

**CITY OF CEDARBURG
COMMON COUNCIL
November 8, 2021**

**CC20211108-1
UNAPPROVED**

REVISED

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, November 8, 2021 at City Hall, W63 N645 Washington Avenue, second floor, Council Chambers and online utilizing the Zoom app.

Acting Mayor Patricia Thome called the meeting to order at 7:00 p.m.

Roll Call: Present - Council Members Sherry Bublitz, Jack Arnett, Rick Verhaalen, Robert Simpson, Patricia Thome, Barbara Lythjohan

Excused - Mayor Michael O’Keefe, Council Member Kristin Burkart

Also Present - City Administrator Mikko Hilvo, City Attorney Michael Herbrand, Deputy City Clerk Amy Kletzien, City Clerk Tracie Sette, Parks, Recreation, and Forestry Director Danny Friess, Director of Engineering and Public Works Mike Wieser, Captain Michael McNerney, Library Director Linda Pierschalla, Water Recycling Center Lead Operator Dennis Grulkowski, interested citizens and news media

STATEMENT OF PUBLIC NOTICE

At Acting Mayor Thome’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. Citizen’s present were welcomed and encouraged to provide their input during the citizen comment portion of the meeting.

Council Member Thome stated that as Acting Mayor, she would retain her right to vote as Council Member of the 6th Aldermanic District.

COMMENTS AND SUGGESTIONS FROM CITIZENS - None

APPROVAL OF MINUTES

Motion made by Council Member Bublitz, seconded by Council Member Simpson, to approve the **revised** October 25, 2021 Common Council minutes. Motion carried without a negative vote with Council Member Burkart excused.

PUBLIC HEARING – PRESENTATION ON PROPOSED 2022 CITY BUDGET

Acting Mayor Thome declared the public hearing open at 7:02 p.m. for the presentation on the proposed 2022 City Budget.

City Administrator Hilvo presented the proposed 2022 City Budget as follows:

- The total increase in the levy is \$393,643; 6.3% increase;

- The 2021 growth allowed for a levy increase of \$239,000, which would keep the same rate; the levy limit will allow an increase of \$834,349, or an additional \$349,067 over what is currently proposed;
- The assessed value increased from \$1,356,239,540 to \$1,387,914,930, which is a \$31,675,390 increase, or 2.3%;
- The largest levy increase is in the TIF District. TIF District increase is \$18,931; 21.6%.

Major General Fund changes from 2020:

- Expenditures:
 - General Government increased (\$249,581); (7.92%);
 - Public Safety increased \$248,210; 5.37%;
 - Engineering/Public Works increased \$6,765; 0.24%;
 - Parks, Recreation & Forestry increased \$31,879; 3.3%;
 - Library increased \$6,095; 0.56%;
 - Debt Service decreased (\$268,330); (11.66%);
 - TIFs decreased (\$5,200,246); (73.1%).
- Individual Departmental increases and decreases were reviewed; summary of changes include:
 - 3% COLA salary increase for City Employees. 2.25% increase for Police and Police Union employees per union contract.
 - Health insurance premium increase of 8.43% for a \$3,000/\$6,000 high deductible plan. This is an increase of \$1,000 for single and \$2,000 for family contribution from employees towards their deductible. An employee can remain at the \$2,000/\$4,000 deductible and pay 8% of their premium. The increase for the lower deductible is 19.43% which is offset by employee's contribution towards the premium. Police Department sworn personnel will remain at the \$2,000/\$4,000 deductible with no premium contribution per union contract.
 - City Administration - increased per renewed contract.
 - Clerk's budget – increased due to more elections in 2022.
 - Assessor Services – use of fund balance for revaluation.
 - Finance/Treasurer's Office – slight increase for salaries and benefits. Savings from hiring part-time employee for accounts payable.
 - Police Station Administration - increase for salary and benefits; sick payout for Chief upon retirement.
 - Police Patrol - increase for salary and benefits.
 - The Fire Department - budget increased for an additional full-time staff. The Department will have a part-time Chief, full-time Fire Inspector/Firefighter/AEMT, full-time Deputy Chief, and 1 full-time Firefighter/AEMT. An additional Firefighter/AEMT is budgeted to start in July 2022.
 - Building Inspection - budget increased for salary and benefits.
 - Engineering/Public Works - Sick payout for retired City Engineer was budgeted in 2021. No retirements in 2022, resulting in a decrease to the budget.
 - Public works - budget is increasing for the addition of one (1) full-time Crew Member to accommodate ongoing growth in the City.
 - Parks, Recreation & Forestry - budget increased for salary and benefits. Additional increase in salaries based on position changes within the Public Works/Parks Departments.

