

**Village of Somers
7511 12th Street
Somers, WI 53171**

**Village Special Board Meeting
Agenda
Tuesday, July 21, 2026
4:30 p.m.**

Village Board Meeting:	
Item #	
1	Call to order
2	Pledge of Allegiance
3	Citizens Comments
4	Review and discuss the financial management plan.
5	Possible action on the submission of the Public Services Commission (PSC) Rate Case application: a) Payment in Lieu of Taxes (PILOT) fee b) Conversion to a direct public fire protection fee
6	Adjourn

I hereby certify that as the designee of the chief elected official of the Village of Somers, I posted this notice of the July 21st, 2026 Special Village Board Meeting Agenda in 1 public place & on the Village website.

Dated this 17th day of July, 2026

Wendy Burnette, Clerk-Treasurer

Requests from person with disabilities who need assistance to participate in this meeting should be made to the Clerk's Office at 262-859-2822 with as much notice as possible. **Notice is hereby given that members of the Village Board may participate telephonically. Notice is hereby given that members of the Town Board may be in attendance for the sole purpose of gathering information. A quorum may be present. However, no Town Board action will be taken.**



**VILLAGE OF SOMERS
SPECIAL VILLAGE BOARD
MEETING ITEM MEMORANDUM**

MEETING DATE: July 21, 2026

TO: Village President Stoner and Village Trustees

PREPARED BY: Jim Hurley, Village Administrator

REVIEWED BY: Kevin Poirier, Assistant Administrator

AGENDA ITEM: #4-5 Possible action on the submission of the Public Services Commission (PSC) Rate Case application:
a. Payment in Lieu of Taxes (PILOT) fee
b. Conversion to a direct public fire protection fee

BACKGROUND:

In May, Ehlers presented an analysis of fire/EMS staffing, and the Village's levy limit. The Board discussed the Village's use of abated debt, and projected deficit going forward.

In June, Ehlers updated its analysis and discussed options to improve the financial stability of the Village. Particularly, we discussed possibly closing some of the TIDs in the near future, a payment in lieu of taxes (PILOT), and conversion to a direct public fire protection (PFP) fee. Both fees require the approval of the public services commission (PSC).

Last week, Ehlers and staff reviewed a presentation with options for a PILOT and PFP, and estimated increases for ratepayers.

Additional information was available about a direct recycling fee, and the estimated cash flow of the TIDs to support funding the \$3.8M Pike Creek Lift Station improvement.

At the direction of the Board, a special meeting was scheduled to discuss and take possible action on a PILOT or PFP direct fee conversion. If the Board would like to consider, then the fees must be submitted with the rate case application to the PSC by July 31.

SUGGESTED ACTION/ACTION REQUESTED/COMMENTS:

In the event that the Village Board agrees, a suggested motion to approve would be as follows:

“Motion to approve submission of the Rate Case application to the Public Service Commission of Wisconsin with a payment in lieu of taxes (PILOT) amount of XX, and conversion to a full public fire protection fee for water and non-water customers as presented.”

ATTACHMENTS:

Financial Management Plan & Water Rate Update



Village of Somers Financial Management Plan & Water Rate Update

July 14, 2026

Operating Budget Deficit

	Actual/Estimated Operating Deficit
2026	540,805
2028	618,832
2030	833,755

*Currently using fund balance or abated debt capacity to address the deficit.

Proposed TID Closure Analysis and Levy Limit Benefit

TID Closure	Proposed Year of Closure								2034	2035
	2026	2027	2028	2029	2030	2031	2032	2033		
TID 1	-	-	-	-	-	-	-	123,834,000	-	-
TID 2	-	143,496,100	-	-	-	-	-	-	-	-
TID 3	-	-	-	-	159,916,000	-	-	-	-	-
TID 4	-	-	-	-	-	-	-	-	-	-
TID 5	-	-	-	-	-	-	-	-	-	-
TID 6	-	-	-	-	-	-	-	-	-	-

Represents the amount of existing incremental value shown in the year that each TID may close

