

**CITY OF CEDARBURG
COMMON COUNCIL
October 26, 2015**

CC20151026-1

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, October 26, 2015, at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers. Mayor Kip 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, Director of Engineering and Public Works Tom Wiza, Police Captain Glenn Lindberg, City Clerk Constance McHugh, City Assessor Cathy Timm, Parks, Recreation and Forestry Director Mikko Hilvo, Parks & Forestry Library Director Linda Pierschalla, Superintendent Kevin Westphal, Parks and Recreation Superintendent Maggie Bultman, Wastewater Superintendent Eric Hackert, City Attorney Michael Herbrand, Mechanic and Assistant Fire Chief Bill Hintz, Library Board Members Sue Karlman, Debra Goeks, Vonna Pitel, and Liz Byrde, Economic Development Board Member Peter Welch, 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

Council Member Regenfuss asked that the following sentence on page 7 of the October 12, 2015 minutes be changed to reflect that the statement was made by Director Wiza in response to a question he asked: "Council Member Regenfuss stated that the pond will benefit the City because the developer has dedicated a large parcel of the land to the City for this purpose".

Motion made by Council Member Filter, seconded by Council Member O'Keefe, to approve the minutes of the October 12, 2015 meeting as amended. Motion carried with Council Members Czarnecki, Arnett, Filter, Verhaalen, Regenfuss, and O'Keefe voting aye, and Council Member Thome abstaining.

CONSIDER RECOMMENDATION OF POLICE CHIEF TO DENY NEW OPERATOR'S LICENSE APPLICATION OF JASON D. MUTZA

Attorney Herbrand said the recommendation of the Police Chief is to deny the operator's license application of Jason Mutza based on a conviction in 2007. He said the City Code states that the Council should consider two or more offenses that have occurred in the last five years. Attorney Herbrand spoke to Chief Frank, who indicated the Police Department also discovered an underage alcohol offense in July of 2007 that was omitted from the application. The application for an operator's license indicates that applicants must disclose all violations. Attorney Herbrand said the Council has the right to deny the license based on the failure to disclose or an omission as the Code states a basis for granting or denial of a license is the "applicant's fitness for the trust to be reposed".

Jason Mutza, 4079 W. Hawthorne Trace Rd, Brown Deer, said he worked at the Menomonee Falls Otto's Wine and Spirits liquor store for four years and is transitioning to the Cedarburg store as a promotion. He does hold an operator's license in Menomonee Falls. He said he was shocked to receive the letter stating his license may be denied based on a misdemeanor 10 years ago. He said aside from this offense, he is not a repeat offender. He said he does not remember receiving an underage drinking citation in 2007; however, he is not the same person he was when he was a kid.

Police Captain Lindberg said he spoke to the Mequon Police Department regarding the underage drinking citation in July of 2007. It also involved fleeing from officers at a party.

Council Member Filter asked the applicant if he needs the license to work at Otto's.

Mr. Mutza said he will be the closing manager and will need the license to work at the store.

Council Member O'Keefe said this is a tough issue. He is bothered that the application form does not have a time limit of five years for disclosing citations or offenses; however fleeing from an officer is a serious matter.

Council Member Thome said the application is very clear as to what must be disclosed and what the applicant is signing off on.

Attorney Herbrand said the applicant is free to reapply for the license disclosing all offenses and citations.

Motion made by Council Member O'Keefe, seconded by Council member Thome, to deny the application of Jason Mutza for an operator's license based on a misrepresentation on the application form, with the understanding that Mr. Mutza may reapply for the license disclosing all offenses and citations. Motion carried with Council Members Czarnecki, Arnett, Verhaalen, Regenfuss, Thome and O'Keefe voting aye, and Council Member Filter voting nay.

CONSIDER THE APPOINTMENT OF GORDON GOGGIN AS AGENT FOR GG & KR LLC, DBA THE STILTHOUSE AT W62 N630 WASHINGTON AVENUE

Motion made by Council Member Filter, seconded by Council Member O'Keefe, to approve the appointment of Gordon Goggin as agent for GG & KR LLC., dba the Stilthouse at W62 N630 Washington Avenue. Motion carried unanimously.

