

**CITY OF CEDARBURG
COMMON COUNCIL
OCTOBER 29, 2018**

**CC20181029-1
UNAPPROVED**

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, October 29, 2018, at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers. Mayor O'Keefe called the meeting to order at 7:00 p.m.

ROLL CALL: Present - Common Council: Mayor Mike O'Keefe, Council Members Dan von Bargen, Jack Arnett, Kristin Burkart, Rick Verhaalen, Garan Chivinski, Patricia Thome (arrived 7:04 p.m.), Rod Galbraith

Also Present - City Administrator/Treasurer Christy Mertes, City Clerk Constance McHugh, Police Chief Tom Frank Director of Public Works and Engineering Tom Wiza, Water Recycling Center Superintendent Eric Hackert, Assessor Cathy Timm, Public Works Superintendent Joel Bublitz, Water Recycling Center Operators Dennis Grulkowski and Mike Kelley, City Attorney Michael Herbrand, Todd Taves of Ehlers; interested citizens and news media

STATEMENT OF PUBLIC NOTICE

At Mayor O'Keefe'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 von Bargen, seconded by Council Member Burkart, to approve the minutes of the October 8, 2018 meeting. Motion carried with Council Member Thome excused.

CONSIDER RESOLUTION NO. 2018-25 AWARDING THE SALE OF \$3,415,000 TAXABLE GENERAL OBLIGATION COMMUNITY DEVELOPMENT BONDS, SERIES 2018B

Todd Taves said the bonds for the incentive payment per the Developer's Agreement for TID No. 4 (Amcast) were sold today. There were a total of five bidders. The interest rate for these taxable bonds is 4.06%.

Motion made by Council Member Arnett, seconded by Council Member Chivinski, to approve Resolution No. 2018-25 awarding the sale of \$3,415,000 Taxable General Obligation Community Development Bonds. Motion carried with Council Members von Bargen, Arnett, Burkart, Chivinski, Thome and Galbraith voting aye and Council Member Verhaalen voting nay.

**PUBLIC HEARING – PRESENTATION OF THE PROPOSED 2019 CITY BUDGET;
DISCUSSION AND DIRECTION THEREON**

Mayor O’Keefe opened the public hearing on the 2019 budget at 7:08 p.m. to receive comments and input regarding the proposed 2019 budget.

City Administrator/Treasurer Mertes presented a summary of the proposed 2019 budget:

- The total increase in the levy is \$522,920; \$323,973 is for Debt Service and \$388,000 is for Capital projects;
- The 2018 growth allowed for a levy increase of \$102,920, which would keep the same tax rate; the levy limit will allow an increase of \$705,048, or an additional \$182,128 over what is currently proposed;
- For every \$12,620 added to the budget the rate will increase \$0.01;
- The assessed value increased from \$1.249 billion to \$1.262 billion, which is a \$13.2 million increase, or 1.1%;

Major General Fund changes from 2018:

- The General fund levy is decreasing by 3%;
- A 2% wage increase on January 1 for employees;
- A 0% increase for health insurance and 8% increase for dental insurance; a \$1,612 decrease; staff will be going to the market for dental options because dental renewal came in at a 15% increase;
- A \$12,695, or 2%, increase in the Waste Management contract, which also includes collection for new residences;
- \$10,000 of the \$20,000 annual funding for a revaluation has been restored;
- Elections budget is down \$19,237 due to fewer elections;
- Property taxes including the Light and Water payment in lieu of taxes is 78% of the budget in 2018 and will be 75% in 2019;
- The budget will be relying on property taxes less for 2019 than in 2018 with a levy that is down 3%;
- Expenditures are decreasing \$407,807 from 2018; of this amount \$365,000 is from the contingency reserve; actual expenditures are down \$42,807;
- There are decreases in utilities, insurance and phone service charges.
- The City’s policy requires that 2-3 months of expenditures should be on hand in case of an emergency. The budget is well within this policy.
- In 2019 no use of fund balance is proposed.