- Recreation Programs – Recreation fund will be used to pay for any pool, some general parks and forestry fund increases, and fixing Zuenert Park tennis courts. Amount of fund balance used in 2022 will be \$69,727. Recreation fund balance at the end of 2022 is expected to be \$40,273.
- Library Services – Library will use fund balance in 2022 to offset increases. Amount of fund balance use will be \$15,791. Library fund balance at the end of 2022 is expected to be \$15,766.
- Water Recycling Center – an increase of \$1.00/1,000 gallons is proposed to the sewer use rate. Fund balance at the end of 2022 is expected to be \$18,823,320.
- Initial Department budget requests removed from the budget:
 - Library Capital Fund – removed \$7,500 for server room A/C.
 - Fire Department Capital Improvements – removed \$70,000 from Station #1 and \$50,000 from Station #2 floors.
 - Police Department – removed \$20,000 for interior/exterior painting; use ARPA funds for one patrol vehicle.
 - Parks, Recreation & Forestry Department - \$40,000 for Zeunert tennis court repairs and \$29,727 for parks and pool salary and benefits increases. (Utilizing Rec Program Funds)
- Revenues:
 - Property Taxes increased \$393,643; 6.3%;
 - Intergovernmental Revenues increased \$15,573; 1.08%
 - State Transportation Aid is increasing by \$30,297. All other revenues remain the same or have slight increases/decreases;
 - Regulation and Compliance decreased (\$18,254); (5.13%)
 - Liquor, Beer, Direct Seller, Cigarette, Operator, Bicycle, Dog, Cat, Cable TV, Weights and Measures licenses. Building, Electrical, Plumbing, Heating, Occupancy Permits. No major changes;
 - Law and Order Violations increased \$1,970; 1.89%;
 - Public Charges for Services decreased (\$18.254); (5.13%);
 - Intergovernmental Charges increased \$37,566; 12.95%;
 - Town shared costs of Fire Department Operating Budget is increasing by \$37,030 for increases in full-time EMS staffing;
 - Commercial Revenues decreased (\$47,022); (16.04%)
 - Interest investment income is decreasing by \$40,000.
- Proposed use of Fund Balance for 2022 is \$72,500 for revaluation (funds have been specifically assigned to this during the last 10 years.)
 - The total estimated Fund Balance at the end of 2021 is \$3,315,024; minimum required unassigned fund balance per City policy is \$2,035,229; maximum unassigned fund balance per City policy is \$3,561,651. Proposed ending fund balance 2022 (unassigned) \$2,752,407.

Capital Improvement Fund – Five (5) Year Funding Plan:

- The levy is decreasing by 0.3% in 2022;
- The capital improvement fund levy is 14.51% of the total levy;

- Full amount needs to be levied to fund purchase/projects rather than keeping it consistent from year to year and avoiding any expenditure restraint issues;
- Public Works makes up majority of the Capital Improvement projects with an estimated 2022 allocation of \$1,604,186. In 2022 Parks, Recreation and Forestry budget allocation is \$731,530 which includes projects that are fundraised for.

Tax Incremental Districts:

- The TIF Levy has increased from \$62 in 2017 to \$106,708 in 2022. The Levy is based on a State formula that requires levying for the following TIF's.
- TID No. 3 – Mill and Washington Development – Site is proposed to add value in January 2022 after completion of Townhomes; no payment on value added until 2023.
- TID No. 4 – Amcast Remediation – No increment in 2021. Expenditures for 2022 are estimated at \$607,060 with an ending fund balance of negative \$716,777 at the end of the year.
- TID No. 5 – Arrabelle Development – Proposed tax increment is budgeted at \$232,482 with a developer's incentive payment of \$236,283 in 2022.
- TID No. 6 – Hwy 60 Business Park – Real Estate Taxes are estimated at \$21,922 in 2022 and proceeds from borrowing at \$1,061,000. TIF district debt payments are paid through borrowing proceeds for the next two years.

Debt Service:

- The debt service levy is increasing \$64,708 (3.4%) for a total levy of \$1,982,178.
- Equalized Tax Rate is \$1.24/\$1,000 of value (based on current debt).
- The City has \$22,185,000 in outstanding debt at the end of 2021.
- Borrowing in 2022
 - Building Inspection – borrowing \$160,000 for A/C unit replacement.
 - Public Works – borrowing \$230,000 for plow truck.

Special Revenue Funds:

- Cemetery is projected to end 2021 with an increase of \$11,605 to the fund balance. 2022 budget proposes to utilize \$22,551 of fund balance. Estimated fund balance for the end of the year 2022 is \$309,293;
- Room tax revenue decreased considerably in 2020 with a slight increase in 2021. It is expected to increase to normal annual level for 2021. Amount expected in 2022 is \$60,000. \$57,000 is given to the Chamber for Tourism, Promotion, and Development. The City keeps \$3,000 for administrative fees;
- Recreation Programs are expected to end the year with an increase of \$40,784 to the fund balance. Use of \$69,727 of fund balance is budgeted for 2022 to cover tennis court repairs and transfer of funds to the swimming pool and general fund. Ending fund balance for 2022 is proposed at \$81,883;
- Swimming Pool is proposed to have no increase in the levy. It will remain at \$69,216 for 2022 due to use of Rec Program fund balance;
- Park sub-divider deposit fund – \$120,000 use of impact fees is budgeted for 2022 for the construction of Baehmanns Park. Estimated fund balance for the end of the year 2022 is \$356,569.

Special Revenue Fund – Library:

- The Library is the largest tax supported special revenue fund.
- The 2022 proposed levy is \$771,194; 1.69%.
- Revenues are increasing by \$45,597; 4.21%.
- Expenditures are increasing by \$6,095; 0.56%.
- A fund balance decrease of \$7,808 is projected for 2022.
- Remaining fund balance of \$58,825 is estimated at the end of 2022.
- The levy is increasing by \$13,000 for the cost of operations for the year, to help sustain the fund balance.
- 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 decreasing by 3.9%.
- Expenditures are premiums and claims, legal fees associated with claims increased by 3.34%.

Water Recycling Center:

- The Water Recycling Center is not supported by taxes but user fees.
- New rates were established for 2022 to help fund the collection and equipment replacement funds to reduce borrowing in the future.
- The flow rate charge is increasing to \$8.55/1,000 gallons. This is a \$1.00/1,000 gallon increase.
- The holding tank and septage hauler fees are increasing slightly, \$9.25/1,000 gallons and \$51.00/1,000 gallons respectively.
- The monthly connection fee is remaining the same at \$15/month.
- Total Revenues: \$3,698,976; increasing by \$436,316 (11.80%).
- Total Expenditures: \$3,072,243; increasing by \$144,493 (4.70%).
- Projected Fund Balance at the end of 2022 is \$7,508,179.29.

Council Member Verhaalen asked if the Intergovernmental charge of \$37,566 is guaranteed. City Administrator Hilvo confirmed that the Town of Cedarburg has budgeted for this increase for Fire/EMS protection.

There was no public comment.

Motion made by Council Member Verhaalen, seconded by Council Member Simpson, to close the public hearing. Motion carried without a negative vote with Council Member Burkart excused.

