

SEPTEMBER 16, 2013

On Monday, September 16, 2013, the Town Board of the Town of Raymond, held a Special Meeting. At 7:30, Chairman Kastenson called the meeting to order. Roll call was taken – present for the meeting were, Chairman Gary Kastenson; Supervisors, James Phillips; Paul Ryan and Tim Geszvain. Supervisor Dave Lecus arrived at 7:35. Also present were, Town Clerk, Linda M. Terry; Town Engineer, Chris Stamborski, from R.A. Smith; and Jon Cameron, Financial Advisor from Ehlers.

The purpose of this meeting was for: Discussion regarding the Town's options for sanitary sewer.

Chairman Kastenson stated that this meeting is for discussion purposes only. The Town Board would like to gather information from the engineer, as well as a financial advisor as to what the Town's options may be in the future.

Mr. Stamborski passed out maps showing the I94 Corridor Land Use Plan; as well as the I94 Regional Interceptor Sewer Facility Plan.

It was stated that as of right now, it would cost the Town of Raymond approximately 5.4 million dollars to pay for the oversized pipe necessary for the sewer. The oversized pipe would be laid on the East side of the interstate, to accommodate the West side (Raymond). This would cover the cost of putting in the pipe as well as the cost of buying capacity.

There was talk about the MMSD (Milwaukee Metropolitan Sewage Department) handling the North side of Raymond.

Mr. Stamborski stated that the long-term cost of sending sewer to MMSD or to the City of Racine really wouldn't matter – there would still be a need for financing.

Mr. Cameron stated that the Town would need to think about how they would finance such a project. There would be a long term debt – issuing bonds over a 20 year period. Many municipalities set up a separate "Utility District" and then set up user rates in that district. The Town could also levy a tax on all property owners, instead of just those benefited by the sewer. The Town could also charge "impact fees" on any new buildings or development coming into the sewer service area.

It was stated that the interest rates now are approximately in the high 3%; the Town could also look at the USDA grant for this work. The engineer would be looking into the grants; however, it was also stated that grants are usually given to municipalities that are "upgrading" their existing sewer service, not the initial installation of such. It was also stated that there is "Clean Water Funding" available; however, remember, that is still a loan that needs to be paid back. The Town could collect on connection fees or impact fees. Right now, the boundary would be 43rd Street from North to South along the interstate.

It was stated that basically, right now, the Town is looking at over sizing the pipe and also buying capacity for the sewer. As far as connection fees, they vary by municipality. It could be anywhere from \$1200.00 to \$4000.00 per hook-up.

It was asked if Mr. Cameron sees other Town similar to Raymond doing this? And, if so, how do they finance it?

Mr. Cameron said that Raymond is unique. In most situations, the Towns are setting up a boundary. The Town will need a tax base and a levy. Investors loaning the money want to know that their money is safe.

It was asked if a Town with a budget similar to Raymond's go out and borrow five million dollars?

Mr. Cameron said that the Town would need to raise the levy to pay for this.

Supervisor Ryan asked if the Town set up a Utility District and started the levying process, can we collect for two years before we lay the pipe?

Mr. Cameron was not sure whether or not the Town could start collected before the project is actually started.

Mr. Stamborski stated that the Town would be charged for what they used as far as capacity is concerned.

Steve Daily asked if there has been a study to show the benefit to the property owners within that first mile?

John Hendersen suggested a benefit assessment fee. He also asked if the Town can borrow on a special assessment district?

Mr. Cameron stated that what he is talking about is just a concept plan. The bond holders will be looking for security. The Town is not totally limited in it's choices for recouping the money.

Chairman Kastenson asked if the Town decides to do this – what is the first step? Does Ehler's get a percentage of the money borrowed?

Mr. Cameron stated that another meeting would be needed first.

Supervisor Ryan asked if the Town did not pay for the over sizing pipes prior to Caledonia putting them in, do we lose our option?

Chairman Kastenson asked if Mt. Pleasant is thinking of running sewer to I94?

Steve Daily asked if the costs were negotiable.

John Strueder asked if the Town would have to pay for the pipe under the interstate as well.

Yes, the Town would also need to pay for that.

Supervisor Ryan asked about a 40 year term.

Mr. Cameron stated that a longer term would probably mean a higher interest rate.

Harold Strohmeier asked if Mr. Cameron has dealt with Town like this before. He would like to see a list of the positives and negatives of a Town like Raymond doing such a project.

Jean Babe said that a person would not only be paying an additional tax on this; but, they would also be paying monthly or quarterly user fees to the Town.

Mr. Cameron stated that this money would go to recover operating and maintenance.

Mr. Stamborski said that the first step the Town should take is talking with Caledonia.

Supervisor Phillips thinks that we should pursue this. We need to talk to Caledonia about how serious they are – we need to exhaust every effort.

The Town Board Supervisors agreed that a meeting with Caledonia was necessary.

Chairman Kastenson stated that Bob Bradley from Caledonia, would like to sit down with Town's Plan Commission.

There will be an item on the September 23rd Agenda to set up a meeting with the Town, Caledonia, Town Engineer and Town Attorney.

Supervisor Ryan suggested having two of the town board members attend such a meeting and report back to the full board.

At 9:20 the meeting was adjourned on a LECUS/PHILLIPS MOTION. MOTION CARRIED 5-0.

Respectfully submitted,

**Linda M. Terry
Town Clerk**