

**CITY OF CEDARBURG
COMMON COUNCIL
October 10, 2016**

**CC20161010-1
UNAPPROVED**

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, October 10, 2016, at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers. Mayor Kinzel called the meeting to order at 7:02 p.m.

ROLL CALL: Present - Common Council – Mayor Kip Kinzel, Council Members John Czarniecki, Jack Arnett, Rick Verhaalen, Mitch Regenfuss, Patricia Thome, Mike O’Keefe

Excused - Council Member Dick Dieffenbach

Also Present - City Administrator/Treasurer Christy Mertes, City Attorney Michael Herbrand, Director of Engineering and Public Works Tom Wiza, City Clerk Constance McHugh, Police Chief Tom Frank, Fire Chief Jeff Vahsholtz, Police Sergeant John Stroik, Building Inspector Mike Baier, Superintendent of Public Works Joel Bublitz, Parks, Recreation & Forestry Director Mikko Hilvo, Senior Center Director Carol LaFontaine, Superintendent of Parks and Forestry Kevin Westphal, Wastewater Superintendent Eric Hackert, Mechanic Bill Hintz, Deputy City Clerk Amy Kletzien, Emergency Management Auxiliary Police Members Frank Even, Aaron Gresch, Robert Doern, and Kathy Klupper, Library Director Linda Pierschalla, Library Associate Wendy Karasch, Circulation Supervisor Cathy Holnagel, Library Board Members Sue Karlman, Steve Ruggieri and Vonna Pitel, interested citizens and news media

STATEMENT OF PUBLIC NOTICE

At Mayor Kinzel’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 O’Keefe, to approve the minutes of the September 26, 2016 meeting as presented. Motion carried without a negative vote with Council Member Dieffenbach excused.

COMMENTS AND SUGGESTIONS FROM CITIZENS - None

NEW BUSINESS

CONSIDER RESOLUTION NO. 2016-22 HONORING SGT. JOHN STROIK FOR HIS YEARS OF SERVICE TO THE CITY; AND ACTION THEREON

Motion made by Council Member O'Keefe, seconded by Council Member Czarnecki, to adopt Resolution No. 2016-22 honoring Sgt. John Stroik for his years of service to the City. Motion carried without a negative vote with Council Member Dieffenbach excused.

CONSIDER RESOLUTION NO. 2016-23 HONORING LIBRARY ASSOCIATE WENDY KARASCH FOR HER YEARS OF SERVICE TO THE CITY; AND ACTION THEREON

Motion made by Council Member Regenfuss, seconded by Council Member Thome, to adopt Resolution No. 2016-23 honoring Library Associate Wendy Karasch for her years of service to the City. Motion carried without a negative vote with Council Member Dieffenbach excused.

CONSIDER APPLICATION OF PHOA BROTHERS INC., JIMMY PHOA, AGENT, FOR A CLASS "B" FERMENTED MALT BEVERAGE LICENSE AND A "CLASS B" INTOXICATING LIQUOR LICENSE FOR NEW FORTUNE, W62 N547 WASHINGTON AVENUE; AND ACTION THEREON

Deputy Clerk Kletzien explained that there is one "Class B" liquor license available. The sons of the owners of the former New Fortune Restaurant plan to re-open the restaurant and have applied for Class "B" beer and "Class B" liquor licenses.

Motion made by Council Member Regenfuss, seconded by Council Member Czarnecki, to approve the application for Phoa Brothers, Inc., Jimmy Phoa, Agent, for a Class "B" Fermented Malt Beverage license and a "Class B" Intoxicating Liquor license for New Fortune, W62 N547 Washington Avenue. Motion carried without a negative vote with Council Member Dieffenbach excused.

CONSIDER PURCHASE OF A FORKLIFT; AND ACTION THEREON

Public Works Superintendent Bublitz explained that the Capital Improvement Plan includes the purchase of a new forklift in 2017; however, a new one is needed for the new building to reach the mezzanines. This piece of equipment will help the Department move into the new building along with everyday operations thereafter. He is proposing the purchase of a used forklift that may not be available in 2017.

Superintendent Bublitz received quotes for three different forklifts (two new units and one used unit). Mechanic Bill Hintz inspected the used forklift and determined that it is a good value and should last for 20 years.

Council Member Thome stated that it would help to purchase the forklift early for the move and not have to rent a unit.

Superintendent Bublitz added that the unit runs on propane and that is an added feature.

