

In attendance:

Mayor Steve Bierce, Aldermen B. Bergman, C. Brown, B. Dziwulski, R. Grosch, J. Kara, and J. Wamser.

Also in Attendance:

Attorney V. Anderson, Administrator S. Klein, DPW Director J. Weigel, Utility Manager J. Mueller, Community Development Director K. Woldanski, and Clerk/Treasurer K. Tarczewski.

1. Call to Order and Pledge of Allegiance – Mayor Bierce called the meeting to order at 7:00 p.m.
2. Public Comment - None.
3. Consent Agenda
 - 3.1. Approve the Common Council Meeting Minutes Dated June 4, 2018
 - 3.2. Approve Accounts Payable Listings
 - 3.3. Approval of Bartender Licenses
 - 3.4. Approval of **Resolution 18-06-15** recognizing the 2017 Compliance Maintenance Annual Report (CMAR) for the City Sanitary Sewer System.

Ms. Brown asked that Item 3.2 be removed for discussion.

A motion was made and seconded, (B. Bergman, C. Brown) to approve the remaining items on the consent agenda. Motion Passed: 6-For, 0-Against.

3.2 Approve Accounts Payable Listing

Ms. Brown questioned the \$5,500 expenditure for a motor and asked why it wasn't being split between the three communities. Ms. Tarczewski stated the motor was purchased for Badges and Buddies, not the Pewaukee Lake Patrol. She stated during Lieutenant Ripplinger's last quarterly update he mentioned that their pontoon boat was falling apart and Skipper Buds was willing to donate another one to them with the contingency they purchase the motor.

A motion was made and seconded, (C. Brown, B. Dziwulski) to approve the accounts payable listing. Motion Passed: 6-For, 0-Against.

4. Review of Draft 2017 Audit Report by Rotroff Jeanson & Company

Mike Rotroff was present for this item. He said the City continues to perform financially very well.

Mr. Rotroff reported the City's general fund transferred \$2 million, making commitments to the road project fund and capital equipment fund in the amount of \$1 million each. He said this was intentional negative spending to utilize some of the growing fund balance. He said once again the general fund grew because the revenues were higher and the expenditures lower than anticipated and the City is sitting on \$4.8 million or 37% of a year's worth of revenues.

Mr. Rotroff warned the Council that the impact fees need to be spent within a 7-year time frame and if the time limit is not extended, it will need to be returned. He directed the Council to Page 63 for

additional information. Mr. Rotroff also told the Common Council that there is \$4.79 million in the equipment replacement fund, even after significant purchases.

Mr. Rotroff discussed the debt repayment schedule and referenced Page 41. He said these payments justify a portion of the tax levy. He stated in 2021 the payments significantly fall off, therefore the tax levy may also drop. He said it is important to keep the tax levy fairly constant without large swings.

Mr. Kara asked Mr. Rotroff to address the three material weaknesses they found while performing the audit. Mr. Rotroff stated they were the same concerns of the past and are basically due to staffing size and it is impossible to segregate duties.

Mr. Rotroff noted one material journal entry in the amount of \$1 million was made for road infrastructure that was donated by a developer. He said staff should have brought this up and most likely would have if the City's Auditor read the meeting minutes.

5. Update Regarding the Waukesha/Pewaukee Convention and Visitors Bureau

Tammy Tritz was present for this item. She supplied a copy of a report that shows the economic impact of tourism in our community. She said in 2017 \$161.2 million was spent by travelers coming to Waukesha and Pewaukee. Ms. Tritz said the number goes up to \$302.2 million when additional services and products that are purchased by the tourism organizations to support the visitors' travel. She also mentioned that 3,675 full-time equivalent jobs are supported by the tourism industry in our area. Ms. Tritz also reported every households in the Waukesha/Pewaukee area saved \$563 based on the taxes collected statewide and locally from travelers.

