

REGULAR MEETING OF THE JEFFERSON UTILITIES COMMISSION, HELD JANUARY 13, 2020

On call of the roll, commissioners present were: Adams, Ganser, Bristol, Brandel, Horn, Pieters and Oppermann. Also present: Utility Manager Adler, Office Manager Statz, City Attorney Rogers and George Falk III (left at 6:00 p.m.). The meeting began at 5:30 p.m.

PUBLIC PARTICIPATION

None

MINUTES

Comm. Brandel asked Office Manager Statz how the step six wage increase was handled since our last meeting.

Office Manager Statz explained that she spoke with City Administrator Freitag and determined that the step six wage will receive a 3% increase in 2020, not 2.5% as she had interpreted.

It was moved by Comm. Brandel and seconded by Comm. Bristol to approve the minutes from the December 9, 2019 meeting. Motion carried on a voice vote.

EXPENDITURES

It was moved by Comm. Brandel and seconded by Comm. Ganser to approve the payment of December's bills totaling \$1,030,628.59. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Horn – Aye, Bristol - Aye)

DISCUSSION OF TAX ROLL DISPUTE – GEORGE FALK III

George Falk III explained to the Utilities Commission that he had been working with a former Jefferson Utilities employee back in 2017 regarding a past due balance for one of his former tenants. In October of 2017, he reached out asking if there was a past due balance on their account, as they were moving out. He was provided with an email that stated there was not a past due balance at that time and if the amount went unpaid the utility would submit it to State Debt Collection (SDC) to attempt to collect. Mr. Falk III stated he interpreted that email to mean that the utility would take on the responsibility to collect from the tenant. Thus, when he settled with the tenant, he did not include the utility charges in that settlement. He stated he continued to receive the monthly landlord notices showing the tenant's name and amount owed. He was also confused how the amount grew to almost \$500.00 when his correspondence in October of 2017 showed an amount owed of \$296.08. In July of 2018, he reached back out to the utility to have the tenant removed from the monthly landlord notice. At that time, he was informed that the employee he was working was no longer with the utility. He began speaking with Office Manager Statz about the situation. Ms. Statz informed him that the tenant's delinquency was not submitted to SDC. Office Manager Statz kept the delinquent amount off of the 2018 tax roll and submitted to SDC to attempt to collect. He was informed that if collection efforts were not successful through SDC, it would be placed on his 2019 tax bill for collection. He then informed Office Manager Statz that if it did go on his tax bill he intended to sue the City of Jefferson as he had an email from the utility telling him not to pay the bill. Collections through SDC were not successful and the amount was placed on his 2019 tax bill. He was appearing before the Utilities Commission to explain the situation and ask that the charges be refunded to him, as he already paid his property tax bill.

City Attorney Rogers explained to Mr. Falk III that all delinquent utilities stay with the property and it was his responsibility to go after his tenant for the damages.

Mr. Falk III stated he signed an agreement with the tenants that he would not sue for further amounts.

City Attorney Rogers stated he still could sue for these damages, even with the signed agreement.

Comm. Brandel explained to Mr. Falk III that he has been on the Utilities Commission for over 30 years and that he can recall only one other time when there has been a hearing about tenant's delinquent bill being placed on the landlord's tax bill. He assured Mr. Falk III that this is an anomaly and not the norm.

Comm. Adams explained that the city moved to his practice because there were so many delinquent bills and once property owners were held accountable for the delinquencies, they began to put more pressure on their tenants to make payment.

Office Manager Statz explained that the amount grew to \$487.13 because a final bill was issued to the tenants after service was removed from their name. She questioned when Mr. Falk III settled with his tenants.

Mr. Falk III explained he did not know the exact date, but thought it may have been in December of 2017.

Office Manager Statz pointed out that on November 6, 2017 he was issued a letter from her with the full amount owed and on November 27, 2017 he received email correspondence from former staff indicating that any amounts not collected through SDC would be placed on his tax bill. She went on to say that Mr. Falk III responded to that email.

Mr. Falk III stated he may have received it, but his state of mind was such that he was out a lot of money from his tenants and it was in his head that he was told he would not have to worry about the bill.

Comm. Bristol asked Mr. Falk III if he was aware of the tax roll process when he purchased his properties in Jefferson.

Mr. Falk III explained that he was not aware when he bought the properties, but learned over time when he became responsible for his tenants' delinquencies.

Comm. Bristol asked how much money Mr. Falk III was out after he accounted for the loss in his taxes. He was questioning because he has a side business and knows that a write off only affects him by a smaller percentage when it is written off.

Mr. Falk III explained that he did not know, but under the new tax laws, probably the entire amount. He stated he is not a corporation, but an individual.

City Attorney Rogers stated the Utilities Commission would discuss the matter in closed session. Mr. Falk III was welcome to stay and hear their determination afterward, or a letter could be sent to him with the outcome.

Mr. Falk III asked that a letter be sent to him with the outcome. He left the meeting at 6:00 p.m.

It was moved by Comm. Pieters and seconded by Comm. Horn to adjourn to closed session pursuant to section 19.85(1)(g) conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Aye)

It was moved by Comm. Bristol and seconded by Comm. Brandel to reconvene to open session. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Aye)

POSSIBLE ACTION ON TAX ROLL DISPUTE – GEORGE FALK III

It was moved by Comm. Brandel and seconded by Comm. Bristol to offer George Falk III a payment of \$93.10 in late penalties for purposes of settlement. The payment would be made to George Falk III directly, as the tax bill has been paid in full. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Nay)

DISCUSSION AND POSSIBLE ACTION ON CONTINUATION OF THE STATE DEBT COLLECTION PROGRAM

The commission did not wish to make changes to participation in the State Debt Collection program. No action was taken.

DISCUSSION AND POSSIBLE ACTION ON MEUW ANNUAL FEES – APPRENTICE LINEMAN SCHOLARSHIP

Utility Manager Adler explained MEUW has started a new scholarship program for future apprentice lineman. They are asking for donations from member utilities. He explained that we do give a \$1,000 scholarship locally each year and this would be in addition to that.

Comm. Oppermann asked if local students are aware of the scholarship opportunity.

Utility Manager Adler explained that it was a brand new program, so probably not yet.

Comm. Brandel suggested rounding the invoice up to \$7,400.00, making a scholarship contribution of \$130.39.

Comm. Horn questioned if there was a benefit to the ratepayers.

It was moved by Comm. Brandel and seconded by Comm. Oppermann to approve the MEUW 2020 membership dues invoice and an additional contribution of \$130.39 to be put towards the lineman scholarship program. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Nay)

It was moved by Comm. Oppermann and seconded by Comm. Ganser to adjourn to closed session pursuant to section 19.85(1)(g) conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Aye)

It was moved by Comm. Brandel and seconded by Comm. Horn to reconvene to open session. On call of the roll, motion carried. (Oppermann – Aye, Adams - Aye, Ganser – Aye, Pieters – Aye, Brandel – Aye, Bristol – Aye, Horn - Aye)

It was moved by Comm. Horn and seconded by Comm. Ganser to adjourn. Motion carried on a voice vote. The meeting adjourned at 7:09 p.m.