City Administrator/Treasurer Mertes stated that the Sewer Utility will be taking the old forklift.

Mayor Kinzel stated that he was in favor of buying a used forklift.

Motion made by Council Member Regenfuss, seconded by Council Member Czarnecki, to approve the purchase of a used forklift for \$25,438 in 2016 from Lanser Garage & Towing Inc. Motion carried without a negative vote with Council Member Dieffenbach excused.

CONSIDER CONTRACT EXTENSION FOR GROUNDWATER MONITORING AT THE FORMER CITY/TOWN LANDFILL SITE ON PLEASANT VALLEY ROAD; AND ACTION THEREON

Director Wiza explained that the City is a two-thirds responsible partner with the Town of Cedarburg for the former City/Town landfill site on Pleasant Valley Road. It is a DNR requirement to have the wells on the property monitored and the groundwater tested twice each year. He is recommending the approval of a two year extension of the engineering services contract with Stantec. They have agreed to hold their price for 2017 and 2018 at the same amount as the 2015/2016 contract. The cost is \$10,050/year with the City paying two-thirds of the cost and the Town of Cedarburg paying one-third of the cost. Director Wiza said that the Town of Cedarburg approved the two year extension at their last Board meeting.

Director Wiza stated that he also received a late quote from Drake Consulting Group for \$9,000/year for the monitoring. He did not want to entertain any unethical behavior by entertaining a lower proposal after Stantec submitted their quote. Stantec has been serving the City and Town for many years and they often provide pro-bono work.

In answer to Council Member Czarnecki's question, Director Wiza explained that he is working with the same personnel that worked with the City through Northern Environmental.

Council Member Arnett asked if Director Wiza was willing to get other proposals for the same work, since the monitoring/reporting is not due until March.

Director Wiza stated that it is an option; however, his schedule is tight and it will take time to prepare RFPs.

Council Member Czarnecki stated that there is a \$670 or 10% difference between Stantec and Drake's proposals.

City Administrator/Treasurer Mertes stated that it will involve extra costs for education and to form neighbor relations.

Council Member Arnett asked if the testing could be done on an annual basis.

Director Wiza said that Stantec used to test quarterly and have been approved for semi-annual inspections. They could contact the DNR to inquire whether they could test annually instead.

Mayor Kinzel and City Administrator/Treasurer Mertes reminded the Council that the Town already approved this contract extension.

Council Member Arnett stated that the Community Development Authority hired Wilcox Environmental Engineering, who is a local firm. City Administrator/Treasurer Mertes and Director Wiza stated that Drake and Stantec are located in Mequon.

Council Member Arnett stated that he would be in favor of a one year contract and he would like an inquiry done as to whether the inspection could be done annually instead of semi-annually.

Director Wiza stated that he could ask; however, if the City is cutting back on their proposal to Stantec, they may not be willing to talk to the DNR.

In answer to Council Member O'Keefe's question, Director Wiza stated that the City is not able to do the inspection. There are tests and reports that involve a chain of custody and protocol.

In answer to Council Member Verhaalen's question, Director Wiza stated that it is not a good time for him to do this. It involves statements of qualifications, checking with the DNR for companies that do this work and developing an RFP. Municipalities generally do not switch this type of service.

City Administrator/Treasurer Mertes added that it would be a detailed RFP.

Council Member Czarnecki stated that it would involve a lot of work by staff for a small savings of \$600.

Council Member Thome stated that she was in favor of looking at other firms in the future and possibly cutting back on the amount of testing.

Motion made by Council Member Czarnecki, seconded by Council Member Regenfuss, to approve the two year contract extension for groundwater monitoring at the former City/Town Landfill site on Pleasant Valley Road to Stantec Consulting Services, Inc. Motion carried with Council Members Czarnecki, Verhaalen, Regenfuss and Thome voting in favor, Council Members Arnett and O'Keefe opposed and Council Member Dieffenbach excused.

