

**CITY OF DELAFIELD COMMON COUNCIL MINUTES**

CALL MEETING TO ORDER

Mayor Craig called the meeting to order at 7:30 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ROLL CALL

Present

Mayor Paul Craig  
Jeff Krickhahn, Ald.  
Phil Schuman, Ald.  
Erv Sadowski, Ald.  
Mike Roberts, Ald.  
Marily Gardner, Ald.  
Linda Kuklinski, Ald.  
Don Swain, Ald.  
Matt Carlson, Administrator  
Marilyn Czubkowski, Clerk

Also Present

Department Heads

CITIZENS COMMENTS

There were no objections to have Citizen's Comments at this time.

Juanita Bird, Representing the Library Board - Introduced Mary Schuman, President of the Friends of the Library. Asked to authorize debt to allow for flexibility regarding the City's new library project. She did not suggest a specific dollar amount.

Tom Kelley, 2218 West Shore Drive - Hoped that the Board would be very conservative in allowing any type of borrowing. Referred to the home built on wetland in West Bend and compared it to building the library on wetland. Felt the spending should be cut, that the City should stop spending money that it does not have, and to stop taxing the residents. He complimented the Council, but asked that they be conservative on budget items.

Jim Zahorik, 1948 West Shore Drive - Spoke regarding Resolution 2003-04. Referred to the bond notice publicized in the Lake Country Report that didn't have a dollar amount and the agenda item tonight that didn't have a principal amount. He stated that the tax base has increased dramatically each year in the City of Delafield. If the tax base increases and the mill rate stays the same, the City is spending more money each year. This year the mill rate increased. Asked if there would be publication as

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the resolution says and direct the advertisement and sale of such general obligation bonds. Referred to the ruling of Badke vs. the Greendale Village Board at footer on the bottom of the agenda. He asked if action would be taken on the Resolution this evening.

Mayor Craig stated that it is the City's intent to not issue any bonds at this meeting. He stated that the intent is that the City has been backed into a corner by a State Legislature that is circumventing democratic process at early morning hours, passing a bill that has backed us into a situation that is not comfortable for him to be put in. We are basically going to be discussing a dollar amount that will be authorized tonight. Any issuance of bonds would have to come back to this body before that is to be done. He would have to have it put into the wordage. As far as any issuance, putting us on the hook for any actual dollar amount, actual going out and borrowing the money, will have to come back through this body again.

J. Zahorik discussed borrowing money for the eventuality of the library without knowing that the private money is there. He asked what makes this special meeting necessary tonight.

Mayor Craig asked three times if there were any more citizens' comments. There were none.

**M. GARDNER MOTIONED TO CLOSE CITIZEN'S COMMENTS. P. SCHUMAN SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.**

1. RESOLUTION 2003-04 - RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION PROMISSORY NOTES OF THE CITY OF DELAFIELD, WAUKESHA COUNTY, WISCONSIN IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$\_\_\_\_, AND DIRECTING THE ADVERTISEMENT AND SALE OF SUCH GENERAL OBLIGATION PROMISSORY NOTES OF THE CITY OF DELAFIELD, WAUKESHA COUNTY, WISCONSIN.

Mayor Craig stated that this is not the ideal way to do this; this is not the way the democratic government operates. This is a situation that the City has been put into by the State Legislature. Discussions have taken place with the aides for Representative Kedzie, Dan Vrakas, and it was there advice to do this process. P. Schuman stated that this concept is basically just setting up a line of credit to be drawn on at a point when it is needed and if it is necessary. Mayor Craig stated that this is being set up for if in the future this freeze was to go in, that this dollar amount would not be in that freeze. It is protection for the City for the future. He stated that the City is trying to be as conservative as it can. E. Sadowski discussed certain basic necessities that the City may need to protect. L. Kuklinski stated that people know that this meeting was an item

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on last week's agenda and the Commissioners felt it was important enough to warrant a special discussion. There was not a short notice on this item.

