CITY OF CEDARBURG CC20190715-1
COMMON COUNCIL UNAPPROVED
July 15, 2019

A regular meeting of the Common Council of the City of Cedarburg, Wisconsin, was held on Monday, July 15, 2019, at the Cedarburg Cultural Center, W62 N546 Washington Avenue. Council President Thome called the meeting to order at 6:33 p.m.

Roll Call: Present - Mayor Michael O'Keefe (arrived 6:34 p.m.), Council Members Sherry Bublitz, Jack Arnett, Rick Verhaalen, Garan Chivinski, Patricia Thome and Kristin Burkart (arrived 6:36 p.m.)

Excused - Council Member Rod Galbraith

Also Present - City Administrator/Treasurer Christy Mertes, City Clerk Claire Woodall-Vogg, Police Chief Tom Frank, Fire Chief Jeffrey Vahsholtz, Director of Public Works and Engineering Tom Wiza, Assistant City Administrator/Parks, Recreation and Forestry Director Mikko Hilvo, Library Director Linda Pierschalla, City Assessor Cathy Timm, Building Inspector Mike Baier, Parks & Forestry Superintendent Kevin Westphal, Public Works Superintendent Joel Bublitz, Senior Center Director Aubrey Suppiger, and interested citizens

STATEMENT OF PUBLIC NOTICE

At Council President Thome's request, City Clerk Woodall-Vogg 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.

APPROVAL OF MINUTES

Motion made by Council Member Verhaalen, seconded by Council Member Chivinski, to approve the minutes of the June 24, 2019 meeting as presented. Motion carried without a negative vote with Council Member Galbraith excused.

COMMENTS AND SUGGESTIONS FROM CITIZENS

Citizens present were welcomed and encouraged to provide their input during the citizen comment portion of the meeting. No comments or suggestions were received.

STRATEGIC PLAN REVIEW

Assistant Administrator/Director Hilvo gave the Council an overview of the Strategic Plan, including the mission and vision statement, as well as the guiding principles.

Council Member Thome clarified that the second principle, "Be open and accountable to the taxpayers and citizens," is not questioning the Council or staff's actions and practices. Instead, it is emphasizing that the City and Council must improve how accessible and openly each communicates information to citizens.

Director Wiza asked for input and guidance from the Council on the Highway 60 Business Park development (Section B-1 of the Strategic Plan). Council Member Arnett stated that the preliminary engineering study by Ruekert & Mielke will help the City lay the groundwork needed before soliciting a new or existing business to occupy the site. Mayor O'Keefe and Council Member Thome both reiterated that this work is laying the groundwork and will determine whether the Highway 60 Business Park is feasible.

The Council and staff discussed Summer Sounds' fast growth and the current partnership with the City when reviewing Section D-3 of the Strategic Plan. The event's growing popularity means that the City needs to examine the partnership and make sure it is an equitable one.

The Council and staff had a discussion about the property located on Western Road at the intersection of Hanover Avenue. Staff was directed to look into the maintenance of the property, as the parking lot makes the building look entirely vacant.

CITIZEN SURVEY REPORT

Assistant Administrator/Director Hilvo gave an overview of the Citizen Survey Report that was completed by 543 citizens. The report is not statistically significant because it was only made available online. In 2021, the City should consider mailing the survey and anticipating that increased cost.

The Citizen Survey found that the priorities of citizens were predominately focused on road maintenance. A discussion ensued between the Council and staff regarding planned street projects, especially the need to address citizen complaints about Evergreen Boulevard. Director Wiza explained the complexity and cost to fix Evergreen Boulevard, estimating that it would cost a total of $1 million, $650,000 for the street work and $333,000 for storm sewer work, to repair the half mile of road that is of concern. While Director Wiza certainly takes into consideration traffic frequency on a road, he also stated that he must operate holistically and coordinate projects with the Light & Water Utility and Wastewater. Council Members stressed that Evergreen Boulevard and Washington Avenue should both be prioritized by Director Wiza, if at all possible.

Director Wiza said he has seen an increase in construction costs, which will likely continue to rise in 2020. Some projects are coming in as much as 30% over budget because of the inflation of material costs from 2018 to 2019. He attributes some of this increase to be a result of Foxconn, which is using a great deal of materials and contractors.

FINANCIAL TRENDS MONITORING SYSTEM (FTMS) 2014-2018

Assistant Administrator/Director Hilvo explained that the FTMS is a comprehensive look at financial trends of the City. The report revealed that the City's reserves and debt are its two largest issues.

