

**CITY OF CEDARBURG
COMMON COUNCIL
December 5, 2011**

CC20111205-1

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, December 5, 2011 at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers. Mayor Myers called the meeting to order at 7:00 p.m.

ROLL CALL: Present - Common Council: Mayor Gregory P. Myers, Council Members Ron Reimer, Art Filter, Michael Maher, Douglas Yip, Bob Loomis

Excused - Council Members Chris Reimer and Paul Radtke

Also Present - City Attorney Kaye Vance, City Administrator/Treasurer Christy Mertes, Director of Engineering and Public Works Tom Wiza, Police Chief Tom Frank, Library Director Mary Marquardt, City Clerk Constance McHugh, Wastewater Superintendent Ron Clish, City Assessor Cathy Timm, Economic Development Coordinator Mary Sheffield, 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.

APPROVAL OF MINUTES

Motion made by Council Member R. Reimer, seconded by Council Member Filter, to approve the minutes of the November 11, 2011 meeting.

Council Member Yip requested the minutes of November 11 reflect in the last sentence of the second full paragraph on page 9 that he would send his comments to all interested Council Members, not share with all of the Council Members.

Motion to approve the minutes as amended carried unanimously with Council Members C. Reimer and Radtke excused.

CONSIDER RESCINDING ORDINANCE NO. 2011-20: AN ORDINANCE LEVYING PROPERTY TAXES FOR THE GENERAL, DEBT SERVICE, SPECIAL REVENUE AND CAPITAL IMPROVEMENT FUNDS OF THE CITY OF CEDARBURG FOR THE YEAR 2012 AND CONSIDER ADOPTING ORDINANCE NO. 2011-26: A REVISED ORDINANCE LEVYING PROPERTY TAXES FOR THE GENERAL, DEBT SERVICE, SPECIAL REVENUE AND CAPITAL IMPROVEMENT FUNDS OF THE CITY OF CEDARBURG FOR THE YEARS 2012

Mayor Myers said equalized values from the State were received after the budget was adopted on November 14. As a result, the City's tax rate increased from \$6.65/\$1,000 assessed value to \$6.74/\$1,000 assessed value.

Motion made by Council Member Loomis, seconded by Council Member R. Reimer, to rescind Ordinance No. 2011-20: An Ordinance levying property taxes for the General, Debt Service, Special Revenue and Capital Improvement Funds for the City of Cedarburg for the Year 2012. Motion carried unanimously with Council Members C. Reimer and Radtke excused.

City Administrator/Treasurer Mertes said that she made adjustments to revenues and expenditures that adjusted the levy downward and resulted in a tax rate of \$6.73 per \$1,000 assessed value, or a 3.7% tax rate increase. Approximately \$88,000 would need to be removed from the levy in order to have a tax rate of \$6.65/\$1,000 assessed value, or a 2.5% increase. She said that all numbers have been received from the State and other taxing jurisdictions. As it stands now, the overall tax rate will decrease by 2.9%.

Mayor Myers asked what the impact on the tax rate would be if one furlough day for all employees is implemented.

City Administrator/Treasurer Mertes said the tax rate would decrease by .4%.

Motion made by Council R. Reimer, seconded by Council Member Maher, to adopt Ordinance No. 2011-26: A revised Ordinance levying property taxes that includes a tax rate of \$6.73/\$1,000 assessed value.

Council Member Loomis said that he understands the overall tax rate will go down; however, he cannot support an increase in the City's tax rate of more than 3%.

With Council Members R. Reimer and Maher voting aye, Council Members Filter, Yip, and Loomis voting nay, and Council Members C. Reimer and Radtke excused, the motion to adopt Ordinance No. 2011-26 failed.

City Administrator/Treasurer Mertes said the following could reduce the tax levy: not funding the installation of banners for light poles between Lincoln and Pioneer Roads (\$2,000), eliminating the employee bonuses (\$22,000), using fund balance to pay for the picnic tables at Cedar Creek Park (\$12,000), not replacing 75 wreaths (\$16,000), implementing one furlough day for General Fund employees (\$13,433), or not partially funding the library deficit (\$61,546).

Council Member Loomis suggested implementing 2 furlough days saving \$26,866 and using the fund balance to fund picnic tables. These savings plus another \$20,000 would result in a tax rate of \$6.68/\$1,000 assessed value, or a 2.9% tax rate increase.