M. Carlson spoke in regards to J. Zahorik's comments about why the City is considering this now. The historical nature of the State of Wisconsin and the role that the State is attempting to play in the governments of local affairs is changing. The State Legislature has adopted legislation (pending the Governor's signature) that limits the ability of the City to implement the five-year capital improvement program and to purchase capital items that were listed in the budget this year. It would put a cap on the levy dollar amount that the community can raise. Exceptions to the legislation were discussed – one was debt that was authorized prior to July 1, 2003 (the effective date of the State budget). The adoption of this Resolution does not extend the City's debt lines; it merely authorizes the City and provides the City Council with flexibility. Different outcomes of the governor's actions and the results were reviewed. The reason for the blank dollar amount was because M. Carlson didn't want to pre-judge the Commissioners' thinking on this issue. The basic fundamental question for the Commissioners was if they wanted to provide themselves with this layer of flexibility and what time period. It was his recommendation to authorize some level of debt to insulate the City in order to accomplish things that are necessary over the next few years.

M. Czubkowski reviewed what other communities have authorized, how much, and their population.

P. Schuman stated that this is something he thought the City needed to do. He discussed the Lake Welfare Committee's dredging project and distributed papers for the Commissioner's review. He felt that the Dredging Project needed to be adopted into the capital program, however other Commissioners felt that big-ticket items such as this should go to referendum (anything over \$1 million in any one year). Discussion took place on how this would be handled if it were done with a special assessment. P. Schuman stated that he is looking into, but does not have any information yet, on other funding available for this project. It was stated that this meeting was not meant to discuss individual projects.

It was the consensus of the Commissioners to deal with the budget list as a whole. L. Kuklinski stated that she would like to determine how many years the City would need and then average in an amount for those years based on historical values. She stated that the City needs to bond every year because it does not have a capital fund – bonding is the City's only means for funding its capital items. Mayor Craig stated that it should be noted that the items that had been included many years ago are different than this particular group in the past year has done in the aspect that many of the short lived items that may have been bonded many years ago are no longer being considered in this

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bonding process. The City is dealing with large ticket items. The City is trying to start the process of saving up.

The length of time and the amount needed was discussed. The legislation is for three years. M. Carlson stated that if the City met its goal as it is spelled out in the financial policies for the general fund balance of 25%, he would feel more comfortable with a smaller dollar amount, but because the City is short of that, he would rather go towards the higher amount (\$6 million).

M. Carlson stated that the total amount of debt that the City has issued from 1994 - 12/2003 is \$14,717,469 - that averages out to \$1,635,274 per year. A review of the amounts for each year took place. The last couple of years have influenced the average, as the amounts were much higher than the overall average.

It was clarified that the freeze on bonding would be for the City to do without referendum, but the City would have the ability to bond additional dollars if it were taken to referendum.

M. Carlson clarified that this action would be an authorization to issue the note; it is not physically issuing the note. M. Gardner stated that this resolution would not put the City in a position of having to use or bond for it. This action would safeguard the City. M. Carlson expressed his fear of not being able to raise money if a specific need arises, i.e. lawsuit.

Mayor Craig stated that if the City did not have to use this money, it wouldn't.

**M. GARDNER MOTIONED TO AUTHORIZE RESOLUTION 2003-04 - RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION PROMISSORY NOTES OF THE CITY OF DELAFIELD, WAUKESHA COUNTY, WISCONSIN IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10 MILLION, AND DIRECTING THE ADVERTISEMENT AND SALE OF GENERAL OBLIGATION PROMISSORY NOTES OF THE CITY OF DELAFIELD, WAUKESHA COUNTY, WISCONSIN FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND IMPROVING STREETS AND ALLEYS (INCLUDING WITHOUT LIMITATION, SIGNAGE, LIGHTING, CURBS AND GUTTERS), BRIDGES, DAMS, SANITARY SEWERS, STORM SEWERS, WATER MAINS AND WATERWORKS, PARK FACILITIES AND PUBLIC GROUNDS, LIBRARIES AND LIBRARY EQUIPMENT, HARBOR FACILITIES, TAX INCREMENT PROJECTS AND PUBLIC BUILDINGS AND EQUIPMENT IN THE CITY AND OTHER PUBLIC PURPOSE IMPROVEMENTS AUTHORIZED BY THE CITY COUNCIL. P. SCHUMAN SECONDED THE MOTION. M. GARDNER STATED THAT THE \$10 MILLION IS AN ARBITRARY CUSHION FIGURE THAT MAY NEVER BE USED. GENERAL DISCUSSION TOOK PLACE ON THE AMOUNT. M. CARLSON SUGGESTED ADDING "FOR**

