

**CITY OF CEDARBURG
COMMON COUNCIL
February 26, 2007**

**CC20070226-1
UNAPPROVED**

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, February 26, 2007 at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers. Mayor Myers called the meeting to order at 7:00 p.m. The meeting began with a moment of silence followed by the Pledge of Allegiance.

Roll Call: Present – Common Council – Mayor Gregory P. Myers, Council Members Chris Reimer, Steven Glamm, Haly Besaw, Paul Radtke, Sandra Beck, Kip Kinzel, Robert Loomis

Also Present - City Attorney Kaye Vance, City Administrator/Treasurer Christy Mertes, Director of Engineering and Public Works Tom Wiza, Deputy City Clerk Amy Kletzien, Mike Harrigan and Todd Taves of Ehlers & Associates, interested citizens and news media

STATEMENT OF PUBLIC NOTICE

At Mayor Myers' 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 had 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 Beck, seconded by Council Member Loomis, to approve the minutes of the February 12, 2007 meeting. Motion carried without a negative vote, with Council Members Besaw and Radtke abstaining.

REPORTS OF BOARDS, COMMISSIONS & COMMITTEES - None

COMMENTS & SUGGESTIONS FROM CITIZENS - None

UNFINISHED BUSINESS - None

**COUNCIL RECEIVES ACTION FROM JOINT REVIEW BOARD MEETING OF 1/13/07;
TAX INCREMENTAL FINANCE DISTRICT NO. 2 HAS BEEN CREATED WITH
EFFECTIVE DATE OF 1/1/07**

As presented by Mayor Myers, the Common Council received the action from the Joint Review Board meeting of February 13, 2007; the Tax Incremental Finance District No. 2 has been created with an effective date of January 1, 2007.

CONSIDER RESOLUTION NO. 2007-11, INITIAL RESOLUTION AUTHORIZING \$1,905,000 GENERAL OBLIGATION BONDS FOR COMMUNITY DEVELOPMENT PROJECTS IN TAX INCREMENTAL DISTRICT NO. 2

Mayor Myers introduced Resolution No. 2007-11 authorizing \$1,905,000 in General Obligation Bonds for TID No. 2.

Council Member Loomis stated that creation of a business park was the number one issue when he became a Council Member in 2000. At that time, the rate of return was not there for the City and he was against moving forward. Council Member Loomis stated that a good plan has been established for the taxpayers and he is thrilled that the project is now moving forward.

Mayor Myers stated that the earlier proposal which utilized only 60 acres on a detached parcel of land was very contentious at the time. TID No. 2 was worth waiting for and is a very reasonable risk to the citizens of Cedarburg.

Mayor Myers stated that Resolution No. 2007-11 is being reintroduced because the previous resolution was too general.

Motion made by Council Member Loomis, seconded by Council Member Kinzel, to adopt Resolution No. 2007-11, initial resolution authorizing \$1,905,000 General Obligation Bonds for Community Development Project in the Tax Incremental District No. 2. Motion carried unanimously on a roll call vote.

CONSIDER RESOLUTION NO. 2007-12, INITIAL RESOLUTION AUTHORIZING \$355,000 GENERAL OBLIGATION BONDS FOR STORM SEWER IMPROVEMENTS

Mayor Myers introduced Resolution No. 2007-12 for consideration by the Common Council.

Motion made by Council Member Beck, seconded by Council Member Reimer, to adopt Resolution No. 2007-12, initial resolution authorizing \$355,000 General Obligation Bonds for Storm Sewer Improvements. Motion carried unanimously on a roll call vote.

CONSIDER RESOLUTION NO. 2007-13, INITIAL RESOLUTION AUTHORIZING \$1,060,000 GENERAL OBLIGATION BONDS FOR LIBRARY PROJECT

In answer to Council Member Besaw's question, Mike Harrigan of Ehlers & Associates stated that this Resolution only gives the City the authority to spend the borrowing on library expenditures. If the loan is unused it would be repaid in full without a penalty by the call date in seven years.

Council Member Loomis stated that it was to the City's advantage to keep the borrowing under five million dollars and this borrowed amount for the library could be used to invest in taxable bonds until the City is ready to use it on the library.

Motion made by Council Member Glamm, seconded by Council Member Loomis, to adopt Resolution No. 2007-13, initial resolution authorizing \$1,060,000 General Obligation Bonds for Library Project. Motion carried unanimously on a roll call vote.