NEW BUSINESS

DISCUSSION ONLY TO PROVIDE FEEDBACK ON THE REVISED DEVELOPMENT PLAN FOR NEW SUBDIVISION LOCATED AT 6660 SUSAN LANE

City Planner Censky recalled that the Common Council provided feedback to the applicant at the September 27 Council meeting regarding this side-by-side residential project to help him decide whether to pursue annexation. While the Council generally supported the concept plan regarding housing style, density and the looped road pattern with a future connection to the east and the main entrance boulevard from Susan Lane, the Council asked that the two buildings at the north end of the woods be removed and that the road be shifted away from the northwest corner to better protect the woods in that area. Having made those changes, the applicant wants to make sure they meet with the Council's satisfaction before pursuing annexation. With the removal of the two structures, the project will now consist of 35 side-by-side ranch style buildings (70 units) down from the original proposal of 37 buildings (74 units). The project is now proposed at a density of 1.75 units per gross acre, 2.0 units per net acre, exclusive of the quarry.

Planner Censky outlined additional comments that were offered by staff:

- The identified wetlands will need to be dealt with as we proceed through the approval process.
- Fire hydrants shall be placed according to City Ordinances.
- The road construction shall be adequate to support the weight of fire department apparatus.
- The roadway turning radius shall be adequate to allow for easy access for fire apparatus.
- Fencing should be considered around the pond.
- Introduce a road connection along the east side of the circle for a future road.
- Each side of the entrance boulevard shall be 24' face to curb
- Roadway width for private roads is to be 28' curb face to curb face
- Consider moving entrance road to the east to line up with the existing drive.
- The static groundwater level should be monitored to determine the ultimate water level of the quarry.
- A note shall be included in the private covenants to alert all future owners within this project that the depth of the quarry exceeds that which our emergency dive time is rated for.

City Planner Censky stated that if the Common Council agrees with these revised plans, the applicant will submit his annexation petition and, in accordance with the Zoning Code, the site will temporarily be placed in the Rs-1 Single-Family Zoning District until permanent zoning is established. Following that, the next step in the process will have the applicant pursuing Use Plan amendment to establish the appropriate classification for the project and rezoning to the permanent zoning specific to the project.

Acting Mayor Thome stated that she appreciated that Kingsway Homes worked with the City to get to this point and the development will be a great addition to the community.

In answer to Council Member Verhaalen's question, Craig Caliendo stated that they will start preparing the site in early spring with the first building started at the end of summer or early fall.

In answer to Council Member Thome's question, Craig Caliendo stated that temporary fencing around the construction areas will protect the woods from any damage.

Access and entry points were discussed by the Developer and Common Council. Council Member Bublitz stated that before the City continues to develop this area of the City, the City needs to work with the County and address the speed limit on the north end of Sheboygan Road.

Council Member Simpson agreed that the speed needs to be addressed in this area for pedestrian safety.

It was the consensus of the Common Council to approve the revised development plan for the new subdivision located at 6660 Susan lane, and they thanked the developer for working with the City.

DISCUSSION AND POSSIBLE ACTION ON PROPOSED 2022 CITY BUDGET

City Administrator Hilvo explained that the proposed tax rate is \$8.04 which is a \$0.17 increase from 2021, with Public Safety and Public Works remaining as the priorities for 2022.

Council Member Verhaalen explained that he is against borrowing \$150,000 and a \$0.17 increase. The City needs to hold the line; it is not a valid excuse that others are not holding the line.

Council Member Arnett explained that most of the increases are for the people. The fund balance range is good. The debt is at its peak now and the City is working on lowering it. Given the current environment and the cost of inflation he supports the budget.

Council Member Bublitz approved of the budget and is looking forward to joining the State Insurance Plan. She opined that as much as possible was removed from the budget. Council Member Bublitz expressed appreciation for the work done through the Finance Committee. She thanked City Administrator Hilvo and Finance Director/Treasurer Mertes, along with Department Heads and Staff for their hard work on the budget.

Council Member Arnett asked if it would be possible to borrow from the Water Recycling Fund for the air conditioning at City Hall and pay ourselves back? City Attorney Herbrand stated that he will research this option.

Chris Seward, W71 N396 Cedar Pointe Avenue, urged the Common Council to continue funding tree replacements, as his neighborhood has been decimated from lost ash trees due to Emerald Ash Borer disease.