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**OTHER PUBLIC PURPOSES AS DETERMINED BY THE COMMON COUNCIL.” DISCUSSION TOOK PLACE ON THE LANGUAGE OF “DIRECTING THE ADVERTISEMENT AND SALE OF SUCH NOTES”. M. CARLSON STATED THIS WAS BOILERPLATE LANGUAGE FROM THE CITY’S BOND COUNSEL AND IT CAN’T BE CHANGED. IT WAS STATED THAT IT DOESN’T SAY WHEN THE CITY IS GOING TO ADVERTISE. DISCUSSION TOOK PLACE ON HOW THE VERBIAGE IN THIS RESOLUTION INCORRECTLY LOOKS AS IF IT IS A DONE DEAL AND BONDING WILL TAKE PLACE. MAYOR CRAIG STATED THAT THIS IS A SITUATION THAT THE LEGISLATURE HAS PUT THE CITY INTO AND THE PUBLIC MUST REALIZE AND THE COUNCIL MEMBERS REALIZE THAT THIS WILL NOT ACTUALLY COME TRUE WITHOUT IT COMING BACK TO THE COMMON COUNCIL BEFORE IT GOES OUT. HE STATED THAT NO PROJECT DISCUSSED AT THIS MEETING HAD BEEN APPROVED OR DISAPPROVED. M. GARDNER STATED THAT THIS BODY WOULD NOT HAVE A SURPRISE MEETING. WHEN CONCRETE MONETARY EXPENDITURES ARE TO BE DETERMINED, THERE WILL BE AMPLE NOTIFICATION AND AMPLE TIME FOR THE CONSTITUENTS TO RESEARCH THE ITEMS. DISCUSSION TOOK PLACE ABOUT MAKING A MOTION AND THE IMPLICATIONS OF SUCH, REGARDING THE RESOLUTION STATING THE INTENT. IT WAS STATED THAT IT IS NOT THE INTENT TO SPEND UNNECESSARY MONEY. M. CARLSON STATED IT WAS VERY HARD TO PREDICT WHAT COULD POSSIBLY HAPPEN IN THE NEXT THREE TO FIVE YEARS. A ROLL CALL VOTE WAS TAKEN: J. KRICKHAHN, NAY; P. SCHUMAN, AYE; E. SADOWSKI, NAY; M. ROBERTS, NAY; M. GARDNER, AYE; L. KUKLINSKI, NAY; D. SWAIN, NAY. MOTION FAILED.**

**J. KRICKHAHN MOTIONED TO AUTHORIZE RESOLUTION 2003-04 – RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION PROMISSORY NOTES OF THE CITY OF DELAFIELD, WAUKESHA COUNTY, WISCONSIN IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8.5 MILLION, AND DIRECTING THE ADVERTISEMENT AND SALE OF GENERAL OBLIGATION PROMISSORY NOTES OF THE CITY OF DELAFIELD, WAUKESHA COUNTY, WISCONSIN WHEREAS CITIES ARE AUTHROIZED BY THE PROVISIONS OF SECTION 67.12(12) OF THE *WISCONSIN STATUTES*, AS SUPPLMENTED AND AMENDED, TO BORROW MONEY AND ISSUE PROMISSORY NOTES TO FINANCE ANY PROJECT UNDERTAKEN FOR A PUBLIC POSE AND TO REFUND MUNICIPAL OBLIGATIONS, INCLUDING INTEREST THEREON; AND WHEREAS IT IS NECESSARY THAT FUNDS BE RAISED BY THE CITY OF DELAFIELD, WAUKESHA COUNTY, WISCONSIN (THE “*CITY*”) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8.5 MILLION FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND IMPROVING STREETS AND ALLEYS (INCLUDING WITHOUT LIMITATION, SIGNAGE, LIGHTING, CURBS AND GUTTERS), BRIDGES, DAMS, SANITARY SEWERS, STORM SEWERS,**

