

**CITY OF CEDARBURG
COMMON COUNCIL
October 26, 2009**

CC20091026-1

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, October 26, 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 Myers, Council Members
Ron Reimer, Art Filter, Paul Radtke, Michael Maher, Kip
Kinzel, Bob Loomis

Excused - Council Member Chris Reimer

Also Present - City Attorney Kaye Vance, City Administrator/Treasurer Christy Mertes, Police Chief Tom Frank, Library Director Mary Marquardt, Director of Parks, Recreation, and Forestry Mikko Hilvo, Superintendent of Parks and Forestry Kevin Westphal, Senior Center Director Carol LaFontaine, City Clerk Constance McHugh, Library Board Member Debra Goeks, Town Management Assistant for Parks and Planning Eric Ryer, interested citizens and news media

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 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.

CONSIDER MAYOR MYERS' ANNUAL APPOINTMENTS TO BOARDS, COMMITTEES, AND COMMISSIONS

No appointments were made.

PUBLIC HEARING – PRESENTATION OF THE 2010 CITY BUDGET

Mayor Myers declared the public hearing open on the proposed 2010 budget at 7:01 p.m. City Clerk McHugh verified that proper legal notice had been given with publication in the *News Graphic* on October 8, 2009.

City Administrator/Treasurer Mertes presented the proposed 2010 City budget. Highlights of the budget are:

- The proposed tax levy is \$7,508,108, with \$5,320,606 for the General Fund, \$990,000 for the Capital Improvement Fund, \$428,454 for the Special Revenue Fund, and \$769,048 for the Debt Service Fund. This is a 1.2% levy increase from 2009.
- The proposed assessed tax rate is \$6.52/\$1,000 of value, an increase of .03/\$1,000 of value.

- The proposed equalized tax rate is \$6.23, up from \$6.19.
- To meet the proposed deficit of \$190,500, the assessed tax rate would need to increase .19/\$1,000 of value, or 2.9%. The additional cost for a home with a median value of \$237,100 would be \$45.05.
- The maximum the levy could be under the State levy limit is \$7,837,330. This would require an assessed tax rate of \$6.81/\$1,000 of value and would cost the median home owner an additional \$75.87.
- General operations account for 71% of the tax levy, capital accounts for 13%, debt service accounts for 10%, and the Library accounts for 6%.
- The levy for the Capital Project Funds is decreasing because vehicles and equipment have been removed from the budget.
- The levy for the Library is the same as this year.
- The levy for Debt Service is decreasing due to the use of impact fees.
- For every additional \$11,507 added to the budget, the assessed tax rate would increase by \$0.01.
- The proposed budget calls for a wage freeze for all employees, three furlough days for all employees, and an assessed tax rate increase of .03/\$1,000 of value. Without these three items there would be a budget deficit of \$190,500.
- The Senior Center Director is proposing an increase in the cost of newsletter subscriptions from \$5 to \$8 for non-residents, charging for the foot clinic, increasing the fee for the annual picnic from \$4 to \$8, increasing the fee for the annual turkey dinner from \$4 to \$8 for non-residents, charging a non-resident membership of \$15, and applying for a \$700 grant from the Junior Woman's Club to fully fund the newsletter. These changes will generate an additional \$2,600 in revenue that has not yet been added to the budget.
- The Parks, Recreation, and Forestry Director has prepared a revised schedule of recreation fees, which includes doubling the fees for non-residents. Fees for residents will remain the same for most programs. The one exception is the summer playground program.
- The recreation programs have been moved into a Special Revenue Fund. Those programs that are doing well will offset the programs that are not doing as well.
- The Parks and Forestry Superintendent put together options for in-house treatment of the Emerald Ash Borer (EAB). He is suggesting the City contract for spring trunk injections and perform the fall soil treatment in-house. This would save the City \$11,400. The savings could be used to restore funds for seasonal employees to cut grass throughout the City.
- 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.
- Any unnecessary equipment, vehicle, and capital purchases have been eliminated from the Sewerage budget. This is the case throughout the entire City budget.
- Staff has met with representatives of the City's five unions to discuss wage freezes and furloughs. An answer from the unions is expected on Monday, November 2.

Beth Thiefelder, President of Cedarburg Civic Band, said the Civic Band has been around for 50 years and has a long tradition in the City. She said the Civic Band is important and makes Cedarburg unique as there are few civic bands left in the country. She understands the City is facing cuts, but she said she is having a hard time accepting the proposed cut in the Civic Band

budget of 100%. She could understand the budget being cut by the same percentage as other items are cut. She asked the Council to restore some funds in the Band's budget.

