

**CITY OF CEDARBURG
COMMON COUNCIL
October 22, 2012**

CC20121022-1

A special meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, October 22, 2012 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 Chris Reimer, Ron Reimer, Art Filter, Paul Radtke, Michael Maher, Mike O'Keefe

Excused - Council Member Doug Yip

Also Present - City Attorney Kaye Vance, City Administrator/Treasurer Christy Mertes, Police Chief Tom Frank, City Clerk Constance McHugh, Library Director Mary Marquardt, Director of Engineering and Public Works Tom Wiza, Director of Parks, Recreation and Forestry Mikko Hilvo, Superintendent of Public Works Jeff Boerner, Superintendent of Forestry Kevin Westphal, Fire Chief Rich Van Dinter, Wastewater Treatment Superintendent Ron Clish, Emergency Management Director Kevin Runkel, Deputy Emergency Management Director Frank Evan, Library Board President Sue Karlman, Library Board Member Steve Ruggieri, 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.

COMMENTS & SUGGESTIONS FROM CITIZENS

Library Board Member Steve Ruggieri said he noticed when he read the minutes from the last Council meeting that there were questions regarding the County library reimbursement. He explained that the reimbursement is based on circulation, usage, and revenue. He said there is a two year lag time between what is funded for library sources and what the County reimburses for. For example, 2013 is the basis for the reimbursement in 2015.

Mr. Ruggieri said if the Library Board is forced to use the beginning fund balance for 2013 capital expenses versus operating expenses above the budgeted amount of \$6.2 million for the new library, it will not be used against the Library in terms of the County reimbursement.

FURTHER CONSIDERATION OF THE PROPOSED 2013 BUDGET, DEPARTMENT PRESENTATIONS, DISCUSSION, AND DIRECTION THEREON

The Council continued with Departmental budget presentations.

Emergency Management

- Utilities are decreasing due to the loss of the Hanover Avenue building.
- Contracted maintenance is decreasing by \$4,916, which was added to the unfunded list.
- Property insurance is increasing by 35.50%, as is the case in other departments due to an increase in rates.
- Revenues are decreasing based on past history.

Unfunded

- There is \$4,916 on the unfunded list for weather software and maintenance for the generator. It is possible that this amount could be reduced due to a savings in the generator maintenance contract.

Unfunded List

City Administrator/Treasurer Mertes discussed remaining items on the unfunded list that were not discussed at the last meeting. Those items include:

- \$60,000 in Capital Improvements to upgrade the City-wide phone system;
- \$12,000 for recodification of the City Code;
- \$7,775 for field maintenance for the Parks, Recreation and Forestry Department (reduced from \$12,775);
- \$19,909 for additional hours for the Administrative Assistant (this number will be revised based on discussion at the Personnel Committee);
- \$7,200 for a speaker system for the historic downtown (at the suggestion of the Economic Development Board);
- Unknown amounts at this time for Creek Walk lighting and landscaping and Highway 60 east/west directional signage (at the suggestion of the Economic Development Board);
- \$6,000 for holiday baskets.

City Treasurer

- The salaries and benefits in the Treasurer's Department shows a decrease due to the Treasurer's salary being moved to the Administrator's account. Part-time salaries are increasing because payroll expenditures that were allocated to the Sewer Utility and Treasurer's Office will now be billed to the Sewer Utility. This is the case in most departments. Employees will be shown as working 100% in the department they are in and a lump sum will be charged to the Sewer Utility.
- There is a 4.13% increase in the annual audit expenditure.

- Additional funds are included in the Information Technology accounts to replace some computers at City Hall, which are at least six to seven years old.
- Funds of \$25,000 are also included for the new Internet agreement; although this number will be revised based on the recent agreement approved with Time Warner.
- In terms of revenues there is a slight increase in the room tax based on past history.

Mayor and Common Council

- There is a slight increase in the Worker's Compensation account due an increase in the modification factor. This is the case in all departments.
- Retirement in the Mayor's budget has been decreased to \$0 because the City will no longer be paying retirement for the Mayor.
- There is a decrease in the Mayor's phone account because the current Mayor does not have a City cell phone.

City Administrator

- The Administrator's salary appears to be increasing substantially; however, this is because her salary will be charged 100% to Administration rather than divided up between Administration, the Sewer Utility and the Treasurer's Department.
- Telephone expenses are increasing slightly due to past history.
- She has joined WPERLA, resulting in a small increase in dues.
- In terms of employee relations, the bonuses were removed for 2013 and the awards account is increasing. This account is for awards based on years of service.

City Attorney

- The retainer for City Attorney remains the same.
- The extraordinary services account is decreasing 25% based on history.

Planning/Conservation

- Although it is expected that the amount allocated for the planner contract will come in under budget this year, an increase of \$10,000 is budgeted for 2013 for more hours for the contract planner.
- The office supplies and expenses account is increasing by \$100.

Other

- \$10,000 is budgeted in the contingency account.
- Transfers to other funds consist of \$58,006 to cover the budgeted deficit in the Community Pool Special Revenue Fund.

Debt Service

- No borrowings are scheduled for 2013.

- Increased funds from the property tax levy are being used to cover debt service.

Internal Service Fund

- This is the fund used to pay claims and liabilities.
- The worker's compensation modification factor is increasing from 1.11 to 1.13

City Administrator/Treasurer Mertes said that the Capital Improvement Plan includes \$100,000 for environmental legal and consulting services. After discussion on whether this number is too high or too low, the Council directed Attorney Vance and City Administrator/Treasurer Mertes to re-estimate this number.

