

**CITY OF CEDARBURG
COMMON COUNCIL
June 29, 2015**

**CC20150629-1
UNAPPROVED**

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, June 29, 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, Jack Arnett, Art Filter, Rick Verhaalen, Mitch Regenfuss, Patricia Thome, Mike O'Keefe

Also Present - City Administrator/Treasurer Christy Mertes, City Clerk Constance McHugh, Police Chief Tom Frank, Director of Engineering and Public Works Tom Wiza, Director of Parks, Recreation and Forestry Mikko Hilvo, Parks & Forestry Superintendent Kevin Westphal, Light and Water General Manager Dale Lythojohan, City Planner Jon Censky, City Attorney Michael Herbrand, Economic Development Board Members Peter Welch and DJ Burns; Light and Water Commission Members Jim Coutts and Joe Dorr, Cedarburg Green Members Jeanne Mueller and John Norquist; 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 June 8, 2015 meeting as presented. With Council Members Czarnecki, Arnett, Verhaalen, Regenfuss, Thome, and O'Keefe voting aye and Council Member Filter voting nay, the motion carried.

Council Member Filter voted nay because his recollection is that his motion on page 7 of the minutes to bid out the Public Works facility was at a cost not to exceed \$7 million, not \$8 million as stated.

COMMENTS AND SUGGESTIONS FROM CITIZENS

Dick Dieffenbach, W67 N586 Evergreen Blvd., said that Strawberry Festival this past weekend in Cedarburg was great and the quick cleanup of the downtown impressed him. He said that almost everything in Cedarburg is excellent, but stressed the need to maximize regional and

intergovernmental cooperation. He suggested that the City talk to the Town, County, and School District regarding the proposed construction of a Public Works facility so that what is built is the best project for the region.

RESOLUTION NO. 2015-14 COMMENDING RETIRING ACCOUNTANT I TERI CURRAN

Motion made by Council Member Arnett, seconded by Council Member Czarnecki, to adopt Resolution No. 2015-14 commending Teri Curran for her 27 years of service to the City. Motion carried unanimously.

PRESENTATION OF DONATION CHECK FROM CEDARBURG GREEN

John Norquist, member of Cedarburg Green, said that Cedarburg Green is a new non-profit organization in the City dedicated to caring of trees. He and member Jeanne Mueller presented the City with a \$3,000 check to help pay for the planting of trees in the park at the new Prairie View subdivision.

PRESENTATION OF THE 2014 ANNUAL LIGHT AND WATER REPORT

Light & Water General Manger Dale Lythjohan presented a summary report of the Light and Water Utility for 2014.

Electric Highlights

- Electric Revenues in 2014 were \$12,168,970, a decrease of \$176,422
- Purchased power was \$8,916,192, a decrease of \$157,524
- The net change in revenues (revenue less purchased power) was -\$19,888 or a decrease of 0.6%
- Operating expenses were \$1,183,349, a decrease of \$1,510
- Depreciation expenses were \$767,786, an increase of \$18,181
- Tax equivalent was \$477,043, a decrease of \$13,569
- Operating income was \$824,600, a decrease of \$22,000
- The last electrical rate adjustment was effective January 2011
- The amount of electric KWHs purchased has been steadily decreasing since 2005, mainly due to the loss of Amcast and International Paper. The reduced usage is also due to conservation efforts
- More and more revenue comes from the residential class of customers than in the past

Water Highlights

- Water revenues in 2014 were \$1,796,214, a decrease of \$20,528
- Operating expenses were \$1,154,367, an increase of \$307,332
- Depreciation expenses were \$265,805, an increase of \$29,907
- Tax equivalent was \$342,906, a decrease of \$1,595
- Operating income was \$33,136, a decrease of \$356,173
- Water rates became effective January 2015

- The amount of water sold has decreased, mainly due to the loss of Amcast and overall conservation efforts

Additional Highlights

- Added infrastructure (plant additions) in 2014 (new customer and rebuild activities) was \$1,070,674 (electric) and \$442,064 (water)
- Total net plant value end of year 2014 was \$25,402,494 (electric) and \$19,563,677 (water)
- Both utilities are debt-free and have been since 2005
- The water reservoir at the corner of Wauwatosa and Sherman Roads was repainted at a cost of \$220,000 – life expectancy is 18-20 years
- Power use in Cedarburg has changed over the last 10 – 15 years to be driven much more by residential and small commercial customers creating greater potential for higher costs to all customers because of “peak usage” tied mainly to air conditioning
- In 2014 the average customer paid 19+% less for electricity compared to other areas in Ozaukee County
- It is conservatively estimated that customers in Cedarburg spent \$2.0 million less on their electric costs compared to if they were served by WE Energies
- Water rates remain “middle of the pack” compared to water utilities throughout southeast Wisconsin

