting rate. However, exceptions to this starting point can be permitted in limited situations involving:

1) Applicants with exceptional background and qualifications.
2) A promotion in which the employee's current compensation is higher than the minimum of the new range.
3) In the case of a labor market situation where it is impossible to recruit qualified candidates at the minimum.

In these cases, employees may be appointed to their positions anywhere within the defined range (generally up to the midpoint), depending on their experience and qualifications, and based on the provisions of the City's policies (if applicable). Employees should not be hired below the minimum of their compensation range.

Salary advancement between the hiring rate and the top of the range (maximum) is done throughout the employee's tenure with the organization. Advancement through the range would be done on an annual basis and be dependent on a satisfactory performance evaluation. Incumbents progressing through the range should understand that standards of performance would become more exacting or controlling as compensation levels advance. Typical movement through the range could be in increments of 1% to 3%, depending on the employee's performance evaluation and goal attainment, as well as the financial resources of the City. Cost of living adjustments (COLA) could be given annually when the ranges are adjusted and would be outside of the 1-3% merit increase. In addition, the City could choose to apply market rate adjustments to positions at the implementation of this plan and every x number of years (i.e., every five (5) years market rate adjustments would be made to ensure employees are progressing steadily through the ranges based on their position and the market).

The City may also wish to provide a merit bonus for exemplary performance after an employee reaches the maximum compensation for the range. If this option is exercised, then an employee would be eligible to receive a payment after a successful performance evaluation each year. This payment should not be worked into the base salary. It can be in the form of a lump sum payment that is a set amount calculated each year and the same for all employees, such as $500 for meeting expectations and $1,000 for exceeding expectations. Another option is to calculate a percentage of the employee's base compensation and provide a lump sum payment equivalent to that amount, such as 1% for meeting expectations and 2% for exceeding expectations.

It is recommended that the City set aside a "merit pool" every year, to fund increases for employees in this Plan. This money would then serve as the pool for merit payments, knowing that some employees will be high performers, getting a higher percentage, and some employees will be lower performers, getting a lower percentage.

Again, it should also be noted that the implementation and use of a formal performance evaluation process for all staff members is a key component to the success of this Plan. Equally, if not more important, is that supervisors are adequately trained to perform the formal performance evaluation process.

E. Future Administration of the Compensation Plan

To maintain competitive salary levels there should be an annual review of the City's salary ranges. The twenty-one (21) communities used in the survey group for this Study have been determined to be comparable jurisdictions to the City. Therefore, Mequon can continue to use these jurisdictions as a comparable salary survey group for annual salary comparison purposes, until it is determined that they are no longer valid comparables. As mentioned earlier, the salary levels for these comparables are current as of October and November 2022. It is GovHR's recommendation that an annual survey of these communities be conducted to determine the percentage increase each organization in the comparable group is granting, either as an annual across-the-board increase to their employees or as a general adjustment to their compensation ranges. The City may wish to provide an across-the-board increase to all employees based on the information received from the comparable communities. If this is the case, then the increases would be granted separately from any merit increase that would be awarded as a result of a successful performance evaluation.

It is the further recommendation of GovHR that the compensation ranges for each grade be increased by the average percentage increase of the comparable group, even if an across-the-board increase is not given to all employees. Employees would continue to advance through the compensation ranges (provided that the employee is not at the maximum of the compensation range) by virtue of a merit increase granted for satisfactory or above satisfactory performance of their job duties. Finally, it is recommended that the City review the compatibility of the municipalities after five (5) years.

The administration of a Classification Plan is an ongoing process. It must be recognized that it is not static and is not intended to affix positions permanently into classifications. Instead, the Plan must be administered continually to adapt it to changing conditions.

Three (3) specific types of changes in the Plan itself are possible: abolition of a position, creation of a position, or a revision of a position.