CONSIDER PROPOSED 2017 BUDGET; DEPARTMENT PRESENTATIONS, DISCUSSION, AND DIRECTION THEREON

City Administrator/Treasurer Mertes stated that she forecasted a \$1.30 increase to the rate this year. She reviewed the tax levy history with the Council and explained her current position with the tax levy to-date (\$9.4 million) for all of the funds, which is currently under the levy limit that is allowed by the State. There is room for an additional \$30,470, which would add another 2.5¢ to the rate. City Administrator/Treasurer Mertes stated that for every \$12,168 that is added to the tax levy, \$0.01 will be added to the tax rate. The majority of the tax levy is an increase in General Fund amounting to \$0.06. There is a \$0.27 increase to Capital Improvements, due to depleting most of the reserves for equipment, storm and street replacement. There is a \$0.01 increase for the swimming pool. Debt adds \$0.48 for the Library and Public Works garage debt.

City Administrator/Treasurer Mertes stated that she reviewed the changes that affect everyone and the Department Heads will discuss their individual budgets.

Currently in the proposed budget, it includes a 2% increase for salaries, except the Police Officers are at 2.25%. Health and dental insurance has been increased by 7%, which will change because a preliminary quote from the City's health insurance carrier is a 12% increase and dental is 15%. The City is in the process of having all employees fill out an application to send out for quotes to see what the market looks like for the City.

The proposed budget includes:

- No increase for utilities.
- The employer portion of the Wisconsin Retirement System contribution for the majority of the employees is increasing two tenths of a percent.
- Worker's Compensation insurance will decrease due to the modification factor going down from 1.04 to 1.01.
- A Federal change to the Fair Labor Standard Act in the classification of exempt employees. Six employees currently exempt will not meet the new threshold salary to be exempt, one employee's salary was increased and overtime was budgeted for the other five.
- Savings in 2016 in the Capital Improvement budgets spending and also any revenues for equipment that the City may be selling in 2017.

Fire Department

Fire Chief Vahsholtz stated that it was difficult to compare the 2016 and 2017 budgets. Last year the Common Council allowed \$20,000 for emergency medical dispatch and this amount was paid by Columbia St. Mary's. Also, \$4,000 was allowed for a new boat and motor; however, Mercury Marine has donated this to the Department within the last two months. It was unfair to look at the 2016 budget because of this; therefore, he went back to the 2015 budget for comparison and matched that budget within \$2,000. Categories have been adjusted to get to this amount. This year, he is budgeting for a full time Fire Inspector and this is currently going through the Personnel Committee. Also included this year, is \$50,000 for staffing for paid on-call during the day for ambulance service or Administration in the Chief's ranks. More information will be presented to the Personnel Committee at the end of this month.

Capital Improvement

- Replace concrete apron (approach) in the front of the Fire Station. It needs to be replaced because it is becoming a trip hazard. Assistant Engineer Wieser will include this project with the annual sidewalk replacement program for \$42,500.
- Remove planter and replace with new pavers and four new benches. The bell will be retained and a new flagpole added.
- Rescue taskforce equipment for \$9,500 to be used in an active shooter situation. It is a National standard to have the Fire Department trained and equipped to enter the warm area zone behind the Police Department to treat injured people. He will purchase 12 plate carrier vests and the Police Department has donated helmets. Tourniquets, chest seals, quick clot and moving devices will also be purchased. This is happening across the United States including North Shore Fire, Sheboygan and Fond du Lac Departments locally.

In answer to Council Member O'Keefe's question, Chief Vahsholtz stated that the Department is looking at replacing their electric medical cart for approximately \$23,000. He is watching for possible grants. The Department is interested in another piece of equipment for firefighting that is a UTV with a skid unit on the back that will cost approximately \$43,000 - \$44,000. The Fire Department is trying to be good citizens with a workable budget. These pieces of equipment are needed to protect the downtown.

Fire Chief Vahsholtz stated that it is becoming increasingly more difficult to staff a two day festival from 8 a.m. – 6 p.m. without getting paid; whereas, the Police Department and DPW employees receive overtime, paid by Festivals.

Police Department

Police Chief Frank highlighted the following budget information:

Station and Administration

- \$5,000 increase to Repair and Maintenance to repair and paint the fence and parking lot light poles.
- \$1,300 increase due to increase in repairs for the building.

Operating

- \$2,000 increase in Repair & Maintenance Services based on experience.

Patrol and Investigations

- \$4,000 increase for tactical emergency medical equipment.
- \$8,000 increase to replace handguns.

Council Member Thome explained that Chief Frank was able to obtain a grant from the Rotary to fund the initial 100 tactical emergency medical kits.

Police Dept. – Capital Improvement

- Radio console upgrade for \$46,000. (This may be funded by Ozaukee County)
- Air Conditioner unit repair for \$11,000.