6. Discussion and Possible Action to Approve the Temporary Beer License for the Kiwanis to Hold a Beer Garden at Nettesheim Park Located at N26 W27495 Prospect Avenue (PWC 0936-988) on July 14, 15 and 16

Ms. Tarczewski stated she saw no concerns to issue a temporary beer permit to the Kiwanis. Ms. Brown asked if a Special Event Permit was filed. Ms. Tarczewski stated no since the event was being held in one of the City's parks. Mr. Dziwulski asked if this license would be competing against Winnebeergo. Ms. Woldanski stated the Kiwanis is partnering with Winnebeergo and is part of the pop-up beer garden series. Mr. Kara asked if it was a fundraiser and Ms. Woldanski stated the Kiwanis will also serve food to raise funds for themselves. She added the Park & Recreation Department will also benefit from the sales. Ms. Tarczewski stated it should be understood that the temporary beer license will only be issued to the Kiwanis, and they will be the responsible party. She said Winnebeergo does not meet the requirements to hold a license at this time. Ms. Brown asked how this was going to work. Ms. Tarczewski stated typically beer gardens are held by the wholesaler verses having an entity host the event. Mr. Kara asked about the event in the Village last fall. Ms. Woldanski stated the Village issued them a license. It was noted it was very popular.

A motion was made and seconded, (B. Dziwulski, R. Grosch) to approve the temporary beer license for the Kiwanis. Ms. Brown asked if the event would close down when the park closed. Ms. Woldanski stated no, it would close earlier; Friday at 9:00 p.m., Saturday at 7:00 p.m. and Sunday at 6:00 p.m. Motion Passed: 6-For, 0-Against.

7. Discussion and Possible Action to Approve the Revised Application for an Outdoor Entertainment Permit for Smokey's

Ms. Tarczewski stated Smokey's came in and revised the area where they will serve or allow consumption of beer. She said the area outside will be limited to the patio only. Mr. Kara noted the next agenda item lists Smokey's as requesting a Class A license which would be for consumption off site. Ms. Tarczewski stated she believes they received a Class B in the past, but did not have the file in front of her to verify. Ms. Brown noted there was no map attached. Mr. Klein stated he would work with Mrs. Laimon to get the area mapped out. He suggested the area be identified as the west side of the building to three feet beyond the east side of the building, and from the building to the stone retaining wall. Council questioned the times listed on the application. Ms. Brown stated the earliest is 7:00 a.m. to sell. Mr. Kara asked about the screening policy. Ms. Tarczewski stated it has been past practice to screen the area somehow, but it was not an ordinance. Mr. Klein stated it is what the proprietors do to protect themselves and there haven't been any complaints about it. Attorney Anderson voiced his concern about making it a contingency for their license. He said it should be the proprietor's responsibility to oversee what takes place on their property.

A motion was made and seconded, (C. Brown, B. Dziwulski) to approve Smokey's outdoor entertainment permit contingent upon the owner working with staff to get the exact dimensions of the area where beer can be consumed, revising the morning hours to 7:00 a.m. and restricting any music outdoors. Motion Passed: 6-For, 0-No.

8. Public Hearing Related to the 2018 - 2019 Liquor Licenses and Possible Action to Issue

Ms. Tarczewski referenced the spreadsheet included in the Council's packet listing the various licenses and contingencies that are needed. She stated there were a few changes that were necessary; Smokey's Bait Shop was being changed to a "Class B Beer License" and the required action for the Aqua Beauty Lounge LLC was being changed to "deny". She said they failed to meet the conditions when they did their build out and it is illegal according to State Statutes 125. Mr. Klein stated beauty salons are not exempt from the requirements so they could not serve alcohol within the salon itself and that was sent to them in an email back in May of 2017. They needed a separate entrance and no connection between the bar and beauty salon area. He said it is one area.

Attorney Anderson questioned the spreadsheet which listed the Aqua Beauty Lounge license as a renewal. He said he was under the impression that it was an original license. Ms. Tarczewski stated that he was correct, it was considered a new license because they changed their organization's name. Attorney Anderson stated it then it falls under a different section of Chapter 125.

Ms. Brown asked when this would take effect. Ms. Tarczewski stated the licensing period starts as of July 1st. She said they were just issued their occupancy permit approximately a week or two ago. Attorney Anderson stated if they were doing what Mr. Klein described, they are in violation of the law. He said if a license has been issued illegally under the law, it is void. He stated the City needs to issue a letter denying the license. It was determined that the Attorney would prepare it.