1) When a position in a classification is eliminated or when a position has significantly changed work duties and responsibilities to the extent that the position becomes inappropriate or inaccurate, the position should be abolished.
2) New positions should be created when new work situations arise that are not covered by the established positions. However, caution should be exercised in this respect, particularly to assure that new positions are justified, are not merely duplicating established positions, cannot be accommodated through changes in existing positions, and reflect substantially permanent rather than temporary situations.
3) The adjustment or revision of a position should be done when there are substantial changes to the requirements of the position or to the nature and complexities of the duties being performed. In this instance, a position may need to be re-scored and move up or down into a new classification.

All changes should be thoroughly evaluated for their effect on employee morale and the integrity of the classification relationships established in the Classification and Compensation Plan. City Administration has been provided with the Job Analysis Questionnaire as well as the Job Factor Scoring Sheet, enabling the City to grade a newly created or revised position. GovHR provides scoring assistance in such cases free of charge for one (1) year after the delivery of this report.

Appreciation

GovHR has appreciated the opportunity to work with the City of Mequon on this Classification and Compensation Study. A special thank you to the employees for all of the information provided to allow for the analysis and to the Assistant City Administrator for the significant amount of work and support dedicated to the project.

City of Mequon, WI
Table 1 - Classification Plan

Current Job Title	Recommended Job Title Change	Grade	Position Score
City Administrator		10	790+
Assistant City Administrator		9	735-785
Director of Community Development			
Director of Public Works/City Engineer			
Finance Director			
Police Chief			
Assistant City Engineer		8	680-730
Assistant Community Development Director			
City Clerk			
Deputy Director of Public Works			
Deputy Director of Utilities			
IT Manager			
Police Captain			
Buildings Superintendent		7	625-675
Highway Superintendent			
Inspections Supervisor			
Parks & Forestry Superintendent			
Sewer Superintendent			
Assistant to the Finance Director		6	570-620
Fleet Superintendent			
Associate Planner		5	515-565
Inspector			
Public Safety IT Specialist			
Administrative Coordinator		4	460-510
Engineering Field Coordinator			
Engineering Technician			
Executive Assistant - Communications			
Highway Foreman	Highway Section Supervisor		
Mechanic			
Sewer Foreman	Sewer Section Supervisor		
Accounting Specialist		3	405-455
Buildings Maintenance Worker			
Equipment Operator			
Forestry Worker			
Highway Worker			
Human Resource Coordinator			
Parks Worker			
Permit Coordinator			
Sewer Maintenance Worker			
Accounts Receivable Specialist		2	350-400
Administrative Assistant			
Administrative Clerk			
Assessment Technician			
Deputy Clerk			
Librarian			
Records Clerk	Records Specialist		
No Positions in Grade		1	Up to 345