Emergency Management/Auxiliary Police

- Natural gas and fuel were decreased.

Emergency Management - Capital Improvement

- Replace the fourth siren.

Council Member Arnett stated that the Police Department's budget is approximately \$3.3 million of the City's budget at approximately \$8.6 million; therefore, the Police Department's budget is 38-40% of the City's budget. He further stated that of the \$3.3 million budget, \$1.9 million is the patrol officer budget. He asked if the Police & Fire Commission has ever looked at how to keep this amount down or keep increases to a minimum. He asked how the budget is evaluated.

Chief Frank stated that staffing levels are continuously under evaluation. The Department staffing on the civilian side has gone down with the advancements in technology. They were able to cut a

clerical position and reduced the custodial position. Staffing levels for patrol have been at this level for approximately 8-10 years. This number did drop by one when an officer retired four years ago and the City was struggling to balance the budget. Two years later the Council authorized the replacement for the retired officer. The staffing levels are based on the calls for service. They also need to consider the Police Officer union contract as far as vacation and comp time which takes manpower off of the schedule. The need for training has increased over the last 10 years. Everything that the officers do is under a microscope and the officers are on video eight hours a day. There are people who want to sue the department. They try to train each officer at a minimum of 40-60 hours per year. Officers in specialty areas receive more training. Tactical officers receive over 100 hours of training per year. All of this goes into the equation of what is the proper staffing level. Other considerations are the crime rate and the community's expectations for service and response time. The Department responds very quickly. The Police & Fire Commission does not have operational power and their role is hiring, discipline and promotions within the Department. The Common Council sets the budget and if Council decides not to fund an officer he will need to figure that out. He assured Council Member Arnett that he is periodically looking at the staffing levels. Chief Frank stated that the Department is trying to work better and smarter with technology and better equipment and analyzing crimes. That is how they have kept the staffing level at a constant 20 officers even though the community has grown. Festivals and other special events have increased the Department's needs for training. The officers work very hard and they understand that they need to do the best they can with the resources that are provided.

In answer to Mayor Kinzel's question, Chief Frank stated that the Department has had 20 officers for 8-10 years.

City Administrator/Treasurer Mertes stated that many of the Auxiliary Police personnel are at the meeting and she asked that they be recognized for their contributions.

Chief Frank stated that with the benefit of the Auxiliary Police they are able stay at 20 officers. The Auxiliary Police are not paid and the community would not be able to have runs or parades without their assistance. They also help with traffic during festivals. They keep the overtime budget down and probably save the Department approximately \$20,000 in overtime. They are a tremendous resource when additional bodies are needed to help search for someone or to direct traffic.

Council Member O'Keefe stated that minimum staffing is a judgement call. There are times when there are three or four officers available and then in the blink of eye you do not have enough people when situations happen. To call in additional officers takes time.

Chief Frank stated that it is hard to anticipate what is going to happen in a day. On days when the Department is aware they will have extra staffing, they try to take advantage of that by sending an officer to work with the drug unit, or schedule in-service training; which hold the overtime costs down and they try to stay as productive as possible.

Senior Center

Director LaFontaine highlighted the following budget information:

- Their salaries were reduced by 4.6%, due to a staffing change.
- Operating budget remains the same as 2016.

City Administrator/Treasurer Mertes explained that Director LaFontaine will be recognized by Partnership Bank along with former Assistant Director Possley and four other people as Ordinary Citizens doing Extraordinary Work on November 3.

Building Inspection

Building Inspector Baier highlighted the following budget information:

City Hall Complex

- Personnel budget increased by 3.96%.
- Operating budget was increased for the phone system

Building Inspection

- Personnel budget increased by 2.9%.
- Professional services increased.
- Office supplies increased (due to 46 new single-family homes).
- Revenues increased (permits for new homes).

Building Inspector Baier explained that his Department is proposing fee increases amounting to approximately \$10,000-\$15,000 in additional revenue. These fees have not been increased for at least 12 years. Comparisons were done on surrounding communities.

Cemetery Fund – Special Revenue Fund

- The monument permit will be increased from \$25 to \$50.

Capital Improvement

- Boiler replacement in the Community Center Gym for \$50,000.
- Remove and replace concrete retaining wall by the creek behind the Fire Department for \$65,000. This project will be reallocated from 2016 into 2017.
- Remove and replace pavement around the Fire Department building for \$65,000.

