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OFFICIAL MINUTES OF  
CITY OF KEWAUNEE SPECIAL COMMON COUNCIL MEETING,  
BUDGET HEARING

Kewaunee Municipal Building, 401 Fifth Street (Virtual)

TUESDAY DECEMBER 1, 2020 - 6:00 P.M.  
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Present: Mayor Jelinek, Alderpersons Dworak, Brewster, Schiller, Vollenweider, Stangel, Mills and Zimmerman,

Excused: Alderperson Kuehl

Others: Administrator Schnook, Clerk/Treasurer Decur, EDPGF Monrroy, Public Works Director Strelow, Building Inspector Davister, Police Chief Kleiman, Marina Manager Kinjerski and Librarian Petrina.

Mayor Jelinek called the Meeting to order at 6:00 pm.

**APPROVE COUNCIL MINUTES OF THE NOVEMBER 11, 2020, 2021 BUDGET WORKSHOP**

*Alderson Dworak moved, seconded by Alderson Schiller to approve the November 11, 2020, Budget Workshop Minutes as presented. Motion carried unanimously.*

**NEW BUSINESS**

**Review Highlights of Draft 2021 Budget**

Mayor Jelinek asked if there was anything Council wanted to bring up for discussion.

**Wages**

Alderson Stangel stated that he has no problem with the second half of the wage bump recognized in the 2018 wage study to make the positions more competitive. Alderson Stangel also stated that he feels that due to the current state of the economy, the 3% should be adjusted to a 1.65% increase instead to stay consistent with the County.

Mayor Jelinek stated that when deciding the percentage of increase the Council should take into consideration the amount of grant money the staff brought in to the City.

*Alderson Zimmerman moved, seconded by Alderson Stangel, to change the 3% wage increase to a 1.65% increase for Staff.*

Alderson Vollenweider agreed with the 1.65% increase for Staff.

Alderson Schiller prefers the 3% increase for staff and feels balancing the budget with personnel cost is a crude tool and to impact of the people involved.

*Upon a roll call vote, Aldersons Dworak, Brewster, Schiller, Vollenweider, Stangel and Zimmerman – aye, Alderson Mills – nay, motion carried.*

### **K.A.P.S Program**

Alderson Vollenweider inquired if the money for the K.A.P.S. Program was placed into the budget and if so where is it listed. The money has been placed in the budget. It is under expenditures, page 31, Recreation, in line item Contractual Services.

### **Business Park**

Alderson Vollenweider felt that the Business Park line item should be removed from the Revenues and Expenditures. The City could level the area off and put it up for sale as is.

*Alderson Vollenweider moved, seconded by Alderson Zimmerman, to remove the Business Park Fund, line item from the Revenue and Expenditures, 2021 Proposed Budget. Discussion followed:*

Alderson Dworak stated that he understood none of the funds would be expended unless the City received the proposed EDA Grant. It was stated that this is a Grant Approval line item.

Alderson Schiller asked what part of the \$3,000,000 is designated to the planning process of the proposed Business Park project. Administrator Schnook stated that he would have to look at the application to see what was designated but it is roughly 20% planning/80% construction or 30% planning/70% construction. Alderson Schiller stated that he felt at least part, if not all, of the money should stay in both the Revenue and Expenditure Budget for the Business Park. Before anyone can build on the property there needs to be planning, wetland and drainage issues looked at, that will come with a cost.

Discussion was held on the Grant Process. Administrator Schnook stated that the grant application is currently sitting on the desk of the EDA Administrator, who has offered to review the application for us. Administrator Schnook wanted to be clear on whether the Council wants to submit this grant or if Staff should rewrite the application as a planning grant.

Alderson Mills stated that people are having issues with the Business Park project, Brown Duck project, Tug Piling Project, and Salmon Harbor Project, and he feels all of the line items should stay in the budget as a placeholder to show that the City is a progressive entity. The city needs to move forward with these developments to help increase our tax base.

*Vote on the above Motion: Aldersons Vollenweider, Zimmerman and Stangel – aye, Aldersons Dworak, Brewster, Schiller, and Mills – nay. Motion failed.*

### **Salmon Harbor**

Alderson Zimmerman wanted to see the Salmon Harbor line items for Expenditures and Revenues taken out, because of the Grant denial.

*Alderson Zimmerman moved, seconded by Alderson Vollenweider, to remove the Salmon Harbor line items from the Revenue and Expenditures, 2021 Proposed Budget. Aldersons Dworak, Brewster, Schiller, Vollenweider, