

**CITY OF CEDARBURG
COMMON COUNCIL
November 11, 2019**

**CC20191111-1
UNAPPROVED**

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, November 11, 2019, at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers. Mayor O’Keefe called the meeting to order at 7:02 p.m.

Roll Call: Present - Mayor Michael O’Keefe, Council Members Jack Arnett, Kristin Burkart, Rick Verhaalen, Garan Chivinski, Patricia Thome, Rod Galbraith

Excused - Council Member Sherry Bublitz

Also Present - City Administrator/Treasurer Christy Mertes, City Attorney Michael Herbrand, Deputy City Clerk Amy Kletzien, Director of Engineering and Public Works Tom Wiza, Parks, Recreation & Forestry Director/Assistant City Administrator Mikko Hilvo, City Clerk Claire Woodall-Vogg, City Assessor Cathy Timm, City Planner Jon Censky, Police Chief Thomas Frank, Library Director Linda Pierschalla, Fire Chief Jeff Vahsholtz, Public Works Superintendent Joel Bublitz, Water Recycling Superintendent Eric Hackert, Senior Center Director Aubrey Suppiger, interested citizens and news media

STATEMENT OF PUBLIC NOTICE

At Mayor O’Keefe’s request, Deputy City Clerk Kletzien 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 Thome, seconded by Council Member Burkart, to approve the minutes of the October 28, 2019 meeting. Motion carried without a negative vote with Council Member Bublitz excused.

COMMENTS AND SUGGESTIONS FROM CITIZENS - None

PUBLIC HEARINGS

CONSIDER RESOLUTION NO. 2019-05 AMENDING THE COMPREHENSIVE LAND USE PLAN – 2025 FOR THE WEST 149 FEET OF THE 0.5 ACRE PARCEL LOCATED ALONG THE NORTH SIDE OF MILL STREET BETWEEN WASHINGTON AVENUE AND HANOVER AVENUE FROM THE COMMERCIAL CLASSIFICATION TO THE HIGH-MEDIUM DENSITY RESIDENTIAL CLASSIFICATION; AND ACTION THEREON/ CONSIDER ORDINANCE NO. 2019-15 REZONING THE WEST 149 FEET OF THE SUBJECT PROPERTY IN ITEM 8.A. FROM B-3/PUD TO Rd-1/PUD; AND ACTION THEREON

Mayor O’Keefe opened the public hearing at 7:03 p.m. to consider Resolution No. 2019-05 amending the Comprehensive Land Use Plan – 2025 for the west 149 feet of the 0.5 acre parcel located along the north side of Mill Street between Washington Avenue and Hanover Avenue from the Commercial classification to the High-Medium Density Residential classification and to consider Ordinance No. 2019-15 rezoning the west 149 feet of the subject property in Item 8.A. from B-3/PUD to Rd-1/PUD.

Planner Censky reviewed that the applicant’s Mill Street TID #3 project consists of three buildings; one will face Washington Avenue, one to face Mill Street and a third to face Hanover Avenue, for a total of 6,900 square feet and 25 onsite parking stalls. This project was originally approved in 2014 as a “Blighted Area TID” with a cash grant Development Agreement requiring Mr. Zimmerschied to create a total real estate increment value of \$950,000 to be realized no later than January 1, 2020. He reminded the Council Members that earlier this summer, they approved a one-year extension to the TID plan extending it to January 1, 2021. In February 2019, the Plan Commission granted final approval of Mr. Zimmerschied’s detailed site and architectural plans for his Washington Avenue building, which is intended to support a restaurant/bar while the other two buildings were to be devoted to retail or office uses. To date, no building permit has been issued for the construction of the Washington Avenue building.

Planner Censky explained that Mr. Zimmerschied is requesting a change to the TID plan to replace the two back commercial buildings with 2 two-unit residential townhomes. Access to these buildings will be over a single shared drive from Mill Street, and each unit will have two covered parking spaces. With this change the required parking count for the overall project is reduced from 59 stalls down to 42 stalls. To accomplish this change, the underlying basic use zoning district for the westerly 149 feet of the parcel will need to be changed from the B-3 Central Business District to Rd-1 Two-Family zoning District. The PUD Planned Unit Development Overlay District will remain across the entire site. In addition, to support this zoning change, State law requires that the Land Use Plan be amended from the Commercial classification to the High-Medium Density Residential classification.

Council Members Arnett and Burkart supported townhomes and the need for less parking.

In answer to Council Member Verhaalen’s questions, Greg Zimmerschied said the townhomes would be condominium units and the building facing Washington Avenue will be commercial on the first floor and possibly residential on the second floor.

In answer to Council Member Thome’s question, Greg Zimmerschied explained that the second floor of building C was originally planned for an additional gathering space for a possible restaurant; however, it may be difficult for a business to commit to two 3,000 sq. ft. spaces.

Mayor O’Keefe said that Cedarburg is a walkable community and the townhomes should be in high demand based on the location.

There was no public comment.

Motion made by Council Member Thome, seconded by Council Member Burkart, to close the public hearing at 7:13 p.m. Motion carried without a negative vote with Council Member Bublitz excused.

Motion made by Council Member Burkart, seconded by Council Member Thome, to approve Resolution No. 2019-15 amending the Comprehensive Land Use Plan – 2025 for the west 149 feet of the 0.5 acre parcel located along the north side of Mill Street between Washington Avenue and Hanover Avenue from the Commercial classification to the High-Medium Density Residential classification and to approve Ordinance No. 2019-15 rezoning the west 149 feet of the subject property above from B-3/PUD to Rd-1/PUD. Motion carried without a negative vote with Council Member Bublitz excused.

CONSIDER RESOLUTION NO. 2019-16 AMENDING THE COMPREHENSIVE LAND USE PLAN – 2025 FOR THE WESTERLY 60 FEET OF W63 N667 WASHINGTON AVENUE FROM THE COMMERCIAL CLASSIFICATION TO THE HIGH-MEDIUM DENSITY RESIDENTIAL CLASSIFICATION; AND ACTION THEREON/CONSIDER ORDINANCE NO. 2019-16 REZONING THE SUBJECT PROPERTY IN ITEM 8.C. FROM B-3/HPD TO B-3/Rm-1/PUD/HPD; AND ACTION THEREON

Mayor O'Keefe opened the public hearing at 7:15 p.m. to consider Resolution No. 2019-16 amending the Comprehensive Land Use Plan – 2025 for the westerly 60 feet of W63 N667 Washington Avenue from the Commercial classification to the High-Medium Density Residential classification; and to consider Ordinance No. 2019-16 rezoning the subject property in Item 8.C. from B-3/HPD to B-3/Rm-1/PUD/HPD.

Planner Censky explained that Mr. Schoenknecht has already received approval for certain architectural changes to render his rear garage more visually fitting for the downtown area and to correct some apparent structural problems which led to a leaky roof. While these changes are designed to reflect future residential use, it was understood that no occupancy permit would be considered until proper zoning was in place to allow for the use, as the entire site is currently zoned for business uses only. Staff believes that since this property is under single ownership and governed by the size and length of the existing building which will now support a mix of uses, this should be processed as a Plan Unit Development (PUD).

Planner Censky further explained that the applicant is requesting to rezone the basic use district of his property from B-3 Central Business District and HPD Historic Preservation District to B-3, Rm-1 Residential Multiple Family Residential, HPD and PUD Plan Unit Development. More specifically, the proposed rezoning will continue with the B-3 District for the front “home” and middle portion of the building allowing business and/or residential uses, and the rear garage conversion will be rezoned to the Rm-1 Multiple Family District to support the residential apartment use. The PUD Overlay Zoning will cover the entire site and will tie this project together as one mixed use development under single ownership with shared driveway and parking. To support this zoning change, State law requires that the Land Use Plan first be amended from the Commercial classification to the High-Medium Density Residential classification for the rear residential portion of this project.

Planner Censky stated that one of the goals of the Comprehensive Land Use Plan is to attract more customers to our downtown businesses and staff feels that projects of this nature accomplish that goal; therefore, staff recommends approval.