CONSIDER RESOLUTION NO. 2007-14, A RESOLUTION DIRECTING PUBLICATION OF NOTICE TO ELECTORS

Mayor Myers introduced Resolution No. 2007-14 for consideration by the Common Council.

Motion made by Council Member Glamm, seconded by Council Member Kinzel, to adopt Resolution No. 2007-14, a resolution directing publication of Notice to Electors. Motion carried without a negative vote.

CONSIDER RESOLUTION NO. 2007-15, A RESOLUTION PROVIDING FOR THE SALE OF \$3,320,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS

Mayor Myers introduced Resolution No. 2007-15 for consideration by the Common Council

Motion made by Council Member Radtke, seconded by Council Member Glamm, to adopt Resolution No. 2007-15, a resolution providing for the sale of \$3,320,000 General Obligation Corporate Purpose Bonds. Motion carried unanimously on a roll call vote.

CONSIDER METHOD OF PROCUREMENT OF ENGINEERING DESIGN SERVICES FOR TID NO. 2

Director Wiza stated that when considering engineering firms for the TID No. 2 planning and preliminary engineering, the City reviewed statements of qualifications from three firms. Ruckert & Mielke was ultimately selected and they did a nice job of preparing all of the required reports, maps, planning documents and cost estimates.

Director Wiza stated that the next step is to complete the detailed engineering and plans so that the work can be bid out and/or coordinated with private developers. This will include design of the regional lift station, water booster pump station, interceptor sewer, utility design, a right-of-way plat, and planning of future phase infrastructure. Director Wiza recommended that an engineering design proposal be negotiated with Ruckert and Mielke and presented at the next Common Council meeting for review and possible approval.

In answer to Council Member Reimer's question, Director Wiza stated that all of the work by Ruckert and Mielke will be monitored according to general guidelines and due dates to ensure that the project stays on track.

In answer to Mayor Myers' questions, Director Wiza stated that the City needs a firm with a high level of engineering expertise in the different areas of this project. With this type of work, the lowest bid should not be the main concern.

Council Members Kinzel and Besaw stated they were comfortable with Director Wiza's judgment.

Motion made by Council Member Kinzel, seconded by Council Member Reimer, to authorize Director Wiza to negotiate an engineering design proposal with Ruekert and Mielke for TID No. 2. Motion carried without a negative vote.

DISCUSS USE OF LIBRARY IMPACT FEES

Mayor Myers stated that the City currently has \$175,356.52 on hand in Library impact fees. When the impact fee was established, it was based solely on the building project. The decision needs to be made on how the funds are going to be used. These fees could be added to the \$6 million project cost or used to fund the future debt service payments. Currently the City is using the fees for the architectural design expenses which to date have totaled \$43,413.93.

Council Member Loomis stated that the project should most likely include a 15% contingency factor and suggested using the impact fees and private pledges to cover the contingency factor.

Council Member Glamm stated the \$500,000 in pledges is not firm at this point and some were given to be used for specific items. He hopes with the possibility of a new location and design that this will generate more pledges. Council Member Glamm suggested including the pledges and impact fees as part of the building project budget.

Council Member Beck stated that most projects cost more than estimated. She suggested that the City planned on borrowing for a \$6 million library and the City should save the impact fees as a cushion for additional costs at the end of the project.

Mayor Myers expressed concern for spending the impact fees within the seven years. If the fees are not spent in 7 years they would have to be returned under new law.

Council Member Radtke stated that the Common Council voted in favor of borrowing \$6 million for the construction of a new library.

Mayor Myers asked if the Council wanted the impact fees to be spent in excess or if they should be applied to the \$6 million commitment to building the library.

Council Member Loomis stated he was comfortable borrowing \$6 million. He went to each resident in his district to explain the tax increase on borrowing this amount and two-thirds were in favor, knowing their taxes would be increased.

Motion made by Council Member Glamm, seconded by Council Member Loomis, to borrow a maximum of \$6 million and use the impact fees and donations as part of the building project budget.

City Attorney Vance advised the Common Council that any donations made toward the new library are in the control of the Library Board.

Council Member Beck stated she is opposed to the motion because the project will most likely cost more than \$6 million and the impact fees should be used for any additional costs in the project.

Council Member Kinzel stated he will not take part in asking the citizens of Cedarburg for additional funding for the proposed library. The impact fees should be used for any overrun costs.

Council Member Reimer stated he was uncomfortable planning for a library over \$6 million.

Council Member Glamm stated that there was a 15% contingency amount built into the initial plan.

In answer to Council Member Loomis' question, Director Wiza stated that planning for 15% in contingency funding was reasonable due to the variables in the cost of materials.