Kristine Hage, Executive Director of the Cedarburg Chamber of Commerce, said the annual 4th of July celebration costs about \$35,000. The City contributes \$7,000 and the Town contributes \$4,000, leaving \$24,000 that must be raised. Fundraising was down \$8,000 in 2009. The City is proposing to cut its contribution by \$3,000. Ms. Hage said if the City cuts its contribution, the Town will likely cut its contribution also. She said if funds are cut she doesn't see how the celebration will continue. She asked the Council to consider restoring the \$3,000 that has been cut.

Liz Brown of the Tourism Promotion and Development Committee asked the Council to consider restoring some type of watering program for the flower baskets. She asked that \$2,000 - \$2,500 be restored in the budget for watering. She said volunteers will be sought to do the watering on the weekends to cut down on overtime costs.

Library Board Member Debra Goeks, advocated for restoring funds to the Library budget. She said the Library is a core service, with over 80% of residents having a library card. The Library serves seniors and families, who are the same people impacted by other cuts in the budget. The proposed budget calls for cutting library hours, staffing, and publications. If the cuts are approved, the Cedarburg Library will be providing a service that is below the State's standard level of service. Ms. Goeks said she hopes the City will look for opportunities to reinstate in future years what will be cut from the budget next year.

Pat Swetalla, N47 W6073 Spring Street, asked if any other items are being cut from the budget.

City Administrator/Treasurer Mertes said approximately 50% of the funds for seasonal employees have been cut, training, travel and general supplies have been cut in all departments, computers will not be replaced as scheduled, and the City newsletter and recreation brochure will not be mailed out but furnished in electronic format, with some copies available at the Senior Center, Library and City Hall.

Haly Besaw, W63 N346 Hillcrest Avenue, said she realizes how difficult this budget is and that there is little that can be cut; however, the Civic Band represents the City of Cedarburg and is one of the oldest marching bands in the country. She asked that funds be restored to pay for the two directors as there are skills involved in running the Band. She urged the Council to do what it can to keep this little bit of Americana going.

Motion made by Council Member Filter, seconded by Council Member Radtke, to close the public hearing at 7:40 p.m. Motion carried unanimously with Council C. Member Reimer excused.

Council Member Filter said he was unaware that the Civic Band's budget was being cut entirely. He said there are not too many civic bands left. He suggested the Council restore some funding to keep the Band going.

Mayor Myers said the Council has always worked hard to produce an efficient budget that provides the services that residents have come to expect. He said that this year has been more difficult due to a variety of reasons that are not in the control of the Council, such as a decrease in State aids, an

increase in the tipping fees, issues related to the Town and the loss of a shared services agreement, and labor contracts that include 3% salary increases. The economy is down, which has resulted in a loss of permit revenue and decreased commercial activity. Mayor Myers said this perfect storm has caused the Council to take a hard look at the budget while trying to provide services and accommodating the needs of the residents. The Council has asked the labor unions to accept a wage freeze and three furlough days to help reduce costs. He said the Council will have a better sense of things after they hear back from the unions.

Council Member Loomis suggested the consequences of the unions not agreeing to a wage freeze and furlough days be laid out.

Council Member Loomis said Director Hilvo has made the assumption that revenues will not increase significantly if non-resident fees for recreation programs are doubled because he feels participation will decrease. Council Member Loomis said that he doesn't agree with this assumption and believes there will be a gain even if non-resident fees are doubled.

Council Member Loomis said the proposed budget shows a reduced pension payment of \$40,000 in the General Fund due to paying down the unfunded pension liability by \$311,000 from the fund balance. He said he doesn't necessarily agree with taking \$311,000 from the fund balance to pay for this as it may reduce the fund balance to a level that is too low per the City's policy. He suggested City Administrator/Treasurer Mertes talk to Ehlers and Associates about this and possibly only fund one-half of this amount for unfunded pension liability and increase the contingency account in case of unforeseen expenses.

Council Member Loomis said he understands the Personnel Committee will be meeting to discuss options. He said it may make sense to offer early retirement packages.

Council Member Loomis asked what the Environmental Reserve account in the amount of \$150,000 in the Capital Improvement budget is for.

City Administrator/Treasurer Mertes said this account is for legal and consulting fees related to the cleanup of the Prochnow landfill. The levy includes \$10,000 for this account.