The Plan Commission also recommended approval by unanimous vote at their September 10 meeting.

Council Member Thome expressed her support and said that Mr. and Mrs. Schoenknecht have worked hard on their renovation to the property.

Nancy Pipkorn, N66 W6466 Cleveland Street, has seen many changes to this area in the 43 years that she has lived in her home and some of the changes have not been for the better. In answer to her questions, Planner Censky explained that the area that was a garage are now two apartments with two doors to each unit. The property owners will live in one unit and rent the other unit. Regarding it being used as an Airbnb, it would be allowed but the owners will not be using it in that fashion.

Motion made by Council Member Burkart, seconded by Council Member Thome, to close the public hearing at 7:25 p.m. Motion carried without a negative vote with Council Member Bublitz excused.

Motion made by Council Member Thome, seconded by Council Member Verhaalen, to approve Resolution No. 2019-16 amending the Comprehensive Land Use Plan – 2025 for the westerly 60 feet of W63 N667 Washington Avenue from the Commercial classification to the High-Medium Density Residential classification; and Ordinance No. 2019-16 rezoning the subject property in Item 8.C. from B-3/HPD to B-3/Rm-1/PUD/HPD. Motion carried without a negative vote with Council Member Bublitz excused.

PRESENTATION OF THE PROPOSED 2020 CITY BUDGET; DISCUSSION AND DIRECTION THEREON

Mayor O’Keefe opened the public hearing on the proposed 2020 City Budget at 7:26 p.m.

City Administrator/Treasurer Mertes presented the proposed 2020 City Budget as follows:

- The total increase in the levy is \$460,541;
- The 2019 growth allowed for a levy increase of \$409,619, which would keep the same rate; the levy limit will allow an increase of \$823,648, or additional \$363,107 over what is currently proposed;
- For every \$13,103 added to the budget the rate will increase \$0.01;
- The assessed value increased from \$1.262 billion to \$1.31 billion, which is a \$48.3 million increase, or 3.8%;

Major General Fund changes from 2019:

- A \$146,000 increase in salaries and wages (Administrator position and 2%);
- A \$59,000 increase for health insurance, due to changes in coverage and 10% increase in dental insurance.
- A \$76,000 increase in contracted services; Waste Management being a major part;
- 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.
- The proposed use of fund balance is the executive search and recodification; once the dam repair costs are known, a transfer will occur.

Capital Improvement Fund – Five Year Funding Plan:

- The levy is increasing 36% in 2020; a 48% increase is needed for 2021;
- The capital improvement fund levy is 17% of the total levy;
- Reserves have been depleted since 2008;
- Full amount needs to be levied to fund purchases/projects rather than keeping it consistent from year to year and avoiding the expenditure restraint issue;
- Public Works streets, equipment and storm sewers make up the majority of expenditures each year (57% in 2019 and 67% in 2020).

Tax Incremental Districts:

- TID No. 3 – Mill and Washington - increment of \$27,600 due to market, amended agreement requires minimum \$950,000 of value added by January 1, 2021;
- TID No. 4 – Amcast property - \$100 of increment;
- TID No. 5 – Arrabelle development - \$4,754,300 of increment for 2019, which will require a payment to the developer in 2020 after City expenses are covered (approximately \$33k).

Debt Service:

- The debt service levy is decreasing \$152,515 (8%) due to the use of impact fees;
- The City has \$16,882,952 in outstanding debt;
- The debt is 24% of the statutory limit and 30% of the City policy;

Special Revenue Funds:

- Cemetery (continues to use fund balance into 2020);
- Room tax (budget is remaining the same);
- Recreation Programs (revenues remaining the same and expenditures are decreasing 2.5%);
- Swimming Pool (3.5% decrease in part time salaries, 0.5% increase in levy to \$69,216);
- Park sub-divider deposit fund – no use of impact fees budgeted for 2020.