Capital Improvement Fund – Five Year Funding Plan

- The levy is increasing 42% in 2019; a 67% increase is needed for 2020
- The capital improvement fund levy is 13% of the total levy;
- The levy is up due to borrowing in 2018; no borrowing is proposed in 2019;
- Public Works streets, equipment and storm sewers make up the majority of expenditures each year.

Proposed Capital Projects are:

- \$10,000 is budgeted for environmental issues;

- Impact fees transferred to offset debt service totals \$90,000;
- Dam repairs are \$750,000, which includes borrowed funds of \$500,000, a grant for \$237,000 and tax levy;
- Emergency Management siren replacement is \$22,000;
- Police Department vehicle in the amount of \$40,000 and 911 upgrade in the amount of \$80,000;
- Fire Department roof replacement of \$75,000;
- Five yard dump truck with plow wing and salter is \$225,000;
- \$125,000 for 10 yard dump truck;
- \$75,000 for skid steer and trailer;
- Code reader for \$10,000;
- Storm water projects are \$203,770;
- Street projects are \$545,000;
- Street projects are cut in half for 2019 to avoid borrowing. No new streets were added to the plan; all current projects are pushed back a year;
- Parks, Recreation and Forestry projects include asphalt sealing of interurban trail and purchase of a brush chipper;
- Willowbrooke playground equipment is \$80,000;
- Park improvements are \$21,500.

Tax Incremental Districts

- TID No. 3 - Mill and Washington – no increment yet;
- TID No. 4 - Amcast property – borrowing approved tonight and updated debt payment will be included;
- TID No. 5 - Arrabelle development – no increment yet.

Debt Service

- The debt service levy is increasing \$323,973, or 22%; mainly due to TIF borrowing;
- The debt service levy is 22% of the total levy;
- The City has \$18,554,048 in outstanding debt;
- The debt is at 27% of the statutory limit, with additional debt capacity of \$49 million available, and at 34% of the City policy, with additional debt capacity of \$35 million.

Special Revenue Funds

- Cemetery (continues to use fund balance into 2019);
- Room tax (budget is increasing 7.7% from 2019);
- Recreation Programs (increasing for poms program supplies and new programs; this is a self-supporting fund);
- Swimming Pool (no major changes to revenues or expenditures, 1% decrease in levy);
- Park sub-divider deposit fund (\$80,000 transfer to Capital Improvements for new equipment at Willowbrooke – impact fees).

Special Revenue Fund – Library

- The 2019 proposed levy is \$722,194;
- The library levy is 7.3% of the total levy;
- Revenues are increasing 0.63%; expenditures are increasing 0.54%;

- The largest tax supported special revenue fund is the Library
- The levy is not changing due to the County revenue payment increasing \$6,473;
- A fund balance increase is projected for 2018 and 2019.

Internal Service – Risk Management

- Accounts for all insurance costs of the City;
- Revenue sources are charges to other funds, dividend income and insurance recoveries;
- Insurance coverage and claims expenditures.

Water Recycling Center

- The Water Recycling Center is not supported by taxes but user fees;
- The flow rate proposed is \$5.40 per 1,000 gallons, up from \$5.30 in 2018;
- The holding tank hauler rate is to remain the same (\$8.70 per 1,000 gallons);
- The septic tank hauler rate is to remain the same (\$44.91 per 1,000 gallons);
- The monthly connection fee will be \$15, up from \$14;
- Revenues and expenditures are increasing.

Proposed Tax Rate

- Equalized tax rate proposed is \$7.32 per \$1,000, \$0.18 or a 2.6% increase;
- Assessed tax rate proposed is \$7.82 per \$1,000, \$0.34 or a 4.5% increase;
- \$94 increase on a home assessed at \$276,000.

Potential Changes

- Parks, Recreation and Forestry funding request for grapple truck and removals/plantings;
- Administration request for funding of a request for proposals for the consolidation study for Fire/EMS;
- Economic Development Board request for weed control in downtown;
- Police Department request for additional officer shared with the Cedarburg School District;
- Debt Service for TID No. 4 borrowing;
- Branding Initiative suggested changes;
- Dental Insurance.

