

**CITY OF CEDARBURG
COMMON COUNCIL
October 19, 2009**

CC20091019-1

A special meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, October 19, 2009 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, Ron Reimer, Art Filter, Michael Maher, Kip Kinzel, Bob Loomis

Excused - Council Member Paul Radtke

Also Present - City Attorney Kaye Vance, City Administrator/Treasurer Christy Mertes, Director of Engineering and Public Works Tom Wiza, Police Chief Tom Frank, City Clerk Constance McHugh, City Assessor Cathy Timm, City Planner Jon Censky, Building Inspector Mike Baier, Wastewater Superintendent Ron Clish, Parks and Recreation Director Mikko Hilvo, Library Director Mary Marquardt, Library Board President Sue Karlman, Public Works Superintendent Jeff Boerner, Parks and Forestry Superintendent Kevin Westphal, Fire Chief Rich Van Dinter, Emergency Government Director Frank Even, Senior Center Director Carol LaFontaine

STATEMENT OF PUBLIC NOTICE

At Mayor Myers' 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 had requested copies, and by posting in accordance with the Wisconsin Open Meetings Law.

2010 BUDGET PRESENTATIONS

City Administrator/Treasurer Mertes gave a brief overview of the proposed 2010 budget:

- The proposed tax rate increase is .03/\$1,000 of assessed value.
- The proposed assessed tax rate is \$6.52 per \$1,000 of assessed value, up from \$6.49 per \$1,000 of assessed value.
- Approximately \$190,500 would need to be cut from the proposed budget in order for there to be a 0% increase in the assessed tax rate.
- The proposed budget includes a .7% increase in the tax levy, or \$55,608. This is well below the amount allowed by the State levy limit.
- A one time use of the General Fund – fund balance in the amount of \$311,000 is being proposed to pay off the City's unfunded pension liability, which would save the city approximately \$40,000 in 2010.

- Health insurance premiums are increasing by .7%; however, because the health savings account contribution is going down from 60% to 50% of the deductible for 2010, there will be a decrease in health insurance costs in the amount of \$24,003 in the General Fund.
- Workers Compensation insurance is decreasing because the experience modification factor is down from 1.07 in 2009 to .9 in 2010.
- For every additional \$11,507 added to the budget, the assessed tax rate would increase by \$0.01.
- The budget as proposed would only work if the unions agree to a wage freeze and furloughs and the Council agrees to the proposed cuts in the Departmental budgets.

Fire Department

Fire Chief Van Dinter summarized the proposed 2010 Fire Department budget.

- The operating budget for the Fire Department reflects a decrease of 3.3%.

Emergency Government

Emergency Government Director Frank Even presented an overview of the proposed 2010 Emergency Government budget.

- The proposed 2010 Emergency Government budget reflects a 5.11% decrease.
- The purchase of a new vehicle has been delayed for another year.
- Coverage for more runs and walks and additional help with the Festivals will result in 64 more volunteer hours.
- The Department does as much vehicle maintenance as possible to save money.
- The Department will receive a federal grant this year for the purchase of radio equipment to replace outdated equipment.

Council Member Loomis asked if it is reasonable to expect the \$1,500 contribution from the Town that is budgeted.

Director Even said the City charges the Town for mutual aid calls to the Town. He said the City has not received the full amount from the Town for the last few years.

Council Member Maher said there have been large increases in telephone costs throughout all departments. He asked if the entire City is covered by one telephone carrier.

City Administrator/Treasurer Mertes said all land lines are under one new contract through the State of Wisconsin. Expenses should go down as a result of the new contract. All City cell phones are under one contract except for Emergency Government and the Wastewater Treatment Plant. Efforts are underway to get these two departments under the same contract when the existing contracts expire.

Sewerage

Wastewater Superintendent Ron Clish highlighted the proposed 2010 Sewerage budget.

- The Sewer Fund is an enterprise fund that is funded through user fees, not taxes.
- The proposed budget is decreasing by \$1,600.
- Many items have been pushed back until 2011; however, the Plant is 30 years old and the equipment is 20 years old; therefore, money will need to be spent in the near future to maintain the Plant at optimum performance.
- A 2.8% increase in the sewer rate is being proposed. The proposed 2010 rate is \$4.76/1,000 gallons, up from \$4.63.
- The holding tank rate is proposed to increase to \$7.94/1,000 gallons, up from \$7.72.
- The Fund Balance for the Sewer Utility has been increasing over the last few years. These funds can be used for equipment or replacement of the Plant.