Mayor Bierce opened the public hearing. No one indicated an interest to speak so the public hearing was closed.

A motion was made and seconded, (C. Brown, J. Wamser) to deny the liquor license for Aqua Beauty Lounge, change Smokey's License to a Class B Beer, and approve all other licenses with all other requested contingencies. Motion Passed: 6-For, 0-Against.

9. Discussion and Possible Action Regarding the Contract for Planning Services by Wrayburn

Consulting, LLC

Mr. Klein stated we have brought in Nick Fuchs as a consultant. He is currently the Planner for the City of Franklin and runs Wrayburn Consulting. He said this is a budgeted item. He said his responsibilities may be expanded next year.

Mr. Bergman stated Mr. Fuchs does very good summary reports for the Plan Commission that are thorough and well prepared. Mr. Grosch asked what type of hours he would have. Mr. Klein stated they were still trying to work out those arrangements.

No action was taken as this was an update only.

10. Discussion and Possible Action to Approve the Installation of LED Invue Style Lights in the Parking Lot at City Hall in the Amount of \$20,905.06 and Determine Funding

Mr. Klein stated the “house electrician” has tried to maintain the lighting in the parking lots but the fixtures are from 1996 and they are no longer made, parts are not available and they are not energy efficient. This is the middle of the pack. He said this project is necessary and asked for the Council’s approval.

A motion was made and seconded, (J. Wamser, R. Grosch) to approve the installation of LED lighting in the City Hall parking lot in the amount of \$20,905.06 from unassigned funds.

Motion Passed: 6-For, 0-Against.

11. Discussion and Action to Approve the Water Reserve Capacity Study (RCA) June 1, 2018 Proposal of Ruekert & Mielke with an Initial Cost of \$15,000

Mr. Weigel stated the water reserve capacity study needs to be finished. He said in 2015 one was prepared and it was thought to have been approved but there were additional questions that staff could not answer and our consultants were too busy with other major City projects that took precedent. He said the Public Service Commission (PSC) will not look at any rate change cases unless this is completed and they said it should be a priority for the utility.

A motion was made and seconded, (R. Grosch, J. Wamser) to approve the water reserve capacity study by Ruekert & Mielke in the amount of \$15,000.

Motion Passed: 6-For, 0-Against.

12. Discussion and Action to Approve the June 1, 2018 Proposal from Ruekert & Mielke to Evaluate the Sewer Utility Rate, the Storm Water Utility Rate, and Develop a Plan for the Repayment of Sewer Utility Funds.

Mr. Weigel stated he asked Ruekert & Mielke for a proposal to evaluate the rates because the RCA study somewhat parallels itself with the water system. He said most of the utility’s projects tend to be expensive and we need to ensure funds are repaid to the utility. Mr. Weigel stated the City needs experts to look at the three various utility rate structures. He stated he was asked to justify the new rates of City of Waukesha utility users and found their rate studies on line and realized there was a lot of financial calculations involved. He said this was not a budgeted item and funds would need to be reprogrammed from the water utility, sewer utility and the storm water utility in the amount of \$17,732.

A motion was made and seconded, (B. Bergman, B. Dziwulski) to approve the June 1, 2018 proposal in the amount of \$17,732 to evaluate the sewer and storm water utility rates and develop a plan for the repayment of sewer utility funds using reprogrammed funds.

Mr. Kara voiced his apprehension over doing these studies piecemeal, and suggested there may be a more efficient way to do the studies that would fit together in a more proper framework. Mr. Weigel acknowledge his concerns. He said the City is driven by new development which becomes part of the overall comprehensive facility plan. Ms. Mueller stated Ruekert & Mielke has the base knowledge regarding the City's developments and can that can be used to our advantage. No learning curve would be needed as with an outside firm.

After additional discussion, Mr. Bergman called the question. The Motion Passed: 6-For, 0-Against.