Council Member Loomis asked how much revenues are expected to increase by increasing non-resident fees for recreation programs.

Director Hilvo said that revenues will increase by \$5,000 - \$10,000 at most. He said most of the fees for residents have remained the same.

Council Member Radtke said there are too many unknowns at this time. He suggested the Council continue its discussion of the budget after the Personnel Committee meeting on November 2.

Council Member Filter said he received three calls about purchasing a new police car.

City Administrator/Treasurer Mertes said that squad cars, along with other capital items, vehicles, and equipment, have been eliminated from the budget.

Council Member Loomis said that the Council is looking for \$190,500 to cut from the budget and has asked all employees to take a wage freeze and three furlough days. He asked what happens if some unions agree and others do not; and if the cuts that must take place will occur throughout all departments.

Mayor Myers said the budget must be looked at in its entirety. He said the Council must look at providing City services as best it can.

Council Member R. Reimer said there is no doubt the Town not participating in a shared services agreement has hurt the City, but it has not been the only cause of the budget problems.

Council Member Maher said if the Council agrees to every cut that is being proposed, it goes against the City's Mission Statement and there will be a detrimental affect on the residents and the City. He said at some point the Council needs to consider raising taxes because some programs are too important to cut.

Council Member Maher said the cuts proposed at the Library involve removing days of services and limiting hours at night and on weekends when some people can only use the Library. He said it is wrong to ask the Library to make up for all its losses and is unrealistic to have each department come up with cuts to save money that is being lost in the Library, Senior Center, and Recreation Department budgets because of no shared services agreement. He said if the Council does not do something now, the situation will only be worse next year.

APPROVAL OF MINUTES

Council Member Loomis suggested the first sentence in the ninth paragraph on page 4 of the October 12, 2009 minutes reflect that it is distrust between both bodies that warrants mediation, not that the Town's distrust in the City warrants mediation.

Council Member Loomis suggested the remainder of the sentence after the word "initially" in the fourth paragraph on page 5 of the same minutes be deleted.

Council Member Loomis suggested that the 8th paragraph on page 5 of the same minutes reflect that the motions were separate and one was not part of the other. The Council had already agreed to send the shared services proposal. There was no amendment to the motion but a suggestion that the mediation proposal be sent to the Town along with the shared services proposal.

Motion made by Council Member Kinzel, seconded by Council Member Radtke, to approve the minutes of the October 12, 2009 meeting as corrected. Motion carried unanimously with Council Member C. Reimer excused.

REPORTS OF BOARDS, COMMISSIONS, AND COMMITTEES

Council Member Radtke said the ad hoc Creek Walk Committee met for the first time last week. Paul Rushing was elected Chairperson.

COMMENTS AND SUGGESTIONS FROM CITIZENS - None

DISCUSS ISSUES RELATED TO THE TOWN OF CEDARBURG, THE COOPERATIVE PLAN, SHARED SERVICES AGREEMENTS

No discussion at this time.

CONSIDER RESCINDING THE RESOLUTION PASSED BY THE COMMON COUNCIL ON AUGUST 24, 2009 AGREEING TO THE PREPARATION OF A COOPERATIVE PLAN WITH THE TOWN OF CEDARBURG UNDER SECTION 66.0307 OF THE WISCONSIN STATUTES

Motion made Council Member R. Reimer, seconded by Council Member Filter, to rescind the Resolution passed by the Common Council on August 24, 2009 agreeing to the preparation of a cooperative plan with the Town of Cedarburg under Section 66.0307 of the Wisconsin Statutes.

Council Member Loomis said he does not think the City will gain anything from rescinding the Resolution at this point nor will it help the City in the public's mind. He said he would like to see how the Town responds to the mediation offer.

Mayor Myers said he does not know what there is to be mediated at this point. He said the City cannot keep negotiating against itself. He said if there is any sort of mediation or negotiation, both sides must start over from scratch.

Council Member Radtke said he agrees with Council Member Loomis. He said leaving the Resolution as is does not hurt anything. He said rescinding the Resolution may give the Town's public relations firm the opportunity to spin it any way they want.

Council Member Kinzel said he prefers holding off on this action. He said it is all about public relations with the Town and this will be a public relations move on the part of the Town. He said he does not want to close the door to any possible discussions about shared services.

Council Member Maher asked if the Council could back out of the border agreement process at any time.

