

**CITY OF CEDARBURG
COMMON COUNCIL
July 27, 2015**

**CC20150727-1
UNAPPROVED**

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, July 27, 2015, at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers. Council President Art Filter called the meeting to order at 7:00 p.m.

ROLL CALL: Present - Common Council: Mayor Kip Kinzel(arrived 7:10 p.m.), Council Members John Czarnecki, Jack Arnett, Art Filter, Rick Verhaalen, Mitch Regenfuss, Patricia Thome, Mike O'Keefe

Also Present - City Administrator/Treasurer Christy Mertes, Director of Engineering and Public Works Tom Wiza, Director of Parks, Recreation and Forestry Mikko Hilvo, City Clerk Constance McHugh, Public Works Superintendent Joel Bublitz, Mechanic Bill Hintz, Crew Person Pete Wegner, City Attorney Michael Herbrand, Economic Development Coordinator Mary Sheffield, Economic Development Board Members Peter Welch, Eric Stelter, D.J. Burns and Lynn Knutson, John Wallenkamp from Kueny Architects, Josh Johnson and Ryan Raskin from Beyer Construction; interested citizens and news media

STATEMENT OF PUBLIC NOTICE

At Council Member Filter'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 July 13, 2015 special and regular meetings as presented.

Council Member Arnett asked that the following sentence on page 1 of the July 13, 2015 regular meeting minutes be removed from the record as he does not recall making the statement: "Council Member Arnett stated that the Mill Street TIF should have been an easier process and this application and policy will make the next TIF easier for the City".

Motion carried unanimously.

INTRODUCTION OF CHINESE INTERNS FROM CONCORDIA UNIVERSITY SCHOOL OF BUSINESS

Director Hilvo introduced Chinese interns Ouyang Quig, Qi Zhang, and Xueyan Zhang. The students, from the Xinjian University of Finance and Economics, are studying abroad at Concordia

University. The students will assist the Parks, Recreation and Forestry Department with developing a Chinese language course for residents of the City. The students attended the meeting to see how local government works.

PRESENTATION BY KUENY ARCHITECTS OF CONCEPTUAL PLAN OPTIONS FOR THE PROPOSED PUBLIC WORKS FACILITY

Mayor Kinzel arrived at this time (7:10 p.m.)

Mr. Wallenkamp discussed changes made to the plans for the proposed Public Works facility. Option 1 calls for a 52,888 square foot building, an increase of 18,670 square feet over the existing building, with a pole barn constructed as a storage building. Option 2 calls for a 62,888 square foot building. This option incorporates the storage building into the main building. The changes to the plans revolve around the storage facility. The projected cost of the facility is \$8,325,918. Eliminating the storage building could yield a savings of \$708,224. Constructing the storage building as a pole barn could save \$87,883. A savings of \$219,584 could be realized if the storage building is incorporated into the main building structure. Deleting or reducing the amount of asphalt could save \$113,159.

The following is an overall budget summary and list of the possible cost savings:

Base Bid:	\$ 7,994,504
Construction Management Fees	\$ 189,200
Fee and State Permits	\$ 257,214
Sub Total	\$ 8,440,918
Project Tax and Focus on Energy Savings	\$ (135,000)
Cedarburg Power and Light	\$ 20,000
Total	\$ 8,325,918

Possible Cost Savings Options:

Eliminate Storage Building	\$ (708,224)
Storage Bldg. - Construct as Pole Barn	\$ (87,883)
Incorporate Storage Bldg. into Main Bldg. Struct,	\$ (219,584)
Eliminate Automatic Washbay & Assoc. Equip.	\$ (454,611)
Reduce the amount of Asphalt on N. End of Site	\$ (113,159)
Eliminate Salt Shed	\$ (190,000)
Eliminate Fuel Island	\$ (185,000)
Eliminate Washbay Equipment	\$ (210,000)
Eliminate Lifts	\$ (100,000)
Eliminate Cranes	\$ (65,000)
Eliminate Overhead Fluids	\$ (60,800)
Eliminate Storage Bins	\$ (32,000)
Eliminate Pressure Washer	\$ (12,000)
Eliminate Furnishings	\$ (30,000)

Mr. Wallenkamp said the main focus in developing the plans was to:

1. Increase the life of vehicles. The annual savings is expected to be \$70,313.
2. Achieve employee efficiency savings. It is estimated a new facility will save each employee 20 minutes each day, or a total of \$65,000 each year.
3. Realize utility savings, which could range from \$15,816 to \$23,352 each year.

Annual savings is expected to be approximately \$111,960.

Council Member Czarnecki asked what the impact of an \$8.3 million building will be on property taxes.

Council Member Arnett said his calculations show the cost would \$0.40 per \$1,000 assessed value, or a \$100 increase per year for a house with an assessed value of \$250,000. He questioned whether the 20 year borrowing period could be extended to 30 years or perhaps refinanced during the time period to realize additional savings.

