

**CITY OF CEDARBURG
COMMON COUNCIL
October 29, 2012**

CC20121029-1

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, October 29, 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, Doug Yip, Mike O'Keefe

Also Present - City Attorney Kaye Vance, City Administrator/Treasurer Christy Mertes, City Clerk Constance McHugh, Director of Engineering and Public Works Tom Wiza, Police Chief Tom Frank, City Assessor Cathy Timm, Library Director Mary Marquardt, Director of Parks, Recreation and Forestry Mikko Hilvo, Parks and Forestry Superintendent Kevin Westphal, Building Inspector Michael Baier, Wastewater Superintendent Ron Clish, Emergency Management Director Kevin Runkel, Emergency Management Deputy Director Frank Even, Library Board President Sue Karlman, Library Board Members Steve Ruggieri, Art Palleon and Vonna Pitel, 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 C. Reimer, seconded by Council Member Radtke, to approve the minutes of the October 8, 2012 meeting as presented. Motion carried unanimously.

PUBLIC HEARING – PRESENTATION OF THE 2013 CITY BUDGET

Mayor Kinzel opened the public hearing at 7:03 p.m. to receive comments and input regarding the proposed 2013 budget.

City Administrator/Treasurer presented an overview of the proposed 2013 budget:

- The total assessed value for 2012 is \$1.16 billion, a decrease of 0.1% or \$1 million.
- The equalized value decreased from \$1.176 billion to \$1.16 billion, a 1.4% or \$16.6 million decrease.

- The proposed tax levy of \$8,002,861 is a 3.2% increase.
- The Expenditure Restraint Program will allow a levy increase of 2.7%.
- \$40,000 was moved from the street maintenance account to the capital budget.
- It may be possible to extend the contract with Waste Management for garbage and recycling pickup for one year with a possible savings of up to \$96,000.
- Operations are 69% of the levy, capital expenditures are 13%, the library is 6%, and debt service is 12%.
- The proposed equalized tax is \$6.90/\$1,000, a \$0.31 or 4.7% increase.
- The proposed assessed tax rate is \$6.90/\$1,000, a \$0.22 or 3.3% increase.
- This would amount to a \$57 increase on a home assessed at \$259,000.
- Total budgeted revenues are \$14.6 million.
- Total budgeted expenditures are \$21 million.
- The budget includes capital expenditures for street and stormwater projects, vehicles and equipment and the Library building project.
- A 2% wage increase is budgeted for non-protective employees and 3.5% is budgeted for protective employees.
- A 10.7% increase in health insurance is budgeted and a 3% decrease in dental insurance is budgeted.
- A 2.5% increase in worker's compensation insurance is budgeted due to an experience modification factor increase from 1.11 to 1.13.
- The budget includes a staffing level change in Police Administration.
- A 6% increase in electric rates is expected although no increases are expected for water, telephone, or natural gas.

General Fund:

- The General Fund will have a levy of \$5.56 million, up 5.7%.
- The General Fund accounts for 69% of the total levy.
- There is \$10,000 in the contingency reserve account.
- Total revenues are \$8.2 million, up 5.7%.
- Intergovernmental revenues are increasing due to fire insurance dues and transportation aids.
- Regulation and compliance revenues are decreasing 2.6% due to the loss of revenue from electrical contractor's licenses and building permits.
- Public charges for services are increasing 6.8% due to Public Works fees for the appliance pick-up program and reimbursement from Festivals.
- Intergovernmental charges for services are increasing 67% due to the change in allocation of Sewer administration charges.
- Commercial revenues are down 8% due to the loss of rental income.

- Property taxes are increasing 5.6%.
- The property tax equivalent is up 2.3%.
- Total expenditures are \$8.2 million, up 5.2%.
- The salary increase in the General Fund is 5.5%.
- The health insurance increase in the General Fund is 21.8%.
- Utilities increased 1.4% and a 6% electric increase is budgeted.

Capital Improvements:

- The levy is \$1,020,000, down 6.4%.
- Capital Improvements account for 13% of the total levy.
- Revenues total \$1,365,710.
- Expenditures total \$7,783,685.
- The Lincoln building roof replacement is half funded in 2012, the remainder will be funded in 2013 (\$150,000 total).
- The City Hall gutter system replacement is scheduled for 2014, with half funded in 2013 and the remainder funded in 2014 (\$80,000 total).
- The Police Department expenditures include one squad car, radio replacements and an upgrade of dispatcher work station furniture.
- The Fire Department expenditures include the fire escape.
- Public Works expenditures include \$200,000 for equipment, \$660,000 for street improvements, \$225,500 for stormwater improvements, and \$30,000 for the public works garage, including site study and engineering.
- Capital Improvement expenditures include \$6,120,000 for the library building, \$66,000 for Parks, Recreation and Forestry equipment and \$80,000 for park improvements, which includes half the funding for the bucket truck to be purchased in 2014 and replacing the 2006 utility vehicle.
- \$100,000 is included for Prochnow landfill remediation and \$60,000 for dam repairs.

