

**CITY OF CEDARBURG
COMMON COUNCIL
October 8, 2018**

**CC20181008-1
UNAPPROVED**

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, October 8, 2018, at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers. Mayor O’Keefe called the meeting to order at 7:00 p.m.

Roll Call: Present - Common Council – Mayor Michael O’Keefe, Council Members Dan von Bargen, Jack Arnett, Kristin Burkart, Rick Verhaalen, Garan Chivinski, Patricia Thome, Rod Galbraith

Also Present - City Administrator/Treasurer Christy Mertes, City Attorney Michael Herbrand, Deputy City Clerk Amy Kletzien, Director of Engineering and Public Works Tom Wiza, Library Director Linda Pierschalla, Fire Chief Jeff Vahsholtz, Assistant Fire Chief Bill Hintz, Director of Parks, Recreation & Forestry Mikko Hilvo, Parks & Forestry Superintendent Kevin Westphal, Crewperson Kara LeGault, Library Board Members Debra Goeks and David Moburg, Economic Development Coordinator Mary Sheffield, Mayor’s Community Enhancement Award Committee Member Judy Jepson, 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. Citizens present were welcomed and encouraged to provide their input during the citizen comment portion of the meeting.

APPROVAL OF MINUTES

Motion made by Council Member Thome, seconded by Council Member Burkart, to approve the minutes of the September 24, 2018 meeting as presented. Motion carried without a negative vote.

COMMENTS AND SUGGESTIONS FROM CITIZENS

Paul Rushing, W62 N799 Sheboygan Road, spoke as a member of the Parks, Recreation & Forestry Board. He asked the Common Council to consider purchasing a truck for the removal of trees when it is presented by Parks, Recreation & Forestry Director Hilvo. He requested more support for the handling of trees in the City, which ultimately adds to the tourism and economics in the City.

PRESENTATION

PRESENTATION OF MAYOR’S COMMUNITY ENHANCEMENT AWARDS

Mayor O’Keefe presented the 2018 Mayor’s Community Enhancement Awards to the following:

- Mercury Marine - Columbia Mill Pond - Restoration
- Cedarburg Art Museum – W63 N675 Washington Avenue – Restoration & Landscaping
- Glenn and Terry Herold – W69 N984 Washington Avenue – Residential Landscaping
- John and Connie Vollmar - W70 N969 Washington Avenue – Residential Landscaping
- Todd Schaller and Mary Carini - W68 N535 Evergreen Boulevard – Residential Revitalization
- Sig and Danette Strautmanis – W65 N755 St. John Avenue - Residential Revitalization
- LaBudde Group, Inc.- W63 N583 Hanover Avenue – Commercial Landscaping
- Pete and Laurie Wegner - W71 N1046 Washington Avenue - Residential Revitalization & Landscaping
- Tom and Beth Krimmel – N65 W5716 Columbia Road – Residential New Construction & Landscaping
- Chris Smith – W63 N671 Washington Avenue – Commercial Revitalization
- Cedarburg – Grafton Rotary Club, Greater Cedarburg Foundation, and Greater Milwaukee Foundation - Cedar Creek Park Band Shell – New Construction
- Stephen and Dana Barnett – N42 W7404 W. Pointe Court – Residential Landscaping
- Cedarburg Parks, Recreation and Forestry – Lincoln Avenue and Evergreen Boulevard – Flower Beds

Mayor O’Keefe thanked the ad hoc Mayor’s Community Enhancement Award Committee and Economic Development Director Sheffield for their efforts.

NEW BUSINESS

CONSIDER REQUEST OF MICHAEL JACKSON OF C. WIESLER’S TO AMEND THE PREMISE DESCRIPTION OF ITS CLASS “B” BEER AND “CLASS B” LIQUOR LICENSE AT W61 N493 WASHINGTON AVENUE TO SERVE BEER AND LIQUOR IN AN ENCLOSED AREA IN THE PARKING LOT FOR AN EVENT TO BE HELD ON OCTOBER 26, 2018; AND ACTION THEREON

Mayor O’Keefe introduced the request of Michael Jackson.