2015 and Beyond

Challenges:

- Responsible conservation activities (water and electric) that benefit individual customers without causing costs to increase to all (focus on peak time energy savings)
- Maintaining the financial health of the utility over the long term in a declining sales environment
- Well #4 cost recovery
- Direction on long-term water source (groundwater vs. lake water)
- Ongoing staff planning due to upcoming retirements (5-6 people in the next 6+ years)

Opportunities:

- Ability to control costs through growth in sales through economic development activities
The Utility needs to sell an additional 100,000,000 gallons of water and 25,000,000 KWHs just to get back to sales levels of about 10 years ago – the capacity to sell more water is available

Council Member Thome said that she has heard Manager Lythjohan comment over the last 15 years on the decrease in revenue due to a loss in the City’s industrial base. She said this underscores the need to have a greater industrial balance in the City.

Council Member Arnett said he is a new member of the Light and Water Commission. He thanked Manager Lythjohan and staff for the great job they do. He asked if there are any heavy users of electricity during peak times.

Manager Lythjohan said peak shaving is something that is being pursued. He said the dairy is a big customer for the City, but a relatively small customer in terms of customers in other utilities.

Mayor Kinzel and the Council thanked Manager Lythjohan for his presentation.

CONSIDER OUTDOOR ALCOHOL BEVERAGE LICENSE FOR NORTH 48, W62 N599 WASHINGTON AVENUE

Planner Censky said the applicant is requesting approval of an Outdoor Alcohol Beverage License to serve alcohol within an enclosed serving area located in the rear of the tavern. This request has been reviewed and recommended for approval by both the Landmarks Commission and Plan Commission in accordance with the City Code. Police Chief Frank has also reviewed the proposed fencing and seating area. Because the tavern is currently being remodeled and work is not complete, Planner Censky recommended that any approval should be contingent upon receipt of the occupancy permit from the Building Inspector.

Council Member Filter questioned approval of the license without the occupancy permit being issued.

Planner Censky said approval should be conditioned upon the owners receiving the occupancy permit. The owners will not be able to use the outdoor area until they are open for business.

Randy Ahl, owner of the Cedarburg Roastery, said he rents the grey barn in the rear of his business and uses it as a warehouse. He said there is about 80' from his back door to the barn. He asked if the beer garden will block access for his employees to the barn.

Peter Olds, owner of North 48, said access to the barn will not be blocked at all.

Mr. Ahl said his business typically closes around 10 p.m. and has younger students who close and often times need to get items stored in the barn. He said his employees need to feel comfortable if North 48 patrons are outside in the beer garden area.

Mr. Olds said the area will be enclosed by a 4' fence with rope. Thomas Shippen, partner with Peter Olds, said cameras will be installed so the area can be monitored.

Planner Censky said if there are problems, people can call the Police Department for assistance. If there are a lot of complaints made, the Council can revoke the license. The burden is on the owners.

Mr. Ahl asked if the fencing and materials will be taken down in the winter so as not to interfere with snow plowing.

Mr. Olds said everything is removable and will be taken down in the winter.

Attorney Herbrand said if there are many complaints, they could rise to the level of revoking all licenses for the establishment. He also said the fencing could be reviewed on an annual basis based on any complaints.

Motion made by Council Member O'Keefe, seconded by Council Member Regenfuss, to approve the request for an outdoor alcohol beverage license for North 48, pending receipt of an occupancy permit from the Building Inspector. Motion carried unanimously.

CONSIDER 2014 COMPLIANCE MAINTENANCE ANNUAL REPORT (CMAR) FOR THE WASTEWATER TREATMENT PLANT AND RESOLUTION NO. 2015-15 ACCEPTING THE REPORT

Wastewater Superintendent Hackert explained that the Compliance Maintenance Annual Report (CMAR) is a DNR summary report used to determine the effectiveness of the sewerage system to meet DNR permit limits and to indicate areas of the system that may need improvement. In 2014, no points were deducted from any categories in the report. No action for improvement in the system is needed. He asked the Council to accept the report.

Motion made by Council Member Filter, seconded by Council Member Thome, to adopt Resolution No. 2015-15 accepting the 2014 Compliance Maintenance Annual Report (CMAR) for the Wastewater Treatment Plant. Motion carried without a negative vote.