Administrator/Treasurer Mertes highlighted the potential opportunity to raise the City's room tax rate. It has never increased from 5%, but neighboring municipalities such as Grafton collect 7%.

Council Members and staff had a discussion about the City's debt history and the potential need to raise taxes if the City ever hopes to create reserves again. Administrator/Treasurer Mertes agreed to send the Council 2019's budget levy limit and expenditure restraint numbers so that members have a more general estimate of the financial opportunities and constraints that will be present when creating the 2020 budget.

PERSONNEL COMMITTEE REPORT

Administrator/Treasurer Mertes, Assistant Administrator/Director Hilvo, and Council Members Thome and Bublitz provided a summary of the last Personnel Committee meeting, which took place on Monday, July 8, 2019. The Committee reviewed health insurance plan options and recommended that the City stay with its current plan for 2020 while a more comprehensive salary and benefits plan is developed and implemented over the next year.

Assistant Administrator/Director Hilvo conducted a comprehensive analysis of Cedarburg's compensation and benefits, and drafted a proposed salary ordinance that would accompany a more formalized performance review system with merit-based raises if implemented by the Council. Assistant Administrator/Director Hilvo's study found that some positions within the City are underpaid when compared to the same positions in municipalities of similar size and in close proximity to Cedarburg. The cost to increase the wages of the staff that are below the minimum to the average wage rate of the comparable communities would be $88,163, additional to the 2020 budget.

BREAK

A short break was called at 7:46 p.m by Mayor O'Keefe. Mayor O'Keefe called the meeting back to order at 7:57 p.m.

DEPARTMENT GOALS AND CHANGES

Department Heads presented an overview of their departmental needs, goals, and anticipated costs to the Council.

Administration

Administrator/Treasurer Mertes reported that there was $35 million in new development, which will allow approximately a $270,000 increase to the tax levy. She anticipated a $95,000 increase in debt service, $85,000 in cost of living adjustments to wages, and a $64,000 increase to the City's health insurance plan in 2020.

Administrator/Treasurer Mertes reported that the State is decreasing cable franchise fees by 0.5% in 2020 (a $13,400 loss to the City) and reducing them by 1% the following year.

Administrator/Treasurer Mertes reported the following items to be considered for the budget:

- Compensation & benefits improvement to retain high-quality staff long-term
- Increase to training and membership budget; for instance, she would like to join the International City/County Management Association (ICMA) and have the opportunity to attend national conferences, but membership to the ICMA costs $800 annually
- Furniture updates to City Hall; the current furniture is over thirty (30) years old and not ergonomically correct for staff that are sitting for over eight (8) hours a day
- Separate the Administrator and Treasurer roles into two separate positions

Assessor:

Assessor Timm reported that the City will be conducting a revaluation in 2021 and will be hiring the contractor that already does the City's commercial work to help conduct the residential revaluation. The Council allocates money every year for this process, so it is already funded.

Assessor Timm stated that in 2026, the City will conduct a full revaluation by going into every property. The cost was $110,000 the last time it was completed in 2005, so it will likely exceed that cost. The funding will need to be increased from $10,000 in 2019 to $15,000 annually beginning in 2020 in order to fund the full revaluation. The State guidelines recommend a full revaluation be conducted every ten to fifteen (10-15) years. Council Member Burkart surmised that the full revaluation will likely increase our tax base.

Building Inspection/City Hall Complex

Inspector Baier explained that the City currently rents the house in the Cemetery to a long-term tenant. The tenant has occupied the home for over eight (8) years and pays $995 per month. The home is falling into disrepair and will need a new roof in 2020, which will cost $10,000. Inspector Baier cautioned that before completing this repair, the City will need to decide how long it wishes to maintain this property since the space will eventually be needed for the cemetery and other repairs such as windows, siding, and insulation are looming. The cost to raze the property would be approximately $10,000.

Inspector Baier reported that Fire Station 3 will need exterior restoration in 2020, which will cost $55,000. The Lincoln Building will need its boiler replaced in 2020, which will cost $55,000.

In 2021, Inspector Baier said that City Hall's boiler will need to be replaced, an $85,000 expense. In either 2022 or 2023, City Hall's air handler A/C system will need to be replaced, which will be $155,000.

City Clerk

Clerk Woodall-Vogg reported that the Clerk's budget will increase in 2020 by almost $20,000 due to four (4) scheduled elections. Since the election budget fluctuates dramatically every other year, she suggested the Council consider funding a standard amount annually and carry it over. She anticipates the Clerk's salary expenditures to decrease slightly due to the retirement of the former City Clerk.