Sewerage

Superintendent Hackert highlighted the following information:

Utility Fund

- Increase in salaries and a reduction of overtime in collections and general labor.
- Reduced coagulants and changed chemicals for treatment.
- Natural gas and fuel were decreased.
- Administrative services have increased due to hiring an Attorney and Engineering Consultant in regard to permit issues. This has resulted in a reduction in restrictions. These funds were moved from the sewer Contingency fund and are not an addition.
- Principal and interest payments on loan to build a new lift station for the north end of the City.
- \$1.00 is being added to the monthly fixed fee. There is \$82,000 in incurred costs for the borrowing and this will recoup \$48,000.

Capital Improvement Budget

- Street Improvement on Hillcrest Avenue to finish up the Westlawn area. Very few repairs in the Parkview area in 2017.
- Replace Jet-vac truck; combined purchase with Public Works.
- Replace UV bulbs.
- Replace lawn mower/snow blower.
- Replace sewer camera.

Director Wiza explained that the camera had been a joint purchase with the Village of Grafton and the City of Port Washington. There has been encouragement for joint purchases; however, this joint purchase did not work well and the City will be purchasing their own camera.

Superintendent Hackert explained that the unit is used often and it needs to be replaced because it is no longer reliable.

Engineering

Director Wiza highlighted the following information:

- 2016 accomplishments, 2017 objectives and long-term objectives were reviewed.

Public Works & Engineering

- Reduced Professional Services by \$500 with funds transferred to GIS mapping.
- Increased \$5,000 in GIS mapping (Public Works Commission request) to address consultant maintenance and support costs.
- Publications and Dues was increased \$100 to cover cost of Professional Engineer license renewal.
- Travel and Training was increased \$100 to address State mandated continuing education requirements for P.E.

Capital Improvement Budget

- Stormwater consulting for NR216 compliance – 2 components include a grant from the DNR to update the stormwater modeling and the other half is for assistance with the annual report and the illicit detection elimination, testing and reporting.
- Stormwater improvements are 5% of the Stormwater Capital costs as an engineering component.

Director Wiza distributed a map of the roads that are scheduled for service in the next seven years.

City Administrator/Treasurer Mertes stated that Director Wiza works hard on planning the road repairs so that it is economical for the City. She stated that he needs to also work with the Light & Water Utility and they do not budget ahead of time so that they can do projects in-line with the City. Sometimes when Director Wiza has urgent pavement needs and the Utility is not able to budget their utility upgrades, the projects will get pushed out. It would be easier if the City and the Light & Water Utility could coordinate projects.

Director Wiza stated there are four components to street projects:

1. (Paser) Pavement Surface Evaluation and Rating (condition report)

2. Sanitary sewers
3. Water main and water laterals
4. Storm sewer

He added that sometimes it is a tug-of-war to coordinate all of these budgets.

In answer to Mayor Kinzel's question, Director Wiza stated that the Light & Water Utility has different budgeting needs. They are creating new high pressure zones which require main upgrades that have to be done and this drives some of their projects. They coordinate as well as they can in terms of making the projects work; however, he reminds the Utility that he does not want to pave new roads and have them cut up by the Utility in the next year or two.

Council Member Arnett is the representative on the Light & Water Commission and he stated that the Utility is developing a long term plan for new water tower.

In answer to Council Member Verhaalen's question, Director Wiza stated that the Public Works construction is on schedule. There are challenges with the sewer project on Johnson Street and the Lift Station start up on Wednesday. Superintendent Bublitz confirmed and reviewed the progress to date.

Director Wiza explained that there have been some extra charges due to bedrock on the east property line next to the railroad tracks. They needed to cut down right at the property line to give them as much room as possible on that side of the building. It will still be within the contingency amount. Superintendent Bublitz stated that they changed the style of retaining wall, as a result.

Public Works

Superintendent Bublitz highlighted the following information:

- 2016 accomplishments, 2017 objectives and long-term objectives were reviewed.
- Budget variances include: Signs were decreased by \$3,900 due to less signage needing to be updated, telephones and services were increased by \$3,000, Salaries were increased by \$900 to include a seasonal employee, and fuel charges were reduced by \$10,000.

Capital Improvement Budget

- Replace a one ton dump truck (chipper truck) with a snowplow and salter.
- The forklift will be purchased in 2016 and will be removed from the 2017 budget.
- Jet-Vac truck joint purchase with WWTP.
- Replace front-end loader/plow with wing (used daily).