Mayor Kinzel and the Council thanked Superintendent Hackert and his staff for a job well done.

CONSIDER AWARD OF ENGINEERING SERVICES CONTRACT FOR DESIGN OF THE SHEBOYGAN ROAD REGIONAL LIFT STATION

Director Wiza said staff met with representatives of Ruekert and Mielke to discuss a scope of work for the design of the Sheboygan Road lift station and associated utilities to cross Cedar Creek. He said the engineering of this phase is critical as it will impact development on the north side of the City for 50 years to come.

Joe Eberle of Ruekert and Mielke said his firm has been involved with this part of the City for several years. It now appears there is a viable proposal for development in the northeast corner of the City, which is somewhat of an orphan in terms of utility service. The purpose is to design a pump station to service the initial flow, and increased flow over time.

The scope of work includes design of water main extensions in Susan Lane and Sheboygan Road, and crossing Cedar Creek, but the bulk of the work relates to the sanitary sewer system. The regional lift station must be evaluated for an initial design condition to serve the Sheboygan Road corridor, but future phasing of the Highway 60 business park must be evaluated. The design proposal includes analysis and design of an interim upgrade to the existing Keup Road lift station and likely a total of three sanitary sewer force mains bored under Cedar Creek. The cost for design of the lift station is not-to-exceed \$86,680.

Council Member Arnett asked if any of the costs could be recovered from impact fees.

Director Wiza said impact fees that have already been collected can be used for this project and in addition, impact fees will be collected from each lot that is developed.

Motion made by Council Member Czarnecki, seconded by Council Member Thome, to award the engineering services contract for design of the Sheboygan Road regional lift station to Ruckert and Mielke in an amount not-to-exceed \$86,680. Motion carried unanimously.

ORDINANCE NO. 2015-09 DELETING PARAGRAPH (c) OF SECTION 10-1-35 OF THE CODE OF ORDINANCES TO ELIMINATE DAYTIME HOURLY PARKING RESTRICTIONS FOR THE MUNICIPAL LOT AT THE NORTHEAST CORNER OF HANOVER AVENUE AND WESTERN ROAD

Director Wiza said Partnership Bank has requested the daytime hourly parking restrictions for the Hanover Avenue and Western Road public parking lot be lifted to allow for employee parking. The Public Works & Sewerage Commission recommended eliminating the daytime hourly parking restriction and signing the lot "No Overnight Parking".

Council Member Filter asked if people from Pine Shadows park in this lot overnight.

Chief Frank said this does not happen very often.

Motion made by Council Member Arnett, seconded by Council Member O'Keefe, to adopt Ordinance No. 2015-09 deleting paragraph (c) of Section 10-1-35 of the Code of Ordinances to eliminate daytime hourly parking restrictions for the municipal lot at the northeast corner of Hanover Avenue and Western Road. Motion carried unanimously.

CONSIDER ORDINANCE 2015-10 AMENDING SECTION 10-1-34(a) OF THE CODE OF ORDINANCES TO ELIMINATE THE LOADING ZONE ON THE SOUTH SIDE OF HAMILTON ROAD, COMMENCING AT A POINT EIGHTY-EIGHT (88) FEET SOUTHEASTERLY OF THE CENTERLINE OF THE CANADIAN NATIONAL RAILROAD TRACKS FOR A DISTANCE EXTENDING SOUTHEASTERLY ONE HUNDRED TWELVE (112) FEET

Director Wiza said business owners located on the south side of Hamilton Road just east of the railroad tracks have asked that the existing loading zone in front of their shops be eliminated. The loading zone no longer serves a purpose and should be eliminated.

Motion made by Council Member O'Keefe, seconded by Council Member Czarnecki, to adopt Ordinance 2015-10 amending Section 10-1-34(a) of the Code of Ordinances to eliminate the loading zone on the south side of Hamilton Road, commencing at a point eighty-eight (88) feet southeasterly of the centerline of the Canadian National Railroad tracks for a distance extending southeasterly one hundred twelve (112) feet. Motion carried unanimously.

CONSIDER PUBLIC ART GUIDELINES

Director Hilvo said the Public Art Commission has spent six months working on guidelines to direct public art in Cedarburg. He recommends the guideline as set forth be adopted.

Council Member Czarnecki asked if recourse is available if a piece of art is found to be egregious.

Director Hilvo said if the art is in a City park, the matter would be taken to the Parks, Recreation and Forestry Board then the Public Art Commission. If the art is located elsewhere, the matter would go to the Common Council.