Council Member Galbraith asked if Departmental requests are different from the budget presented and whether the budget includes employee contributions towards health insurance. City Administrator/Treasurer Mertes said a request from the Police Chief for a shared patrol officer with the Cedarburg School District and additional funds for tree plantings and removals have been requested but are not included in the budget. She said the Personnel Committee agreed to no employee contributions for next year because there was no increase in health insurance premiums. This will be looked at in 2019.

Council Member Galbraith said that he could not vote for a \$100 increase in his taxes. He said the Council needs to make some tough choices. He said this budget is really made up of a wish list from Department Heads.

City Administrator/Treasurer Mertes said the proposed budget is not a wish list, but what is needed to operate the City and provide services to residents.

Council Member Thome said part of what the Council is seeing is items that were put off for a long time and now the Council is catching up.

Mayor O'Keefe said this budget has a decrease in street projects and although there is an increase in taxes there is no borrowing.

Council Member Chivinski said you don't have enough money to pay for things, debt is the worst thing. He said he is in support of getting away from borrowing but that may result in having to make some stressful reassessments and cuts.

Council Member Verhaalen asked what happens if something comes up that needs to be paid for. City Administrator/Treasurer said it depends on the amount. Sometimes there is a savings in other accounts or the contingency reserve is used such as in the case of the branding initiative and the hotel study.

Council Member Arnett said the proposed budget is not a zero percent increase, but the Council may never get to that. There are fixed costs that the Council cannot get around. He said that an \$8 per month tax increase is good and staff is doing a good job with the budget.

There were no comments from the public.

Motion made by Council Member Thome, seconded by Council Member von Bargaen, to close the public hearing at 7:41 p.m. Motion carried unanimously.

**CONSIDER RECOMMENDATION OF POLICE CHIEF TO DENY NEW OPERATORS
LICENSE APPLICATION OF AKIF SAPARMAMEDOV**

Chief Frank explained that he is recommending denial of a new operators license for Akif Saparmamedov based on his arrest and conviction records which includes operating while intoxicated, operating while suspended, failure to pay forfeitures, bail jumping, theft, operating after revocation, ignition interlock device tampering, and operating with a prohibited alcohol concentration.

Motion made by Council Member von Bargaen, seconded by Council Member Galbraith, to deny the operators license application of Akif Saparmamedov based on the recommendation of Chief Frank and his arrest and conviction record. Motion carried unanimously.

**CONSIDER ORDINANCE NO. 2018-16 AMENDING SECTION 10-1-27 OF THE
MUNICIPAL CODE TO PROHIBIT PARKING ON THE EAST SIDE OF HARRISON
AVENUE OPPOSITE THE NORTH DRIVEWAY AT PARKVIEW SCHOOL**

Motion made by Council Member Burkart, seconded by Council Member Galbraith, to adopt Ordinance No. 2018-16 amending Section 10-1-27 of the Municipal Code to prohibit parking on the east side of Harrison Avenue opposite the north driveway at Parkview School. Motion carried unanimously.

CONSIDER ORDINANCE NO. 2018-17 AMENDING SEC. 10-1-29 OF THE CODE OF ORDINANCES RESTRICTING PARKING ON THE EAST SIDE OF HARRISON AVENUE COMMENCING AT THE NORTH INTERSECTION CURB LINE OF PINE STREET AND CONTINUING FOR A DISTANCE OF 490 FEET BETWEEN THE HOURS OF 8:00 AM AND 9:00 AM AND IN BETWEEN 3:00 PM AND 4:00 PM

Motion made by Council Member Burkart, seconded by Council Member Galbraith, to adopt Ordinance No. 2018-17 amending Sec. 10-1-29 of the Code of Ordinance restricting parking on the east side of Harrison Avenue commencing at the north intersection curb line of Pine Street and continuing for a distance of 490 feet between the hours of 8:00 a.m. and 9:00 a.m. and in between 3:00 pm and 4:00 pm. Motion carried unanimously.