Health & Sanitation

Director Wiza explained that the City has a seven year contract with Waste Management, which carries through to December 31, 2020. There has been a 2% increase through Waste Management on refuse and recycling per unit. There has also been an increase in units due to development, which results in a 2.5% overall increase in this area. A new program was added this year to provide blue bins for \$10 to residents for brush pick up. Director Wiza discovered a minor error in the preliminary budget on page 104 (operating maintenance contracted services for 2017) the proposed figure of \$198,757 should be \$199,680.

There is a zero increase in the fuel surcharge because they do not anticipate diesel fuel going above \$4.00 a gallon.

Unfunded

- Washington Avenue restoration of garbage cans - \$17,000.
- Increase in street maintenance - \$10,000.

Council Member O'Keefe stated that the most often asked question from constituents is the condition of people's streets. The map that was provided by Director Wiza is invaluable. Council Member Thome stated that the Bridge Road project went very smooth. She and her neighbors appreciated being well informed every step of the way.

Conservation & Development

Director Wiza explained that this part of the budget covers the Planning and Economic Development Coordinator. The positions provide support for Plan Commission, Economic Development Board, and Common Council. The only variance is a cost of living increase for the Planner.

City Administrator/Treasurer Mertes asked if the Common Council wanted to consider reviewing the Economic Development contract to make any changes. She highlighted the donations of \$2,667 under revenues and stated this amount used to be \$7,000. In 2016 the Chamber of Commerce and Tourism, Promotion and Development discontinued their contribution toward the Economic Development position. Festivals is continuing their contribution and the additional \$1,000 is a donation from Light & Water toward the Economic Development dues to the County.

Clerk

City Clerk McHugh highlighted the following information:

- The Clerk's budget is being reduced in half because there will be two smaller elections in 2017.
- Fee increases to the publication fee for liquor licensing (from \$15 to \$20) and the Direct Sellers license (\$25 increase for residents and a \$50 increase for non-residents) are being proposed.

Parks, Recreation and Forestry

Director Hilvo noted that some additional costs are associated to the new band shell, the Mercury Marine project is a large on-going project, and the Park & Open Space plan will be finalized when a plan is in place for Adlai Horn Park. He saved the City \$15,000 by doing the Park & Open space plan in-house.

Parks, Recreation & Forestry – General Fund

- Due to the exempt employee and overtime rule, some salaries have been adjusted and some overtime has been added. The overtime budget has increased by 77%.
- Field maintenance has been separated for future review to possibly assess fees for groups that utilize the facilities. This may happen in 2018.
- Publications and Dues have increased for certifications.
- Trees and Supplies increased by 25%.
- Funds for a field liner have been added.

- Salaries have increased 6% because of the changes listed in the General Fund and Celebrations.

Celebrations

- Salaries have been reduced; however overtime has increased. More crews are needed on weekends for Summer Sounds, Festivals, Fourth of July and the flower baskets.
- Supplies have increased to purchase flowers, fertilizer and irrigation equipment for hanging baskets and garbage bags and gloves for Summer Sounds.
- Superintendent Westphal has been creative by watering the baskets over the weekends and using seasonal staff instead of the regular staff and letting them have off one day during the week.

City Administrator/Treasurer Mertes added that the City contributes \$7,000 towards the Fourth of July celebration.

Recreation – Special Revenue

- Moved the .25 recreation staff person into the General Fund.
- \$25,410 for School District fees has been added. They will be using \$18,562 of the Special Revenue fund balance. The remaining balance is \$78,000.
- There will be large changes in this account to accurately reflect the money going in and out for programs.
- Part-time seasonal has increased.

Community Pool Fund

- The heater and the main breaker panel will need repair.

Capital

- The Prairie View Park shelter has been moved to 2018.
- Replace 1998 Toro Grounds Master, bagging mower - \$30,000.
- Snow blower/mower - \$42,000.
- Zuenert Park tennis court repairs and court sealing - \$5,000.
- Cedar Creek Park bathroom roof and gutters - \$5,500.
- Cedar Pointe basketball court resurfacing and basket repairs - \$8,000.
- King trailer replacement - \$5,000.

The Common Council took a break from 9:09 p.m. – 9:17 p.m.