City of Mequon, WI
Table 2 - Comprehensive Table 50th Percentile City Positions

Job Title	New Grade	Position Score	50th Percentile Salary Survey Data		Current Salary Range		Current Salary	Proposed Salary Range 50th Percentile			Proposed Salary Range 50th Percentile for 2023 Implementation		
								Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
City Administrator	10	790+						*Established by Contract*			*Established by Contract*		
Assistant City Administrator	9	735-785	100,160	140,192	79,143	112,709	97,273	99,000	118,800	138,600	101,970	122,364	142,758
Director of Community Development			93,309	116,899	104,735	137,812	128,282						
Director of Public Works/City Engineer			95,153	125,311	104,735	137,812	130,267						
Finance Director			95,254	118,856	104,735	137,812	128,125						
Police Chief			102,711	138,088	104,735	137,812	129,930						
Assistant City Engineer	8	680-730	75,863	97,487	79,143	112,709	79,088	82,500	99,000	115,500	84,975	101,970	118,965
Assistant Community Development Director			75,497	97,999	79,143	112,709	110,454						
City Clerk			79,360	102,699	79,143	112,709	98,373						
Deputy Director of Public Works			76,980	100,612	79,143	112,709	92,032						
Deputy Director of Utilities			76,980	100,612	79,143	112,709	85,779						
IT Manager			78,617	103,016	72,511	96,631	85,000						
Police Captain			91,437	115,688	79,143	112,709	106,800						
Buildings Superintendent	7	625-675	68,686	93,994	66,132	89,471	72,000	71,804	84,369	96,935	73,958	86,900	99,843
Highway Superintendent			68,058	93,399	66,132	89,471	80,496						
Inspections Supervisor			75,372	97,099	66,132	89,471	80,017						
Parks & Forestry Superintendent			65,255	88,094	66,132	89,471	78,709						
Sewer Superintendent			73,931	96,882	66,132	89,471	81,698						
Assistant to the Finance Director	6	570-620	67,454	84,240	61,234	82,846	67,442	66,485	78,120	89,754	68,479	80,463	92,447
Fleet Superintendent			66,126	89,473	66,132	89,471	74,137						
Associate Planner	5	515-565	62,976	79,477	56,697	76,709	75,001	61,560	72,333	83,106	63,407	74,503	85,599
Inspector			64,501	89,419	56,697	76,709	76,710						
Public Safety IT Specialist			60,053	81,071	56,697	76,709	63,000						
Administrative Coordinator	4	460-510	51,855	69,722	56,697	76,709	66,726	57,000	66,975	76,950	58,710	68,984	79,259
Engineering Field Coordinator			58,927	79,030	56,697	76,709	72,779						
Engineering Technician			53,467	72,159	56,697	76,709	67,662						
Executive Assistant - Communications			55,327	74,888	48,406	65,766	54,350						
Highway Section Supervisor			56,166	74,318	52,499	71,027	66,186						
Mechanic			52,572	70,546	48,406	65,766	65,770						
Sewer Section Supervisor			56,586	74,214	52,499	71,027	68,910						
Accounting Specialist	3	405-455	48,516	63,617	41,674	56,384	50,003	50,820	59,714	68,607	52,345	61,505	70,665
Buildings Maintenance Worker			48,443	65,374	48,406	65,766	48,609						
Equipment Operator			50,024	66,213	48,406	65,766	55,141						
Forestry Worker			49,211	67,894	48,406	65,766	49,525						
Highway Worker			46,049	60,996	48,406	65,766	48,610						
Highway/Parks Worker			45,883	60,939	48,406	65,766	48,610						
Human Resource Coordinator			57,668	78,447	41,674	56,384	51,168						
Parks Worker			45,718	60,882	48,406	65,766	48,610						
Permit Coordinator			44,224	57,420	41,674	56,384	53,955						
Sewer Maintenance Worker			51,091	67,255	48,406	65,766	65,770						
Accounts Receivable Specialist	2	350-400	42,952	56,000	41,674	56,384	44,013	46,200	54,285	62,370	47,586	55,914	64,241
Administrative Assistant			43,964	58,273	41,674	56,384	46,238						
Administrative Clerk					41,674	56,384	56,181						
Assessment Technician			44,044	57,828	41,674	56,384	42,993						
Deputy Clerk			51,210	70,727	41,674	56,384	46,301						
Records Specialist			41,184	52,728	41,674	56,384	49,129						
No Positions in Grade	1	Up to 345						42,000	49,350	56,700	43,260	50,831	58,401

City of Mequon, WI
Table 3 - Proposed Pay Ranges City Positions

50th Percentile - Proposed Pay Ranges Implementation 2023			
20% Between Each Grade and a 40% Range Spread			
Grade	Minimum	Midpoint	Maximum
10	*Established by Employment Contract*		
9	101,970	122,364	142,758
8	84,975	101,970	118,965
8% Between Each Grade and a 35% Range Spread			
Grade	Minimum	Midpoint	Maximum
7	73,958	86,900	99,843
6	68,479	80,463	92,447
5	63,407	74,503	85,599
4	58,710	68,984	79,259
10% Between Each Grade and a 35% Range Spread			
Grade	Minimum	Midpoint	Maximum
3	52,345	61,505	70,665
2	47,586	55,914	64,241
1	43,260	50,831	58,401