Motion made by Council Member Bublitz, seconded by Council Member Arnett, to approve the proposed 2022 City Budget. Motion carried with Council Members Bublitz, Arnett Simpson, Thome and Lythjohan voting aye, Council Member Verhaalen voting nay, and Council Member Burkart excused.

Council Member Thome thanked City Administrator Hilvo, Finance Director/Treasurer Mertes, Staff and Department Heads for their great work on this year's budget.

DISCUSSION AND POSSIBLE ACTION ON MAYOR APPOINTMENT OF KASSANDRA BARTELME TO LIBRARY BOARD

Motion made by Council Member Arnett, seconded by Council Member Bublitz, to approve Mayor O'Keefe's appointment of Kassandra Bartelme to the Library Board. Motion carried without a negative vote with Council Member Burkart excused.

DISCUSSION AND POSSIBLE ACTION ON AWARD OF ENGINEERING DESIGN CONTRACT FOR THE 2022 STREET AND UTILITY PROJECT

Engineering and Public Works Director Wieser explained that staff requested proposals from a total of five engineering consulting firms for design of the 2022 Street and Utility Project. A detailed Request for Proposal (RFP) was sent to each firm, and the scope of work has been well defined. Four firms submitted responsive proposals, and the lowest overall fee for service was submitted by Kapur. This project includes the reconstruction of Highland Drive from Spring Street to Columbia Road, Jefferson Avenue from Bridge Road to end of road, Susan Lane from Washington Avenue to 350' west of Susan Court (cost share with the Town of Cedarburg), Thornapple Lane from Keup Road to the City limits, and the Sheboygan Road sidewalk connection. The fees submitted included a lump sum price for a property survey for W51 N664 Highland Drive to determine ownership of the rock wall. This price for the property survey is a separate line item and can be removed from the contract.

Council Member Verhaalen expressed concern for the timing of repaving Susan Lane considering that the road will be used by heavy trucks for a new development. Council Member Bublitz stated that the road is in need of repair.

In answer to City Administrator Hilvo's question, Director Wieser stated that he could include this road work in the asphalt repair program in the fall, rather than this spring project.

Motion made by Council Member Bublitz, seconded by Council Member Simpson, to award the engineering design contract to Kapur based on their low fee of \$39,600 including the property survey. Motion carried without a negative vote with Council Member Burkart excused.

DISCUSSION ONLY ON ORDINANCE NO. 2021-20 NEW ALDERMANIC DISTRICTS

City Administrator Hilvo explained that as a result of the 2020 Census, new City Aldermanic Districts have been redrawn utilizing Wisconsin Legislative Bureau standards. Those standards include keeping wards compact, utilizing whole census blocks, composition of contiguous territory, and complying with population ranges. He explained that this will be the last review before final approval of Ordinance No. 2021-21 at the November 29 Common Council meeting.

It was the consensus of the Common Council to approve the ward map as presented.

DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF ORDINANCE NO. 2021-21 OUTDOOR AMPLIFIED SOUND OR MUSIC PERMIT

City Administrator Hilvo stated that Ordinance No. 2021-21 reflects the direction of the Common Council at the October 25, 2021 meeting to amend the City Code Section 7-2-17(e) regarding outdoor amplified sound and music by removing the verbiage “during the calendar year 2021” and “temporarily”; and removing items E4 and E5 and amending item E6 to “90 decibels”; and changing the maximum number of events per week from two (2) to three (3) in item E10.

Council Member Thome questioned whether the decibel level was too high in light of a person commenting that they enjoyed the music at their home which is located 1.2 miles and is a 22-minute walk from the park.

Council Member Verhaalen opined that the decibel level is not the problem, but that sound travels differently; whereas, he cannot hear Summer Sounds located close to his home, but he can hear the Ozaukee Fair on the far end of Cedarburg away from his home.

Motion made by Council Member Arnett, seconded by Council Member Bublitz, to adopt Ordinance No. 2021-21 Outdoor Amplified Sound or Music Permit. Motion carried without a negative vote with Council Member Burkart excused.