City Treasurer

City Administrator/Treasurer Mertes highlighted the following information:

- Other expenses decreased due to changing the credit card acceptance company.
- Professional Services decreased for the outside audit with a new firm.
- Professional Services in technology are continuing at the same rate.
- Computer supplies have been reduced in toner purchases, due to multi-functioning machines.
- Equipment outlay is reduced, due to City Hall file server purchase in 2016.

Insurance

- Slight increase in the property insurance for the City Hall complex.
- Surety bond policy has decreased.
- Interest income – increased based on projection.

Other

- Transfer from room tax of 5% for administrative costs.

In answer to Council Member Arnett's question, City Administrator/Treasurer Mertes stated that the \$15,000 for technical services includes all Departments. Telephone support is included also.

Mayor and Common Council, City Attorney

- Salaries for the Mayor and Common Council are increasing 46%.

Mayor Kinzel suggested increasing the Common Council salary to \$3,500 and the Mayor's salary to \$7,000. This would not be in effect until after the next election for each Council Member and Mayor because they cannot vote on their own salaries.

City Administrator/Treasurer Mertes reviewed salaries from surrounding Municipalities.

It was the consensus of the Common Council to not include a raise for the Common Council and Mayor.

- Reduction in printing costs due to not printing the newsletter in 2017.
- Legal services is estimated at \$100,000 for 2016; however, this includes the work for Amcast and also includes another Attorney's fees.
- Legal services increased by \$10,000 assuming Amcast legal fees will be moved to a TID.

Other

- The Contingency Reserve is an amount that is not ordinarily spent. Last year's allowance was \$3,000 to get to the expenditure restraint maximum. There is no room for this in 2017.

City Administrator/Treasurer Mertes stated that she is currently above the expenditure restraint allowance and is expecting it to be about 1%. She still needs figures for some items such as the Community Pool and health insurance. The levy limit is met with the current proposed budget.

- Transfer Fund Balance to Capital Improvements is proposed for \$200,000 to help fund the Fire Department and Police Department expenditures.
- Transfer to the Pool for 2016 because of additional expenses not covered by the levy. The 2017 amount shown as a transfer is the City share of the Capital Improvements and is another use of the General Fund - Fund Balance.
- \$1,000 annual transfer to the recreation programs for the Civic Band.
- State computer aids are decreasing.
- The levy is going up 1.32%.

Debt Service

- There is a large increase in expenditures. The 2015 borrowing principal and interest payments due this year were \$11,000, next year will be \$267,000.
- \$50,000 is paid for the 2012 borrowing.
- The property tax levy to meet the debt service is \$1.3 million.
- The \$710,000 (2016 borrowing) is a higher principal payment in the first year and then it will go down slightly in 2018.
- The 2012 and 2015 borrowing is for the Library, along with some street and storm work that was refinanced in 2012.
- The total debt service due is approximately \$1.7 million. This will be reduced by \$200,000 by Fund Balance from Debt Service. When the City borrowed this year for the Public Works garage, the City received a premium from borrowing to apply towards the debt payment in 2017. She is transferring \$200,000 from Capital Improvements, which are the Library impact fees and the proceeds from the sale of Library. This will bring the levy down to \$1.3 million.

Internal Service

- This fund reflects all the City's insurance costs.
- The City's Workers' Comp insurance is decreasing slightly due to the experience modification factors going from 1.04 to 1.01. The City will be paying only 1% over the premium.
- Auto insurance is increasing.
- General Liability is holding steady.
- The liability claims for 2016 were higher from the Police Department (2 vehicle replacements) and the Fire Department (bucket truck).
- Insurance recoveries were \$42,000 to offset the amount.
- This fund balance is slightly increasing, as suggested by the auditors.

Other Special Revenue Funds: Room Tax and Parks & Playgrounds

- The room tax revenues are being increased by 5% based on the current year revenues. The revenue increase is always equal to the expense increase. 95% is given back to the Chamber of Commerce and Tourism, Promotion and Development. It is possible to increase the tax amount in the future and possibly the City could give more direction to the Chamber and TP&D in terms of projects.

In answer to Council Member O'Keefe's question, City Administrator/Treasurer Mertes suggested using any increase in room tax to help fund the Economic Development Coordinator position.

City Attorney Herbrand stated that the law states that you must contract with a tourism entity, which is the Chamber and TPD. The revenues are supposed to be funneled back into tourism.

City Administrator/Treasurer Mertes stated that banner replacements would be a good use of funds.

