

The meeting was called to order at 7:00 p.m. by Mayor Redeker with the following roll call:

Members Present: Ald. Longo, Ald. Hohmann, Ald. Toellner, Ald. Schmidt, Ald. Boelk, Ald. Neumann

Commissioners Present: Scott Finke, Dan Heim, Burt Bushke

Commissioners Absent: Chip DeTuncq, Bill Steinbach

Others Present: Mayor Redeker, Darlene Smith, Ron Wellner

Item #2 - Discuss LeRoy/Kekoskee Purchased Service Agreement and Long-Term Lease.

A motion to reconsider has to be done at that meeting or the next succeeding regular meeting. Tonight can be just discussion. Clean up a couple of things that were brought up on Monday. Ald. Hohmann questioned the length of the contract. The 50 year lease is subject to earlier termination. We went with the lease because the loan bond issues would not allow the city to own the infrastructure until the loans are repaid. If that occurs in 20 years for example then the city can exercise the right to purchase in accordance with section 6 and the lease terminates. This is consistent with the memoranda of intent that was approved by the Commissioners and the Common Council. Mayville is assuming all costs of the Lift Station. The profit that we talked about of \$5,000-\$6,000 is free and clear of maintenance expenses. That \$79,000 pays for the maintenance and is built into the rate structure. This is designed to make a 6% profit. We previously had to rebuild pumps at a cost of \$9,000-\$10,000. Part of the contract is that LeRoy/Kekoskee purchase a third pump for backup. The biggest stumbling block is can the Village of Kekoskee afford this. What will happen if they default? The Village is looking at a 40 year USDA loan with a 30% Grant. The estimated monthly rate for regionalization (REU Connect) would be \$91.00; currently they are paying \$63.00. The Village has been advised to have a contingency fund for the people that don't pay their bills. At the end of the year the bills not paid will be put on the taxes. We have hired Mid-State Associates to work on the phosphorus levels. We have to meet .22, so to do this we will have to some trading and treatment. The engineer normally projects the cost high maybe 15-20%, so when the cost comes in you don't have sticker shock. The contract we are signing is with the Village of Kekoskee and the LeRoy Sanitary District. The new joint commission will receive the billing and collect from both communities. The new joint commission has not been decided. One year guaranteed money will be put in escrow. The new joint commission will consist of 1 person from the Village of Kekoskee, 1 person from the LeRoy Sanitary District and 1 Treasurer. The way the contract is written the City of Mayville is protected and will not cost any extra to our residents. Phosphorus has to be completely treated by the year 2022. The current plant expectancy to last will be 2028-2030. The more people you have to pay for something the cheaper it gets. Village of Kekoskee did have an informational meeting and the majority did sign that they were in favor of regionalization. The agreement was passed by the Kekoskee Village Board and LeRoy Sanitary District. Motion by Ald. Toellner, second by Ald. Schmidt to let Tom Lechner speak. Facts are not clear. He feels that this is being rushed due to the August 1st deadline. Make sure the facts are out so the right decision can be made. Time to take action or grants may not be there. Urge the citizens of the Village of Kekoskee to do research on the Village of Clyman who dealt with this issue in 2010. The City will take a vote to reconsider the agreement at our next regular common council meeting on June 9, 2014.

Item #3 – Adjournment

Motion by Ald. Toellner, second by Ald. Neumann to adjourn the meeting at 8:10 p.m.

Darlene Smith
City Clerk