Attorney Vance said the Council has not agreed to anything at this point, except to follow the process in 66.0307 of the State Statutes regarding a permanent boundary agreement.

Mayor Myers said the City was rebuked on many offers and this ends past efforts. He said the City and Town can always start the negotiation process over, if the Resolution is rescinded.

Council Member Loomis said that people in the City and Town are beginning to realize the City is taking the high road and that there will be consequences because there is no shared services agreement. He suggested the City continue to take the high road.

Council Member Kinzel questioned how rescinding the Resolution helps the City.

Council Member R. Reimer said it closes an open-ended offer.

Council Member Radtke said that he believes the Town really wants to split from the City. He said rescinding the Resolution gives the Town one more opportunity to put a public relations spin on the situation.

With Council Members R. Reimer and Filter voting aye, Council Members Radtke, Maher, Kinzel, and Loomis voting nay, and Council Member C. Reimer excused, the motion to rescind the Resolution agreeing to the preparation of a Cooperative Plan with the Town under Section 66.0307 of the Wisconsin Statutes failed.

CONSIDER MERCURY MARINE LOAN PROPOSAL

City Administrator/Treasurer Mertes said the City is applying for a loan through DNR Brownfields Ready for Reuse program on behalf of Mercury Marine for the clean-up of the Plant No. 2 site. The DNR has approximately \$1.8 million available. An agreement needs to be made with Mercury Marine and Brunswick to ensure repayment of the funds to the City. A Financial Assurance Proposal from Mercury Marine has been received, which states Mercury Marine will incur an estimated \$1.8 million in costs associated with the clean-up, will begin repaying the City on an annual basis beginning in 2011, will post a Letter of Credit for 50% of the outstanding loan balance for the life of the loan, and that the City will purchase the property from Mercury Marine upon completion for \$100,000.

Motion made by Council Member Loomis, seconded by Council Member Maher, to accept the proposal of Mercury Marine, with the exception that the loan amount be \$1.5 million and that the City hold \$300,000 in reserve for monitoring costs. Motion carried unanimously with Council Member C. Reimer excused.

CONSIDER RESOLUTION 2009-11 DESIGNATING LIGHT & WATER CHECKING AND SAVINGS ACCOUNTS FOR ENSUING YEAR

Motion made by Council Member Loomis, seconded by Council Member Kinzel, to adopt Resolution 2009-11 designating Light & Water Utility Depositories for the ensuing year. Motion carried unanimously with Council Member C. Reimer excused.

CONSIDER RESOLUTION 2009-12 CHANGING THE CITY'S FLEXIBLE SPENDING PLAN TO A PREMIUM ONLY PLAN

Motion made by Council Member Kinzel, seconded by Council Member Loomis, to adopt Resolution 2009-12 changing the City's flexible spending plan to a premium only plan. Motion carried unanimously with Council Member C. Reimer excused.

CONSIDER ORDINANCE NO. 2009-11 AMENDING SEC. 7-2-7(g) OF THE CODE OF ORDINANCES PERTAINING TO THE NUMBER OF "CLASS A" INTOXICATING LIQUOR LICENSES AND CLASS "A" FERMENTED MALT BEVERAGE LICENSES

Motion made by Council Member Kinzel, seconded by Council Member Radtke, to adopt Ordinance 2009-11 repealing Sec. 7-2-7(g) of the Code of Ordinances pertaining to the number of

“Class A” intoxicating liquor licenses and Class “A” fermented malt beverage license available in the City. Motion carried unanimously with Council Member C. Reimer excused.

LICENSE APPLICATIONS

Motion made by Council Member Kinzel, seconded by Council Member Radtke, to authorize issuance of new Operator's Licenses for the period ending June 30, 2010 to Kate E. Wells, William A. Sumner, Michael A. Bourbonais, and Brad H. Fine. Motion carried unanimously with Council Member C. Reimer excused.

CITY ADMINISTRATOR’S REPORT - None

COMMENTS AND SUGGESTIONS BY CITIZENS - None

REPORTS AND COMMENTS BY COUNCIL MEMBERS - None

MAYOR’S REPORT

Mayor Myers issued a proclamation proclaiming November 1, 2009 as Change Your Clock, Change Your Battery Day.

ADJOURNMENT

Motion made by Council Member Filter, seconded by Council Member Radtke, to adjourn at 8:50 p.m. Motion carried unanimously with Council Member C. Reimer excused.

Constance K. McHugh, WCPC/MMC
City Clerk