50th Percentile - Proposed Pay Ranges Original			
20% Between Each Grade and a 40% Range Spread			
Grade	Minimum	Midpoint	Maximum
10	*Established by Employment Contract*		
9	99,000	118,800	138,600
8	82,500	99,000	115,500
8% Between Each Grade and a 35% Range Spread			
Grade	Minimum	Midpoint	Maximum
7	71,804	84,369	96,935
6	66,485	78,120	89,754
5	61,560	72,333	83,106
4	57,000	66,975	76,950
10% Between Each Grade and a 35% Range Spread			
Grade	Minimum	Midpoint	Maximum
3	50,820	59,714	68,607
2	46,200	54,285	62,370
1	42,000	49,350	56,700

City of Mequon, WI
Table 2 - Comprehensive Table 50th Percentile Fire Positions

Job Title	New Grade	Position Score	50th Percentile Salary Survey Data		Current Salary Range		Current Salary	Proposed Salary Range 50th Percentile			Proposed Salary Range 50th Percentile for 2023 Implementation		
								Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
Fire Chief	5	735-785	102,167	129,299	104,735	137,812	136,962	99,000	118,800	138,600	101,970	122,364	142,758
Deputy Chief	4	680-730	87,235	118,691	79,143	112,709	108,637	82,500	99,000	115,500	84,975	101,970	118,965
Battallion Chief	3	625-675	85,940	109,864	77,137	104,361	95,838	77,137	92,564	107,992	79,451	95,341	111,232
Administrative Assistant	2	350-400	43,964	58,273	41,674	56,384	46,238	46,200	54,285	62,370	47,586	55,914	64,241
No Positions in Grade	1	Up to 345						42,000	49,350	56,700	43,260	50,831	58,401

Table 3 - Proposed Pay Ranges Fire Positions

50th Percentile - Proposed Pay Ranges Implementation 2023			
40% Range Spread			
Grade	Minimum	Midpoint	Maximum
5	101,970	122,364	142,758
4	84,975	101,970	118,965
3	79,451	95,341	111,232
10% Between Each Grade and a 35% Range Spread			
Grade	Minimum	Midpoint	Maximum
2	47,586	55,914	64,241
1	43,260	50,831	58,401

50th Percentile - Proposed Pay Ranges Original			
40% Range Spread			
Grade	Minimum	Midpoint	Maximum
5	99,000	118,800	138,600
4	82,500	99,000	115,500
3	77,137	92,564	107,992
10% Between Each Grade and a 35% Range Spread			
Grade	Minimum	Midpoint	Maximum
2	46,200	54,285	62,370
1	42,000	49,350	56,700

City of Mequon, WI
Table 2 - Comprehensive Table 50th Percentile Library Positions

Job Title	New Grade	Position Score	50th Percentile Salary Survey Data		Current Salary	Proposed Salary Range 50th Percentile			Proposed Salary Range 50th Percentile for 2023 Implementation		
						Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
Library Director	5	680-730	82,760	110,033	98,850	82,500	99,000	115,500	84,975	101,970	118,965
Access Services Manager - Library	4	460-510	54,444	74,069	57,000	57,000	66,975	76,950	58,710	68,984	79,259
Patron Services Manager - Library			62,405	82,456	68,557						
Business Manager - Library			50,461	66,504	62,130						
Librarian	3	405-455	50,597	67,689	50,561	50,820	59,714	68,607	52,345	61,505	70,665
Access Services Technician - Library	2	350-400			20.34	46,200	54,285	62,370	47,586	55,914	64,241
Access Services Associate - Library			34,747	49,859	15.45 and 16.17	22.21	26.10	29.99	22.88	26.88	30.89
Patron Services Associate - Reference Associate					16.22 and 19.29						
Library Page	1	Up to 345			10.00 and 10.50	10.50	12.34	14.18	10.82	12.71	14.60