PUBLIC HEARING – PRESENTATION OF THE PROPOSED 2016 CITY BUDGET; DISCUSSION AND DIRECTION THEREON

Mayor Kinzel opened the public hearing at 7:17 p.m. to receive comments and input regarding the proposed 2016 budget.

City Administrator/Treasurer Mertes presented a summary of the proposed 2016 budget:

- The total budgeted revenues are \$22.8 million.
- The total budgeted expenditures are \$24.9 million.
- A 2% wage increase is budgeted for non-protective employees and a 3.2% increase is budgeted for protective employees.
- A 5% increase is budgeted for health insurance and a 7% increase is budgeted for dental insurance.
- A 24% increase in workers' compensation insurance is expected due to the experience modification factor increasing from .88 to 1.04 in 2016. The increase is approximately \$55,000.
- A 2.25% increase is budgeted for electric; although the increase could be as high as 3.75% due to a possible rate increase.

General Fund:

- The General Fund has a \$5.86 million levy, up from 4.2% in 2015.
- The General Fund comprises of 69% of the total levy.
- The General Fund budget is balanced with the use of \$23,404 of fund balance (\$8,404 for ADA compliance software and \$15,000 for a file server at City Hall).
- General Fund revenues total \$8.53, an increase of 2.5%.
- Intergovernmental revenues are decreasing by 2.6%.
- Regulation and Compliance revenues are increasing by 6.2%.
- Law and Ordinance violations are decreasing 24.1%.
- Public charges for services are increasing 12%.
- Commercial revenues are increasing 2.3%.
- Property taxes in the General Fund are increasing 4.2%.
- The property tax equivalent is decreasing 1.4%.
- General Fund expenditures total \$8.55 million, up 2.2%.
- Salary increases total \$110,856, or an increase of 3%. No funds are budgeted for merit increases, with the exception of the Library.
- The health insurance increase totals \$48,210, or 6.3%, due to changes in coverage from single to family for some employees.
- There will be a recycling and refuse contract increase of \$27,231.

- Four elections in 2016 results in an increase of \$19,423, or 88%.
- There is an increase in planning services of \$14,025 due to four more hours a week for the Planner and an increase in the pay rate.
- Salary and benefits comprise of 65% of the General Fund expenditures, followed by 18% for contractual services.

Capital Improvements:

- The Capital Improvements fund has a levy of \$1,190,000, down 17.1%.
- The Capital Improvements levy is 14% of the total levy.
- Revenues total \$9,285,000, including \$8 million in debt proceeds for the DPW garage.
- Expenditures total \$10,921,933.
 - General Government - \$95,000 (phase 2 of City Hall parking lot paving)
 - Police Department - \$216,341 (two squad cars, call recorder, plate reader, and the paving of the parking lot)
 - Emergency Management - \$20,842 (siren upgrade)
 - Fire Department - \$105,000 (HVAC replacement and retaining wall)
 - Public Works
 - Equipment - \$541,000 (street sweeper, 10 yard dump truck, and 2 pickup trucks)
 - Street improvements - \$790,000
 - Stormwater improvements - \$462,750
 - Parks, Recreation & Forestry
 - Equipment - \$261,000 (aerial lift truck, one ton dump truck, mower/snow blower)
 - Park Improvements - \$130,000 (Cedar Creek park net climber and Zeunert path resurface)
 - Environmental - \$100,000 (Prochnow and dams)
 - Transfer to Debt Service - \$200,000 (proceeds from the sale of the library and funds under budget from the library project)

Sewer Utility:

- Flow rate per 1,000 gallons is \$5.22, a \$0.06 or 1.2% increase from 2015.
- The monthly connection fee is \$12; no increase is proposed.
- The holding tank hauler rate is \$8.70 per 1,000 gallons; a 1.2 % increase is proposed.
- The septic tank hauler rate is \$44.91 per 1,000 gallons; up from \$41.58 in 2015.
- Operating revenues are \$2,315,332; an increase of 1.6%.
- Operating expenses are \$2,651,005; an increase of 2.3%.
- Capital projects are \$1,115,000.
- There is a deficit for the year of \$322,173 due to depreciation.

Debt Service:

- The debt service levy is increasing by 14%, due to TID #2 financial principal payment and 2015 borrowing, using \$13,950 in fund balance.
- Debt services makes up 8.3% of the total levy.