CONSIDER ORDINANCE NO. 2018-18 AMENDING SECTION 10-1-16(b) OF THE CODE OF ORDINANCES TO AUTHORIZE THE PLACEMENT OF YIELD SIGNS FOR NEW STREET INTERSECTIONS IN PRAIRIE VIEW PHASE 2 AND SANDHILL TRAILS SUBDIVISIONS

Motion made by Council Member Thome, seconded by Council Member Chivinski, to adopt Ordinance No. 2018-18 amending Section 10-1-16(b) of the Code of Ordinances to authorize the placement of yield signs for new street intersections in Prairie View Phase 2 and Sandhill Trails subdivisions. Motion carried unanimously.

CONSIDER ORDINANCE NO. 2018-19 ESTABLISHING A STOP SIGN FOR WEST BOUND TRAFFIC ON SANDHILL TRAILS AT THE INTERSECTION WITH KEUP ROAD

Motion made by Council Member Thome, seconded by Council Member Galbraith, to adopt Ordinance No. 2018-19 establishing a stop sign for west bound traffic on Sandhill Trails at the intersection with Keup Road. Motion carried unanimously.

CONSIDER REQUEST TO CONTRACT SLUDGE HAULING FROM THE CWRC

Motion made by Council Member von Bargaen, seconded by Council Member Chivinski, to terminate the sludge hauling contract with Clean Harbors Environmental Services, Inc., and award a new contract to Badger State Waste, LLC. Motion carried unanimously.

CONSIDER ELECTRICAL UPDATES AT THE COMMUNITY CENTER GYM FOR FESTIVALS

BJ Homayouni of Festivals of Cedarburg Inc. said Lyneis Electric has been providing temporary power for the food court area during festivals. Due to increasing demand and the desire to eliminate cords in walkways Festivals is requesting a new electrical service on the east side of the Community Center and on the southwest corner of the Community Center. The approximate cost is \$5,000 plus \$400 per year for meter charges and the electrical usage. Festivals is requesting the City help with funding this. The number of vendors in this location is not changing; however, the electrical needs of the vendors are.

Council Member Thome pointed out that Festivals does pay for Police and Public Works services and the festivals are a big draw to the City.

Council Member Galbraith suggested the fee the vendors pay be increased to pay for this upgrade. Ms. Homayouni said the fee for food vendors was recently increased from \$1,000 to \$1,250. She said it is her belief that the fees are maxed out.

Council Member Arnett asked if generators could be used. Andy Lyneis said that generators would run \$600 per weekend and are loud. Ms. Homayouni agreed and said that Festivals must be creative in terms of raising money because resources are tapping out.

Council Member Galbraith said there is no question about the need for this but believes that vendors should be assessed a one time fee for the upgrade.

Council Member Verhaalen said all these things add up and the Council just does not have the money for everything. He does not disagree about the need for this, but the Council cannot continue to say yes to every request.

Council Member von Barga said that he agrees with what has been said and questioned where the funds for this would come from and whether the City could perhaps pay for half the costs. City Administrator/Treasurer Mertes said funds would come from the contingency reserve account.

Mayor O'Keefe said that a benefit to having the festival is that people return to the City afterwards because they like what they saw in terms of the merchants and the downtown. Festivals is also a great vehicle for the non-profit groups in the City.

Council Member Burkart said Festivals does so much for the City and feels the Council should be able to do something, such as meeting half-way.

Council Member Chivinski said that the festivals are good for the City but the Council needs to find the right balance. He said he worries about the impact on the taxpayers and agrees with Council Member Galbraith that the vendors in the food court could contribute.

Motion made by Council Member Thome, seconded by Council Member von Barga, that the City contribute \$2,500 towards this request. Motion carried with Council Members von Barga, Burkart, Chivinski, and Thome voting aye and Council Members Arnett, Verhaalen, and Galbraith voting nay.

CONSIDER RESOLUTION NO. 2018-26 DESIGNATING LIGHT & WATER CHECKING AND SAVINGS ACCOUNTS FOR ENSUING YEAR

Motion made by Council Member Thome, seconded by Council Member Arnett, to approve Resolution No. 2018-26 designating Light & Water checking and savings accounts for the ensuing year. Motion carried unanimously.