City Administrator/Treasurer Mertes distributed revised budgets for the Library and the Sewer Utility Fund. The Library budget reflects more accurate estimates for property insurance while the Sewer Utility budget reflects the reallocation of salaries.

City Administrator/Treasurer Mertes presented proposed changes to the dental insurance plan for non-protected employees. She is proposing to increase the deductible for the single plan from \$25 to \$50 and the family plan from \$75 to \$150, add implant coverage at 50%, and change the unlimited lifetime maximum for orthodontics to a \$1,500 per person lifetime maximum. These changes would result in a decrease in premiums of 7.6% in 2013. It was determined that these changes are in line with what other communities are doing.

Council Member Maher asked questions of Department Heads.

He questioned whether the future purchase of voting equipment is necessary. City Clerk McHugh responded that the current equipment is reaching the end of its useful life and likely would have been purchased previously if there were any certified systems available for purchase.

Council Member Maher said it appears that the staffing level for the Treasurer's Office is increasing. City Administrator/Treasurer Mertes said the full amount of the salaries is being charged to the Treasurer's Department but charged off to the Sewer Utility as a lump sum. Her salary will also be charged 100% to Administration.

Council Member Maher asked for clarification on the statement in the budget that it was determined that salaries for snow and ice qualified for state transportation aids.

City Administrator/Treasurer stated this was recently discovered and as a result 1.25 FTE was taken out of the Garage-Public Works Crew account and reallocated to the Street Maintenance Account.

Council Member Maher asked what the policy is regarding employees who decline the City's health insurance.

City Administrator/Treasurer Mertes said that employees who opt out of the City's health insurance are paid 35% of premium. There has been discussion of making this a lump sum payment.

Council Member Maher suggested that this policy be looked at and perhaps eliminated. Council Member C. Reimer said this may force employees to take the health insurance. He suggested that City Administrator/Treasurer Mertes look at what other communities do.

Council Member Maher asked that City Administrator/Treasurer find out how many other communities offer longevity bonuses.

Council Member Maher said the sewer contingency account shows that \$40,000 was budgeted in 2012 and will be budgeted in 2013; however, no expenditures have occurred.

City Administrator/Treasurer Mertes said funds taken out of the sewer contingency account are allocated to the actual sewer utility accounts.

Council Member Maher said the Cemetery Special Revenue Fund carries large fund balances of \$231,043 that is undesignated and \$87,984 that is designated for perpetual care.

City Administrator/Treasurer Mertes said that perpetual care fund balance is funded by a \$75 per cemetery lot sale. Director Wiza said it is not a good idea to use taxpayer funds for perpetual care. Council Member Maher asked if the full amount of the fund balance could be labeled as designated.

Council Member Maher made a comment about the County library reimbursement. He said the formula is confusing; however, if the City decreases funding for the library the County will also decrease funding to the City.

Council Member Radtke said that he estimates the tax rate will increase by \$0.38 per \$1,000 assessed value if everything included in the budget is approved. This would be approximately an increase of \$101 in taxes on a home assessed at \$259,000.

Mayor Kinzel said the Council needs to be careful of any increases in the levy. Council Member Filter agreed that there are people in the community who are unable to afford an increase in the City tax rate, let alone any increases in the rates of the other taxing jurisdictions.

Council Member Maher said a bucket truck is being requested by the Parks, Recreation, and Forestry Department at a cost of \$180,000. He questioned whether this Department could borrow a similar truck from Light & Water.

Superintendent Westphal said Parks, Recreation, and Forestry will use the truck on a daily basis and likely get it very dirty. Director Wiza said Light & Water has problems with sharing equipment that could become contaminated and cause conductivity problems.

Council Member Filter said some Departments overspend their accounts. He asked what happens in these situations.

City Administrator/Treasurer Mertes said Departments that overspend money are told to stop spending and a resolution is done at year end transferring money from Departments that are under spent to accounts that are overspent. She said the third quarterly financial report will be distributed next week and will show where Departments are in terms of spending.

Council Member Maher said that he is bothered that there are some items on the unfunded list that should not be on the list, such as playground surfacing.

Council Member C. Reimer suggested that City Administrator/Treasurer Mertes move all the durable goods on the unfunded list to the unfunded Capital Improvements portion of the list, the bucket truck and other equipment purchases be delayed for another year freeing up funds to pay for the items remaining on the unfunded list and for maintenance on the bucket truck and other vehicles that will not be purchased.

The Council asked Council Member O'Keefe to talk to the Festivals Committee about the Committee possibly funding the speaker system for downtown.

The Council directed City Administrator/Treasurer Mertes to update the unfunded list, identify which items are one-time purchases and which items are on-going, and which items can be paid for by not funding large equipment and vehicles.

Director Hilvo said that \$60,000 in playground equipment replacement at Maple Manor and Cedar Creek Park could be saved if a naming policy is approved. He said these funds could be used towards a bucket truck, which is a priority.

Director Wiza said that Public Works truck #93 is 18 years old. This 1995 truck is scheduled for replacement in 2013. The replacement life for the trucks used to be 13 years, was pushed to 14 years, then to 15 years. He said waiting too long to replace vehicles results in higher maintenance costs and decreased resale or trade-in value.

The public hearing and further discussion on the budget will occur at the October 29 Council meeting.

ADJOURNMENT

Motion made by Council Member C. Reimer, seconded by Council Member Radtke, to adjourn the meeting at 9:20 p.m. Motion carried unanimously with Council Member Yip excused.

Constance K. McHugh, MMC/WCPC
City Clerk