Deputy Clerk Kletzien noted that the date of the event is October 27.

Motion made by Council Member Verhaalen, seconded by Council Member von Bargaen, to approve the request of Michael Jackson of C. Wiesler’s to amend the premise description of its Class “B” Beer and “Class B” Liquor license at W61 N493 Washington Avenue to serve beer and liquor in an enclosed area in the parking lot for an event to be held on October 27, 2018. Motion carried without a negative vote.

**CONSIDER PROPOSALS RECEIVED FOR PLEASANT VALLEY LANDFILL
GROUNDWATER MONITORING; AND ACTION THEREON**

Director Wiza explained that as directed by the Common Council, staff sent out a request for proposal for the semi-annual Pleasant Valley groundwater monitoring and reporting. The Town of Cedarburg was asked for their input during this process. The City received a total of six responses, and the lowest fee was submitted by Cedar Corporation at \$6,500/year for a total of \$19,500 over the three-year contract.

In answer to Council Member von Barga's questions, Director Wiza stated that their low bid may be in an effort to do work in Cedarburg because they are new to the area and they may have narrowed their profit margin. They are a very qualified firm and have offices throughout the State. Director Wiza also explained that the Pleasant Valley Landfill groundwater has been monitored longer than he has been with the City. Monitoring is a statutory regulation and has only shown elevated nitrates, which is a concern but is not critical. In the beginning the property was tested quarterly and has since been reduced to semi-annually.

Council Member Burkart asked Director Wiza if he was concerned with the price difference and if something could go undetected. He replied that the RFPs provided the full scope of work that is required and nothing should go undetected.

In answer to Council Member Thome's question, Director Wiza stated that it will require more of his time to help Cedar Corporation access the wells and begin the monitoring process.

In answer to Council Member Arnett's question, Director Wiza stated that the Town of Cedarburg will be asked to help them contact the Town property owners within the testing area.

DJ Burns, N105 W7585 Chatham Street, represents Drake Consulting Group, LLC, who also bid on the project. Since his firm originally bid \$7,000 per year on the project, his lab notified him that they will be able to give a discount, bringing the quote down to \$5,900 per year, which would provide the City with an incredible cost savings. When Mr. Burns notified Director Wiza of this change, Director Wiza expressed concern for entertaining a late bid from him after the bids were made public. In answer to this concern, Mr. Burns distributed an opinion that was published in the *Municipality* regarding the appropriateness of a municipality accepting a bid submitted after the time bids were due. It was the League's opinion that Municipalities have discretion under certain limited circumstances to accept a late bid after all the timely bids have been opened per the *Power Systems Analysis, Inc. v. City of Bloomer case*.

In answer to Council Member Verhaalen's question, Director Wiza explained that DJ Burns saw the bids and then came back with a lower one, which is unethical and a violation of the Ethics Code. This represents bid shopping.

DJ Burns argued that he was not doing anything unethical or illegal by providing the City with a lower cost for a service.

City Attorney Herbrand's opinion was that accepting his late bid would affect the integrity of the process and he shared Director Wiza's concern about the message it would send.

Mayor O'Keefe explained that something may not be illegal; however, it may be unethical.

Motion made by Council Member Thome, seconded by Council Member Verhaalen, to award a three year contract for the groundwater monitoring to Cedar Corporation on the basis of their low bid of \$19,500. Motion carried without a negative vote.

CONSIDER PROPOSED 2019 BUDGET; DEPARTMENT PRESENTATIONS, DISCUSSION, AND DIRECTION THEREON

City Administrator/Treasurer Mertes explained that the 2018 growth of the City allowed for a levy increase of \$104,462. This is the amount the levy could increase without affecting the rate. In the budget being presented, the levy is proposed to increase \$522,920, which is a total tax rate increase of \$0.33 or \$91.08 on a \$276,000 home. She further explained for every \$12,624 added or deducted from the budget, the rate will adjust \$0.01.