Special Revenue Fund – Library:

- The 2020 proposed levy is \$738,194;
- The Library levy is 7.2% of the total levy;
- Revenues are increasing 0.3%; expenditures are increasing 2.1%;
- The largest tax supported special revenue fund is the Library;
- The levy is increasing for the cost of operations for the year, to balance their budget;
- A fund balance increase is projected for 2019 and 2020.
- Capital projects for the Library have been included in the 7-year Capital plan to maintain the building.

Internal Service – Risk Management:

- Accounts for all insurance costs of the City;
- Revenues are transfers from other funds, dividend income and insurance and wage recoveries down 12%;
- Expenditures are premiums and claims, legal fees associated with claims also down 4.5%, due to worker's compensation insurance.

Water Recycling Center:

- The Water Recycling Center is not supported by taxes but user fees;
- The flow rate is increasing \$2.15, or approximately 40%;
- The holding tank and septage hauler fees are increasing, \$0.44 and \$4.59 respectively;
- The monthly connection fee is remaining the same;
- Revenues are increasing 28% with the new rates; expenditures are increasing 0.5%;
- The new rates are established to help fund the collection and equipment replacement funds to reduce borrowing in the future.

Proposed Tax Rate:

- Equalized tax rate proposed is \$7.16, an \$0.11 (1.6%) decrease;

- Assessed tax rate proposed is \$7.83, a \$0.07 (0.9%) increase;
- \$19 increase on a home assessed at \$276,000.

Changes from Previous Council Meeting:

- Fire Department dorms – added \$25,000;
- Asphalt repairs – added \$60,000;
- DPW plow truck and others moved back one year; \$225,000 savings for 2020.

City Administrator/Treasurer Mertes explained that she learned today, the Town of Cedarburg voted not to help fund the Capital expenses for the Fire Station, which results in \$40,000 added back into the tax levy. This will change the Equalized tax rate to \$7.18 and the Assessed Value to \$7.86, resulting in a \$27.60 increase on a home assessed at \$276,000.

Discussion ensued on the Town of Cedarburg refusing to pay for capital improvements on the Fire Station, even though it is written in the agreement. The Council expressed shock and disappointment. City Attorney Herbrand agreed to review the Fire Services agreement with the Town and update the Council at the next meeting with possible legal options. The consensus was to add the additional amount to the budget pending further review.

In answer to Council Member Thome's question, Fire Chief Vahsholtz explained that the original Fire Service agreement was in effect for 20 years and expired in 2014. The agreement provided for an automatic 10-year renewal if not opposed and will expire in 2024.

The Common Council discussed a possible employee contribution to the health insurance premium.

City Administrator/Treasurer Mertes said that there is a 0% increase in health insurance premiums. The slight addition is from employees making changes in their coverage.

City Administrator/Treasurer Mertes said the following analogy was provided to her by Director Pierschalla regarding any health and dental insurance contributions:

If a Library employee makes \$34,308 and would need to pay \$25 per paycheck, that would equate to \$650 per year. A 2% raise would be \$686; however, after paying the additional insurance the total increase would only amount to \$36 for the year. If the employee were to pay \$50 per paycheck, they would make \$614 less than they did in 2019. It is important to try and attract and retain employees.

Council Member Thome was against charging employees this year and said it is important to look at the total compensation package next year.

Council Member Galbraith argued that employees should contribute to their health insurance premiums based on private sector benefits and future City budget demands. He agreed to not charging employees this year but reiterated the need to investigate the possibility early for 2021.

City Administrator/Treasurer Mertes said it is hard to compare municipal government benefits to the private sector because the private sector does not like to share that information.

City Administrator/Treasurer Mertes said that insurance premium information may be available earlier next year with the new provider.

Mayor O'Keefe stated that an employee with family coverage needs to pay a \$4,000 deductible out-of-pocket under the current plan, there is no post-employment insurance benefits available to employees, and different factors need to be considered in this decision. He was in favor of not having the employees contribute to their health insurance in 2020.

The consensus was that there would be no employee contribution for health insurance in 2020.

There was no public comment.

Motion made by Council Member Burkart, seconded by Council Member Thome, to close the public hearing on the proposed 2020 City Budget at 8:13 p.m. Motion carried without a negative vote with Council Member Bublitz excused.