City of Mequon, WI
Table 3 - Proposed Pay Ranges Library Positions

50th Percentile - Proposed Pay Ranges Implementation 2023			
8.5% Between Each Grade and a 40% Range Spread			
40% Range Spread			
Grade	Minimum	Midpoint	Maximum
5	84,975	101,970	118,965
35% Range Spread			
Grade	Minimum	Midpoint	Maximum
4	58,710	68,984	79,259
10% Between Each Grade and a 35% Range Spread			
Grade	Minimum	Midpoint	Maximum
3	52,345	61,505	70,665
2	47,586	55,914	64,241
35% Range Spread			
Grade	Minimum	Midpoint	Maximum
1	10.82	12.71	14.60

50th Percentile - Proposed Pay Ranges Original			
40% Range Spread			
Grade	Minimum	Midpoint	Maximum
5	82,500	99,000	115,500
35% Range Spread			
Grade	Minimum	Midpoint	Maximum
4	57,000	66,975	76,950
10% Between Each Grade and a 35% Range Spread			
Grade	Minimum	Midpoint	Maximum
3	50,820	59,714	68,607
2	46,200	54,285	62,370
35% Range Spread			
Grade	Minimum	Midpoint	Maximum
1	10.50	12.34	14.18

COMMITTEE OF THE WHOLE PLANNING CALENDAR - 2023

ITEM	PRINCIPAL	TIME
January 10		
Presentation of 2022 Compensation Analysis	Schoenemann	45
February 14		
Town Center Public Improvements Contract Award	Tollefson	45
March 14		
TID 4 & 5 Streetscape Planning Preview	Tollefson	30
M-T Trails Proposal - Highland Road Path	Lundeen	30
April 11		
Discussion Regarding COTW Meeting Format	Jones	30
Proposed Patio Installation at Rotary Park	Lundeen	15
May 9		
No Items Scheduled	-	-
June 13		
Emergency Management Plan Update	Pryor	15
Strategic Plan Implementation Update	Jones	30
July 11		
Southwest Industrial Park Discussion	Tollefson	30
Proposed Implementation Plan - 2022 Compensation Analysis	Schoenemann	30
ITEM	**PRINCIPAL**	**TIME**

COMMITTEE OF THE WHOLE PLANNING CALENDAR - 2023

August 8		
Credit Card Processing	Engroff	30
Lemke Pavilion Expansion - Funding & Construction	Lundeen	30
Southern Ozaukee Fire & EMS Merger Update	Bialk	15
September 12		
City Sign Code Updates	Sajdak	30
Water Utility Master Plan Update	Lundeen	30
October 10		
TID 4 & 5 Streetscape, Zoning & Incentives	Tollefson	30
Community Development Operational Analyisis Update	Tollefson	30
November 14		
OIT Public Improvements Update	Tollefson/Lundeen	30
IT Strategic Plan Implmentation Update	Schoenemann	30
December 12		
Community Survey Discussion	Schoenemann	30
Electronic Poll Books Implementation	Fochs	15
New Statewide Legislation Update	Sajdak	15
Future Policy Items for Discussion/Consideration/Analysis		

COMMITTEE OF THE WHOLE PLANNING CALENDAR - 2024

ITEM	PRINCIPAL	TIME
January 9		
Park Master Plan Update	Lundeen	30
Ozaukee County Emergency Dispatch Consolidation Update	Pryor	15
February 13		
Facilities Study Update	Lundeen	45
Strategic Planning Workshop (Date & Time TBD)	Jones	All Day
March 12		
Fleet Study Update	Lundeen	45
April 9		
Sanitary Sewer Study Update	Lundeen	60
May 14		
Right-of-Way Asset Management Study Update	Lundeen	60
June 11		
Brush Site Project Overview	Lundeen	30
ITEM	PRINCIPAL	TIME