- The City has \$16,251,109 in outstanding debt. This is 26.5% of the statutory limit and 33.1% of the City policy.
- Revenues total \$912,332.
- Expenditures total \$926,282.

Special Revenue Funds:

- Includes Cemetery, Room Tax, Recreation Programs, Swimming Pool, Park Subdivider Deposit Fund, and Library.
- There is a \$14,371 cemetery loss budgeted.
- There is a slight increase in the room tax of 3%.
- The Recreation Programs fund has \$5,500 in expenditures over revenues. Revenues are down 6% due to program changes made and 1% decrease in expenditures due to salaries and benefits changes.
- The Swimming Pool Fund has a balanced budget due to City and Town contributions. There is a budgeted increase in revenues and expenditures of 1.21%.
- The Library Fund has a proposed tax levy of \$710,897, an 8.1% increase.
- The Library Special Revenue Fund is 8% of the total levy. The fund is balanced and revenues are increasing 9.74% and expenditures are increasing 7.5%.
- The levy for the Library Special Revenue fund covers over-spending in 2014 and 2015 along with balancing 2016.

Internal Service:

- Total revenues are \$335,351.
- Total expenditures are \$336,991.
- Internal Service is used to fund insurance premiums and claims. The City will see an increase in workers' compensation insurance due to an increase in the modification factor from .88 in 2015 to 1.04 in 2016.
- There is a slight increase in the fund balance at the suggestion of the auditors.

The following are changes from the October 10 meeting;

Swimming Pool:

- \$20,454 in Public Works salaries and benefits have been included in to the Swimming Pool Special Revenue fund.
- Increases in Town contributions of \$4,384 and City contributions of \$17,539 are included.

Capital Improvements:

- The Prairie View shelter has been moved to 2017 (\$150,000).
- The Cedar Creek net climber was increased by \$5,000.
- A dump truck has been added (\$70,000).

General Fund:

- The Forestry Grant of \$12,000 was added.
- Patrol sick leave payout of \$18,000 was eliminated.

Library:

- 2014 and 2015 are funded and the 2016 deficit of \$53,055 is funded.

Value and Tax Levy:

- The total assessed value for 2015 is \$1.2 billion, an increase of 1% or \$12.2 million.
- The equalized value increased from \$1.187 billion to \$1.204 billion; an increase of 1.4% or \$17.2 million.
- The proposed tax levy of \$8,468,788 is a 1.6% increase.

Proposed Tax Rate:

- The equalized tax rate is \$7.03 per \$1,000 of equalized value; an increase of \$0.01 or 0.1%.
- The assessed tax rate is \$7.01 per \$1,000 of assessed value; an increase of \$0.04 or 0.6% increase.
- The proposed change in the tax rate amounts to an \$11 increase on a home assessed at \$279,000.

Items on the Unfunded List:

- Banners (\$3,500).
- Update City signs (\$5,000).
- Recodification (\$15,000).
- Camera with locating wire and monitor (\$15,800).
- Downtown garbage cans (\$16,515 to sandblast existing; \$25,000 for new).
- Irrigation system (\$7,000 at City Hall, \$18,000 at the pool, \$7,000 at Behling Field).
- Street tree pruning (\$9,350 at Willowbrooke Park, preconstruction of \$12,240, and \$3,328 for Hanover Avenue boring for water/sewer lines).

City Administrator/Treasurer Mertes said every \$12,000 added to the budget increases the tax rate by \$0.01. The levy is allowed to increase by an additional \$224,668 under the State levy limit program; however, this would result in a tax rate increase of \$0.19.

She said the expenditure restraint may be 1.01% due to 0% change in the CPI over the last 12 months. This would mean the budget would have to be decreased by \$97,000 to receive an expenditure restraint payment of approximately \$150,000.

Council Member Thome said she struggles with funds included in the Library budget for merit increases while other departments do not have funds budgeted for this. She urged consistency across departments.

Council Member O'Keefe said there is a statement in the budget that the new library building has caused an increase in operating expenditures due to the added technology for the energy efficiency of the building. He asked what is meant by this.