Clerk Woodall-Vogg, with the support of Administrator Mertes and City Attorney Herbrand, suggested that the Council fund a recodification, which would cost approximately $15,000. She explained that codifying includes removing repealed or obsolete ordinances from the code, formatting it into user-friendly titles, chapters, and sections, and supplementing it with new ordinances. The City would have one body of current, enforceable, accessible laws.

Clerk Woodall-Vogg suggested that the Department purchase electronic records management software so that the City can achieve its goal of going paperless by 2025. Electronic records management software would allow the Clerk and other departments to digitally scan files and have them in a searchable, accessible location. The annual cost of the software is $5,500.

Clerk Woodall-Vogg gave the Council an overview of electronic poll books and cited their benefits to election administration. She said that it would be wise to switch to the electronic poll books in the next three to five years, which would require an initial investment of approximately $30,000 for 15 machines.

Engineering & Planning

Director Wiza stated that construction cost increases will be one of the biggest challenges facing the Department in 2020. He reported that the work on the Columbia Mills dam will be completed in 2019. Work on the Woolen Mills dam is slated to begin this Fall, but property acquisition and Department of Natural Resource issues may mean that the project goes into 2020.

Director Wiza reported that there is a sink hole opening along the curb because of an old bridge under Portland Road by the Feed & Supply. Staff has put a metal plate over it and a cone on top, but will need to come up with a long-term solution. The cost was unknown at this time.

Director Wiza explained to the Council that there is a twenty-five (25) foot public access easement behind a strip of businesses (Delicately Delicious, Penzey's, etc.) on Washington Avenue. One of the business owners wants to repave their parking lot, but part of it falls on the City's easement. The business has proposed that the City reimburse them for the City's portion, and Director Wiza believes that this is the best solution, as the easement explicitly stated that the City is responsible for maintenance. He suggested that the Council put $15,000 into streets ineligible as a cost-sharing measure to address this.

In 2021, the City will renegotiate or bid the refuse and recycling contract since the current Waste Management contract expires at the end of 2020. Director Wiza said he anticipates that the City will switch to a two-cart mechanized system.

Director Wiza said that City is not anywhere near State-regulated total mass daily load (TMDL) requirements for phosphorous. The cost to meet this requirement is undetermined, but will increase the Department's storm water budget.

Director Wiza and the Council had a discussion about the Pioneer Road and Interurban Trail crossing. Mayor O'Keefe sent a letter to Ozaukee County, per the recommendation of the Public Works & Sewerage Commission, requesting that they conduct a safety study of the Pioneer Road/Interurban Trail crossing and get the results of that study back to the City of Cedarburg.

Fire Department

Chief Vahsholtz reported to the Council that the City currently allocates $11,000 for the Fire Department's maintenance budget, which helps to cover repairs of the boiler, HVAC system, hot water heater, etc. He requested an increase of $2,000 for a total of $13,000 annually because the Department keeps spending over the $11,000.

Chief Vahsholtz requested that the Department add a full-time paid staff member. The new staff person would help with fire inspections, re-inspections, ambulance calls, and other routine tasks. He explained how short-staffed the Fire Department is during the daytime hours and stressed the need to add this position. He estimated that the annual cost of a full-time staff member would total $75,000, of which the City would pay two-thirds.

Chief Vahsholtz reported that the Department has reached its capacity to provide volunteer services to support the numerous festivals. Every other department within the City is there as paid staff. He will be working to create a fee schedule to continue providing these services.

The Fire Department does not currently have any space to accommodate overnight stays by firefighters. Chief Vahsholtz explained that some volunteers would be able to work more hours if they had a place to sleep overnight. He estimated that it would cost $75,000 to renovate and provide a dorm-like space. Providing this would make recruitment and retention easier.

Chief Vahsholtz reported that within the next three to five years, the Department will have to replace a ladder truck. It will cost $1.4 million to replace. The last time a purchase like this was made, the Corporation put a large amount down and the City took out a bond on the Corporation's behalf for the remainder. It should not impact the budget, but Chief Vahsholtz wanted to make the Council aware of the future purchase.

Library

Director Pierschalla provided an overview of the Library's hours, staffing levels, services, partnerships, sources of additional financial support, and highlighted that the Library's budget had seen a 0% increase in 2014, which forced them to use up their reserve when they moved into the new library, and then 0% in 2017 and 0% in 2019.