Council Member Filter asked what the purchase of a GIS system entails.

Superintendent Clish said that \$7,500 has been budgeted in 2010 and 2011 for engineering work related to a GIS system that will be used to help locate lines and laterals.

Parks and Forestry

Parks and Forestry Superintendent Kevin Westphal highlighted the proposed 2010 Parks and Forestry budget.

- Overtime is decreasing by 26% and clean-up on Saturdays after Summer Sounds has been eliminated.
- Part-time salaries are decreasing by 55% due to a reduction in the number of seasonal employees, which will impact grass cutting.
- The repairs and maintenance account is decreasing by 3%.
- Contracted services is decreasing by 28%.
- The training budget is decreasing by 66%.
- The sign supplies account is decreasing by 83%, which will result in no new park signage.
- The equipment account is decreasing by 50%.
- The entire operating budget for the Forestry Department is decreasing by 18%.

Council Member Maher asked if funds are in the budget for Emerald Ash Borer (EAB) treatment.

Superintendent Westphal said an additional \$70,200 has been included for this treatment. City Administrator/Treasurer Mertes said \$19,000 in savings in 2009 will be carried over in 2010 for EAB treatment.

Council Member Maher said that he is concerned about the cut in part-time seasonal help that generally cut grass in the summer. He said he feels there will be complaints from residents and businesses if the grass is not cut in a timely manner. He asked if thought has been given as to where most of the grass cutting efforts will be placed.

Superintendent Westphal said the routes will have to be prioritized in order to get the most done.

Council Member Loomis asked if it is possible to use in-house staff to treat the ash trees.

Superintendent Westphal said that if staff was available this work could be done in-house at a savings. Employees doing EAB treatment would need to be certified pesticide applicators.

Council Member Reimer also asked if it is possible to have a City employee certified as a pesticide applicator and perform this function in order to save money. He said the savings may be enough to hire seasonal employees to cut grass and assume other duties of the full-time employee when that employee is doing EAB work.

Mayor Myers asked Superintendent Westphal to put together a proposal that includes an analysis of what it would cost to train an employee to do EAB treatment and purchase the necessary equipment and to hire a seasonal employee(s) to relieve the full-time employee from cutting grass in an effort to cut down on contracted services costs and to possibly be able to return funds to the budget for seasonal employees to do grass cutting.

Recreation

Parks and Recreation Director Mikko Hilvo gave an overview of the proposed 2010 Recreation budget.

- The activity guide will now be a web-based publication, with only a few copies printed for the schools.
- The office supplies account will decrease by \$250.
- The General Fund Recreation Programs were moved into the Special Revenue Fund for Recreation Programs. The Special Revenue Funds for the Youth Center, Youth Basketball and Youth Football were combined into the Fund also.
- If a program is not self supporting, it will be eliminated. One such program that is not self-supporting is the summer park playground program. The fee for this program is \$100 per person. The fee would need to be raised to \$200 per person. The tennis program is not self-supporting without a large increase in the participation fee. Director Hilvo said increases in fees would result in a reduction in the number of participants.

Council Member Loomis said that he does not see a reduction in the Recreation budget by \$57,000, which is the amount the Town will not be contributing to the City because there will be no shared services agreement in 2010.

Director Hilvo said while this budget was prepared assuming there would not be a shared services agreement, there will basically not be a recreation department if any additional funds are cut from the Recreation Administration budget.

Council Member Loomis said the Council has not yet dealt with the loss of \$57,000 from the Town. The City taxpayers are being asked to cover this in the Recreation budget.

Council Member Maher said the summer park playground program is very important and he would not like to see it disappear.

Mayor Myers asked Director Hilvo if he has considered an increase in fees for non-City residents who participate in recreation programs.

Director Hilvo said that he is concerned that if fees are doubled there would be a 50% drop in participation. He said he does not want to overestimate revenue.

Mayor Myers said that it should not be assumed the drop-off rate will be that severe if non-resident fees are increased. He said parents will be willing to pay higher fees to have their children participate in programs with their classmates.

Council Member Filter asked Director Hilvo what the overall increase or decrease is in his budget with the shifts to the Special Revenue Fund.

Director Hilvo said his budget is decreasing by 2%.