- General Fund levy (60% of total levy) is decreasing \$0.15
- Capital Improvement Fund levy (13% of total levy) is increasing \$0.31
- Debt Service levy (18.5% of total levy) is increasing \$0.26
- Net increase with growth is the \$0.33
- Library, TIF and Pool are also included

The Debt Service levy is made up of:

- Streets - \$611,323, less build America bonds of \$2,601 = \$608.722 (\$0.48/\$1,000 assessed rate)
- Library - \$642.688, less Library impact fees of \$90,000 = \$552.688 (\$0.44/\$1,000 assessed rate)
- DPW Garage - \$541,538, less premium \$29,455 = \$512,083 (\$0.41/\$1,000 assessed rate)
- TIF #4 Amcast - \$220,000 (\$0.17/\$1,000 rate)
- Monopole - \$36,074 (\$0.03/\$1,000 rate)
- Offset by an additional \$110,545 in Debt Service fund balance (interest, Police Impact Fees)
- Total Debt Service rate is \$1.45/\$1,000 assessed value

City Administrator/Treasurer Mertes explained that when comparing the City rate to neighboring communities they need to use the equalized rate. A rate change is possible once the assessment ratio is finalized and the manufacturing numbers become available.

Budget changes and assumptions include:

- 2% wage increase
- 0% increase for health insurance (actual)
- 8% increase for dental insurance
- WRS and Workers' Comp premiums are decreasing

Other:

- Page 21 shows the history of the levy and equalized rate changes from year-to-year
- Page 22 explains the budgeted expenditures and compares them to previous years (68% of the General Fund budget is due to salaries and benefits because the City is a service provider and employees are our biggest asset)

- Page 24 shows some of the larger changes to the General Fund expenditures
- Budget messages continues to mention the other funds that are included in the budget document
- Page 32 shows the total revenues and expenditures for the General Fund, revenues increasing almost 1% and expenditures decreasing 4%, but will change when the contingency reserve amount is added

City Administrator/Treasurer Mertes explained that the City's health insurance premium will not increase this year. It was a consensus of the Personnel Committee to recommend to the Common Council that the City continue with the current health insurance plan into 2019; and to continue looking into other options for 2020 including a wellness point tracking system to help determine different levels of premium contributions.

Council Member Thome explained that the Personnel Committee is meeting this week and will be reviewing a compensation study.

It was the consensus of the Common Council to continue the current health insurance plan for the employees for 2019 with the assumption that the City begins researching options early in the year and have a tentative plan for 2020.

In answer to Council Member Galbraith's question, City Administrator/Treasurer Mertes stated that some of the salary increases are higher in some departments because they have step increases for their employees and/or they made separate requests to help retain employees.

Fire Department

Fire Chief Vahsholtz stated that the Department budget is the same as 2018. They have made adjustments to add \$15,000 to start the process of paid on-call to have individuals on the premise. Volunteerism is down nationwide and the Department continues to aggressively work on recruitment and retention. A portion of this budget is paid by the Town of Cedarburg.

The Capital Improvement budget includes \$75,000 for a new roof, as the current roof is at the end of its life.

In answer to Council Member Arnett's question, Chief Vahsholtz explained that the Town of Cedarburg does not contribute to the Capital budget.

Council Member Arnett estimated that it costs the citizens of Cedarburg \$2/month for Fire services.

In answer to Council Member Thome's question, Chief Vahsholtz said that Building Inspector Baier is working to get the best roof possible with the longest life. The pitch will be improved from a flat roof.

Mayor O'Keefe expressed appreciation to the Fire Department for their service to the community.