City Administrator/Treasurer Mertes said the City's current policies on borrowing restrict the time period on borrowing; however, this could be reviewed and possibly changed. Ehlers can look at borrowing options if an estimated cost figure is provided.

Council Member Filter said the proposed building looks rather generic.

Director Wiza said there certainly are more attractive designs; however, he is trying to keep costs down. He said an architectural enhancement package could be added and bid out.

Mr. Wallenkamp said his firm is looking for direction from the Council. His firm would like to do design work over the next few months and be ready to bid the project early next year.

Council Member Arnett said he talked to his neighbors about this project and toured the existing Public Works facility. He said people generally feel something needs to be done, but \$8 million frustrates them. Neighbors also indicated that the project must be done and built to last. Many residents are in favor of the project because it would provide more access to leaf drop off. Finally, residents would like to see the minimum built with some cost savings realized. He said he would be in favor of moving forward with the bidding process to include all items on the list with the understanding the Council can select and remove items as necessary.

Director Wiza said everything has a replacement cycle. The current Public Works facility is worn out. If things are done right, the City could get 50 years out of a new facility. He said it is hard to quantify the time savings employees will realize, but it could likely be more than 20 minutes a day for each employee. He said there could be overtime savings because employees will not have to move trucks at 3:00 a.m. during snow removal operations.

Mayor Kinzel said the need for a new Public Works facility is greater than the need was for a new Library.

Council Member Thome said a large number of residents and staff are impacted by this project.

Council Member Czarnecki suggested Director Wiza put together the cost savings that could be realized if a new facility were built that could be provided to residents.

Motion made by Council Member Regenfuss, seconded by Council Member O'Keefe, that the City go out for bids on the proposed new Public Works facility project with all cost savings options laid out for future decision making by the Council. Motion carried unanimously.

PRESENTATION BY THE ECONOMIC DEVELOPMENT BOARD ON ESTABLISHING A COMMUNITY DEVELOPMENT AUTHORITY

On behalf of the Economic Development Board, Committee Member Eric Stelter made a presentation on the benefits of establishing a Community Development Authority (CDA).

What is a CDA: A community development authority has the intended purpose of carrying out blight elimination, slum clearance, urban renewal programs and projects, and housing projects utilizing an appointed board of seven (including two Council members).

Structure: The CDA Board is comprised of seven total members, including two Council Members and five appointed members that ideally should work in fields that would benefit the needs of the CDA. These fields may include: real estate, banking, finance, public utilities, law and/or civic planning but could also include other skills depending on the needs of the community. For example, a professional involved in environmental remediation may be needed if the community has environmental concerns with any of the properties being evaluated.

CDA Tool Belt: Once appointed, the CDA Board will have a suite of tools at its disposal that can be used to negotiate with property owners and developers and support City staff. Some of these tools include:

- The ability to enter into negotiations with owners and/or developers and act as a relationship focused advocate between the private parties and the City with the end goal of stimulating the redevelopment of properties that are underutilized.
- There are grants and loans available to development authorities from the EPA and other state and federal agencies. The CDA could evaluate the available programs as they relate to the City or a particular project needs and proceed as determined appropriate by the Common Council.
- Aid in the issuance of tax-free bonds and possible extension to developers.
- Limit the potential liability of contamination and potential unknown liens on a property that is earmarked for redevelopment.
- Provide private parties that would prefer the information not be discussed in early negotiations a certain level of confidentiality by utilizing State Statutes 19.85, specifically, "(1)(e) deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session."
- Purchase of property may provide favorable tax treatment to a seller.

Effectiveness – local examples: 81 communities in the State of Wisconsin have formed a Community Development Authority. Five out of 8 municipalities in Ozaukee County utilize a CDA.

- Saukville CDA – development of Saukville’s industrial park and the Dekora Woods Business Park.
- Grafton CDA – purchase of Grafton Hotel, including resale of Hotel to development group, and extended development incentive and extended loan through extension of tax free bonds.
- Brown Deer CDA – redevelopment of Lowes site and loan for redevelopment of the site.

CDA Economic Impact and Opportunities: The City of Cedarburg has an unfunded need for approximately \$15 million of capital improvements over the next 2-3 years. A CDA could assist in stimulating potential developments that could provide some much needed tax revenue.

- There are currently four “smart-growth” sites that could provide an additional \$25+ million in lift to the tax base within the next 3-5 years with the help of a CDA.
- The recently dissolved TID No. 2 could be revitalized with the recent consideration and possible approval by the Council of a lift station to support this area. The CDA would be proactive in stimulating development in this area to recoup the City’s infrastructure costs, and finding residential, commercial or business projects that will provide jobs and increase property tax revenues.
- The CDBG program is available to development authorities to aid in the redevelopment of blighted areas. Using programs like this may reduce some strain on the City’s budget.
- The ability to maintain private-public relationships that could include producing alternate revenue sources.
- Utilizing the EPA’s Brownfield Cleanup grant program the CDA could attempt to kick-start some of the stalled efforts to cleanup known contaminated sites.
- Instead of a part-time Economic Development Coordinator working to promote Cedarburg, the City would have an additional 7 advocates touting the benefits of the Community.