City Administrator/Treasurer Mertes said \$5,000 will be transferred from the Special Revenue Fund to Recreation Administration in 2010.

Director Hilvo said funds for the Celebrations accounts have been eliminated in 2010; therefore, the hanging baskets downtown will not be watered. Expenses for the Civic Band have been eliminated, the contribution toward the hanging baskets has been eliminated, and \$3,000 has been cut for the 4th of July fireworks.

Swimming Pool Fund

Director Hilvo summarized the proposed 2010 Swimming Pool Fund budget.

- The weather was not good this summer, resulting in a loss of revenue. When this happens certain projects, primarily cosmetic ones, are not done to keep the expenditures in-line with what was budgeted.
- The biggest expenditure in 2010 will be \$9,000 for work on the grates to be in compliance with the Virginia Graeme Baker Act.

Council Member C. Reimer said often times the showers are left on. He asked if they could be put on timers.

Director Hilvo said the cost of doing this is \$1,500 per shower stall. This project keeps getting pushed back because other items come up.

Senior Center

Senior Center Director Carol La Fontaine presented an overview of the proposed 2010 budget for the Senior Center.

- The loss of the Town contribution because of no shared services agreement is significant, and amounts to \$16,000, or 23% of the total budget for the Senior Center. If the Town were to contribute on a usage basis, the loss would be \$4,000. This loss is spread throughout the City.
- The Cedarburg Senior Center budget is the smallest budget of three centers in Ozaukee County.
- The programs offered are designed to break-even or generate a small amount of revenue.
- There will be a 32% decrease in the supplies and expenses account in 2010.

Council Member Loomis asked if there are plans to establish a non-resident membership fee.

Director LaFontaine said there are no membership fees at this time; however, this is something that can be looked into. Grafton is considering a resident membership of \$10 and a non-resident membership fee of \$15. She said she will be looking into raising fees for the summer picnic and annual turkey dinner. She will also be looking into possible grants and donations from private and civic organizations.

Mayor Myers said that non-residents from outside the City need to be asked to contribute to this program as City taxpayers will be paying the costs in 2010.

It was the consensus of the Council that Director LaFontaine work with City Administrator/Treasurer Mertes to establish a non-resident membership fee for the Senior Center.

Council Member Loomis asked Director LaFontaine to try to come up with the \$4,000 that would have been paid by the Town if it contributed to the Senior Center based on usage.

Police Department

Police Chief Tom Frank highlighted the proposed 2010 Police Department budget.

- The only real increase in the Police budget is a 7% increase in electricity.
- A \$500 decrease in office supplies, a \$300 decrease in printing costs, a \$1,400 decrease in training, and a \$3,000 decrease in gas for vehicles is proposed.
- A reduction of \$800 in State aid for training is expected.
- Traffic revenue is expected to increase by \$3,000.

Chief Frank said most capital purchases have been eliminated from the budget; however, he would like to discuss three items. One is the purchase of a squad car, which has already been pushed back in the 2009 budget. He said it is likely the current car will become unsafe. Maintenance costs for this vehicle have been \$4,000 this year. The Police Department usually receives \$4,000 for trade-in cars with 100,000 miles. This car will be approaching 150,000 miles when traded-in.

Chief Frank also addressed the need to upgrade the dispatch furniture that is currently not ergonomically correct. The cost of this would be \$16,986. It is also recommended that the dispatch console be upgraded in the amount of \$34,735.

Council Member C. Reimer asked if there has been any consideration of joint dispatch with Ozaukee County.

Chief Frank said there are pros and cons of central dispatching. The City of Port Washington has joint dispatching with Ozaukee County but did so without laying off employees. He said dispatchers often do other work such as answering the phone after hours for the Light and Water and Sewer Departments and answer questions from the public. Providing a safe haven in the community where people can go 24 hours a day seven days a week is important. It is likely there would be equipment costs with central dispatch. In addition, the Cedarburg Police Department was asked by the Ozaukee County Fire Chiefs to be the Mutual Aid Box Alarm System (MABAS) center. As a result, radio equipment will be installed at the dispatch center. If there are any thoughts of closing down the dispatch center, the Fire Chiefs need to be informed of this immediately. Chief Frank said Ozaukee County is well into its budget process and central dispatch would probably not be an option for 2010.

Council Member Maher said dispatching adds to the quality of service in the City. He said he understands Port Washington residents are not happy with centralized dispatch.