DISCUSSION AND POSSIBLE ACTION ON ALLOWING THE KOOKY COOKY HOUSE TO BE PLACED ON CITY HALL FRONT LAWN FOR THE HOLIDAY SEASON

City Administrator Hilvo explained that the Cedarburg Christmas Committee has been working with Gino Salomone for the past two years on bringing the historic Kooky Cooky House to Cedarburg. The house was moved to Cedarburg in 2019 (after being displayed at Capital Court, Discovery World and the Domes), but due to COVID it was not put up in 2020. Mr. Salomone has secured contractors to put up and take down the house this year at no cost to Festivals or the City. The plan is to get it up in November and be placed on the City Hall front lawn between the City Hall sign and the Remax sign, with the entryway next to the sidewalk.

Council Member Verhaalen was in favor of the project as long as there is no expense for the City and the City staff does not get involved in putting it up or taking it down now or in the future.

Motion made by Council Member Arnett, seconded by Council Member Simpson, to allow the Kooky Cooky House to be placed on the City Hall front lawn for the Holiday Season with the understanding that it must come back to the Common Council before there is any City Staff involvement in the project. Motion carried without a negative vote with Council Member Burkart excused.

DISCUSSION AND POSSIBLE ACTION ON LICENSE/PERMIT APPLICATIONS

Motion made by Council Member Verhaalen, seconded by Council Member Bublitz, to approve new Operator License application for the period ending June 30, 2022 for Tanner J. Stuck. Motion carried without a negative vote with Council Member Burkart excused.

Motion made by Council Member Bublitz, seconded by Council Member Verhaalen, to approve the Horse and Carriage license for Jody Schultz of Kettle Moraine Carriages, Inc., N612 Forest View Road, Kewaskum, WI. Motion carried without a negative vote with Council Member Burkart excused.

CONSIDER PAYMENT OF BILLS DATED 10/16/2021 THROUGH 10/29/2021, TRANSFERS FOR THE PERIOD 10/22/2021 THROUGH 11/05/2021 AND PAYROLL FOR PERIOD 10/17/2021 THROUGH 10/30/2021; AND ACTION THEREON

Motion made by Council Member Bublitz, seconded by Council Member Arnett, to approve payment of bills dated 10/16/2021 through 10/29/2021, transfers for the period 10/22/2021 through 11/05/2021 and payroll for period 10/17/2021 through 10/30/2021. Motion carried without a negative vote with Council Member Burkart excused.

ADMINISTRATOR'S REPORT

The City Administrator's report was provided in the Council packet.

COMMENTS AND SUGGESTIONS FROM CITIZENS - None

COMMENTS AND ANNOUNCEMENTS BY COUNCIL MEMBERS

Council Member Bublitz stated that she is opposed to only a speed bump on Susan Lane between Washington Avenue and Sheboygan Road. Past discussions included one or two stop signs and she would like further discussion on a future agenda.

MAYOR REPORT

Acting Mayor Thome presented an Election Day Hero Proclamation issued by Governor Evers.

ADJOURNMENT – CLOSED SESSION

Motion made by Council Member Verhaalen, seconded by Council Member Bublitz, to adjourn to closed session at 8:07 p.m. pursuant to State Statute 19.85 (1)(g) conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved, and 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, discussion on Prochnow Landfill and discussion on cellular communication tower on public property at Pleasant Valley Parks and Trails. Approval of October 25, 2021 closed session minutes. Motion carried on a roll call vote with Council Members Bublitz, Arnett, Verhaalen, Simpson, Thome, and Lythjohan voting aye and Council Member Burkart excused.

RECONVENE TO OPEN SESSION

Motion made by Council Member Bublitz, seconded by Council Member Simpson, to reconvene to open session at 8:41 p.m. Motion carried on a roll call vote with Council Members Bublitz,

Arnett, Verhaalen, Simpson, Thome, and Lythjohan voting aye and Council Member Burkart excused.

ADJOURNMENT

Motion made by Council Member Arnett, seconded by Council Member Bublitz, to adjourn the meeting at 8:42 p.m. Motion carried without a negative vote with Council Member Burkart excused.

Amy D. Kletzien, MMC/WCPC
Deputy City Clerk