Levy Limit Analysis – TID 2 Closure

Levy Year		2024	2025	2026	2027	2028	2029
Calendar/Budget Year		2025	2026	2027	2028	2029	2030
Line		Actual	Projected	Projected	Projected	Projected	Projected
Line 5 - 6 Adjustments	I Will Close a TID Before April 15 in This Calendar Year	No	Yes	No	Yes	No	No
	Enter Projected TID Increment Value in Shaded Cell				143,496,100		
	Enter Projected Total TID OUT EV in Closure Year in Shaded Cell				1,233,691,152		
	Terminated TID % (50% of increment value as a percentage of TID OUT EV)		0.07%		5.82%		
	Applied to Prior Year Adjusted Actual Levy		2,459		204,866		
	Net New Construction						
Line 5 - 6 Adjustments	Enter Assumed Net New Construction Percentage	13.363%	2.473%	2.000%	2.000%	2.000%	2.000%
	Applied to Prior Year Adjusted Actual Levy	396,991	83,286	69,071	70,453	75,959	77,478
	Less: Next Year's Personal Property Aid	(35,851)	(35,851)	(35,851)	(35,851)	(35,851)	(35,851)
	Levy Limit Before Adjustments	3,331,563	3,417,708	3,486,779	3,762,098	3,838,057	3,915,535

- \$204,866 (in current dollars) is estimated one time levy limit increase for closing TID 2

Other Alternative Revenues



Reviewed the conversion of garbage collection to a direct charge and concluded it would not increase levy capacity



Converting recycling to a direct charge would help free approximately \$218,000 in levy capacity

PILOT (Option 1): Maximum Amount

- \$535,296 is the full PILOT Payment
- 26.70% = Rate increase with PILOT
- Rate Inc. 100% caused by PILOT

Revenue Requirement						Est	Application
Component	Description	2021	2022	2023	2024	2025	2026
Cash Basis							
1	O&M & Other Taxes	\$744,667	\$677,872	\$749,904	\$843,608	\$718,881	\$910,002
2	PILOT	\$0	\$0	\$0	\$0	\$0	\$535,296
3	Debt	\$557,170	\$290,107	\$693,979	\$663,767	\$826,017	\$808,683
4	Cash Funded Capital	\$840,396	\$72,527	\$436,806	\$679,892	\$206,504	\$202,171
Less:							
	Other Revenue	\$4,074	\$2,846	\$3,654	\$47,890	\$9,652	\$10,200
	Interest Income	\$4,121	\$20,435	\$26,803	\$18,367	\$9,020	\$9,020
	Revenue Requirement (Costs less Other Income)	\$2,134,038	\$1,017,225	\$1,850,232	\$2,121,010	\$1,732,730	\$2,436,932
	User Rates Revenue	\$1,381,272	\$1,547,682	\$1,836,692	\$1,882,767	\$1,783,521	\$2,067,575
	Rate Adequacy	(\$752,766)	\$530,457	(\$13,540)	(\$238,243)	\$50,791	(\$369,357)
	Rate Adjustment Needed	54.50%	0.00%	0.74%	12.65%	0.00%	17.86%
Utility Basis (PSC)							
1	O&M & Other Taxes	\$744,667	\$677,872	\$749,904	\$843,608	\$718,881	\$910,002
2	PILOT	\$0	\$0	\$0	\$0	\$0	\$535,296
3	Depreciation	\$216,509	\$199,284	\$262,089	\$275,425	\$385,432	\$319,740
	NIRB	\$7,131,584	\$9,122,441	\$11,107,598	\$10,922,254	\$10,422,021	\$13,225,796
	Benchmark ROI %	4.90%	4.90%	6.50%	6.50%	6.50%	6.40%
4	Calculated ROI	\$349,448	\$447,000	\$721,994	\$709,947	\$677,431	\$846,451
Less:							
	Other Revenue	\$4,074	\$2,846	\$3,654	\$47,890	\$9,652	\$10,200
	Revenue Requirement (Costs less Other Income)	\$1,306,550	\$1,321,310	\$1,730,333	\$1,781,090	\$1,772,092	\$2,601,288
	User Rates Revenue	\$1,381,272	\$1,547,682	\$1,836,692	\$1,882,767	\$1,783,521	\$2,067,575
	Rate Adequacy	\$74,722	\$226,372	\$106,359	\$101,677	\$11,429	(\$533,713)
	Rate Adjustment Needed	0.00%	0.00%	0.00%	0.00%	0.00%	26.70%

