

**CITY OF CEDARBURG  
COMMON COUNCIL  
November 14, 2022**

**CC20221114-1  
UNAPPROVED**

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, October 10, 2022 at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers and online utilizing the Zoom app.

Mayor O’Keefe called the meeting to order at 7:00 p.m.

Roll Call: Present - Mayor Michael O’Keefe, Council Members Jack Arnett, Kristin Burkart, Rick Verhaalen, Robert Simpson, Patricia Thome, Melissa Bitter (8:48 p.m.), Mark Mueller (8:48 p.m.)

Also Present - City Administrator Mikko Hilvo, City Attorney Michael Herbrand, Deputy City Clerk Amy Kletzien, City Clerk Tracie Sette, Finance Director/Treasurer Kelly Livingston, Director of Engineering and Public Works Mike Wieser, Water Recycling Center Superintendent Dennis Grulkowski, Light & Water Utility General Manager Ben Collins, interested citizens and news media

**STATEMENT OF PUBLIC NOTICE**

At Mayor O’Keefe’s request, Deputy City Clerk Kletzien verified that notice of this meeting was provided to the public by forwarding the agenda to the City’s official newspaper, the *News Graphic*, to all news media and citizens who requested copies, and by posting in accordance with the Wisconsin Open Meetings Law. Citizen’s present were welcomed and encouraged to provide their input during the citizen comment portion of the meeting.

**COMMENTS AND SUGGESTIONS FROM CITIZENS** – None

**PRESENTATIONS**

**DISCUSSION AND POSSIBLE ACTION ON APPLICATIONS, CONDUCTING, INTERVIEWS, AND CONSIDERING APPOINTMENTS TO FILL THE 1<sup>ST</sup> AND 7<sup>TH</sup> DISTRICT ALDERPERSON VACANCIES**

Mayor O’Keefe thanked the candidates for applying for the open aldermanic positions. He said the constituents of Districts 1 and 7 would be proud to have all the candidates represent them. He reminded candidates that there are plenty of opportunities to serve on boards, commissions, and committees if they are not chosen and that the election for this position is next April.

Candidates applying for the 1<sup>st</sup> District Aldermanic vacancy are Melissa Bitter, N92W6217 Arbor Drive and Donny Long, W61N878 Arbor Drive. After introductions, the candidates were interviewed by the Council and provided answers to questions submitted to them in advance of the meeting.

The procedure in Policy CC-20A on filling aldermanic vacancies was followed. Each Council Member votes for one candidate. The individual receiving the least number of votes on the first ballot will no longer be considered a candidate and additional balloting continues using the same process until only one candidate receives a majority of the votes cast. A candidate must receive a majority of

votes from the Council, but not less than three, to be elected. In the case of a tie vote for the final two candidates for an aldermanic position, the Mayor will break the tie. Council voting is done by paper ballot and voting results are announced. Ballots must contain the name of the person voting, as well as the name of the person voted for, so that the vote of each member can be ascertainable.

The first round of voting resulted in Council Members Arnett, Burkart, Verhaalen, Simpson, and Thome voting for Melissa Bitter.

Candidates applying for the 7<sup>th</sup> District Aldermanic vacancy were Doug Edmunds, N79W6939 Pine Street, Connie Kincaide, N75W7255 Linden Street, Mark Mueller, W73N1031 Poplar Avenue, and Tim Schelwat, W76N1012 Wauwatosa Road. After introductions, the candidates were interviewed by the Council and provided answers to questions submitted to them in advance of the meeting.

Again, the procedure in Policy CC-20A on filling aldermanic vacancies was followed as described above.

The first round of voting resulted in Council Member Burkart voting for Connie Kincaide and Council Members Arnett, Verhaalen, Simpson, and Thome voting for Mark Mueller

Motion made by Council Member Verhaalen, seconded by Council Member Simpson, to appoint Melissa Bitter as 1<sup>st</sup> District Alderperson and Mark Mueller as 7<sup>th</sup> District Alderperson through April 17, 2023 as voted on. Motion carried without a negative vote with District 1 Alderperson and District 7 Alderperson not voting.