Library

Library Director Mary Marquardt summarized the proposed 2010 Joint Library budget.

- The Town has decided not to participate in a joint library with the City; therefore, there is an approximate \$92,000 shortfall in the Library budget.
- The budget that was presented to the Library Board showed a decrease of 7%; however, further adjustments will need to be made before it is reviewed again by the Library Board.
- Revenues are also decreasing because people are returning materials to avoid fines.
- In order to deal with the reduction in revenue, the following cuts are proposed: closing the Library one hour Monday – Thursday, closing the Library on Sundays September – May, closing the Library four hours on Fridays, decreasing aide hours by 1,444, decreasing the materials budget, canceling electronic databases, reducing publications and subscriptions, and cutting the maintenance person on Saturdays due to Sunday closings.
- Reductions are also proposed in the repairs and maintenance, office supplies, computer supplies, and printing accounts.
- Even with these cuts the Library is still \$38,324 short in funding.

Council Member Loomis said it doesn't feel right to penalize other areas of the City and that the shortfall should be borne by the Library.

Assessor

City Assessor Cathy Timm presented the 2010 budget for the Assessor's office.

- The office supplies account is decreasing by \$285, computer supplies is increasing by \$815 due to increased maintenance costs, State fees for manufacturing is increasing by \$71; and employee training is decreasing by \$440.

- \$20,000 was put back to the original annual funding for the next revaluation. In 2007, \$5,000 of the \$20,000 was put on the unfunded list, reducing the amount to \$15,000. In 2008, \$10,000 of the \$20,000 was put on the unfunded list, reducing the amount to \$10,000. In 2009, \$10,000 of the \$20,000 was put on the unfunded list, again reducing the amount to \$10,000. By not funding the revaluation account the full \$20,000 per year over the last three years, there is a shortage of \$25,000 which could result in a shortage for future revaluations.
- The 2011 revaluation may be pushed back to 2012.

Assessor Timm said the contract assessor for commercial properties has agreed to reopen his contract and take a zero percent increase for the remaining two years of the contract.

CONSIDERATION OF AN ADDENDUM AMENDING THE CONTRACT FOR THE ASSESSING OF COMMERCIAL REAL ESTATE AND PERSONAL PROPERTY

Motion made by Council Member Loomis, seconded by Council Member R. Reimer, to approve an addendum amending the Contract for the Assessing of Commercial Real Estate and Personal Property with Value Solutions that will result in a zero percent increase in maintenance costs for the two remaining years of the contract. Motion carried unanimously with Council Member Radtke excused.

Building Inspection

Building Inspector Mike Baier explained the proposed 2010 budget for Building Inspection.

- 15 new homes were projected to be built in 2009; however, only 8 have been built thus far.
- Permit revenues for 2009 are at or exceed the estimates for the year even with the decline in home starts due to construction of Lasata Crossings and Walgreens.
- \$1,000 has been removed from part-time salaries, \$200 has been removed from office supplies, and \$50 has been eliminated from the equipment account.

City Hall Complex

Building Inspector Baier presented an overview of the proposed 2010 City Hall Complex budget.

- Part-time salaries are increasing \$1,000 for additional work to be done within the buildings. This will reduce the need to contract out for the work.
- Electric, telephone and water costs are going down 5.64%, 20.69%, and 12.16%, respectively.

Cemetery Fund

A summary of the Cemetery Fund was presented by Building Inspector Baier.

- Sales fell 65% in 2009. With the decrease in sales comes a decrease in the number of monument permits.
- \$11,000 is included in the 2010 budget to begin setup of a GIS system for cemetery record management.

Conservation and Development

City Planner Jon Censky summarized the proposed Conservation and Development budget for 2010.

- Offices supplies are decreasing by \$576, conference and travel is decreasing by \$500, and publications and dues is increasing by \$70 due to an increase in American Planning Association dues.
- Total non-personnel costs are decreasing by approximately \$1,000.

Engineering

Director of Engineering and Public Works Tom Wiza summarized the proposed 2010 Engineering budget.

- Proposed decreases include \$5,000 for professional services, \$1,000 for office supplies, elimination of printing or reproduction of maps, terminating membership in the American Public Works Association, and eliminating representation at the League of Wisconsin Municipalities, American Public Works Association (APWA), and American Society for Civil Engineers (ASCE) conferences, resulting in a 36% reduction in non-personnel services.
- Revenues are projected to decrease by 10.93%, mainly because of the economy.

