

**CITY OF CEDARBURG  
COMMON COUNCIL  
January 26, 2015**

**CC20150126-1**

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, January 26, 2015, at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers. Mayor Kinzel called the meeting to order at 7:00 p.m.

ROLL CALL: Present - Common Council: Mayor Kip Kinzel, Council Members John Czarnecki, Art Filter, Paul Radtke, Mitch Regenfuss, Patricia Thome, Mike O'Keefe

Excused - Council Member Ron Reimer

Also Present - City Administrator/Treasurer Christy Mertes, City Clerk Constance McHugh, Director of Engineer and Public Works Tom Wiza, Fire Chief Jeff Vahsholtz, Light & Water General Manager Dale Lythjohan, Public Works Superintendent Jeff Boerner, Public Works Secretary Judy Guse, Public Works employees Bill Hintz and Pete Wegner, Light & Water employee Beckie Josephitis, City Attorney Michael Herbrand, WPPI CEO Mike Peters, Light & Water Commission Members Jim Coutts and Joe Dorr, 2<sup>nd</sup> District Aldermanic candidate Jack Arnett, 4<sup>th</sup> District Aldermanic candidates Brook Brown and Rick Verhaalen, interested citizens and news media

**STATEMENT OF PUBLIC NOTICE**

At Mayor Kinzel's request, City Clerk McHugh 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 Czarnecki, to approve the minutes of the January 12, 2015 meeting as presented. Motion carried unanimously with Council Member Radtke abstaining and Council Member Reimer excused.

**COMMENTS FROM CITIZENS**

Lee Schlenvogt, 4250 Hwy H, Port Washington, introduced himself as a candidate for the 20<sup>th</sup> State Senate District and encouraged those present to vote for him in the February 17 primary election.

**CONSIDER RESOLUTION NO. 2015-02 COMMENDING PUBLIC WORKS SUPERINTENDENT JEFF BOERNER FOR HIS YEARS OF SERVICE TO THE CITY**

Motion made by Council Member Filter, seconded by Council Member Radtke, to adopt Resolution No. 2015-02 commending retiring Public Works Superintendent Jeff Boerner for his years of service to the City. Motion carried unanimously with Council Member Reimer excused.

The Mayor and Council Members thanked Mr. Boerner for his years of service to the City.

**PRESENTATION BY WPPI ENERGY CEO MIKE PETERS: OVERVIEW OF WPPI ENERGY**

General Manager Lythjohan introduced Mike Peters, CEO of WPPI Energy. He said Mr. Peters is reaching out to all WPPI members every few years with updates. The City of Cedarburg is a founding member of WPPI and the agreement with WPPI Energy is with the City of Cedarburg.

Mr. Peters said WPPI was founded in 1980. WPPI Energy now has 51 members in three states. The main purpose is to negotiate power contracts. The three areas of service are power supply, advocacy, and support services.

Highlights of Mr. Peter's presentation were:

- WPPI Energy membership preserves and enhances the value of locally owned utilities.
- The City's local utility is a valuable asset. It is reliable and affordable, not for profit, creates local jobs, has a customer focus and hometown service, is locally owned and controlled, and makes a significant tax contribution.
- During the 1970s municipal utilities were "captive customers". Utilities faced discriminatory rates, had little recourse or negotiating power, and desired independence, ownership and control.
- WPPI was incorporated in 1980 and is member owned. It had 23 members at the time, now has 51 members, which include 50 municipal utilities and one electric co-op. 200,000 homes and businesses in Wisconsin, Michigan and Iowa are served. The revenue base is \$500 million.
- All members have a role in governance. General Manager Lythjohan is a Director on the Board and serves on various committees and groups. Several Light & Water Commission Members and employees also serve on committees and groups.
- An all-requirements power supply agreement is what makes Cedarburg a member-owner. All members pay the same rate. The 35 year agreement was last extended in 2002.
- Combined purchasing power brings members a diverse and balanced portfolio, a mix of owned and purchased power, and stability and flexibility for long term
- Power supply highlights: 13% renewable energy, 23% nuclear, 23% reduction in CO<sub>2</sub> emissions since 2005.
- The average rate increase in the last five years has been less than 2% each year. A 5% increase is expected in 2016 due to a coal plant upgrade.
- The 51 communities have one voice. WPPI advocates for energy policy that protects local customers. Member involvement is key.

- WPPI has best-in-class support services. Members share expertise and staff support for development of services and programs. WPPI provides 77 distinct, high quality services at a lower overall cost.
- Support services for members includes rate/financial analysis services, metering/billing support, IT and IS services, distribution services, joint purchasing, key account/large customer services, and marketing/customer communication.
- Support services for customers include energy efficiency, energy services, and renewable energy.
- Dividends for Cedarburg include 893 megawatt-hours and a \$83,889 savings for local customers, \$18,252 in Wholesale to Commitment to Community dollars for local energy efficiency projects, \$5,000 in Community Relations Funds, upgraded NorthStar billing system, outsourced billing service and eCare for online billing, and metering and billing best practices training for staff.

Mr. Peters said the agreement with the City runs through 2037. WPPI is looking at extending the agreement. He said he appreciates the partnership between WPPI and the City.

Council Member Radtke asked if there are any local utilities that are not part of WPPI.

Mr. Peters said there are 82 municipal utilities in the State, with 41 of those that are members of WPPI. He said there a few utilities that are on their own while others purchase power from other groups.

Council Member Filter asked if there are rebates or assistance for builders or contractors who might build in the City.