PILOT (Option 2): 50 Percent

- \$267,648 is 50% allocated to PILOT
- 13.31% Rate Increase due to PILOT

Revenue Requirement							Est	Application
Component	Description	2021	2022	2023	2024	2025	2026	
Cash Basis								
1	O&M & Other Taxes	\$744,667	\$677,872	\$749,904	\$843,608	\$718,881	\$910,002	
2	PILOT	\$0	\$0	\$0	\$0	\$0	\$267,648	
3	Debt	\$557,170	\$290,107	\$693,979	\$663,767	\$826,017	\$808,683	
4	Cash Funded Capital	\$840,396	\$72,527	\$436,806	\$679,892	\$206,504	\$202,171	
Less:								
	Other Revenue	\$4,074	\$2,846	\$3,654	\$47,890	\$9,652	\$10,200	
	Interest Income	\$4,121	\$20,435	\$26,803	\$18,367	\$9,020	\$9,020	
	Revenue Requirement (Costs less Other Income)	\$2,134,038	\$1,017,225	\$1,850,232	\$2,121,010	\$1,732,730	\$2,169,284	
	User Rates Revenue	\$1,381,272	\$1,547,682	\$1,836,692	\$1,882,767	\$1,783,521	\$2,067,575	
	Rate Adequacy	(\$752,766)	\$530,457	(\$13,540)	(\$238,243)	\$50,791	(\$101,709)	
	Rate Adjustment Needed	54.50%	0.00%	0.74%	12.65%	0.00%	4.92%	
Utility Basis (PSC)								
1	O&M & Other Taxes	\$744,667	\$677,872	\$749,904	\$843,608	\$718,881	\$910,002	
2	PILOT	\$0	\$0	\$0	\$0	\$0	\$267,648	
3	Depreciation	\$216,509	\$199,284	\$262,089	\$275,425	\$385,432	\$319,740	
	NIRB	\$7,131,584	\$9,122,441	\$11,107,598	\$10,922,254	\$10,422,021	\$13,225,796	
	Benchmark ROI %	4.90%	4.90%	6.50%	6.50%	6.50%	6.40%	
4	Calculated ROI	\$349,448	\$447,000	\$721,994	\$709,947	\$677,431	\$846,451	
Less:								
	Other Revenue	\$4,074	\$2,846	\$3,654	\$47,890	\$9,652	\$10,200	
	Revenue Requirement (Costs less Other Income)	\$1,306,550	\$1,321,310	\$1,730,333	\$1,781,090	\$1,772,092	\$2,333,641	
	User Rates Revenue	\$1,381,272	\$1,547,682	\$1,836,692	\$1,882,767	\$1,783,521	\$2,067,575	
	Rate Adequacy	\$74,722	\$226,372	\$106,359	\$101,677	\$11,429	(\$266,066)	
	Rate Adjustment Needed	0.00%	0.00%	0.00%	0.00%	0.00%	13.31%	

Option 3 (PILOT): Percentage Based

- \$235,530 is 44% allocated to PILOT. Calculated % = number of total Village parcels as a % of total Water Customers.
- 11.70% rate increase due to PILOT

