



Watertown City Council  
Work Session

Mayor Steve Washburn  
Lindsay Guetzkow  
Adam Pawelk  
Michael Walters  
Dan Schuette

10/26/2021 - Minutes

1. Call To Order And Roll Call

Mayor Steve Washburn called the Watertown City Council work session to order at 5:31 p.m. on Tuesday October 26, 2021, in the council chambers of City Hall.

Council Members Present: Washburn, Michael Walters, Lindsay Guetzkow, and Adam Pawelk.

Staff Present: Administrative Services Director Lynn Tschudi (virtual), City Administrator Jake Foster, and Public Utilities Superintendent Doug Kammerer.

2. New Business

2.1. 2022 Enterprise Budget & Utility Rates

Administrative Services Director Lynn Tschudi said the City conducted a utility rate study in 2017 based on future projects that would be needed in water, sewer, and stormwater systems. To pay for future projects, the City needs to operate based on new connection rate assumptions of 17 homes per year, increasing to 22 homes in the year 2023. Tschudi said the City has far exceeded these assumptions in the past few years while continuing to budget revenues conservatively.

Tschudi reviewed the Water, Sewer, and Storm Water operating funds for council. Highlights of the expenses for 2022 include:

- New meter for well #1, new chemical feed for well #3
- Additional funds for aging water meters
- Increase in employee wages due to pay equity / market study

- Team building
- Additional funds for jetting/televising
- Increase in utilities costs

Pawelk asked about the team building divided between water and sewer as well as general fund.

Tschudi explained that \$10,000 was allocated to general fund, \$5,000 to water and \$5,000 to sewer because many employees are split 70%/30% general fund, enterprise fund. Walters asked what kind of teambuilding and council visioning is planned for 2022. Tschudi said she would like the new City Administrator to have a decision in the process.

Pawelk asked why the engineering fees were increased in the sewer operating fund. He asked if the wastewater treatment facility engineering fees would be tracked with the capital project. Tschudi said the majority of the engineering fees will be capitalized with the project. Kammerer said there will be other projects during 2022 other than the WWTF that require engineering.

Guetzkow asked about the storm water ponds and if those costs have been captured. Kammerer said the ponds will be taken care of this year. She asked Tschudi if the wage study data has been confirmed. Foster said the wage ranges are accurate, but where employees were placed on the scale may not be accurate due to their experience. He would like to analyze this further and bring it to council at a future meeting.

Tschudi reviewed the Water, Sewer, and Stormwater Utility Rates. Water is expected to increase by 1%, Sewer by 4%, and Stormwater by 5%. These rates are planned accordingly by the 2017 Utility Rate Study. Tschudi explained that although the cost of the WWTF has increased significantly, the City's financial advisor suggests planning the 2022 increases around the current study. Any future increases can be planned with a new study. Tschudi shared a comparison of a 2021 and 2022 residential utility bill. Overall increase will average around 2.75%.

Council discussed the need for updated wastewater treatment facility numbers in order to know what the future rates will be.

## 2.II. General Fund Budget Update

Tschudi updated council on the General Fund Budget. She explained that the health insurance rates increased about 4% from 2021, and property/casualty still are estimated to increase by 5%. Tschudi said she decreased the EDP Software/Technology by \$10,000 since the accounting software CIP project was moved to 2023. Tschudi said the levy increase is now at 5.23% with an increase to the average value home of \$21.

## 3. Adjournment

Mayor Washburn adjourned the work session at 6:05 p.m.

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Steve

Washburn, Mayor

ATTEST: \_\_\_\_\_

Lynn Tschudi, Admin. Services Director