City Administrator/Treasurer said technology does cost money. Almost everything at the library is automated and requires maintenance agreements.

City Administrator/Treasurer Mertes said the General Fund budget needs to decrease by \$97,000 in terms of the expenditure restraint program. She asked that Council Members contact her if they have any suggestions. She said that hopefully the budget can be adopted at the November 9 Council meeting.

Council Member Thome suggested that all departments be approached consistently in terms of merit increases. If merit increases cannot be done for all departments they should not be done at the library.

Council Member O'Keefe said adding people or programs are usually budget breakers. He is not seeing this in this budget, with the exception of additional hours for the Planner, which is necessary.

Council Member Arnett asked what the cost of the Police Department parking lot resurfacing is, and what part of the lot will be resurfaced.

City Administrator/Treasurer responded that the cost is \$50,000. Director Wiza said the resurfacing will involve sections of the lot, including the area near the dumpsters.

Council Member Czarnecki said the entire budget amounts to roughly \$22 million. He said that he would like to see no increase in the tax rate. He said it seems there should be a way to cut \$46,000 or \$48,000 from the budget to achieve this.

Council Member Thome said that City Administrator/Treasurer Mertes followed her and Council Member Arnett's recommendation that the budget be kept as level and as low as possible. She asked what will be gained by the purchase of a new truck for the Parks, Recreation and Forestry Department.

Director Hilvo said a new truck will result in a time savings. Currently a vehicle must be shared with the Public Works Department.

Council Member Arnett said he understands Council Member Czarnecki's point; but feels the Council should aim for an \$11 increase per home or below. He challenged Council Members to come up with ideas to reduce the budget.

Mayor Kinzel suggested holding off on any new hires until later in the year if possible. He suggested Council Members forward any ideas to City Administrator/Treasurer Mertes. He complimented her on her excellent job of preparing the budget and receiving the GFOA award.

Mayor Kinzel declared the public hearing closed at 8:30 p.m.

CONSIDER REVISED POLICY PR-1 PARK RESERVATIONS INCREASING PARK RENTAL/RESERVATION FEES

Director Hilvo said park reservation and rental fees have not been increased since 2012. He is seeking nominal increases effective January 1, 2016. The Parks, Recreation and Forestry Board approved the increase.

Motion made by Council Member Filter, seconded by Council Member Czarnecki, to approve revised Policy PR-1: Park Reservations. Motion carried unanimously.

CONSIDER ORDINANCE NO. 2015-17 AMENDING SEC. 12-1-1(b)(3) OF THE CODE OF ORDINANCES TO ALLOW DOGS ON LEASHES ON PARK PATHS AND CONSIDER APPROVAL OF PLACEMENT OF WASTE STATIONS/SIGNAGE IN PARKS

Director Hilvo said people have approach him in the past about allowing dogs in City parks. He said the City is considered as having an unfriendly park system. He said the Parks, Recreation and Forestry Board discussed allowing dogs on park pathways and possibly have one park designated for off-leash dogs. The Board decided an off-leash park is not a good idea at this time; however, proposed allowing dogs on park pathways if they are on leashes of not more than 6' in length. The LaBudde Group has offered to donate up to eight dog stations and bags for waste to help with cleanup.

Council Member Filter said dogs run off-leash at Cedar Creek Park already and on the Interurban Trail. He asked who would measure the leashes and enforce the proposed ordinance. He said he has a problem creating an ordinance that is not enforceable. In addition, many people are afraid of dogs. He said the parks are for everyone.

Council Member Thome said there is a waste station near the end of the bike path where it crosses Bridge Road. She asked if it is used.

Director Hilvo said this is really a garbage can that people do use for dog waste. He said there is a waste station in Grafton and a representative of Grafton indicated it is heavily used.

Council Member O'Keefe asked Director Hilvo if he has received any feedback about the proposal to allow dogs in parks on leashes.

Director Hilvo said that 8 out of 10 people he heard from are in favor of allowing it. He said he has heard over the years that the City is not dog friendly.

Council Member Thome said she has been approached positively about this proposal, while Council Member Filter said he has been approached negatively.

Council Member O'Keefe said the City tends to look the other way in terms of dogs in parks. He said maybe the ordinance should be adopted so that it can be enforced.