Revenue Requirement						Est	Application
Component	Description	2021	2022	2023	2024	2025	2026
Cash Basis							
1	O&M & Other Taxes	\$744,667	\$677,872	\$749,904	\$843,608	\$718,881	\$910,002
2	PILOT	\$0	\$0	\$0	\$0	\$0	\$235,530
3	Debt	\$557,170	\$290,107	\$693,979	\$663,767	\$826,017	\$808,683
4	Cash Funded Capital	\$840,396	\$72,527	\$436,806	\$679,892	\$206,504	\$202,171
Less:							
	Other Revenue	\$4,074	\$2,846	\$3,654	\$47,890	\$9,652	\$10,200
	Interest Income	\$4,121	\$20,435	\$26,803	\$18,367	\$9,020	\$9,020
	Revenue Requirement (Costs less Other Income)	\$2,134,038	\$1,017,225	\$1,850,232	\$2,121,010	\$1,732,730	\$2,137,166
	User Rates Revenue	\$1,381,272	\$1,547,682	\$1,836,692	\$1,882,767	\$1,783,521	\$2,067,575
	Rate Adequacy	(\$752,766)	\$530,457	(\$13,540)	(\$238,243)	\$50,791	(\$69,591)
	Rate Adjustment Needed	54.50%	0.00%	0.74%	12.65%	0.00%	3.37%
Utility Basis (PSC)							
1	O&M & Other Taxes	\$744,667	\$677,872	\$749,904	\$843,608	\$718,881	\$910,002
2	PILOT	\$0	\$0	\$0	\$0	\$0	\$235,530
3	Depreciation	\$216,509	\$199,284	\$262,089	\$275,425	\$385,432	\$319,740
	NIRB	\$7,131,584	\$9,122,441	\$11,107,598	\$10,922,254	\$10,422,021	\$13,225,796
	Benchmark ROI %	4.90%	4.90%	6.50%	6.50%	6.50%	6.40%
4	Calculated ROI	\$349,448	\$447,000	\$721,994	\$709,947	\$677,431	\$846,451
Less:							
	Other Revenue	\$4,074	\$2,846	\$3,654	\$47,890	\$9,652	\$10,200
	Revenue Requirement (Costs less Other Income)	\$1,306,550	\$1,321,310	\$1,730,333	\$1,781,090	\$1,772,092	\$2,301,523
	User Rates Revenue	\$1,381,272	\$1,547,682	\$1,836,692	\$1,882,767	\$1,783,521	\$2,067,575
	Rate Adequacy	\$74,722	\$226,372	\$106,359	\$101,677	\$11,429	(\$233,948)
	Rate Adjustment Needed	0.00%	0.00%	0.00%	0.00%	0.00%	11.70%

PILOT Comparison (Option 1, 2, and 3)

Name	Class	Owner	Taxable Assets	Assessed Value	Tax Equiv.
Kenosha Water Utility	AB	Muni	142,822,397	121,342,051	1,777,631
Village of Somers Water Utility (2026 TY - Option 1)	C	Muni	34,283,553	33,255,046	535,296
Village of Caledonia Water Utility	AB	Muni	60,163,701	60,737,242	798,287
Village of Pleasant Prairie Water Utility	AB	Muni	84,476,634	78,476,005	766,722
Burlington Municipal Waterworks	C	Muni	29,552,859	29,330,503	377,684
Village of Somers Water Utility (2026TY - Option 2)	C	Muni	34,283,553	33,255,046	267,648
Village of Somers Water Utility (2026TY -Option 3)	C	Muni	34,283,553	33,255,046	235,530
Village of Waterford Water and Sewer Utility	C	Muni	15,264,724	14,345,727	179,514
Union Grove Municipal Water Utility	C	Muni	15,437,823	15,083,648	176,072
Paddock Lake Municipal Water Utility	D	Muni	9,796,920	9,949,752	161,269
Town of Yorkville Water Utility	D	Muni	3,365,305	3,135,552	50,273
Wind Point Municipal Water Utilitv	D	Muni	1,593,844	1,557,455	15,903

