



## **CITY OF PORT WASHINGTON NEWS RELEASE**

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### **Press Contacts:**

Theodore Neitzke IV, Mayor, [tneitzke@cpwwi.org](mailto:tneitzke@cpwwi.org), 262-284-5585

Anthony Brown, City Administrator, [abrown@cpwwi.org](mailto:abrown@cpwwi.org), 262-284-5585

## **CITY TO REFUND INDIVIDUALS AND BUSINESSES IMPACT FEES**

**PORT WASHINGTON, WI** | August 17, 2021 – In the fall of 2020, at the recommendation of the new City Administrator, and approval of the Common Council, the City began an analysis of the Impact Fee Program. Since 1999, the City has been collecting impact fees from newly developed residential, commercial, and industrial properties. These fees were enacted to pay part of the cost of four (4) municipal facilities projects: wastewater treatment plant upgrades, fire station addition, police station addition, and a library addition. Under Wisconsin State statute, impact fees may be established to pay for newly developed or expanded residential, commercial, and industrial properties to compensate a municipality for the portion of the cost of new facilities needed to service the growth which those developments represent.

A comprehensive review of impact fee collections and accounts concluded the following principal findings:

1. From 1999 through 2020, \$3,952,780 in impact fees were collected from 820 properties.
2. Currently, the City has approximately \$2,014,315 in four (4) impact fee reserve accounts.
3. The total impact fees that should have been collected for the four (4) projects under the existing ordinance is \$2,854,803, resulting in an excess collection of \$1,097,977.
4. Due to errors in how impact fees were calculated, \$1,176,898 (Note: dollar figure includes interest) in refunds is owed to approximately 105 payers of the fee.
5. In accordance with State statute, due to the fee calculation errors refunds are due to the payer of the fees for the affected properties, with interest.
6. In accordance with State statute, due to the excess funds collected refunds are due to the payer of the fee for the affected properties, with interest.
7. The balance in the impact fee reserve accounts is more than sufficient to pay all the refunds due. There will be no monetary impact to the City's general fund, taxpayers, or property tax levy.

As a result of these findings, at the August 17, 2021 Common Council meeting, the City Administrator recommended to the Mayor and Common Council, and in accordance with State statute, the identified payers of the fee who overpaid and/or paid in error be refunded the identified dollar amounts as soon as practicable. Further, the City appropriate funds from the existing fund balance to execute a refund program. In short order, the Common Council unanimously approved the recommendations.

Mayor Neitzke applauded the efforts taken to examine this program and the decisive action taken by the Common Council, "Anthony Brown, doing his due diligence and reviewing the processes in place, recognized some concerns that helped the City discover these issues and I thank him for bringing this to light. Also, I'd like to thank my colleagues on the Common Council for recognizing the importance of expeditiously taking action to build confidence in the City's ability to attend to the people's business efficiently, effectively, and competently. I look forward to refunding in full,

with interest, the individuals and businesses who were overcharged.” In explaining the situation to the Mayor and Common Council, Mr. Brown emphasized that as an outgrowth of this analysis there are processes, including increased oversight, in place to ensure this type of issue will not happen again in the future. Also, he indicated that the employees responsible for the error and overcollection are no longer employed with the City.

The individuals and businesses eligible for a refund will be receiving a notification letter in the next few weeks. The letters will include an overview of the impact fee analysis findings, the refund amount they are entitled to claim and the process to claim the refunded amount.

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