Establishing a CDA in Cedarburg: One of the primary concerns is the power of this entity. The Common Council has the final say in any action according to State Statutes 66.1335. Steps to create a CDA include:

- Seeking approval to form a CDA from the Council with a budget of \$500 -\$1,000.
- Economic Development Board to draft formation document and bylaws.
- City Attorney to review documentation and finalize.
- File organization documents with the State.
- Mayor to appointment two Council Members to the CDA.
- Economic Development Board would work with the two Council Member CDA Board to develop a list of candidates that would be interested in serving and make a recommendation for appointment.
- Appointments would be finalized and the initial meeting date would be determined.

In conclusion, Mr. Stelter said the Economic Development Board formally recommends to the Common Council that the City of Cedarburg form a Community Development Authority and would like to extend its assistance in doing so.

Council Member Arnett said the key would be having good members serving on the CDA.

Mr. Stelter said good members are key. Currently the Economic Development Board can only make recommendations to the Council and really serves as a visionary committee. A CDA would be a group of substance and would have members that are involved in the community and interested in the community. Appointments are made based on experience.

Attorney Herbrand clarified that appointments would be approved by the Common Council based on a recommendation from the Mayor.

Council Member Regenfuss asked Mr. Stelter to discuss the confidentiality aspect.

Mr. Stelter said the CDA is permitted to go into closed session and can meet on un-actionable items as often as it likes. Items will become actionable when everything is ready to go and will be approved in open session.

City Administrator/Treasurer said the City is rather specific in terms of the language used when noticing closed session meetings.

Attorney Herbrand said the CDA would have to follow similar notice requirements, and would be allowed to adjourn to closed session for strategic bargaining reasons. Any final decisions would be made by the Common Council.

Mr. Stelter said a primary goal of the CDA should be to evaluate properties in the City to determine if they should be acquired and to develop to a financial plan. If the Economic Development Board continues, it should continue to work with the part-time Economic Development Coordinator and serve as a marketing tool.

Council Member Czarnecki said he is concerned about the City getting involved in buying sites and picking those developers or individuals who will be helped and not helped.

Mr. Stelter said the CDA is not about this, but rather trying to find ways to stimulate growth. The CDA will use a set of tools to approach owners to assist them.

Council Member Arnett asked if the CDA could be terminated by the Council.

Attorney Herbrand said that he believes it could be.

Council Member Arnett said he sees a lot of upside to having a CDA.

Motion made by Council Member Arnett and seconded by Council Member Thome to move forward to establish as Community Development Authority for the City, with a budget of \$1,000.

Council Member O'Keefe said he has a hard time seeing a downside to the formation of a CDA. He said all final decisions are made by the Council.

Mayor Kinzel said he views a CDA as a tool. Staff at City Hall does not have the resources to actively pursue some of the economic opportunities available. He said in the long run the CDA should pay good dividends.

Council Member Thome said this is something the City should be doing. The CDA will bring in a group of residents with expertise that will help support staff to grow Cedarburg.

Motion carried unanimously.

CONSIDER AWARD OF GEOTECHNICAL SERVICES CONTRACT TO TERRACON FOR WORK ASSOCIATED WITH THE SHEBOYGAN ROAD REGIONAL LIFT STATION

Director Wiza said the City retained Ruckert and Mielke to complete the Sheboygan Road regional lift station design. Since the forcemain construction for that lift station will entail boring under Cedar Creek, Ruckert and Mielke will require a detailed evaluation of subsurface bedrock conditions. They have recommended Terracon complete the geotechnical work and Terracon has submitted a proposal to the City in the amount of \$12,000.

Motion made by Council Member Filter, seconded by Council Member Czarnecki, to award the Geotechnical Services contract to Terracon for work associated with the Sheboygan Road regional lift station in the amount of \$12,000. Motion carried unanimously.

CONSIDER AWARD OF CONTRACT FOR APPRAISAL SERVICES ASSOCIATED WITH THE SHEBOYGAN ROAD REGIONAL LIFT STATION

Director Wiza said the proposed Sheboygan Road regional lift station will have outlet pipes that cross Cedar Creek to access West Highland Drive. The pipes must cross through a privately held land parcel along the creek and the City will need to acquire a utility easement or utility right-of-way through the parcel. State Statutes require the City follow a specific procedure when acquiring such land rights, and staff is recommending the City contract with Single Source, Inc. for the required property appraisal and acquisition costs at a cost of \$3,950.