Director Pierschalla said that the Library will need to replace the air intake chiller in 2019 which will cost $8,500. This is an unbudgeted expense that will come out of the library fund. She anticipated an increased cost to establish a maintenance plan for the Library's technology and computers, $7,100 in 2020, $8,200 in 2021, $4,100 in 2022, $4,100 in 2023. The Library also needs to update the Wi-Fi system, which will cost $7,000 in 2019 which may come from the fund or a combination of a donation from the Friends Fund. The Friends Fund may also be tapped in 2019 for a moving project to create more seating and study space in the building. Council Member Bublitz asked if there was any chance that the Friends of the Library would cover the updated Wi-Fi. Director Pierschalla thought that they might cover half of it through their technology fund.

2021 requests will include: $8,200 computer updates, $5,000 update to lighting system, $7,000 update to AV system and building technology, $20,000 to update the RFID stations, $10,000 telephone and announcement system.

Director Pierschalla discussed the need for adequate wages and benefits for staff. She lost 3 full-time staff in 12 months because the staff found better-paying positions at other libraries. Assistant Administrator/Director Hilvo's compensation and benefits study also concluded that some of the library staff are underpaid compared to other communities.

Director Pierschalla reported that the Friends of the Library has paid for a consultant to conduct strategic planning for the Library. It will result in the creation of a 2020-2025 Strategic Plan. Council Member Arnett encouraged Director Pierschalla to have the strategic plan address the possibility of a joint library with the Town of Cedarburg.

Park, Recreation & Forestry

Director Hilvo reported that the Parks Department will have increased utility costs in 2020 due to the new restroom at Adlai Horn. The lights at Behling Field are not working. Light & Water are aware of underground corrosion; Director Hilvo anticipated $200,000-$250,000 to replace the lights in the next year or two.

Director Hilvo reported that the Special Revenue Fund - Recreation Programs balance was just over $80,000. The fund helped pay for the City's website and mobile app.

Director Hilvo reported that the pool's liner will need to be replaced within a year or two or the City could jeopardize being open for a season. The cost is between $250,000-300,000.

Superintendent Westphal requested an increase of $5,000 for Emerald Ash Borer Treatment, bringing the total cost for 2020 to $60,000. This increase would allow him to try a new treatment called ArborMectin on all of the City's "A-List" ash trees, as well as treat the remaining trees with soil injections at the 2x rate.

In 2019, the City's budget for tree planting was set at $0. Superintendent Westphal requested that $25,000 be allocated for 2020. By 2020, the City will have 310 vacant tree sites. If granted the requested allocation, Superintendent Westphal would then apply for a matching grant of $25,000 from the Department of Natural Resources (DNR). Cedarburg Green has already committed to providing volunteers to plant the trees. Superintendent Westphal projected that 200 trees could be planted with the $50,000.

Superintendent Westphal anticipated an increase of $8,000 for contracted services in 2020. $3,000 will be needed to hire Asplundh to do tree removal and trimming work around power lines. $5,000 would be for contracted pothole excavation. 25% of the stumps being ground have utility conflicts underneath and require hydroexcavating by the contracted company.

Superintendent Westphal identified tree pruning and stump removal as ongoing areas of concern. He pointed out that right now he is only requesting funds to replace tree sites that previously had a tree, but there are at least 400 additional vacant sites for trees in the City. He would also like to find funding for a $30,000 firewood processor that attaches to the end of a skid-steer. There is potential to work it into a grant from the DNR.

Police

Chief Frank noted that there will be a one-time increase of $85,000 to the budget for the purchase of 9-1-1 equipment, which has already been reviewed by the Council.

Chief Frank reported that the Department needs the squad car video evidence system and the bodycam video evidence system to be on the same platform, Axon. The cost to make this switch will be $50,000.

Chief Frank also noted that the Police Station will need a new roof, which will cost $85,000. He said there is also some concern about the boilers. If the boilers need to be replaced, the cost is $35,000 per unit and there are two units.

Chief Frank said his "wishlist" item was to make a joint purchase with other law enforcement agencies in the county of an LRAD system, a mass notification system. It is a trailer that is parked in the middle of a heavily populated area such as a festival and can provide notifications in the event of an emergency. The cost is $120,000, and the Sheriff said he would consider it. Chief Frank said that Cedarburg would utilize it during the City's festivals.

Chief Frank warned that if the station's parking lot were to deteriorate so badly that it needed to be resurfaced, the cost would be $20,000. It is not yet to that point, though.