Council Member Verhaalen said the proposed guidelines do not say this or that the City has the right to remove art.

Council Member Czarnecki said that he would like to see an appeal process in the guidelines.

Attorney Herbrand said the guidelines could include a statement that public art can be removed by action of the Common Council.

Director Hilvo said the ordinance establishing the Public Art Commission states the Council has the final say over public art. The guidelines presented are for the purpose of assisting the Commission. The ordinance needs to be revised in terms of the composition of the Commission and at the same time could also be revised with clearer language regarding the possible removal of art.

Motion made by Council Member Thome, seconded by Council Member O'Keefe to table this matter until ordinance revisions are prepared. Motion carried unanimously.

CONSIDER CHANGING THE CLASSIFICATION OF THE RECREATION ASSISTANT FROM NON-EXEMPT EMPLOYEE TO EXEMPT EMPLOYEE

Director Hilvo said when the secretary of the Parks, Recreation and Forestry Department retired in 2013 the position was changed from Secretary to Parks, Recreation and Forestry Assistant with the intention of having the person be involved with recreation programming. He would like this position reclassified from non-exempt to exempt. The Personnel Committee discussed this in 2013 and recommended that no change take place until it is known how the position evolves. At the time the position was 90% clerical and 10% supervision. It has since changed to 60% office work and 40% program supervision. This employee is the adult softball coordinator, which involves evening work. Flexibility with scheduling of this employee will save the City money in terms of overtime.

Motion made by Council Member Thome, seconded by Council Member Czarnecki, to change the classification of the Recreation Assistant from a non-exempt employee to an exempt employee. Motion carried unanimously.

CONSIDER RECLASSIFICATION OF THE PARKS, RECREATION AND FORESTRY STAFF

Director Hilvo said he has been working on a succession plan for the Parks, Recreation and Forestry Department. He is proposing job title changes with no salary increases since the job duties will remain the same. He is recommending the title of Recreation Assistant be changed to Recreation Supervisor/Office Manager and the title of Recreation Supervisor be changed to Recreation Superintendent.

Council Member Filter said budget time is coming and he is afraid these changes may result in a request for additional staff or increased salaries.

Director Hilvo said he is only changing the titles and job descriptions to reflect the work that is being done.

Motion made by Council Member Arnett, seconded by Council Member Czarnecki, to reclassify positions in the Parks, Recreation and Forestry Department staff by changing the title of Recreation Assistant to Recreation Supervisor/Office Manager and changing the title of Recreation Supervisor to Recreation Superintendent. Motion carried unanimously.

CONSIDER CREATION OF HORTICULTURIST POSITION

Director Hilvo said Public Works Superintendent Jeff Boerner retired in early 2015 and was replaced internally with Joel Bublitz of the Public Works crew. This has left an open Public Works crew member position. He said he is proposing to move a Parks and Forestry crew member to the Public Works side and create a horticulturist position for the Parks and Forestry crew. This person will maintain the flower baskets, boulevards, and other plantings and landscaping in the City.

Council Member Filter asked Director Hilvo if he intends to come to the Council during budget time with a request for additional staffing. Director Hilvo said this is not his intent.

Motion made by Council Member Thome, seconded by Council Member Czarnecki, to create a horticulturist position as described. Motion carried unanimously.

Council Member Filter said he reluctantly voted in favor of the motion only because Director Hilvo promised there would be no requests for additional staff in the budget.

CONSIDER AMENDING PR-4: RENTAL OF COMMUNITY CENTER FACILITIES

Amended Policy PR-4 increases fees to help cover maintenance costs of the facility.

Motion made by Council Member Filter, seconded by Council Member O'Keefe, to adopt amended Policy PR-4: Rental of Community Center facilities. Motion carried unanimously.

CONSIDER CEDARBURG MUNICIPAL OPERATIONS PLAN

Chief Frank said an Emergency Operations Plan has been in the works for over a year and has been recently completed. It dovetails the County Operations Plan. Sergeant John Stroik and Assistant Emergency Management Director Kevin Runkel were instrumental in preparing the plan.

Council Member O'Keefe complimented Chief Frank and his staff for a great job on the Plan.

Motion made by Council Member O'Keefe, seconded by Council Member Thome, to approve the City of Cedarburg All-Hazard Emergency Operations Plan as presented. Motion carried unanimously.