CONSIDER PROPOSED 2019 BUDGET; DEPARTMENT PRESENTATIONS, DISCUSSION, AND DIRECTION THEREON

Departmental budget presentations continued.

Police Department

- \$60,000 to \$70,000 is requested for an additional officer. This position would be split between the City and Cedarburg School District and would be a School Safety Officer assignment;
- Replacement of the K-9 as Jake will be retired at the end of the year. Replacement cost is \$7,000;
- 911 hardware in the amount of \$80,000. This proposal is for a remote two position configuration branching off the Ozaukee Sheriff's Office 911 hardware. This will save the City \$33,000 compared to a stand-alone system;
- Squad car replacement in the amount of \$40,000;
- Weather siren replacement in the amount of \$22,000; this is the last of six replacements.

Council Member Galbraith said it is a good thing to have an officer at the schools but he does not know if he can support the 911 hardware request. Many other agencies are switching from their own dispatch to the County because of ongoing hardware costs.

Council Member Burkart said that school safety is a concern among parents. She said she would be in support of a school officer.

Assessor

- Few changes in the proposed 2019 budget;
- \$10,000 of funding for a future revaluation has been restored to the budget.

Building Inspection/City Hall Complex/Cemetery Fund

- No major changes to the Building Inspection budget;
- Increase construction in 2018 resulted in increased revenues;
- There is an increase in lawn mowing at the cemeteries as it is becoming increasingly difficult to find people to mow the grass;
- An increase in the price of cemetery plots is proposed.

Sewerage/Water Recycling Center

- There have been significant staff changes at the Water Recycling Center during the last two years;
- Accomplishments include replacement of a utility truck with crane, replacement of the Prius with a pick up truck, replacement of the digester blower, WPDES permit optimization plan developed, and three flat roofs replaced on three main buildings;
- 2019 objectives include replacement of bar screen in headworks building, replacement of truck #62, cleaning and inspection of digestors, construction of the new Highland lift station, and rebuilding of clarifier #1 drive;
- There is a slight increase in salaries in the proposed budget;
- \$40,000 in the sewer contingency account has been restored;
- Hauler fees continue to decrease due to weight restrictions on Town roads;

Engineering/Public Works/Health & Sanitation/Conservation & Development

- In terms of the street program, mostly street work has been done in the last two years and less utility work;
- The street program has been cut back in 2019;
- Dam repairs are scheduled for 2019 (\$750,000);
- \$15,000 is included for Phase II of the Hwy 60 business park traffic analysis;
- There is an increase in sick leave payout due to an anticipated employee retirement;
- The Public Works budget has a 2% wage increase;
- Included is funding for a mechanic apprenticeship program in 2019. 450 hours at \$10 per hour;
- Fuel costs are increasing \$5,000;
- Salt costs are increasing \$5,000 due to an increase in prices;
- The Health and Sanitation budget has a 2% increase in contracted services. The Waste Management contract is through 2020.
- Groundwater monitoring costs are decreasing;
- Capital projects total \$450,000 for a 5 yard dump truck, 10 yard dump truck, skid steer with trailer, and code reader;
- Stormwater improvements total \$203,770;
- Conservation and development contracted services increase of 2%;
- The Economic Development Board is requesting \$1,000 for downtown weed control.

Council Member Arnett asked if new vehicles are always purchased. Superintendent Bublitz said that most vehicles purchased are new because they are specialized; however, consideration is given to used vehicles on a case by case basis.

Council Member Arnett said he is forwarding the recommendation of the Economic Development Board that funds be included in the budget for weed control on private property in the downtown.

City Clerk – including Elections

- No significant budget changes in 2019;
- Elections budget is decreasing due to fewer elections in 2019.

City Treasurer – including Technology, Audit and Insurance

- Decrease in salaries due to account clerk position change to part-time accountant;
- Retirement and health insurance decreasing due to change in part-time position;
- Increase in ADP, Associated Benefits and Risk Consulting, Ehlers annual disclosure and additional work, and ADP reporting costs;
- IT services increasing due to computer replacements and movement to Windows 10;
- Internet service is decreasing due to change in service;
- Copy machine cost increasing due to actual usage;
- Interest earnings are increasing.