### **OATHS OF OFFICE: COUNCIL MEMBER 1<sup>ST</sup> AND 7<sup>TH</sup> ALDERMANIC DISTRICT**

Deputy City Clerk Kletzien administered the oath of office to 1<sup>st</sup> Aldermanic District Council Member Bitter and 7<sup>th</sup> Aldermanic District Council Member Mueller and the new Council Members were seated.

The Common Council took a break from 8:48 p.m. – 8:53 p.m.

### **PUBLIC HEARING**

### **PUBLIC HEARING – PRESENTATION OF THE PROPOSED 2023 CITY BUDGET**

Mayor O’Keefe called the public hearing open at 8:53 p.m.

City Administrator Hilvo explained that the proposed tax rate is decreasing by \$2.06/\$1,000. The priorities for 2023 are Public Safety and a change in health insurance for City employees.

The proposed budget shows a decrease of \$2.06/\$1,000. This is based on the 2022 revaluation that increased the City’s assessment ratio from 82.43% to 96.31% of our equalized values. The average property value went up from \$280,000 to \$392,200. The levy limit allows for an increase of \$155,213. This amount also qualifies the City to receive future expenditure restraint funding (9.6% growth allowed in 2023 compared to 4.5% in 2022). The 2023 budget will utilize \$275,585 of Debt Service Fund Balance, \$578,969 of Capital Improvement Fund Balance, and \$251,536 of General Fund Balance. All funds will continue to have a positive fund balance. The budget also includes adding a

separate levy for the Fire/EMS services in the amount of \$464,199. With the proposed increases, the decrease in our debt levy and the utilization of fund balances the General Fund budget for 2023 is increasing by \$149,604 from 2022.

Major General Fund changes from 2022:

- Expenditures:
  - General Government increased \$476,212;
  - Public Safety increased \$30,840;
  - Engineering/Public Works increased \$210,082;
  - Parks, Recreation & Forestry increased \$68,757;
  - Debt Service decreased (\$617,131).
- Individual Departmental increases and decreases were reviewed; summary of changes include:
  - 4% COLA salary increase for City Employees. 4% increase for Police and Police Union employees per union contract. Some positions are receiving market rate and merit increases.
  - Health insurance plan premiums will decrease approximately \$7,000 in family health insurance premiums. The State plan has a lower premium, and the City will pay 88% of the lowest plan premium. The employee is responsible for the difference based on the plan they chose. The lowest plan requires a 12% employee contribution. Changing to the State Health Insurance Plan is a positive for the City and the employees since the current plan provider for the City had a 77.8% premium increase for 2023.
  - Clerk's budget – decreased due to fewer elections in 2023.
  - Technology – increased due to switch in email providers from the County to Microsoft 360.
  - Assessor Services – decreased to reflect 2023 contract. 2022 increase was for revaluation.
  - Finance/Treasurer's Office – increased for Financial Consultant services and increased hours for part-time accounts payable position. Increasing hours from 20 hours per week to 30 hours per week.
  - Independent Audit – increased for auditing services.
  - Police Station Administration – decreased for third shift dispatch switching to the County.
  - Police Patrol – 4% salary increases and adding an officer in January 2023.
  - Building Inspection – increased staff wages per new Building Inspector salary and benefits.
  - Engineering/Public Works – increase in health insurance changes.
  - Public Works – all salaries for street maintenance/repair, storm sewers, snow and ice control, and recycling were moved to one account.
  - Parks, Recreation & Forestry – increase in salaries. All salaries from the pool and celebrations budgets were moved to one account.
  - Celebrations – decreased. DPW/Parks staff time budgeted in department budgets instead of celebrations.
- Revenues:
  - Property Taxes increased \$204,457; 2.72%;
  - Intergovernmental Revenues decreased (\$11,907); (0.83%)