Mr. Peters said WPPI does have programs that focus on energy efficiency and does work with groups to realize savings.

General Manager Lythjohan said the Focus on Energy rebate program was used when the new Library was built. The program will also be available for the proposed Public Works facility.

**CONSIDER LETTER OF ENGAGEMENT TO RETAIN EHLERS AS DISSEMINATION AGENT FOR CONTINUING DISCLOSURE REQUIRED UNDER THE SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15C2-12**

City Administrator/Treasurer Mertes said the Securities and Exchange Commission (SEC) requires annual reporting by issuers of municipal bonds. Previously Ehlers has done the reporting for the City. New regulations have increased the amount of time they spend on the reporting. She is recommending the Council approve the Letter of Engagement to retain Ehlers as dissemination agent. The cost is \$2,800. City Attorney Herbrand has reviewed the agreement and proposed a few changes that were accepted by Ehlers.

Motion made by Council Member Regenfuss, seconded by Council Member O'Keefe, to approve the Letter of Engagement to retain Ehlers as dissemination agent for continuing disclosure required

under the Securities and Exchange Commission (SEC) Rule 15C2-12. Motion carried unanimously with Council Member Reimer excused.

**INTRODUCTION AND DISCUSSION OF ESTABLISHMENT OF CITY OF CEDARBURG  
FIRE DEPARTMENT**

Attorney Herbrand said this item is on the agenda for discussion purposes. No action tonight is necessary. Depending upon the direction of the Council, ordinance changes may come before the Council at a future meeting.

Fire Chief Vahsholtz said the Fire Department has always considered itself a department of the City, much like other departments. It is part of the City budget, prepares an annual report, has a yearly audit, is covered under City insurance, and follows all City ordinances and policies. However, the Police and Fire Commission's only involvement has been the appointing of the Fire Chief, although Police and Fire Commissions have very specific powers authorized by State Statute. These powers are to hire, fire and promote. The Police and Fire Commission recently discussed their role in the Fire Department given that the Department consists of volunteers. The City's insurance provider, CVMIC, was asked to provide direction.

CVMIC Attorney Greg Gunta said there are quite a few things the City's Police and Fire Commission should be doing. Mr. Gunta said that he considers the Cedarburg Fire Department more of a private company, and not a City department. This is mainly because the City's Code of Ordinances does not address the Fire Department, with the exception of the appointment and duties of the Fire Chief. The Fire Department was incorporated in 1959 and the corporation papers list why the Department was formed. Because the City does not recognize the Cedarburg Fire Department as a department of the City and because of the way the incorporation papers describe the organization, CVMIC's opinion is that the Fire Department is really a private company.

Chief Vahsholtz said because of this there could be issues of liability and immunity. He said the Fire Department would like to continue as a department of the City and separate out the corporation. He said he has been working with the City Attorney and corporation counsel to rectify this. This could mean an ordinance change, separating the Cedarburg Fire Department Inc. out and changing the name, and separating out the constitution bylaws.

Chief Vahsholtz said he would like the Council to move forward to correct this deficiency. He said this will not change the way the Fire Department does business. He said there needs to be division and clarity as to the Cedarburg Fire Department, Inc. and the Fire Department.

Council Member Radtke stated this change is to clarify the Fire Department as a department of the City and to separate the fundraising entity.

Chief Vahsholtz said this is the intent.

Attorney Herbrand said there are conflicting rules with the different entities involved. By creating a formal Fire Department it will be under the umbrella of the City. Volunteers will have more immunity and liability protection.

Council Member Filter asked if the Department will still consist of volunteer members.

Chief Vahsholtz said the Department will remain volunteer at this time; however, there may be a time in the future when it may be necessary to request staff during the day.

It was the consensus of the Council to move forward to correct these issues.

Attorney Herbrand said Chief Vahsholtz will be discussing this with the Town as well. At this point he does not believe this will change the Fire Services Agreement between the City and the Town.

### **PAYMENT OF BILLS**

Motion made by Council Member Filter, seconded by Council Member Radtke, to approve payment of bills for the period 01/09/2015 through 01/15/15, ACH transfers for the period 01/11/15 through 01/23/15, and payroll for the period 01/04/15 through 01/17/15. Motion carried unanimously with Council Member Reimer excused.

### **LICENSE APPLICATIONS**

Motion made by Council Member Radtke, seconded by Council Member O'Keefe, to authorize the issuance of new Operators licenses for the period ending June 30, 2015 to: Megan A. Maitland and Nathaniel W. Piefer. Motion carried unanimously with Council Member Reimer excused.

Motion made by Council Member Radtke, seconded by Council Member Czarnecki, to authorize the issuance of a Festival Celebration Permit to Festivals of Cedarburg, Inc. for Winter Festival to be held on Saturday, February 21, 2015 from 8:30 a.m. to 10:00 p.m. and on Sunday, February 22, 2015 from 8:30 a.m. to 4:00 p.m. Motion carried unanimously with Council Member Reimer excused.

### **CITY ADMINISTRATOR'S REPORT**

City Administrator/Treasurer Mertes said Public Works employee Joel Bublitz has been promoted to the position of Public Works Superintendent.

The Council will have the opportunity at the next meeting to consider a letter of engagement with special counsel for environmental issues related to the Amcast building.

### **ADJOURNMENT**

Motion made by Council Member Filter, seconded by Council Member O'Keefe, to adjourn the meeting at 7:59 p.m. Motion carried unanimously with Council Member Reimer excused.

Constance K. McHugh, MMC/WCPC  
City Clerk