Mayor & Common Council including Legal Service

- No changes;
- \$600 included for Mayor's Enhancement awards;
- Legal fees are decreasing due to a decrease in Amcast expenditures.

City Administrator – including Employee Relations

- Proposed increase in City Administrator wage of \$2 per hour based on survey done by Cedarburg Light and Water and WCMA;
- \$25 monthly cell phone allowance for City Administrator included;
- Increases for pre-employment drug testing and CDL drug testing.

Council Member Thome said she is reluctant to make any salary changes at this time based on the Light and Water compensation study because it is very preliminary.

Other

- Currently nothing is budgeted for contingency reserve. An amount will be added once the percentage is known for the expenditure restraint program.

Other Special Revenue Funds: Room Tax

- Room tax was started in 1994. It is 5% of gross receipts;
- Funding is for the Chamber and Tourism, Promotions and Development (95%) and administration by the City (5%).

Council Member Galbraith said he is not comfortable with the 5.9% increase in Parks and Recreation salaries that was presented at the last meeting.

Council Member Verhaalen said this is a tough budget. A lot of City residents do not have a lot of disposable income. Some residents cannot continue to afford to live in the City they grew up in. Boards, committees, and commissions that are discussing their respective budgets should keep this in mind.

Council Member Galbraith said staff needs to come back with a budget that does not raise taxes \$94 per year on a house valued at \$276,000. The budgets of Department Heads should not be their wish lists. He said he will not vote for this budget.

The Mayor opted to do the Mayor Enhancement Awards program every three year.

It was the consensus of the Council not to fund the downtown weed program as recommended by the Economic Development Board.

PAYMENT OF BILLS

Motion made by Council Member Arnett, seconded by Council Member Galbraith, to approve the payment of the bills dated 10/22/18, transfers for the period 10/06/18 through 10/26/18, and payroll for the period 09/23/18 through 10/20/18. Motion carried unanimously.

LICENSE APPLICATIONS

Motion made by Council Member Arnett, seconded by Council Member Galbraith, to authorize the issuance of a new Operators license for the period ending June 30, 2019 to Debra L. Goelz. Motion carried unanimously.

Motion made by Council Member Arnett, seconded by Council Member von Barga, to authorize issuance of renewal Operators licenses for the period ending June 30, 2019 to Elizabeth R. Grade and John P. Stolte. Motion carried unanimously.

CITY ADMINISTRATOR'S REPORT

The bond rating from Moody's has remained the same. The report was included in the sale document provided to the Council tonight by Ehlers.

COMMENTS AND ANNOUNCEMENTS BY COUNCIL MEMBERS

Council Member Arnett said he appreciated the Plan Commission holding a special meeting to resolve two matters.

Council Member Arnett said there will be a branding presentation on Thursday at 5 p.m. and Friday at 8:00 a.m.

MAYOR'S REPORT

Mayor O'Keefe issued a Proclamation for Change Your Clock Change Your Batteries day.

ADJOURNMENT – CLOSED SESSION

Motion made by Council Member Thome, seconded by Council Member Burkart, to adjourn to closed session at 10:40 p.m. pursuant to State Statutes 19.85(1)(e) to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business whenever competitive or bargaining reasons require a closed session, more specifically, to consider sale of City-owned parcel in Business Park off Alyce Street (Parcel No. 13-034-14-000.02). Approval of closed session minutes of August 27, 2018. Motion carried on a roll call vote with Council Members von Barga, Arnett, Burkart, Verhaalen, Chivinski, Thome, and Galbraith voting aye.

RECONVENE TO OPEN SESSION

Motion made by Council Arnett, seconded by Council Member Galbraith, to reconvene to open session at 10:59 pm. Motion carried on a roll call vote with Council Members von Barga, Arnett, Burkart, Verhaalen, Chivinski, Thome, and Galbraith voting aye.

ADJOURNMENT

Motion made by Council Member Arnett, seconded by Council Member Burkart, to adjourn the meeting at 11:00 p.m. Motion carried unanimously.

Constance K. McHugh, MMC/WCPC
City Clerk