Sewer Utility:

- User charges will remain the same.
- The flow rate is \$5.07 per 1,000 gallons.
- The monthly connection fee is \$12.
- The holding tank hauler rate per 1,000 gallons is \$8.45.
- The septic tank hauler rate per 1,000 gallons is \$41.58.
- Operating revenues are \$2,341,859, a 1.5% increase.
- Operating expenses are \$2,628,115, a 1.7% increase.
- Capital projects total \$482,000.

Debt Service:

- The debt service levy is increasing 5.7%.
- Debt service accounts for 12% of the total levy.
- There is \$10,632,572 of outstanding debt.
- The City is at 18.1% of the statutory debt limit and 22.6% of the limit specified by City policy.

Special Revenue Funds:

- Includes Cemetery, Room Tax, Recreation Programs, Swimming Pool, Park Subdivider Deposit Fund, and Library.
- The Cemetery use of fund balance is budgeted due to sales of lots declining.
- The room tax is increasing on the revenue and expenditure side due to an increase in taxes received.
- Recreation Programs will use a small portion of the fund balance.
- There is a budgeted increase for the Swimming Pool in tax levy support from the General Fund of 4%.
- The Library tax levy has been reduced to \$460,000 from \$490,000 in 2012. The difference of \$30,000 remains on the unfunded list.

Internal Service:

- Total revenues are \$313,350.
- Total expenditures are \$304,512.

Items on the Unfunded List:

- Upgrade of the City-wide phone system (\$60,000)
- Contracted tree planting (\$13,200)
- Update of the City Code (\$12,000)
- Library operations funding (\$30,000)

City Administrator/Treasurer Mertes said fund balance could be used for the phone system upgrade and the City Code update as they are one-time expenditures, not on-going expenses.

City Administrator/Treasurer Mertes said eliminating longevity for non-protective employees would be a \$42,600 ongoing savings and elimination of the payment for non-protective employees who opt out of the City's insurance would be a \$30,457 ongoing savings.

A survey done by City Administrator/Treasurer Mertes indicated that the City of Cedarburg and Cedarburg Light & Water are the only entities in the area that pay in lieu of taking health insurance. Most communities have also eliminated longevity payments, or capped them.

Council Member C. Reimer said that if the opt out payments for health insurance are eliminated some employees may rejoin the City's plan.

Council Member Maher asked if fund balance has been used in the past.

City Administrator/Treasurer Mertes said that typically some fund balance is used each year to cover the costs of one-time purchases, not on-going expenses.

Items removed from the unfunded list include the increase in hours for the Administrative Assistant, the speaker system for the downtown, the Creek Walk lighting and landscaping, the Hwy 60 directional signs, the holiday baskets, and electronic devices for Council packets.

The Council discussed the purchase and use of electronic tablets for Council packets. Council Member Radtke said that if the Council is going to purchase tablets it should be done soon to get the full value out of them; however, he cautioned that there may be increased staff time because of the constant need for upgrades and the possibility of problems that may occur with the devices when they are used outside the building.

Motion made by Council Member C. Reimer, seconded by Council Member Radtke, to close the public hearing at 7:45 p.m. Motion carried unanimously.

FURTHER CONSIDERATION OF THE PROPOSED 2013 BUDGET

City Administrator/Treasurer Mertes discussed changes to the proposed budget from the October 22 Council meeting.

Capital Plan changes:

- The purchase of playground equipment for Georgetown Park has been moved to 2015.
- Funding for the bucket truck has been changed from \$80,000 to \$100,000, with half the funding in 2013 and the remaining half the funded in 2014.
- Purchase of the one ton dump truck (\$50,000) has been pushed back to 2014. Tires will have to be replaced in 2013 at of cost of \$700-\$800.
- The Fire Department fire escape (\$7,800) has been added.

General Fund changes:

- \$29,840 has been included for contracted EAB treatment.
- \$3,000 has been added for turf management leaving \$4,775 unfunded.
- \$3,000 has been added for street maintenance, leaving \$3,000 unfunded.
- \$8,300 has been added for playground surfacing.
- \$6,039 has been added for proposed salary increases (to be discussed at a future meeting).

Changes in Special Revenue funds:

- \$31,546 has been added to the Library tax levy, \$30,000 remains unfunded.

Changes in the General Fund levy:

- The General Fund levy has increased by \$46,661 from \$5,510,082 to \$5,556,743.