217k PFP Conversion Estimated Impact

Meter Size	Charge	Totals		Current Quarterly Rate	\$ 217,077.00 Annual Rate	Additional Quarterly Rate	PFP Proposed Conversion Plus Current Rates
5/8"	\$0.00		647	\$ 12.00	74.44	18.61	\$ 30.61
3/4"	\$0.00		290	\$ 12.00	74.44	18.61	\$ 30.61
1"	\$0.00		426	\$ 30.00	186.11	46.53	\$ 76.53
1 1/4"	\$0.00		0	\$ 44.00	275.44	68.86	\$ 112.86
1 1/2"	\$0.00		54	\$ 60.00	372.22	93.05	\$ 153.05
2"	\$0.00		53	\$ 96.00	595.55	148.89	\$ 244.89
3"	\$0.00		3	\$ 180.00	1,116.65	279.16	\$ 459.16
4"	\$0.00		3	\$ 300.00	1,861.09	465.27	\$ 765.27
6"	\$0.00		2	\$ 600.00	3,722.17	930.54	\$ 1,530.54

Notes:

1) This is based on the most recent count from the Village, this does not include non-customers.

PFP Impact to Sample Resident Water Bills

Quarterly Utility Bill Comparison			
	Current with PFP on Levy	What Communication from PSC will Reflect	Total Change in Water Charges
Quarterly Water Bill (Current)	\$74.83	\$0.00	\$0.00
Quarterly Water Bill (After Increase)	0	\$94.81	\$94.81
Water Bill PFP	\$12.00	\$30.61	\$30.61
Water Bill Charges	\$86.83	\$125.42	\$125.42
\$ over Current Water Bill		\$38.59	
% over Current Water Bill		44%	
Quarterly Levy PFP	\$17.67		\$0.00
Current Cost of Water	\$104.49	\$125.42	\$125.42
\$ over Current Cost of Water			\$20.92
% over Current Cost of Water			20%

- PFP Notice only shows water bill change and not total cost of water change
- Non-customers are not included

217k PFP Conversion Estimated Impact - Non-Customers Included

Meter Size	Totals	PFP Proposed Conversion Plus Current Rates			
		Current Quarterly Rate	\$ 217,077.00 Annual Rate	Additional Quarterly Rate	
5/8"	2,438	\$ 12.00	46.12	11.53	\$ 23.53
3/4"	290	\$ 12.00	46.12	11.53	\$ 23.53
1"	426	\$ 30.00	115.29	28.82	\$ 58.82
1 1/4"	0	\$ 44.00	170.64	42.66	\$ 86.66
1 1/2"	54	\$ 60.00	230.59	57.65	\$ 117.65
2"	53	\$ 96.00	368.94	92.24	\$ 188.24
3"	3	\$ 180.00	691.77	172.94	\$ 352.94
4"	3	\$ 300.00	1,152.95	288.24	\$ 588.24
6"	2	\$ 600.00	2,305.90	576.47	\$ 1,176.47

Notes:

1) This is based on the most recent count from the Village, this includes water customers and non-customers

PFP Impact to Sample Resident Water Bills (Includes Non-Customers)

Quarterly Utility Bill Comparison			
	Current with PFP on Levy	What Communication from PSC will Reflect	Total Change in Water Charges
Quarterly Water Bill (Current)	\$74.83	\$0.00	\$0.00
Quarterly Water Bill (After Increase)	0	\$94.81	\$94.81
Water Bill PFP	\$12.00	\$23.53	\$23.53
Water Bill Charges	\$86.83	\$118.34	\$118.34
\$ over Current Water Bill		\$31.51	
% over Current Water Bill		36%	
Quarterly Levy PFP	\$17.67		\$0.00
Current Cost of Water	\$104.49	\$118.34	\$118.34
\$ over Current Cost of Water			\$13.84
% over Current Cost of Water			13%

- PFP Notice only shows water bill change and not total cost of water change
- Includes both water utility customers and non-customers

Water Rate Case Timeline

- Village will need to provide direction by JULY 31, 2026 on:
 - ✓ PILOT payment
 - ✓ Public Fire Protection Charge Conversion
- Water Rate Application filed with the PSC
 - ✓ PSC auditor and rate analyst assigned

Questions?