13. Discussion and Possible Action to Send a Letter to the Rocky Point Road Property Owners Concerning a Possible Stone or Asphalt Shoulder Improvement Project

Mr. Weigel stated he has discussed the condition of the soft shoulders on Rocky Point Road with Mr. Kara for the last couple of years. He said Rocky Point Road was paved in 1998 and basically the road elevation raised 5" which left the road edge high. He said peaty topsoil and seed was put in which was not good for parking. Mr. Weigel stated the amount of traffic and parking on Rocky Point Road were under estimated and the sides never solidified. He said three foot wide test sections were installed consisting of asphalt millings and they appear to be holding up. He said he'd like authorization to send out letters to residents asking if they would like to have their shoulders replaced in front of their homes. Mr. Kara stated he did not think the residents should be charged for this because it is the City's error. He said the lakeside or west side of the road where the mailboxes are don't have the issue. He said it may not be necessary to do the entire road. It was his believe that the vast majority will not want it done. **A motion was made and seconded, (J. Kara, C. Brown) to authorize the Engineering Department to send out letters to Rocky Point property owners to determine their interest in having shoulders installed, furthermore, directing the DPW Director to remove the language regarding assessment charges.** Motion Passed: 6-For, 0-Against.

14. Discussion and Possible Action to Authorize the City Staff to Send a Letter to the Oak Street and Peninsula Drive Property Owners Inquiring, or Informing on the Intent to Install Municipal Water as Part of the Proposed Road Reconstruction Project

Mr. Weigel stated this letter was approved back in 2017 but it was never sent out due to anticipated drastic changes to the water assessment payment policy. He advised Council that it wasn't prudent to move ahead with water projects until it was determined when reimbursements would be expected. To date the policy hasn't changed. Mr. Weigel stated the roads are deteriorating and the water main design should also be considered at this time. He said in the past when water was installed, the residents could hook up to it as they desired, but that was found to be very costly for the City since we were not getting reimbursed properly for the improvements. He said this is not a policy the City should follow any longer. The assessments must be paid off in a designated time frame. He said it is mandatory to hook up to the sanitary sewer within 15 years. The assessment payments start after five years of the utility being available or once the property hooks up to it, whichever comes first, and he suggested the same for water.

Mr. Weigel stated there are 600 homes in the southern lake region that are on private wells. He said the Oak Street and Peninsula Drive areas are densely populated and could benefit from the water extension. He asked if he should be querying the residents of their interest prior to the design process.

There was extensive discussion for and against establishing a change in policy. Mr. Weigel warned the Council if they continue to allow the property owners to decide whether or not the project is going to move forward there will be a great deal of wasted money on outside engineering fees that were used to design the project and having it shelved.

A motion was made and seconded, (B. Dziwulski, J. Wamser) to direct the DPW Director to formulate a policy that can potentially be made into an ordinance to make it mandatory to connect to water if it is available within 15 years and start paying for the improvements after five years. Motion Passed: 6-For, 0-Against.

15. Discussion and Possible Action to Make Appointments to Various Boards, Committees and Commissions

Mayor Bierce stated he was not prepared to make any appointments this evening. Mr. Kara asked if there were any issues with the expired terms of some of the members. Attorney Anderson stated they are appointed until they are replaced.

16. Public Comment – None.

17. Closed Session – You are hereby notified that the Common Council and staff of the City of Pewaukee will convene into closed session after all regular scheduled business has been concluded and upon motion duly made and seconded and acted upon by roll-call vote as required under §19.85(1)(a), Stats. The purpose of the closed session is for the following:

- 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 as authorized under Section 19.85(1)(g), Stats., specifically with regard to the City's Sports Complex contract #114005 and the City's Commerce Circle Manhole Repair contract #26-10002.200, both contracts with BCF Construction Corp.

You are further notified that at the conclusion of the Closed Session, the Common Council may convene into open session pursuant to 19.85(2), Stats., for possible additional discussion and action concerning any matters discussed in closed session and for adjournment.

A motion was made and seconded, (J. Kara, B. Dziwulski) to go into closed session at 9:59 p.m. Motion Passed on Roll Call Vote: 6-For, 0-Against.

18. Adjournment

A motion was made and seconded, (B. Dziwulski, R. Grosch) to adjourn the meeting from closed session, at 10:12 p.m. Motion Passed: 6-For, 0-Against.

Respectfully Submitted,

Kelly Tarczewski
Clerk/Treasurer