Changes in the Capital Improvement levy:

- The Capital Improvement levy has decreased \$60,000 from \$1,080,000 to \$1,020,000. General projects have been reduced from \$150,000 to \$115,000 and the equipment replacement reserve has decreased from \$240,000 to \$215,000.

Deb Service tax levy changes:

- The debt service tax levy has decreased from \$982,157 to \$966,118. Fund balance of \$16,039 will be used.

City Administrator/Treasurer Mertes said she and Director Wiza are talking with Waste Management to possibly extend the contract for garbage and recycling pickup for another year and to possibly use carts for garbage collection. This may result in a savings of up to \$96,000. She will have more information next week.

Council Member Yip said that wage comparisons should be done before longevity bonuses are eliminated. He said the City must be competitive in terms of wages.

Council Member Maher suggested the Council consider phasing out the longevity bonuses over time and not offer to new employees. This would help the budget in the long run. Other Council Members suggested that it be capped at current levels or at the Light & Water maximum of \$600 per year.

It was the consensus of the Council not to eliminate longevity and health insurance opt out payments at this time. The Council directed staff to further look into to these two items in terms of capping the payouts for health insurance and longevity, further compare what other communities are doing, and bring recommendations to the Personnel Committee.

Council Member Radtke said the Council needs to look at legal fees. He said that he would like to see a total of the amount of legal fees paid out over the last few years and would like to see a request for proposals (RFP) sent out. He asked that this matter be placed on the next Council agenda.

Council Member Maher said that in terms of the unfunded list, he agreed with prior comments made by Council Member Radtke regarding upgrading an old phone system. He would like to see the purchase of a new phone system rather than upgrading the old system. Possibly this could come from the fund balance. He said he would like to see extra money in the budget for tree planting to catch up on the backlog. While he understands the need for recodification of the City Code, he feels this can be done on an as needed basis.

Council Member Maher said the minutes from the October 31, 2011 Council meeting indicate that the funding for the Library going forward would be \$490,000. He said the Library Board thinks the funding will be at the same level as in 2012 and felt the \$490,000 would be an on-going

commitment. He said if there are a lot of factors that go into calculating the County reimbursement for library services and if the amount funded is \$30,000 less the City will receive less funding from the County. He would like to see the \$30,000 restored and the funding remain in the future.

The Council members who were on the Council last year indicated that they remembered this as well and asked City Administrator/Treasurer Mertes to take the \$30,000 in funding for Library operations on the unfunded list off the list and restore \$30,000 in funding to the Library. It was the consensus of the Council that funding for the Library should be \$490,000 on an on-going basis and this item should be removed from the unfunded list (and be funded).

It was the consensus of the Council to remove the phone system upgrade from the unfunded list, and possibly fund this from fund balance.

The Council discussed funding for contracted tree planting. Forester Westphal said about 120 to 130 trees are removed each year with about 80 trees being replaced each year. Funding has been about \$12,000 each year, with covers the planting of approximately 50. Roughly \$19,000 is needed each year to plant 80 trees. Additional funding is being sought to catch up on the backlog from 2009.

Director Hilvo said that \$39,840 is needed to catch up on the backlog. Funding of \$20,000 each year is necessary to keep up with tree replacement.

Council Member C. Reimer suggested fund balance be used to pay for the \$39,840 backlog and the tree planting line item be increased to \$20,000 each year to replace the necessary 80 trees per year. The Council agreed with this approach.

Council Member O'Keefe suggested that Emergency Management consider charging for calls for service from other communities. He said this may help to recoup some of the equipment costs, such as the mobile command unit.

Assistant Director Even said generally calls for service come from County Emergency Management and are for services not provided by other communities. Cedarburg Emergency Management tries not to duplicate services. The mobile command unit is generally used in conjunction with the fire department.

Council Member C. Reimer suggested looking into charging Ozaukee County for some of the services provided.

The Council directed City Administrator/Treasurer Mertes to update the proposed budget based on the discussion tonight. Mayor Kinzel suggested that Council Members forward any other ideas they may have to reduce the proposed tax increase to City Administrator/Treasurer Mertes.

CONSIDER CONTRACT EXTENSION FOR GROUNDWATER MONITORING AT THE FORMER CITY/TOWN LANDFILL SITE ON PLEASANT VALLEY ROAD

Motion made by Council Member Filter, seconded by Council Member Radtke, to approve the engineering services contract extension with Stantec in the amount of \$10,050 per year for

groundwater monitoring at the former City/Town landfill site on Pleasant Valley Road. Motion carried unanimously.

The City's share of the contract is \$6,700 and the Town's share is \$3,800.