- State Transportation Aid is decreasing by \$10,648. All other revenues remain the same or have slight increases/decreases;
  - Regulation and Compliance -estimated to increase based on adoption of revised fees for 2023.
    - Liquor, Beer, Direct Seller, Cigarette, Operator, Bicycle, Dog, Cat, Cable TV, Weights and Measures licenses. Building, Electrical, Plumbing, Heating, Occupancy Permits;
  - Law and Order Violations decreased (\$11,181); (10.54%)%;
  - Public Charges for Services decreased (\$1,360); (1.33%);
  - Intergovernmental Charges decreased (\$259,050); (79.06%);
    - Town shared costs of Fire Department Operating Budget has been moved to the Fire/EMS Special Revenue Fund;
  - Commercial Revenues decreased (\$659); (0.27%)
- The total estimated Fund Balance at the end of 2022 is \$3,165,674; minimum required unassigned fund balance per City policy is \$1,646,234; maximum unassigned fund balance per City policy is \$2,469,350. The Council approved use of Fund Balance of \$524,000 for 2023. Fund Balance budgeted for 2023 is \$351,356 Proposed ending fund balance 2023 (unassigned) \$2,814,138.

**Capital Improvement Fund – Five (5) Year Funding Plan:**

- The levy increased by \$100,000 for 2023 (6.2%);
- The Capital Improvement Fund levy is 15.10% of the total levy;
- Street Improvements make up majority of the Capital Improvement projects with estimated 2023 allocation of \$1,050,000;
- Park Impact Fees - \$250,000 will be used for Baehmann's Playground;
- Capital Improvement Fund Balance – estimated use of \$578,969
- Estimated ending Fund Balance after 2023: \$660,132.

**Debt Service:**

- The debt service levy decreases \$617,131 (31.1%) for a total levy of \$1,365,047.
- Equalized Tax Rate is \$0.68/\$1,000 of value (based on current debt).
- The City has \$20,375,000 in outstanding debt at the end of 2022. (Total Debt Limit: \$98,917,180)
- Borrowing in 2023
  - Fox Run Development Road Construction (\$2.5 M for Hanover Avenue extension).
    - Loan will be paid initially through debt proceeds and then through the tax increment created by the project.

**Special Revenue Funds:**

- Cemetery is projected to end 2022 with an increase of \$4,069 to the fund balance. 2022 budget proposes to utilize \$45,861 of fund balance for repairs to the cemetery house and lawn services. Estimated fund balance for the end of the year 2023 is \$285,435;
- Room tax revenue amount expected in 2023 is \$60,000. \$57,000 is given to the Chamber for Tourism, Promotion, and Development. The City keeps \$3,000 for administrative fees;
- Recreation Programs are expected to end the year with a decrease of \$602 to the fund balance. The use of \$496 of the fund balance is budgeted for 2023, which could change to a positive

based on the implementation of new fees. Ending fund balance for 2023 is proposed at \$198,483;

- Swimming Pool is proposed to have no increase in the levy. It will remain at \$69,216 for 2023.
- Park sub-divider deposit fund – \$250,000 use of impact fees is budgeted for 2023 for the construction of Bachmann’s Park. Estimated fund balance for the end of the year 2023 is \$186,385. Additional Impact Fees continue to be added to the Fund through ongoing development in the City.

**Special Revenue Fund – Library:**

- The Library is the largest tax supported special revenue fund.
- The 2023 proposed levy is \$771,194; no increase from 2022.
- Revenues are increasing by \$15,209.
- Expenditures are increasing by \$31,563.
- A fund balance decrease of \$24,162 is projected for 2023.
- Remaining fund balance of \$81,037 is estimated at the end of 2023.
- Capital projects for the Library have been included in the 7-year Capital plan to maintain the building.

**Internal Service – Risk Management:**

- Accounts for all insurance costs of the City.
- Revenues are transfers from other funds, dividend income and insurance and wage recoveries decreasing by 3.9%.
- Expenditures are premiums and claims, legal fees associated with claims increased by 3.34%.