DISCUSS AND APPROVE PRELIMINARY BUDGET PARAMETERS, INCLUDING OPERATING EXPENDITURES AND/OR TAX LEVY, GROWTH TARGETS FOR DEVELOPMENT OF THE PROPOSED 2016 BUDGET

City Administrator/Treasurer Mertes said annually the Council sets the budget parameters for staff to follow during the development of the budget. Usually the expectation is that the tax rate should be held at the same rate as the previous year. With the estimated assessed value, before commercial numbers are complete, there is room for a tax levy increase of \$86,468 before the tax rate would increase.

Council Member Arnett said he would like to see a 0% increase in the tax levy rather than a 0% increase in the tax rate. Council Member Czarnecki agreed.

It was the consensus of the Council that the goal should be a 0% tax levy increase. Mayor Kinzel said this goal is something to start with and can be changed during the budget process.

CONSIDER BUDGET CALENDAR FOR 2016

City Administrator/Treasurer Mertes said the proposed budget calendar for the 2016 budget is the same as last year. The budget will be distributed to the Council on October 8 with the public hearing/budget presentation at the October 26 meeting and adoption on November 30. October 19 and November 16 have been set aside as possible additional meetings for budget deliberations, if necessary.

PRESENT STRATEGIC PLAN

City Administrator/Treasurer Mertes said the goals and objectives of the Strategic Plan have been updated. The goals and objectives typically come from staff and various boards, committees and commissions. She encouraged Council Members to review the plan and provide suggestions to her. The Strategic Plan will be discussed in detail during budget time.

Council Member Czarnecki questioned the goal to build a multi-purpose gym at a cost of \$4 to \$6 million. He asked how long this item has been in the Strategic Plan.

City Administrator/Treasurer said it has been in the Plan for the last year or two.

Council Member Czarnecki suggested this item be removed from the Plan. Council Member Verhaalen suggested the outdoor sports complex item at a cost of \$500,000 also be removed.

It was the consensus of the Council that discussion of the Strategic Plan be a separate agenda item during budget deliberations.

CONSIDER ISSUANCE OF A TRANSIENT ENTERTAINMENT LICENSE TO RAINBOW VALLEY RIDES, INC. FOR THE OZAUKEE COUNTY FAIR FOR JULY 29 THROUGH AUGUST 2

Motion made by Council Member Czarnecki, seconded by Council Member Thome, to approve the issuance of a Transient Entertainment License to Rainbow Valley Rides, Inc. for the Ozaukee County Fair on July 29, (1:00 p.m. to 11:00 p.m.), July 30, July 31, and August 1, (10:00 a.m. to 11:00 p.m.), and August 2, 2015 (10:00 a.m. to 7:00 p.m.) and the request to waive the requirement for a cleanup bond as requested by the Ozaukee Agricultural Society. Motion carried unanimously.

PAYMENT OF BILLS

Motion made by Council Member Filter, seconded by Council Member Arnett, to approve the payment of the bills for the period 06/05/15 through 06/19/15, ACH transfers for the period 06/05/15 through 06/30/15, and payroll for the period 05/24/15 through 06/20/15. With Council Members Arnett, Filter, Verhaalen, Regenfuss, Thome and O'Keefe voting aye and Council Member Czarnecki abstaining, the motion carried.

Council Member Czarnecki abstained from voting because a refund check was issued to his wife.

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:

Elizabeth A. Brennan	Andrew Heidtke
Abigail J. Clausing	Kyle T. Polum
Amanda J. Clausing	Nicholas J. Rech
Robert J. Flom	Warren D. Seifert

Motion carried unanimously.

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

Morgan A. Deakin	Brandon J. McCarthy
Hailey E. Gunville	Benjamin A. Nommensen
LeRoy C. Haeuser	William R. Poull
Lori A. Haeuser	Christian T. Puls
Gina A. Heidemann	Melissa M. Radtke
Mark J. Hilgendorf	Robert A. Rhiel
Elizabeth A. Jacobson	Robert J. Roden
Mark E. Larson	Elizabeth M. Ryan
Neal C. Maciejewski	Daniel B. Swarthout

Motion carried unanimously.

CITY ADMINISTRATOR'S REPORT

City Administrator/Treasurer Mertes said Canine Officer Jake recently had surgery to repair a torn ACL. He will be out of service for several weeks.

MAYOR'S REPORT

Mayor Kinzel issued a proclamation honoring Eagle Scout Samuel Krieg.

Mayor Kinzel said he has received VIP tickets for seating at the 4th of July parade if anyone is interested.

ADJOURNMENT

Motion made by Council Member Filter, seconded by Council Member O'Keefe, to adjourn the meeting at 9:01 p.m. Motion carried unanimously.

Constance K. McHugh, MMC/WCPC
City Clerk