CONSIDER ORDINANCE NO. 2012-17 AMENDING SECTION 10-1-27(a)(68) OF THE CODE OF ORDINANCES TO PROHIBIT PARKING ON THE WEST SIDE OF WASHINGTON AVENUE FROM PIONEER ROAD SOUTH TO THE CITY LIMITS

Motion made by Council Member R. Reimer, seconded by Council Member O'Keefe, to adopt Ordinance No. 2012-17 prohibiting parking on the west side of Washington Avenue from Pioneer Road south to the City limits. Motion carried unanimously.

CONSIDER ORDINANCE NO. 2012-18 AMENDING SEC. 2-4-10(a) OF THE CODE OF ORDINANCES PERTAINING TO THE COMPOSITION OF THE LANDMARKS COMMISSION

Mayor Kinzel said that the City Code calls for eight members on the Landmarks Commission. A quorum comprises of five members. It has been difficult to obtain a quorum at several recent meetings so he is suggesting the number of members be reduced from eight to seven. The quorum for a seven member Commission would be four.

Motion made by Council Member R. Reimer, seconded by Council Member C. Reimer, to adopt Ordinance No. 2012-18 reducing the number of members on the Landmarks Commission from eight to seven. Motion carried unanimously.

CONSIDER NEEDED REVISION OF SEC. 11-2-1 OF THE CODE OF ORDINANCES PERTAINING TO THE REGULATION OF FIREARMS

Council Member R. Reimer said that because of Wisconsin Act 35 regarding concealed carry and Wisconsin Act 94 – the Castle Doctrine, current section of the Code pertaining to the regulation of firearms is not enforceable. He said either the language regarding the discharge of firearms needs to be deleted or the existing section needs to be completely revised.

Chief Frank recommended that Attorney Vance have more time to research this matter and review language in other municipal ordinances to determine what is working.

Council Member R. Reimer suggested that the Council give him until the end of October to complete a draft of a new ordinance and an ad hoc committee consisting of himself, Chief Frank, Attorney Vance, City Administrator/Treasurer Mertes, and possibly a Council Member review the draft and report back to the Council at the December 10th meeting.

Council Member Filter questioned the need for a committee to do this.

Attorney Vance said that this can be done internally and she and staff will work with Council Member R. Reimer and Chief Frank and Chief Van Dinter to review and revise the ordinance.

CONSIDER RESOLUTION NO. 2012-19 DESIGNATING LIGHT & WATER CHECKING AND SAVINGS ACCOUNTS FOR ENSUING YEAR

Motion made by Council Member Filter, seconded by Council Member C. Reimer to approve Resolution No. 2012-19 designating depositories for Cedarburg Light & Water for the ensuing year. Motion carried unanimously.

PAYMENT OF BILLS

Motion made by Council Member C. Reimer, seconded by Council Member Filter, to approve the payment of the bills for the period 10/05/12 through 10/23/12, ACH transfers for the period 10/07/12 through 10/27/12, and payroll for the period 09/30/12 through 10/13/12. Motion carried unanimously.

LICENSE APPLICATIONS

Motion made by Council Member C. Reimer, seconded by Council Member Radtke, to approve new Operator's License applications for the period ending June 30, 2013 for Christian T. Puls and Abbe J. Schultz.. Motion carried unanimously.

CITY ADMINISTRATOR'S REPORT

City Administrator/Treasurer Mertes said the third quarter financial report has been distributed.

She said that Senior Center Director Carol LaFontaine has again been recognized by the Wisconsin Parks and Recreation Association for her years of service.

COMMENTS AND ANNOUNCEMENTS BY COUNCIL MEMBERS

Council Member R. Reimer said that he is working with Council Member O'Keefe on updating the Emergency Government ordinance, which is very outdated. He said he is having a hard time determining what the difference is between Emergency Management and Auxiliary Police.

Council Member R. Reimer said that he and Building Inspector Baier are working on updating the City Code in terms of accessory buildings. The current Code does not limit the number of accessory structures on a lot or the square footage of such structures.

Council Member O'Keefe said that November is prostate cancer awareness month. He challenged his fellow Council Members to join his work team and grow mustaches. In order to participate all members have to be clean shaven as of November 1st.

MAYOR'S REPORT

Mayor Kinzel issued the following proclamations:

- Change Your Clock, Change Your Batter Day – November 4, 2012

- Eagle Scout – Dominic Richard Faraglia
- Official Christmas Book of Cedarburg

ADJOURNMENT

Motion made by Council Member C. Reimer, seconded by Council Member Yip, to adjourn the meeting at 9:50 p.m. Motion carried unanimously.

Constance K. McHugh, MMC/WCPC
City Clerk