**Water Recycling Center:**

- The Water Recycling Center is not supported by taxes but user fees.
- New rates were established for 2023 to help fund the collection and equipment replacement funds, the Adaptive Management plan, and to help reduce borrowing in the future for a new plant.
- The flow rate charge is increasing to \$10.00/1,000 gallons. This is a \$1.45/1,000 gallons increase.
- The holding tank and septage hauler fees are increasing slightly, \$9.25/1,000 gallons and \$51.00/1,000 gallons respectively.
- The monthly connection fee remains the same at \$15/month.
- Total Revenues: \$3,912,748; increasing by \$213,772 (5.78%).
- Total Expenditures: \$3,216,091; increasing by \$143,848 (4.47%).
- Projected Fund Balance at the end of 2023 is \$7,578,103.29.

City Administrator Hilvo answered questions from the Common Council.

There was no public comment.

Motion made by Council Member Burkart, seconded by Council Member Arnett, to close the public hearing at 9:38 p.m. Motion carried on a roll call vote with Council Members Bitter, Arnett, Burkart, Verhaalen, Simpson, Thome, and Mueller voting aye.

**NEW BUSINESS**

**DISCUSSION AND POSSIBLE ACTION ON ORDINANCE NO. 2022-17 PLACING A STOP SIGN AT FAIRWAY LANE AND WASHINGTON AVENUE**

Director Wieser explained that the new intersection of Fairway Lane at Washington Avenue will require a stop sign for westbound traffic entering on to Washington Avenue. Since Washington Avenue is considered a high volume primary arterial, a full stop sign is recommended. The Public Works and Sewerage Commission recommended a stop sign at this intersection at their October 13, 2022 meeting.

Motion made by Council Member Burkart, seconded by Council Member Simpson, to adopt Ordinance No. 2022-17 placing a stop sign at Fairway Lane and Washington Avenue. Motion carried without a negative vote.

**DISCUSSION AND POSSIBLE ACTION ON ORDINANCE NO. 2022-18 PLACING YIELD SIGNS IN FAIRWAY VILLAGE PHASE 2**

Director Wieser explained that for the new low volume internal street intersections in the Fairway Village Phase 2 Subdivision, staff is recommending the installation of yield signs to establish traffic control. The yield signs clearly assign who has the right-of-way, but don't require motorists to come to a full stop. The Police Department and Public Works Commission support this signage layout. The Public Works and Sewerage Commission recommended installation of yield signs at the proposed intersection locations.

Motion made by Council Member Burkart, seconded by Council Member Simpson, to adopt Ordinance No. 2022-18 placing yield signs in Fairway Village Phase 2. Motion carried without a negative vote.

**DISCUSSION AND POSSIBLE ACTION ON AWARD OF ENGINEERING DESIGN CONTRACT FOR THE 2023 STREET AND UTILITY PROJECT**

Director Wieser explained that staff requested proposals from a total of five engineering consulting firms for the design of the 2023 Street and Utility project. A detailed Request for Proposal (RFP) was sent to each firm, and the scope of work has been well defined. Five firms submitted responsive proposals, and the lowest overall fee for design service was submitted by Cedar Corporation for \$29,460. The Public Works and Sewerage Commission recommended approval at their November 10 meeting.

The 2023 project includes the reconstruction of Sommerset Avenue from Pioneer Road to Wirth Street, Wirth Street from Sommerset Avenue to McKinley Blvd, Garfield Street from McKinley Blvd. to Fillmore Avenue, Woodland Road from Highwood Drive to Cedar Ridge Drive, Highwood Drive from Bywater Lane to Woodland Road, and the alley between Evergreen Blvd. and Franklin Avenue just south of Fair Street.

Sommerset Avenue, Wirth Street, Garfield Street, Woodland Road, and Highwood Drive will receive new asphalt pavement and base from curb to curb, with spot replacement of defective concrete sidewalk and curb. The sanitary sewer will be replaced on Sommerset Avenue and Highwood Drive.