Public Works

Superintendent Bublitz said he anticipated increased costs in utilities, gas prices, supplies, camera system maintenance, and sprinkler system maintenance in 2020.

Director Wiza proposed that the City purchase 1300 tons of salt in 2020 instead of 1200 tons (the previous purchased amount). The City has been going over 1200 tons and has then had to purchase additional salt at a higher price. The cost of salt is going up 6% in 2020, so Director Wiza expected a 14% increase to the salt budget if the Council approves the additional 100 tons.

Superintendent Bublitz reviewed the following capital items that are needed in 2020:

- Dump truck with plow/salter ($225,000); note: this purchase was pushed back from 2019
- Pickup truck with plow and liftgate ($65,000)
- Truck 70, a small utility truck ($65,000)

Superintendent Bublitz highlighted a cost savings measure that he took in 2019. Public Works was in need of a new truck in 2020 and learned that Wastewater was trying to get rid of one. Public Works gave the Department's old truck to Wastewater to sell in exchange for Wastewater's truck, saving the City $30,000.

Senior Center

Director Suppiger did not anticipate any significant cost increases in 2020 for the Senior Center. The kitchen will need a deep clean and possibly countertop replacement. She stated that she is working to see if a light-up panel can be added to the elevator so that citizens know the elevator is working, as it is very slow. Citizens have become impatient with the elevator and taken the stairs, even when they may not necessarily be physically able to climb the stairs.

Director Suppiger noted that the window air conditioning units will likely need to be replaced in coming years.

Treasurer

Administrator/Treasurer Mertes expects a $1,000 increase in audit fees, which she already made the Council aware of when renewing the Baker Tilly contract.

Administrator/Treasurer Mertes suggested that the City purchase new accounting software. The current software is twenty (20) to twenty-five (25) years old and does not meet staff or auditor's needs. The cost for new software is $67,000 up front and then $6,800 annually.

Administrator/Treasurer Mertes stated that she would like to hire a full-time IT person who could manage IT needs, the website, printer and phones, and social media. In 2020, the phone systems will require a $6,000 upgrade. Administrator/Treasurer Mertes noted that she anticipates the file server being replaced in 2021, which will cost $15,000.

PRIORITIES FOR 2020

Discussions took place among Council Members to identify their priorities for the 2020 Budget.

Streets were identified as the first priority. Discussion resumed between Council Members and Director Wiza regarding the projected timeline for Evergreen Boulevard, as well as the need to repair the south end of Washington Avenue. Director Wiza recommended finishing the Willowbrooke subdivision and completing work on Park Circle in 2020. He explained that Park Circle has had water main breaks and the work has already been coordinated with Light & Water and Wastewater. Director Wiza suggested that he move the Evergreen Boulevard project up to 2021 (from 2022) and hold Highland Drive until 2022. He estimated that the Evergreen Boulevard project will cost close to $1 million.

Council Members Bublitz and Thome stated that employee compensation packages needed to be a priority. Council Member Thome stated that creating changes to employee compensation and benefits would take time and likely not be implemented until the 2021 budget. Assistant Administrator/Director Hilvo pointed out that the pay inequities identified in his study would ideally be addressed either in full or in part in 2020.

Council Member Chivinski identified the Fire Department as a major budget priority. He referenced the Citizen Survey and stated how important the Fire Department is to the community.

Council Members discussed the pool liner and whether it should be a priority. Council Member Chivinski questioned whether it should be a priority when not everyone in the community uses it. Council Member Burkart cautioned that if the pool were to close for a season, Council Members would quickly realize how important it was to citizens. Council Member Thome stressed how much fundraising is already done by outside organizations for Parks & Recreation, and emphasized that the pool is part of the City's infrastructure that should be maintained and funded. Director Hilvo suggested that he do more research to see if there are any cheaper options rather than liner replacement.

COMMENTS & ANNOUNCEMENTS BY COUNCIL MEMBERS

Council Member Thome thanked City staff for preparing for the meeting.

Council Member Verhaalen announced that Dorothy Marks, a previous City Clerk, had passed away at the age of 96.

MAYOR'S REPORT

Mayor O'Keefe thanked City staff for preparing for the meeting.

ADJOURNMENT

Motion made by Council Member Arnett, seconded by Council Member Bublitz, to adjourn the meeting at 10:44 p.m. Motion carried without a negative vote, with Council Member Galbraith excused.

Claire Woodall-Vogg
City Clerk