Public Works

Public Works Superintendent Jeff Boerner explained the proposed 2010 Public Works budget.

- The budget includes \$3,000 to change the locks on buildings.
- Funding for a part-time seasonal employee for street maintenance has been removed.
- There is an increase of \$1,000 in the uniforms account.
- The signs account is increasing by \$1,000 to purchase new signs that meet reflectivity requirements.
- Funds in the amount of \$3,000 for equipment in the snow and ice control budget have been removed.
- \$5,000 has been added for the increase in road salt from \$37 to \$57 per ton.

Health and Sanitation

Director Wiza and Public Works Superintendent Boerner summarized the proposed 2010 Health and Sanitation budget.

- Refuse collection will increase by 10.93% per the contract with Waste Management.
- The fuel surcharge in the refuse collection contract is a wildcard. The budget estimates the fuel surcharge will increase by 67%.
- The recycling expenses account has been reduced by \$5,000.

- Funds for the Town compost employee remain in the budget; however, without a shared services agreement it may be necessary for the City to operate its own compost site.

City Clerk

City Clerk Constance McHugh presented the proposed 2010 budget for the Clerk's office.

- Non-personnel costs will decrease by 9.18%.
- The *Journal-Sentinel* subscription will no longer be funded, training has been reduced, maintenance of a Dictaphone will be cancelled, the equipment fund has been reduced, and funds for the publication of legal notices have been decreased.
- Funding for four elections in 2010 has been included in the budget.
- The central duplicating budget will remain the same.

Treasurer, Council, Mayor, City Administrator, Employee Relations, and Legal Services Budgets

City Administrator/Treasurer Mertes highlighted the budgets for the Treasurer, Council, Mayor, City Administrator, and Legal Services.

- There is an increase in the Council subscriptions and dues account due to Mid-Moraine dues being paid in year payable.
- The Mayor's budget reflects a decrease due to electronic distribution of the City newsletter rather than printing and mailing of it.
- The City Administrator's budget reflects decreases due to a new phone contract, a reduction in office supplies, a reduction in training expenses. The employee relations budget reflects reductions in employee meeting refreshments, elimination of the Employee Assistance Program, and changing of the Flexible Spending Account plan to a premium only plan.
- The retainer for legal services remains the same. The City Attorney has agreed to reduce the hourly fee for extraordinary services from \$150 to \$140. Labor Relations Professional services is increasing by \$8,000 for negotiations in 2010.
- The Treasurer's Office budget is decreasing in the office and supplies, publications and dues, training and travel, and other expenditures accounts.
- Professional services will increase due to a 5% increase in the cost of the 2009 audit and for new fees for procedures required by SAS99 and new risk assessment standards.
- There will be no replacements of computers in 2009 or 2010.
- Revenues in the Treasurer's Office will decrease due to a loss of investment income because of low interest rates.

Debt Service

City Administrator/Treasurer Mertes explained the proposed 2010 Debt Service budget.

- An \$800,000 borrowing is proposed in 2010 to fund the Washington Avenue street project. The Library borrowing will not be necessary until 2011.
- There is a proposed use of fund balance in the amount of \$154,000. This would be from impact fees and prior years' interest earnings.

- The amount of tax levy necessary to support Debt Service is \$769,048.

Council Member Loomis suggested an analysis be done to determine if it would be prudent to borrow to pay for the \$311,000 in the unfunded pension liability rather than use fund balance to pay this off.

Internal Service

- The auditors have suggested the City rebuild the fund balance in this fund. The proposed budget would increase the fund balance by \$5,000.
- A decrease in Workers' Compensation insurance is expected due to a decrease in the experience modification factor from 1.07 to .9.

Capital Budget

City Administrator/Treasurer Mertes said all equipment and vehicle purchases in the Capital Improvement Fund were postponed reducing the amount of funding necessary for the equipment replacement fund through the tax levy. The Washington Avenue street project remains in the budget along with park projects funded by impact fees.

Room Tax Fund

City Administrator/Treasurer Mertes said there is \$1,800 in the Room Tax Fund that could be used for the flower baskets should the Council desire.

ADJOURNMENT

Motion by Council Member Filter, seconded by Council Member Loomis, to adjourn at 10:19 p.m. Motion carried unanimously with Council Member Radtke excused.

Constance K. McHugh, WCPC/MMC
City Clerk