COMMITTEE OF THE WHOLE PLANNING CALENDAR - 2024

July 9		
August 13		
September 10		
October 8		
November 12		
December 10		
Future Policy Items for Discussion/Consideration/Analysis		

CITY OF MEQUON - 2024 BUDGET DEVELOPMENT CALENDAR

Tues., June 13 — **REGULAR COMMON COUNCIL MEETING**
- FY2022-25 Strategic Plan Update

Tues., July 11 — **REGULAR COMMON COUNCIL MEETING**
- Compensation Analysis Implementation Plan

Fri., July 14 — 2024 Budget Development Parameters to City Departments
- 2024 MUNIS Budget Available
- 2024-2028 Capital Improvement Program Available
- Personnel, Activity Measure & Narrative Documents Available

Wed., Aug. 8 — **REGULAR COMMON COUNCIL MEETING**
- Lemke Park Pavilion Expansion - Construction/Funding Update

Mon., Aug. 21 — Departmental Budgets Submitted in MUNIS, w/ 2023 Projections
- Compulsory Expenditure Increases Itemized for 2024
- Supplemental Funding Requests Itemized for 2024

Aug. 21-Sept. 7 — **BUDGET WORKSHOP MEETINGS (2)**
- 2023 Financial Update: Revenues, Expenditures, Fund Balance
- 2024 Budget Development Considerations; 5-Year Capital Plan
- ARPA Funding Update
- 2023 Library Budget Review & City Fee Schedule Review
- Departmental Budget Overviews

Fri., Sept. 1	All Departmental Budget Meetings Conducted & Completed
Mon., Sept. 11	Departmental Personnel, Activity Measures & Narratives Due
Tues., Sept. 12	**REGULAR COMMON COUNCIL MEETING**
Wed., Sept. 13	2024 Southern Ozaukee Fire & EMS Budget Approved
Wed., Sept. 27	Proposed 2024 Budget Distributed ▪ Proposed 2024 Southern Ozaukee Fire & EMS Budget ▪ Supplemental Funding Requests for 2024
Oct. 3-5, 9, 11-12, 16-17	**APPROPRIATIONS COMMITTEE MEETING**
Tues., Oct. 10	**REGULAR COMMON COUNCIL MEETING**
Oct. 18, 19	**APPROPRIATIONS COMMITTEE MEETING (IF NECESSARY)**
Tues., Oct. 24	Public Hearing Notice Deadline - 10:00 a.m. (to Publish on 10/26)
Oct. 17 - Nov. 7	**2024 BUDGET MEETING - SEWER & WATER UTILITIES**
Tues., Nov. 14	**REGULAR COMMON COUNCIL MEETING** Public Hearing & Adoption of 2024 City Budget ▪ 2024 Fee Schedule ▪ 2024 Compensation Plan ▪ 2024 Sewer & Water Budget Adoption

11333 N. Cedarburg Road
Mequon, WI 53092-1930
Phone: 262-242-3100
Fax: 262-242-9655

www.ci.mequon.wi.us **Office of Community Development**

TO:	**Committee of the Whole**
FROM:	**Kim Tollefson, Director of Community Development**
DATE:	**July 11, 2023**
SUBJECT:	**Town Center TID #3 Project Expenditure Update**

Background

The City staff project team is monitoring costs associated with the Town Center Tax Increment District (TID) #3 public improvement project. The project has been active for approximately eight (8) weeks. Staff wants to provide an update on the project's expenditures. Based on known costs, executed invoices and change orders, the expenditure expectations are on track. The net change in cost across individual line-item expenditures is approximately $8,000. This overage is within the 10% contingency set for the project, which is approximately $485K.

Analysis

The project officially started the last week of April. Generally, the construction project is on schedule. There may be some unknown delays due to availability and lead times for materials, such as lighting.