It was the consensus of the Common Council to continue forward with the proposed 2020 City Budget as presented.

Council Member Arnett said that the citizens of Cedarburg expect a certain level of service and this budget accomplishes many of those goals for a \$2.00/month increase in the tax levy. It is a good budget.

Mayor O'Keefe explained that many of the citizens of Cedarburg are conservative but also want good services and most citizens are willing to pay a small increase in taxes to maintain the current level of service.

NEW BUSINESS

CONSIDER AWARD OF ENGINEERING DESIGN CONTRACT FOR THE 2020 STREET AND UTILITY PROJECT; AND ACTION THEREON

Director of Engineering and Public Works Wiza explained that staff requested proposals from a total of five engineering firms for design of the 2020 Street and Utility project. A detailed Request for Proposal (RFP) was sent to each firm, and the scope of work has been well defined. All five firms submitted responsive proposals, and the lowest overall fee for service was submitted by Cedar Corporation.

Director Wiza stated that the 2020 project includes the reconstruction of Arbor Drive from Willowbrooke to Tamarack Drive, Lynnwood Lane from Arbor Drive to Tamarack Drive, Glenwood Drive from Arbor Drive to just north of Bristol Lane, Crescent Drive from Arbor Drive to Sheboygan Road, Park Circle, and a short segment of sanitary sewer relay adjacent to the Farmstead restaurant. All streets will receive new asphalt pavement and base from curb to curb, with spot replacement of defective concrete sidewalk and curb. Most of the existing catch basins will be replaced, as well as some of the catch basin leads.

Motion made by Council Member Thome, seconded by Council Member Chivinski, to award the engineering design contract for the 2020 Street and Utility project to Cedar Corporation based on their low fee of \$23,000. Motion carried without a negative vote with Council Member Bublitz excused.

CONSIDER EXTENSION OF CASH FARM LEASE WITH RODEN ECHO VALLEY, LLC FOR 2020; AND ACTION THEREON

Director Wiza explained that the City has had an annual Cash Farm Lease with Robert Roden for 47 acres at 6603 Highway 60 (former Kohlwey Farm) which dates back to 1999. While the land is intended to be used for business park development, even if the City proceeds in 2020, the timeframe for creation of a TIF, completing an engineering design, and permitting would likely take until fall 2020, when the crops could be harvested.

The rent in 2019 was \$75 per acre, but Mr. Roden has agreed to increase this to \$100/acre with rent payment due October 31, 2020. In the event the City should choose to proceed with the Business Park utility work before the crop is off, the 2020 lease agreement fixes damages at \$250/acre of crop lost. Director Wiza recommended extending the cash farm lease under these terms.

Motion made by Council Member Arnett, seconded by Council Member Thome, to approve the extension of the cash farm lease with Roden Echo Valley, LLC for 2020. Motion carried without a negative vote with Council Member Bublitz excused.

CONSIDER REVISED POLICY CC-2: PURCHASING; AND ACTION THEREON

The proposed revision to Policy CC-2: Purchasing changes the purchasing agent for the City of Cedarburg from City Administrator/Treasurer to City Administrator.

Motion made by Council Member Thome, seconded by Council Member Burkart, to approve revised Policy CC-2: Purchasing. Motion carried without a negative vote with Council Member Bublitz excused.

CONSIDER LICENSE/PERMIT APPLICATIONS; AND ACTION THEREON

Motion made by Council Member Burkart, seconded by Council Member Galbraith, to approve new and renewal Operator License applications respectively for the period ending June 30, 2020 for Grant Freese and Patrice Renfrow. Motion carried without a negative vote with Council Member Bublitz excused.

Motion made by Council Member Thome, seconded by Council Member Burkart, to approve the application of JKLM Distilling Partners, LLC for Class "B" fermented malt beverage license for Handen Distillery at W62 N590 Washington Avenue. Motion carried without a negative vote with Council Member Bublitz excused.