Senior Center

Director LaFontaine explained the activities and services that are provided by the Cedarburg Senior Center. They are staffed at 1.2 FTE and they will not have an increase in their budget.

In answer to Council Member Verhaalen's question, Director LaFontaine explained that two-thirds of the users are City residents and the remaining one-third are non-resident users, which includes some Town of Cedarburg residents.

In answer to Council Member Arnett's question, Director LaFontaine confirmed that the Town of Cedarburg does not contribute to the City's Senior Center.

Library – Special Revenue Fund

Director Pierschalla explained that the Library is overseen by a City seven-member Library Board and is a member of the Monarch Library System. The system provides residents access to 33 public libraries and access to well over a million items among all the member libraries.

Director Pierschalla reviewed the products and services that are provided by the Cedarburg Public Library. They are staffed at 13.09 FTE and serve approximately 129,000 visitors per year. They see the Library as an economic anchor for the downtown.

The Library's accomplishments include:

- Library budget is no longer in a deficit. Fund balance has been established and will be used to fund facility projects both planned and unexpected.
- Expanded their technology initiative to meet the needs of the community. They received two grants to purchase technology equipment and offer classes and training to the public.
- Revived the Cedarburg Reads community wide reading event, sponsored by the Friends of Cedarburg Library.
- Friends raised over \$13,000 for the Library. This goes toward programming and enhancements for the library and is not to be used for operational purposes.
- Library Board began work on a five year strategic plan.

The objectives to be accomplished include:

- Complete and execute the start of a 5 year strategic plan.
- Be part of the Wisconsin Public Library System Redesign project. Changes are coming to the State's Library system structure.
- Prepare 5 year joint County service plan with Sheboygan County.

The Cedarburg Public Library will have no increase in their budget for 2019, partially due to the non-librariated reimbursement that has increased since 2015.

Council Member Chivinski explained that the Library Board worked very hard to eliminate the budget deficit. They have been extremely strategic and careful in determining what the patrons of the Library will be looking for in the coming years. It is one of the most exciting parts of the City and is worth any investment that is made.

Council Member Arnett thanked Director Pierschalla and the Library Board for the zero increase in their budget. He stated that the participation (11,600 youth and adult) in programs at the Library is impressive. He also asked them to add advocating for a joint Library agreement with the Town to their 2019 objectives.

Council Member Chivinski stated that it is a rigorous process to identify who exactly is using the Library. The Library wants to be sure that they are reaching everyone and collecting that value and support back.

In answer to Council Member von Barga's question, Director Pierschalla explained that the 55% increase in adult usage is a result of offering additional adult programs including computer classes, Book Club, Cinema Club, and Future Talk. There is a large senior population in Cedarburg that uses the Library.

Parks, Recreation and Forestry

Director Hilvo explained that the Department is staffed at 6.45 FTE and is asking for a 5.09% increase in salaries for 2019. Staff helped when the seasonal personnel left and work evenings and weekends on their phone for the Department. The difference is a merit increase for his staff to retain them.

Director Hilvo reviewed the products and services provided by the Parks, Recreation & Forestry Department.

Director Hilvo explained that fundraising efforts by Cedarburg Green and Cedarburg Friends of Parks & Recreation have provided extra items for the Department.

In answer to Council Member Burkart's question, Director Hilvo stated that they do not ask for financial support from Summer Sounds and Maxwell Street Days because they are helping to bring people into the community. Cleanup and repairs from these events amounts to \$2,000-\$3,000/year.

In answer to Council Member Galbraith's question, Director Hilvo explained that the work for these events does not require overtime.

In answer to Council Member Arnett's question, City Administrator/Treasurer Mertes explained that the salary increases are at the discretion of the Department Head.

Council Member Thome stated that she does not want to diminish the extra work that the Department does; however, the world we live in has everyone checking emails and being connected to their work on weekends.

Council Member Burkart stated that this should not be expected from City staff.