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**WATER MAINS AND WATERWORKS, PARK FACILITIES AND PUBLIC GROUNDS, LIBRARIES AND LIBRARY EQUIPMENT, HARBOR FACILITIES, TAX INCREMENT PROJECTS AND PUBLIC BUILDINGS AND EQUIPMENT IN THE CITY AND OTHER PUBLIC PURPOSE IMPROVEMENTS AUTHORIZED BY THE CITY COUNCIL. M. GARDNER SECONDED THE MOTION. THERE WAS NO DISCUSSION. A ROLL CALL VOTE WAS TAKEN: J. KRICKHAHN, AYE; P. SCHUMAN, AYE; E. SADOWSKI, AYE; M. ROBERTS, AYE; M. GARDNER, AYE; L. KUKLINSKI, AYE; D. SWAIN. MOTION CARRIED.**

2. APPROVE LEASE MODIFICATION NUMBER TWO TO LEASE AGREEMENT BETWEEN THE CITY OF DELAFIELD AND U.S. CELLULAR.

M. Carlson stated that this is the second lease modification. The original lease called for six spaces. A lease amendment was negotiated and the Company agreed to the terms outlined. The original total value of the lease over the 20 year period was \$299,252.50. The value based on the second modification was \$525,905.75 for a difference of \$226,653.25 over the life of the lease. He recommended approval.

**E. SADOWSKI MOVED TO APPROVE. M. ROBERTS SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. ALL WERE IN FAVOR. MOTION CARRIED.**

3. CONSIDERATION OF LETTER TO SEND TO GOVERNOR DOYLE FROM MAYOR CRAIG

A draft of the letter was distributed to the Commissioners for their consideration regarding the City's position with respect to the tax cap and the levy holds. Discussion took place about sending a representative.

**E. SADOWSKI MOTIONED TO APPROVE THE LETTER. M. ROBERTS SECONDED THE MOTION. DISCUSSION TOOK PLACE. MAYOR CRAIG SUGGESTED AMENDING THE LETTER IN THE SECOND TO LAST PARAGRAPH WHERE IT SAYS "WE HAVE HEARD COMMENTS ABOUT HOW THE COMMUNITY COULD EFFECTIVELY DEAL WITH THE TAX CAPS." [BRAND NEW SENTENCE, AND THEN THERE IS A LISTING]. MAYOR CRAIG STATED THAT THE SECOND SENTENCE IS NOT A SENTENCE. SUGGESTED SAYING "EXAMPLES OF THIS ARE, CONSOLIDATE WITH GOVERNMENT TO PROVIDE JOINT SERVICES, ETC...." IT WAS SUGGESTED TO COPY J. BEHREND, THE COUNTY REPRESENTATIVES, AND THE STATE REPRESENTATIVES ON THE LETTER. L. KUKLINSKI THOUGHT THAT THE BEGINNING OF THE LETTER CAPTURED EVERYTHING AND IT WAS EXCELLENT. ON THE FIRST PARAGRAPH OF THE SECOND PAGE, SHE SUGGESTED REVISING IT TO IMPROVE THE TONE. SHE SUGGESTED STARTING THE PARAGRAPH WITH "THE STATE**

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**IS NOT IN FINANCIAL DIFFICULTY BECAUSE OF LOCAL GOVERNMENTS. A STATE IMPOSED PROPERTY TAX LEVY ...” TAKE OUT “WE DIDN’T CREATE THE PROBLEM.” SHE SUGGESTED TAKING OUT THE FINGER POINTING AND TO DELETE THE FIRST THREE LINES.**

**E. SADOWSKI MOTIONED TO APPROVE THE LETTER WITH THE ABOVE AMENDMENTS. M. ROBERTS SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED.**

4. **ADJOURNMENT**

**E. SADOWSKI MOVED TO ADJOURN FROM THE MEETING. M. ROBERTS SECONDED THE MOTION. THERE WAS NO FURTHER DISCUSSION. ALL WERE IN FAVOR. MOTION CARRIED. THE MEETING ADJOURNED AT 8:55 P.M.**

Respectfully submitted:

Minutes Prepared By:

Marilyn Czubkowski, CMC  
City Clerk/Treasurer

Accurate Business Communications LLC