CONSIDER PAYMENT OF BILLS DATED 10/25/19 THROUGH 11/01/19, TRANSFERS FOR THE PERIOD 10/26/19 THROUGH 11/8/19; AND PAYROLL FOR THE PERIOD 10/20/19 THROUGH 11/02/19; AND ACTION THEREON

Motion made by Council Member Burkart, seconded by Council Member Thome, to approve payment of bills dated 10/25/19 through 11/01/19, transfers for the period 10/26/19 through 11/8/19; and payroll for the period 10/20/19 through 11/02/19. Motion carried without a negative vote with Council Member Bublitz excused.

ADMINISTRATOR'S REPORT

Area Administrators will be meeting this week to discuss Fire Department consolidation throughout the County.

COMMENTS AND SUGGESTIONS FROM CITIZENS - None

COMMENTS & ANNOUNCEMENTS BY COUNCIL MEMBERS

Council Member Thome thanked all the people involved in the budget process and especially City Administrator/Treasurer Mertes for leading the group effort.

Council Member Arnett encouraged people to visit Cedarburg Threads for new Cedarburg apparel.

Council Member Arnett attended a Veteran's Day ceremony at Westlawn Elementary School where 75 veterans were honored including Council Member Burkart. He thanked all Veterans for their service.

MAYOR'S REPORT - None

ADJOURNMENT – CLOSED SESSION

Motion made by Council Member Thome, seconded by Council Member Verhaalen, to adjourn to closed session at 8:33 p.m. pursuant to State Statute 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 the sale of City-owned parcels in the business park off Alyce Street – Parcel No. 13-034-14-000.02 (Outlot #1 CSM No. 2811) and a portion of Parcel No. 13-034-14-000.00 (Outlot #1 CSM 2784). Approval of October 14, 2019 closed session minutes. Motion carried on a roll call vote with Council Members Arnett, Burkart, Verhaalen, Chivinski, Thome, and Galbraith voting in favor and Council Member Bublitz excused.

RECONVENE TO OPEN SESSION

Motion made by Council Member Arnett, seconded by Council Member Burkart, to reconvene to open session at 8:45 p.m. Motion carried unanimously on a roll call vote with Council Members Arnett, Burkart, Verhaalen, Chivinski, Thome, and Galbraith voting in favor and Council Member Bublitz excused.

NEW BUSINESS – CONTINUED

CONSIDER AMENDMENT TO OFFER RECEIVED ON A PORTION OF PARCEL NO. 13-034-14-000.00 (OUTLOT #1 CSM 2784); AND ACTION THEREON

Motion made by Council Member Arnett, seconded by Council Member Burkart, to approve the amendment to offer received on a portion of parcel no. 13-034-14-000.00 (Outlot #1 CSM 2784) contingent upon the Developer's execution of the Developer's Agreement. Motion carried without a negative vote with Council Member Bublitz excused.

**CONSIDER APPROVAL OF DEVELOPMENT AGREEMENT, CERTIFIED SURVEY MAP
AND CONDO DOCUMENT FOR GREG JAMES' CEDARBURG TRAIL CONDOMINIUMS;
AND ACTION THEREON**

Motion made by Council Member Chivinski, seconded by Council Member Arnett, to approve the Development Agreement, Certified Survey Map and Condo document for Greg James' Cedarburg Trail Condominiums. Motion carried without a negative vote with Council Member Bublitz excused.

**CONSIDER CELLULAR TOWER LEASE AND BILL OF SALE WITH AT&T FOR
LOCATION ON THE MONOPOLE CONSTRUCTED ON WESTERN AVENUE; AND
ACTION THEREON**

Motion made by Council Member Arnett, seconded by Council Member Thome, to approve the cellular tower lease and bill of sale with AT&T for location on the monopole constructed on Western Avenue and designating the City Clerk and Mayor as signatories. Motion carried without a negative vote with Council Member Bublitz excused.

ADJOURNMENT

Motion made by Council Member Arnett, seconded by Council Member Galbraith, to adjourn the meeting at 8:56 p.m. Motion carried without a negative vote with Council Member Bublitz excused.

Amy D. Kletzien, MMC/WCPC
Deputy City Clerk