City Administrator/Treasurer Mertes said removing the bonuses, wreath replacements, or funding of the library deficit could make up the \$20,000.

Council Member Loomis said funding the wreaths over a 2 year period (\$8,000 each year) would require an additional \$12,000 to be cut from the levy. He suggested the bonus amount be reduced to \$11,000.

Motion made by Council Member Loomis, seconded by Council Member Filter, to adopt Ordinance No. 2011-26: A revised Ordinance levying property taxes that includes funding picnic tables at Cedar Creek Park with Capital Fund balance, implementing two furlough days for all employees, reducing the employee bonuses to \$11,000, and using fund balance for the replacement of one-half of the seasonal wreaths (\$8,000).

Council Member Filter inquired about the impact of implementing one furlough day and not funding the picnic tables.

Mayor Myers said funding the entire cost of the wreaths (\$16,000) from fund balance would bring the tax rate down to \$6.67/\$1,000 assessed value.

Council Member Loomis moved to amend the motion such that 1.5 furloughs days are implemented for all employees (\$20,149), the employee bonus amount be funded at \$11,000, the wreaths be funded from the fund balance (\$16,000), and the picnic tables (\$12,000) at Cedar Creek Park be funded at \$4,000 using fund balance. This is a savings of approximately \$59,000. The tax rate would be \$6.68/\$1,000 assessed value. Council Member Filter accepted the amendment.

With Council Members Filter, Yip, and Loomis voting aye, Council Members R. Reimer and Maher voting nay, and Council Members C. Reimer and Radtke, excused, the motion to adopt Ordinance No. 2011-26 as amended carried on a roll call vote.

CONSIDER RESCINDING ORDINANCE NO. 2011-21: AN ORDINANCE APPROPRIATING THE NECESSARY FUNDS FOR THE OPERATION OF THE GOVERNMENT AND ADMINISTRATION OF THE CITY OF CEDARBURG

Motion made by Council Member Loomis, seconded by Council Member Filter, to rescind Ordinance No. 2011-21: An Ordinance appropriating the necessary funds for the operation of the Government and Administration of the City of the Cedarburg for the Year 2012. Motion carried unanimously with Council Members C. Reimer and Radtke excused.

CONSIDER ADOPTING ORDINANCE NO. 2011-27 A REVISED ORDINANCE APPROPRIATING THE NECESSARY FUNDS FOR THE OPERATION OF THE GOVERNMENT AND ADMINISTRATION OF THE CITY OF CEDARBURG

Motion made by Council Member Filter, seconded by Council Member Loomis, to adopt Ordinance No. 2011-27: A revised Ordinance appropriating the necessary funds for the operation of the Government and Administration of the City of Cedarburg for the Year 2012. Motion carried unanimously on a roll call vote with Council Members C. Reimer and Radtke excused.

CONSIDER APPLICATION FOR REVOLVING LOAN FUND (RLF) LOAN FOR LEO OTTEN PROPERTIES, LLC, DBA KETTLE MORAIN APPLIANCE

Motion made by Council Member Loomis, seconded by Council Member Filter to approve a \$100,000 Revolving Loan Fund (RLF) loan for Leo Otten Properties, LLC, dba Kettle Moraine Appliance with all closing costs to paid out of the Revolving Loan Fund and subject to the following lending conditions:

1. That a \$100,000 RLF loan is provided to Leo Otten Properties LLC. The loan would be used to finance the purchase of the building at W63 N127 Washington Avenue.
2. That the RLF loan is provided with a 10-year term amortization and an interest rate of 2.0%.
3. That Ridgestone Bank provides financing to Leo Otten Properties in the amount of at least \$406,000 with a term and amortization of at least 10 years as a match for the RLF loan.
4. That James Otten provides at least \$56,635 in owner's equity as a match for the RLF loan.
5. That Leo Otten Properties enter into a lease with Kettle Moraine Appliance & TV for a term of at least 10 years.
6. That the RLF loan is secured with the collateral identified above.
7. That the Company agrees to create, through Kettle Moraine Appliance & TV, five new full-time equivalent positions in the City of Cedarburg, and that the positions are made available through the Ozaukee County Workforce Development Center.
8. That Kettle Moraine Appliance & TV provides to the City, or its designee, semi-annual financial statements that are certified by the borrower; annual financial statements that are compiled by a certified public accountant; and signed copies of the corporate Federal income tax return.
9. That the third mortgage on the Kettle Moraine Appliance & TV building in the City of West Bend that is owned by Leo Otten Properties, LLC be used as collateral.