Summary

Staff will provide another expenditure update in September.

Attachments:
June Expenditures (XLSX)

Common Council Selected Public Improvement Project	TID No 3 Funding Sources $5.749M Total	Contract	Net Change to Cost To Date	Escrow Establishment	Final Payment Projection	Notes
Mequon Road & OIT Crossing Improvements Project	1,300,916.55	Executed	**$785.00**		Q4 2023	
Danish Crossing + Signals	included					
Reconfigured City Hall driveway and OIT	included					
Road Geometry / Lane Narrowing	included					
Intersection Crosswalks	included					
Buntrock Avenue Entryway	included					
Mequon Road Streetscape	162,858.55	Executed			Q4 2023	
Traffic Signals: At Buntrock Avenue						Net Change to Concrete Work: Elimination of Material (at RR) and Grading Change for Sidewalk at New Driveway (River Centre)
Traffic Signals: At Weston Drive	345,667.30	Executed			Q4 2023	
Traffic Control	included					
Pavement Markings	77,610	Executed			Q4 2023	
Construction Staking	30500.00	Executed			Q4 2023	
RR Agreement	$500,000.00	Executed		500,000.00	Unknown	
Street & Median Lighting + Electrical Service	492,734.60	Executed	**$29,081.00**		Q4 2023	Net Change to Lighting: Breakaway Light Poles, Change in Signal Head Sytle and Bollard and Cost Savings for revised service layout
Signage	127,509.29	Executed			Q4 2023	
Regulatory signage						
Gateway Sign @ Buntrock= $42,241,.38						
Gateway Sign @ OIT = $12,127.33						
Gateway Sign @ river median = $18,787.34						
Gateway Sign @ PSB = $18,787.34						
Street and Parking signs						
OH Utility Burial: WE Energies	1,519,580	Executed	**$25,000.00**		Q4 2023	Net Change to Utility Burial: Increase for Charter Removal and Decrease for We Energies Removal
Convert remaining poles to black steel = $24,000						
OH Utility Burial: Spectrum = $150,000						
Cemetery Fencing	22,680	Executed			Q3 2023	
Buntrock Avenue Sidewalk to School	45,000	Executed		45,000	Q3 2023	
Pavement Markings: Cedarburg Road Plus the Mequon Road intersection	40,395.00	Executed			Q3 2023	
Mequon/Cedarburg Road Completed Features Plus Milw River	39,242.40	Executed	**$3,153.00**	39,242.40	Q4 2023	Increase Cost for Parking Signage w Logo
Milwaukee River medians and rail painting						
Medians E/W of Mequon / Cedarburg Road intersection						
Landscape Replacements						
Four pedestrain light fixtures = $20,962.40						
Decorative Parking and Street Signs = $2700						
Banners and Brackets						
Division Street On Street Parking	3,420	Executed			Q3 2023	
Street Furniture	36,169.00	Executed			Q3 2023	
Includes Cedarburg Road, Civic Campus Parking Lot and Mequon Road						
Includes Replacement of Furniture on Cedarburg Road						
Land Acquisition / Sale	20,000				Q4 2023	
Cedarburg Road Hom Not Attainable 01.12.23	NA			20000		
Cedarburg Road Hom Not Attainable 01.12.23	NA					
Easements for OH Burial = $20,000						
ADMINISTRATION						
OIT Consultant = $228,040 (contract) / $149480.50 (paid)	78559.5	Executed			Q2 2023	
Developer Incentives	Flexible					
Maintenance Fund	25,000				$5k/year (2023-2028)	
Safety Measures	included			25000		
SUBTOTAL:	**4,867,842.19**					
CONTINGENCY 10%:	486,784.00					
TOTAL	**5,354,626.19**					
OVERAGE TOTAL TO DATE			**$8,019.00**			
ESCROW TOTAL:				**629,242.40**		

Attachment: June Expenditures (8578 : TC TID Project Expenditure Update)