Motion made by Council Member Thome, seconded by Council Member Czarnecki, to award the contract for appraisal services associated with the Sheboygan Road regional lift station to Single Source, Inc. in the amount of \$3,950. Motion carried unanimously.

CONSIDER AWARD OF ENGINEERING SERVICES CONTRACT FOR THE 2015 NR 216 STORM WATER COMPLIANCE REPORTING

Motion made by Council Member Czarnecki, seconded by Council Member O'Keefe, to award the engineering services contract for the 2015 NR 216 storm water compliance reporting to AECOM at an estimated cost of \$10,650. Motion carried unanimously.

CONSIDER POSSIBLE AMENDMENT OF SECTION 2-5-4(b) OF THE CODE OF ORDINANCES RELATING TO SEEKING SPONSORSHIPS FOR CITY PROGRAMMING

Attorney Herbrand said staff has had discussions regarding public fundraising and sponsorships for the Public Art Commission and possibly the Community Pool. Staff has asked for an opinion as to whether staff can seek sponsorships and if so, how can it be done.

Attorney Herbrand said his firm looked at the risks involved, and suffice to say, fundraising and seeking sponsorships is something that can be done; however, an ordinance amendment is necessary. The current Code of Ordinances states that “no official or employee shall request or permit the use of city resources, city time or city equipment for the purpose of fundraising. No official or employee shall use his or her position, authority or influence, whether possessed or anticipated, to represent themselves as a city officer or employee for private or public fund raising”. He is looking for direction as to whether the ordinance should be changed to allow for this.

The Council directed Attorney Herbrand to revisit Section 2-5-4(b) of the Code of Ordinances which prohibits staff seeking sponsorships or doing fundraising.

PAYMENT OF BILLS

Motion made by Council Member Filter, seconded by Council Member Czarnecki, to approve the payment of the bills for the period 07/08/15 through 07/17/15, ACH transfers for the period 07/14/15 through 07/24/15, and payroll for the period 07/05/15 through 07/18/15. The motion carried unanimously.

LICENSE APPLICATIONS

Motion made by Council Member O’Keefe, seconded by Council Member Thome, to authorize the issuance of new Operator licenses for the period ending June 30, 2016 to:

Catherine L. Dahlke
Alexis M. McFadden
Benjamin M. Pauly

Constance M. Ferguson
Katherine M. Paul

Motion carried unanimously.

Motion made by Council Member O’Keefe, seconded by Council Member Arnett, to authorize the issuance of renewal Operator licenses for the period ending June 30, 2016 to:

Dixie K. Borzick
Annette L. Chiddister-Woods

Fatima I. Garcia

Motion carried unanimously.

CITY ADMINISTRATOR'S REPORT

City Administrator/Treasurer Mertes said she received notice from the Government Finance Officers Association (GFOA) that the City was awarded the Distinguished Budget Presentation Award for the 2015 budget.

COMMENTS AND ANNOUNCEMENTS BY COUNCIL MEMBERS

Council Member Regenfuss said he attended the Taiko drum performance and found it was very good. He hopes this group will come to the City again.

ADJOURNMENT – CLOSED SESSION

Motion made by Council Member Filter, seconded by Council Member Thome, to adjourn to closed session at 9:04 p.m. pursuant to State Statutes 19.85(1)(g) to confer with legal counsel who is rendering oral or written advice concerning strategy to be adopted by the Council with respect to litigation in which it is or is likely to become involved and 19.85(1)(e) to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, more specifically, to discuss the Prochnow Landfill. Approval of closed session minutes of 06/08/15.

With Council Members Czarnecki, Arnett, Filter, Verhaalen, Regenfuss, Thome and O'Keefe voting aye, the motion carried on a roll call vote.

RECONVENE TO OPEN SESSION

Motion made by Council Member Thome, seconded by Council Member O'Keefe, to reconvene to open session at 9:50 p.m. Motion carried unanimously.

DISCUSSION AND POSSIBLE ACTION TO APPROVE APPRAISAL, WETLAND DELINEATION, AND CREATION OF AN INTERIM ACTION PLAN FOR SUBMITTAL TO THE WISCONSIN DEPARTMENT OF NATURAL RESOURCES RELATING TO THE PROCHNOW ESTATE PROPERTY IN THE TOWN OF CEDARBURG

Motion made by Council Member O'Keefe, seconded by Council Member Thome, to approve appraisal, wetland delineation, and creation of an interim action plan for submittal to the Wisconsin DNR relating to the Prochnow Estate Property in the Town of Cedarburg. Motion carried unanimously.

ADJOURNMENT

Motion made by Council Member Filter, seconded by Council Member Czarnecki, to adjourn the meeting at 9:52 p.m. Motion carried unanimously.

Constance K. McHugh, MMC/WCPC
City Clerk