Mr. Otten said that the loan will be used to support a local appliance store that services what it sells. This is what separates his business from big box stores.

Motion carried unanimously with Council Members C. Reimer and Radtke excused.

CONSIDER SCOPE AND COST OF PROPOSAL FROM ENGBERG ANDERSON IN AN AMOUNT NOT TO EXCEED \$10,000 FOR A LIBRARY SITE COMPARISON STUDY

Motion made by Council Member Filter, seconded by Council Member Loomis, to accept the proposal from Engberg Anderson in an amount not to exceed \$10,000 for a Library Site

Comparison Study. Motion carried unanimously with Council Members C. Reimer and Radtke excused.

CONSIDER REVISIONS TO PR-1: PARK RESERVATIONS MODIFYING PARK RENTAL AND SHELTER FEES

Motion made by Council Member Filter, seconded by Council Member Loomis, to adopt revised Policy PR-1: Park Reservations. Motion carried unanimously with Council Members C. Reimer and Radtke excused.

CONSIDER ORDINANCE NO. 2011-28 AMENDING SEC. 15-1-101 OF THE MUNICIPAL CODE CHANGING, INCREASING OR ESTABLISHING CERTAIN BUILDING PERMIT FEES AND AMENDING SEC. 10-1-60 OF THE MUNICIPAL CODE MODIFYING THE PENALTIES FOR WINTER PARKING VIOLATIONS

Motion made by Council Member Filter, seconded by Council Member Yip, to adopt Ordinance No. 2011-28 amending Sec. 15-1-101 of the Municipal Code changing, increasing, or establishing certain building permit fees and amending Sec. 10-1-60 of the Municipal Code modifying penalties for winter parking violations. Motion carried unanimously with Council Members C. Reimer and Radtke excused.

CONSIDER ORDINANCE NO. 2011-29 ESTABLISHING 2012 PAY RANGES FOR NON-REPRESENTED EMPLOYEES; AND ACTION THEREON

Motion made by Council Member Filter, seconded by Council Member Loomis, to adopt Ordinance No. 2011-29 establishing 2012 pay ranges for non-represented employees of the City. Motion carried unanimously with Council Members C. Reimer and Radtke excused.

PAYMENT OF BILLS

Motion made by Council Member Yip, seconded by Council Member Filter, to approve the payment of the bills for the period 11/11/11 through 11/22/11, ACH transfers for the period 11/05/11 through 11/25/11, and payroll for the period 10/30/11 through 11/12/11. Motion carried unanimously with Council Members C. Reimer and Radtke excused.

LICENSE APPLICATIONS

Motion made by Council Member Maher, seconded by Council Member Yip, to approve a new Operator's License application for the period ending June 30, 2012 for Walter H. Alverson. Motion carried unanimously with Council Members C. Reimer and Radtke excused.

APPOINTMENT OF ELECTION OFFICIALS FOR THE PERIOD 01/01/12 THROUGH 12/31/13

Motion made by Council Member Yip, seconded by Council Member Loomis, to approve appointment of Election Officials for the period January 1, 2012 through December 31, 2013. Motion carried unanimously with Council Members C. Reimer and Radtke excused.

CITY ADMINISTRATOR/TREASURER'S REPORT

City Administrator/Treasurer Mertes said Assessor Cathy Timm has been asked by the League to serve as a Director for the League of Municipalities Municipal Assessor section for a three year term.

COMMENTS AND ANNOUNCEMENTS BY COUNCIL MEMBERS

Council Member Maher asked when tax bills will be mailed.

City Administrator/Treasurer Mertes said they should go in the mail early next week.

Council Member R. Reimer said that the Joint Initiatives Executive Committee has declared itself finished and is in stand-by mode if members are directed to explore any other initiatives to share services.

MAYOR'S REPORT

Mayor Myers issued a proclamation honoring Eagle Scout Tim Rohman.

ADJOURNMENT

Motion made by Council Member Filter, seconded by Council Member Yip, to adjourn the meeting at 7:52 p.m. Motion carried unanimously with Council Members C. Reimer and Filter excused.

Constance K. McHugh, MMC/WCPC
City Clerk