In answer to Council Member Thome's questions, City Administrator/Treasurer Mertes explained that the City gives the funds to the Chamber and TP&D. If a hotel is built in the City, this amount could triple.

City Attorney Herbrand stated that it would be reasonable to direct some of this money to downtown enhancements. The City could raise the tax up to 7% and then ask the Chamber to direct the increased funds in this manner.

City Administrator/Treasurer Mertes stated that the Chamber was looking for direction because of the new law.

- The transfer to Capital Improvement (\$25,000) from the Park Subdivider fees was put in the budget for the Prairie View Park shelter and will be removed because the project will be done in 2018.

In answer to Council Member Czarnecki's question, City Administrator/Treasurer Mertes stated that the Library Board budget will be presented at the next Common Council meeting on October 31 along with the Assessor's Office.

Unfunded List

Council Member Regenfuss commented that the street tree pruning should not be on the unfunded list. It should be listed as a normal course of work in the budget.

Council Member Verhaalen stated that they are behind in this work; therefore, they want to contract out the work.

City Administrator/Treasurer Mertes stated that the preconstruction pruning used to be done by the contractors and this was changed to be done by the Parks & Forestry Department.

Council Member Regenfuss questioned whether the water reel is necessary for the Cedar Creek band shell lawn.

Council Member Thome asked if there shouldn't be some charges for the users at Cedar Creek Park.

Council Member Czarnecki asked who would benefit from a larger festival footprint.

City Administrator/Treasurer Mertes stated that Festivals would receive more revenue and that money is distributed to non-profits. The City government does not benefit from the Festivals; however, the businesses do.

Council Member Thome stated that the retailers benefit from the exposure.

In answer to Council Member Arnett's questions, City Administrator/Treasurer Mertes stated that City employees do not pay any percentage towards their health insurance and they pay 6.6% towards their pension contribution. The City also pays 6.6% towards the pension. He asked if anyone has considered a health insurance contribution from the employees. City Administrator/Treasurer Mertes stated that it was discussed at the Personnel Committee and they discussed increasing the fees for the employees that do not participate in the health risk assessments who currently pay \$25/month. City Administrator/Treasurer Mertes asked if this can be discussed at a future Personnel Committee meeting and that she will provide a comparison from other communities. This information will be needed for Police union negotiations. She added that

employees have a higher deductible of \$2,000/single and \$4,000/family. She asked if she could also include information on past furloughs and pay decreases.

Mayor Kinzel stated that it is a full package compensation.

CONSIDER PAYMENT OF BILLS FOR THE PERIOD 09/08/16 THROUGH 09/16/16, ACH TRANSFERS FOR THE PERIOD 09/08/16 THROUGH 09/21/16, AND PAYROLL FOR THE PERIOD 09/11/16 THROUGH 09/24/16; AND ACTION THEREON

Motion made by Council Member Regenfuss, seconded by Council Member Thome, to approve the payment of bills for the period 09/08/16 through 09/16/16, ACH transfers for the period 09/08/16 through 09/21/16, and payroll for the period 09/11/16 through 09/24/16. Motion carried without a negative vote with Council Member Dieffenbach excused.

CONSIDER LICENSE APPLICATIONS; AND ACTION THEREON

Motion made by Council Member O'Keefe, seconded by Council Member Thome, to approve a new Operators License application for the period ending June 30, 2017 for Lois M. Bray. Motion carried without a negative vote with Council Member Dieffenbach excused.

Motion made by Council Member Thome, seconded by Council Member Arnett, to approve a Horse and Carriage License for Jody Schulz of Kettle Moraine Carriages, Inc., N612 Forest View Road, Kewaskum, WI. Motion carried with Council Members Arnett, Verhaalen, Regenfuss, Thome and O'Keefe voting in favor, Council Member Czarnecki voting present and Council Member Dieffenbach excused.

ADMINISTRATOR'S REPORT – None

COMMENTS AND SUGGESTIONS FROM CITIZENS - None

COMMENTS & ANNOUNCEMENTS BY COUNCIL MEMBERS - None

MAYOR'S REPORT - None

ADJOURNMENT

Motion made by Council Member Arnett, seconded by Council Member O'Keefe, to adjourn the meeting at 10:02 p.m. Motion carried without a negative vote with Council Member Dieffenbach excused.

Amy D. Kletzien, MMC/WCPC
Deputy City Clerk