Captain Lindberg said 91 warnings have been issued during the 2012-2014 period for dogs in parks. No citations were issued.

Barbara Saliek-Shaffer, N65 W5700 Columbia Road, said businesses put out water dishes for dogs and offer treats. The businesses are dog friendly but the parks are not. She urged the Council to adopt the proposed ordinance.

Donna McElligott, W59 N380 Hilbert Avenue, said Cedarburg is a very family friendly community. Many people consider their dogs as members of their family. It is a common practice in many communities to allow dogs in parks. She encouraged the Council to allow dogs in parks on leashes. Council Member Regenfuss asked if signs will be placed in parks stating the rules.

Director Hilvo responded that signs will be posted.

Jim Konowalski, N70W7254 Bridge Road, requested the Council give no further consideration to this idea. He said not everyone follows the laws. He said waste stations can be installed but it is up to dog owners to pick up waste. Not all of them do. Furthermore, the Police Department cannot enforce this ordinance that would be adopted to appease less than 10% of the households in the City. There are other laws that are not being enforced and questioned adding more. The City has gotten along fine without allowing dogs in parks. He said this will have a negative impact on the quality of life for some residents. He said the Council should reject the idea for the good of the majority of people in Cedarburg.

Betsy Hackett, N39 W7265 Cleveland Street, said she used to walk her dogs in the parks but stopped after receiving her second warning. She asked the Council to consider allowing dogs in parks.

Motion made by Council Member Thome, seconded by Council Member O'Keefe, to adopt Ordinance No. 2015-17 allowing dogs on parking lots and paved pathways in City Parks, provided the dog is on a leash not more than 6' in length.

Council Member Arnett said he sent out 30 emails to his neighbors. All that responded were in favor of allowing dogs in parks. He said he will vote with his constituents.

Council Member Verhaalen said section 7-1-6 of the City Code requires that dogs be kept on leashes no greater than 10'. He suggested there be consistency in the Code.

Attorney Herbrand said a revision to this section of the Code can be brought back to the Council.

With Council Member Arnett, Verhaalen, Regenfuss, Thome, and O'Keefe voting aye and Council Members Czarnecki and Filter voting nay, the motion carried.

CONSIDER RESOLUTION NO. 2015-23 DESIGNATING LIGHT & WATER CHECKING AND SAVINGS ACCOUNTS FOR ENSUING YEAR

Motion made by Council Member Czarnecki, seconded by Council Member Filter, to approve Resolution No. 2015-23 designating Light & Water checking and savings accounts for the ensuing year. Motion carried unanimously.

PAYMENT OF BILLS

Motion made by Council Member Filter, seconded by Council Member Czarnecki, to approve the payment of the bills for the period 10/03/15 through 10/21/15, ACH transfers for the period

10/10/15 through 10/20/15, and payroll for the period 09/27/15 through 10/10/15. The motion carried unanimously.

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:

Christine A. Capelle
Kathleen A. Lanser

Tiffany L. Haeberlein
Tamara J. Oldenburg

Motion carried unanimously.

Motion made by Council Member O’Keefe, seconded by Council Member Czarnecki, to approve the application of Jody Schulz of Kettle Moraine Carriages, Inc., N612 Forest View Road, for a Horse and Carriage license.

Council Member Filter asked if the applicant has provided this service in the City before and if there have been any reported incidents.

City Clerk McHugh said the company has received a license in the past from the Council. There have been no reported incidents.

Motion carried unanimously.

COMMENTS AND ANNOUNCEMENTS BY COUNCIL MEMBERS

Council Member Arnett said he met with Economic Development Coordinator Mary Sheffield, who suggested that he introduce himself to the owners of Settler’s Inn and thank them for doing for business in the City. He encouraged other Council Members to do the same in terms of other businesses in the City.

Council Member Filter said he noticed the Weber Haus owned by Liz and Brook Brown has been sold.

MAYOR’S REPORT

Mayor Kinzel issued a proclamation for Change Your Clock – Change Your Battery Day on November 1.

ADJOURNMENT

Motion made by Council Member Filter, seconded by Council Member Thome, to adjourn the meeting at 9:00 p.m. Motion carried unanimously.

Constance K. McHugh, MMC/WCPC
City Clerk