

**CITY OF CEDARBURG
COMMON COUNCIL
November 16, 2009**

CC20091116-1

A special meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, November 16, 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, Paul Radtke, Michael Maher, Kip Kinzel, Bob Loomis

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, Director of Parks, Recreation and Forestry Mikko Hilvo, Library Director Mary Marquardt, City Planner Jon Censky, Wastewater Superintendent Ron Clish, Forestry Superintendent Kevin Westphal, Building Inspector Michael Baier, Senior Center Director Carol LaFontaine, Police Captain Glenn Lindberg, Detective Sergeant Jeff Vahsholtz, Public Works Superintendent Jeff Boerner, Public Works employee Jim Grube, Administrative Secretary Darla Drumel, Secretary II Sandy Stern, Secretary Judy Guse, Secretary II Chris Robel, Accountant I Teri Curran, Library employee Wendy Karasch, interested employees, 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 had requested copies, and by posting in accordance with the Wisconsin Open Meetings Law.

ADJOURNMENT – CLOSED SESSION

Motion made by Council Member C. Reimer, seconded by Council Member Kinzel, to adjourn to closed session at 7:02 p.m. pursuant to Wis. Stats. 19.85(1)(c) to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility and 19.85(1)(e) to deliberate or negotiate the investing of public funds or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. Approval of closed session minutes of June 29, 2009, August 24, 2009, and September 23, 2009. Motion carried unanimously.

RECONVENE TO OPEN SESSION

Motion made by Council Member Kinzel, seconded by Council Member R. Reimer, to reconvene to open session at 7:50 p.m. Motion carried unanimously.

CONSIDER PROPOSED 2010 BUDGET

Council Member Kinzel said the Council has looked at staffing efficiencies and will be reducing staffing levels and implementing furlough days in 2010, although there will be no changes to the Planning Department and Building Inspection Department.

City Administrator/Treasurer Mertes reviewed the changes made to the budget from the last meeting. The projected deficit of \$169,511 was changed by the following:

- Fall Emerald Ash Borer treatment will be done in-house at a cost savings of \$15,000;
- Part-time seasonal park employees were put back into the budget at a cost of \$10,870;
- Funds for the Civic Band were restored in the amount of \$1,000;
- Funds for part-time seasonal employees to assist with the watering the flower baskets were restored in the amount of \$2,745;
- \$1,500 will be transferred from the Room Tax fund for the flower basket program;
- Funds for the 4th of July fireworks have been restored in the amount of \$3,000;
- Non-union salary increases have been reduced from 1% to 0%, resulting in a savings of \$6,657;
- There has been a change in an employee's health insurance resulting in a savings of \$9,771;
- The Mayor's offer to return \$1,000 of his salary is reflected in the budget;
- There will be a transfer from the Recreation Programs in the amount of \$3,000.

City Administrator/Treasurer Mertes said with these changes the deficit will be \$150,198. The Library deficit is projected to be \$47,338.

Council Member Loomis recommended a 1% increase for all non-union employees in the amount of \$7,447 be restored in the budget and an additional \$5,000 be transferred from the Recreation Programs. These actions along with the proposed reduction in staffing levels and furlough days and the items listed above will cover the revised deficit of \$152,645.

Council Member Loomis said the one remaining issue is the Library, with its deficit of \$47,338. The City will lose approximately \$100,000 in funding because of the Town's decision to pay the Library tax to the County rather than to the City. Council Member Loomis said that he does not think the City can increase its contribution to the Library; however, there is about a quarter of a million dollars in the Library fund balance that could be used to cover the deficit. He said that the money in this fund was levied against the Cedarburg taxpayers but was not spent in prior years. He said the Library Board can either make substantial cuts or use monies from this rainy day fund.

Attorney Vance said that it is up to the Library Board as to how the Library fund balance should be used.

City Administrator/Treasurer Mertes said that historically the Library fund balance has been used for one-time purchases such as computers and repairs to the heating system.

Council Member Radtke said the Council has done a great job keeping the tax rate flat over the last several years. He said the City has been hit with a lot of things this year and if the tax rate is not

pushed up things will go down. He said that he is in favor of potentially raising the tax rate by a small amount.

Council Member Maher said that he agrees with Council Member Radtke. He said the Council must consider raising taxes. He said the Library fund balance is not a rainy day fund. The Library Board has been saving it for the new Library. He said it would be a disservice to use it. Council Member Maher said the cuts proposed at the Library will have a detrimental impact on the entire community. He said he understands that the City is losing revenue, but the Council must realize that it is making cuts for the wrong reasons.

Council Member Maher said there is a deficit to balance in the budget that was presented. The proposed cuts will have an impact on the services that can be provided. He said that putting off expenses means the Council must face them next year. He said the Council needs to consider raising taxes.

Mayor Myers said in June the Council asked staff to prepare a budget with a no tax increase. He said staff has done what the Council directed.

Council Member Maher said a budget with a no tax increase is a good goal; however, there was a perfect storm this year and the Council needs to look at all sources of revenue and income for the City.

Council Member Kinzel said he doesn't necessarily disagree with Council Member Maher, but if there is a tax increase, the funds should be used towards some of the capital expenditures that were cut from the budget. He said that he supports what Council Member Loomis said and likes the budget the way it is. He said that it is a tough time for everyone.

Council Member C. Reimer said hard times exist and this budget is hitting the residents when they are hurting the most. He said it would be difficult to impose a tax increase at this time. He said it may be a good time to use the Library fund balance to cover the deficit.

Council Member Filter said that he agrees with Council Member Loomis. He said the City has taken money from the undesignated fund balance in the past and now is a good time for the Library Board to use the Library fund balance. He said funding for the Library must be made up because of the Town's decision.

Council Member R. Reimer said that he agrees with Council Members Maher and Radtke. He said there has been a reduction in funds due to a loss in State monies and the Town's decision not to participate in certain joint programs. To compensate, the Council asked for a budget with no increase in the tax rate. As a result, the Council has looked at operational cuts and staff cuts. Council Member R. Reimer said that now it is time for the Council to look at a tax increase.

City Administrator/Treasurer Mertes said a \$0.03 increase in the assessed tax rate would fund one-half of the Library deficit. This would amount to a \$7.11 increase on a home valued at \$237,000.

Council Member Loomis made a motion to accept the budget as presented tonight with City Administrator/Treasurer Mertes' changes listed above, with the exception that a 1% increase be included for all non-union employees (\$7,447) and an additional \$5,000 be transferred from the

Recreation Programs (for a total of \$8,000), with the total deficit being \$152,645, and, in addition, the Council should fund the Library operations at the same level as in 2009 and the Library Board should decide whether there should be cuts or use of the Library fund balance to cover the deficit. The motion was seconded by Council Member Kinzel. With Council Members C. Reimer, Filter, Kinzel, and Loomis voting aye and Council Members R. Reimer, Radtke, and Maher voting nay, the motion carried.

The Mayor directed staff to prepare the ordinances adopting the budget. The Council will meet on Monday, November 23, 2009 at 7:00 p.m. to formally adopt the ordinances.

ADJOURNMENT

Motion by Council Member Filter, seconded by Council Member C. Reimer, to adjourn at 8:25 p.m. Motion carried unanimously.

Constance K. McHugh, MMC/WCPC
City Clerk