Council Member Verhaalen reminded the Council that staff was already moved from hourly to salary to cut back on overtime.

In answer to Council Member Galbraith's question, Director Hilvo explained that his staff took on the extra roll of the part-time seasonal people when they left for the season.

Recreation

Director Hilvo reviewed the recreation budget, highlighting the addition of the Poms program which attracted 100 youth and generates \$60,000 in revenue.

Pool

Director Hilvo explained that attendance was up this year; however, they offered a discount on season passes if they were purchased early and this may have hurt their revenue. The City needs to plan for ongoing maintenance on the pool because it was built in 1996. The next large expense will be a new liner for \$250,000. Banner sales have dropped.

In answer to Mayor O’Keefe’s questions, Director Hilvo explained that the City could work to prefund the cost of a new liner and the lifespan of a new liner will be approximately 10 years.

Director Hilvo reviewed the Capital Projects which included asphalt sealing the interurban trail; Willowbrook Playground; All Children’s Playground; reroof three park buildings and one gazebo; and replacing a chipper.

In addition, Director Hilvo requested a new Grapple truck to aid in catching up with the seven year plan for trees. The piece of equipment would help prevent injuries and minimize the staff needed for tree removals. The Common Council discussed various options including: leasing vs. purchase, renting, and sharing the purchase with other communities and City departments. The Common Council asked Director Hilvo to do more research and bring the request back in November.

Director Hilvo introduced an Art Walk brochure highlighting art within the community for visitors to enjoy. He thanked the Public Art Commission and Rice Advertising for putting it together.

Debt Service

- Page 85 shows the Debt Service - two borrowings in 2018 (Street Project and Amcast Project to be completed on October 29). The rating history is described and no change is expected. Borrowing history is shown
- Page 86 shows the City’s capacity to borrow funds (statutorily and the City’s policy)
- Budgeted use of Debt Service fund balance to offset payments in 2019 (premium on bond proceeds, impact fees, and interest earnings being used along with a transfer from Capital Improvements of the Library impact fees)
- Page 90 – Outstanding debt listing and payment schedule

Internal Service/Insurance

- Page 92 – Internal Service Fund or Risk Management – accounts for all the insurance costs of the City including unemployment and claims and legal expenditures associated with claims

CONSIDER PAYMENT OF BILLS DATED 10/01/18, TRANSFERS FOR THE PERIOD 09/19/18 THROUGH 10/05/18; AND PAYROLL FOR THE PERIOD 09/09/18 THROUGH 09/22/18; AND ACTION THEREON

Motion made by Council Member Burkart, seconded by Council Member Galbraith, to approve payment of bills dated 10/01/18, transfers for the period 09/19/18 through 09/22/18, and payroll for the period 09/09/18 through 09/22/18. Motion carried without a negative vote.

CONSIDER LICENSE APPLICATIONS; AND ACTION THEREON

Motion made by Council Member Galbraith, seconded by Council Member Arnett, to approve new Operator License applications for the period ending June 30, 2019 for Mandie Lousier and Kayla Matter. Motion carried without a negative vote.

ADMINISTRATOR'S REPORT

City Administrator/Treasurer Mertes reported that most of the City Hall parking lot will be closed on Friday, October 12 to set up for Oktoberfest. She also explained that the floor in Room 1, in the lower level, is being replaced.

COMMENTS AND SUGGESTIONS FROM CITIZENS – None

COMMENTS & ANNOUNCEMENTS BY COUNCIL MEMBERS

Council Member Burkart explained that she contacted the City of Marinette about one of their public art projects and was told that Marinette looks at the City of Cedarburg as the mecca of public art.

MAYOR'S REPORT – None

ADJOURNMENT

Motion made by Council Member Arnett, seconded by Council Member Galbraith, to adjourn the meeting at 9:50 p.m. Motion carried without a negative vote.

Amy D. Kletzien, MMC/WCPC
Deputy City Clerk