Council Members Besaw and Reimer stated the impact fees should be included in the \$6 million planned for the library building.

Mayor Myers stated that some of the impact fees have already been used to pay the architects and he is asking for clarification if these early architectural costs should be taken out of the \$6 million library project.

Council Member Loomis stated that the impact fees are collected to pay for the needs of the community based on the higher demands from the growth of the City.

Council Member Loomis stated the Common Council will have the opportunity to vote on the final costs of the new library. He expressed confidence that the library building will be within the \$6 million because the Council will have the ability to exercise that control.

Council Member Glamm stated that the City cannot forecast all of the costs or predict the overruns associated with the library building project and would prefer that the impact fees be kept in a contingency fund and not put towards the \$6 million.

Motion made by Council Member Besaw, seconded by Council Member Glamm, to call the question.

The motion failed with Council Members Radtke, Glamm and Loomis in favor and Council Members Kinzel, Reimer, Beck and Besaw opposed.

Mayor Myers asked if the impact fees should be included in the new design of the building project to be used for architectural fees above the \$6 million.

Council Member Loomis stated the impact fees are collected for future growth. If the City borrows \$6 million, the impact fees would be used for additional costs that would be incurred due to the growth of the City.

Mayor Myers again reminded the Council that the impact fees must be spent within seven years – long before any addition to the Library.

Council Member Glamm stated that holding back \$175,000 in impact fees could result in cutting some potential square footage in the new library building. He stated that the City needs a firm amount to give the architects for the design of a new plan.

Mayor Myers stated he wants a firm number to give to the architects for planning a new library design.

Council Member Radtke stated he was in favor of adding the impact fees to the \$6 million for building a new library.

Motion made by Council Member Kinzel, seconded by Council Member Loomis, to proceed as planned by borrowing \$6 million for a new library.

Mayor Myers asked if the \$6 million should be used only for the construction project.

In answer to Council Member Beck's question, Director Wiza stated that architectural fees can become expensive and he cautioned the Council that the architectural fees would exceed the impact fee balance.

Mayor Myers stated he was in favor of paying the architectural costs with the impact fees and any excess amount paid from the \$6 million. Any architectural fees that go over the collected impact fees would then come out of the borrowing.

The Council clarified the motion in that the City should proceed as planned by borrowing \$6 million for the building and any donations could be added to the building costs, but the architectural costs should be paid through the impact fees. Motion carried with Council Members Reimer, Glamm, Besaw, Radtke, Kinzel and Loomis in favor and Council Member Beck opposed.

Mike Harrigan of Ehlers and Associates introduced Todd Taves as a new assistant to the City from their firm, as the previous associate left the company.

CONSIDER CHARTER ORDINANCE NO. 2007-07 AMENDING SEC. 2-3-3 OF THE MUNICIPAL CODE RELATING TO CITY ADMINISTRATOR/TREASURER POSITION

Motion made by Council Member Loomis, seconded by Council Member Beck, to adopt Charter Ordinance No. 2007-07 amending Sec. 2-3-3 of the Municipal Code relating to the City Administrator/Treasurer position. Motion carried without a negative vote.

CITY ADMINISTRATOR'S REPORT - None

COMMENTS & SUGGESTIONS BY CITIZENS - None

REPORTS & COMMENTS BY COUNCIL MEMBERS

Council Members Besaw and Radtke attended the Annual Emergency Government Recognition Dinner on February 24 and thanked the organization for their exceptional service to the City.

MAYOR'S REPORT

Mayor Myers stated he was forming an ad hoc Library Architectural Design Committee to shepherd the design process on the proposed new library. The Committee Members will be Mayor Myers, Council Members Glamm and Kinzel, Jt. Library Board President Sue Karlman and one additional member of the Jt. Library Board.

Mayor Myers stated he would not be at the March 12 Common Council meeting.

ADJOURNMENT – CLOSED SESSION

Motion made by Council Member Kinzel, seconded by Council Member Beck, to adjourn to closed session at 8:43 p.m. pursuant to 19.85 (1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved; and (c) and (e) Pursuant to Wis. Stat. 19.85(1)(c) to consider employment, promotion, compensation or performance evaluation data of any public employees over which the governmental body has jurisdiction or exercises responsibility to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conduction other specified public business, whenever competitive or bargaining reasons require a closed session, specifically labor negotiations. Closed minutes of 2/12/07. Motion carried without a negative vote. The meeting did not reconvene to open session.

Amy Kletzien, CMC
Deputy City Clerk