The water main will be replaced on Sommerset Avenue, Wirth Street, along with portions of Woodland Road and Highwood Drive. Storm sewer replacements will be done on Garfield Street and Woodland Road. The alley will also receive new asphalt pavement and base.

Motion made by Council Member Burkart, seconded by Council Member Simpson, to award the Engineering Design contract for the 2023 Street and Utility project to Cedar Corporation for \$29,460. Motion carried without a negative vote.

**DISCUSSION AND POSSIBLE ACTION ON BIDS RECEIVED FOR THE HANOVER AVENUE STREET AND UTILITY EXTENSION CONSTRUCTION CONTRACT**

Director Wieser explained that staff advertised and received bids for the Hanover Avenue Street and Utility Extension construction contract. A total of five bids were received, with the lowest bid submitted by PS Corporation/BMCI Construction Inc. BMCI has successfully completed projects in Cedarburg in the past. Their most recent work in Cedarburg was on the 2021 Street & Utility project and the 2022 Sidewalk program. BMCI's bid was for \$1,801,952.00 and within the TIF budget for this work. The bids were fairly competitive with the next bid coming in at \$2,075,836.50.

Motion made by Council Member Burkart, seconded by Council Member Simpson, to award the Hanover Avenue Street and Utility Extension Construction contract to BMCI Construction Inc. in the amount of \$1,801,952.00. Motion carried without a negative vote.

**CONSENT AGENDA**

Motion made by Council Member Thome, seconded by Council Member Arnett, to approve the following consent agenda items. Motion carried without a negative vote.

- Class "B" Fermented Malt Beverage License (On or Off-Premise Consumption) for Kristin Jane Collective, LLC, W63 N541 Hanover Avenue, Cedarburg, WI 53012, Kristin J. Bork, Agent, premises to be licensed: W63 N541 Hanover Avenue, known as The Painted Creek.
- New 2022-2023 Operator Licenses for the period ending June 30, 2023 for Debra S. Dunne, Sheldon B. Odie, Kelly B. Plunkett, and Alexandra M. Roth.
- Payment of bills dated 10/15/22 through 11/04/22, transfers dated 10/22/22 through 11/09/22, and payroll for period 10/16/22 through 10/29/22.

The October 24, 2022 Common Council meeting minutes will be on the November 28 agenda for approval.

**CITY ADMINISTRATOR'S REPORT**

City Administrator Hilvo attended the Taiwan-US Business Forum at UW Milwaukee today.

**COMMENTS AND SUGGESTIONS FROM CITIZENS** - None

**COMMENTS AND ANNOUNCEMENTS BY COUNCIL MEMBERS** - None

**MAYOR REPORT**

Mayor O’Keefe attended the annual meeting of the Joint Review Board today for the review, performance, and status of the City’s active Tax Incremental Districts. These properties have turned from liabilities to assets. Mr. Taves explained that the City can use up to 12% of its valuation on TIFs and the City is only at 1.56% of its valuation.

Downtown Dough is celebrating their 25<sup>th</sup> Anniversary on November 16.

**ADJOURNMENT – CLOSED SESSION**

Motion made by Council Member Arnett, seconded by Council Member Simpson, to adjourn to closed session at 9:49 p.m. pursuant to State Statutes 19.85(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. More specifically to be discussed is discussion and update on Prochnow Landfill. Approval of closed session minutes from October 24, 2022. Motion carried on a roll call vote with Council Members Bitter, Arnett, Burkart, Verhaalen, Simpson, Thome, and Mueller voting aye.

**RECONVENE TO OPEN SESSION**

Motion made by Council Member Burkart, seconded by Council Member Arnett, to reconvene to open session at 10:13 p.m. Motion carried on a roll call vote with Council Members Bitter, Arnett, Burkart, Verhaalen, Simpson, Thome, and Mueller voting aye.

**ADJOURNMENT**

Motion made by Council Member Arnett, seconded by Council Member Burkart, to adjourn the meeting at 10:13 p.m. Motion carried without a negative vote.

Amy D. Kletzien, MMC/WCPC  
Deputy City Clerk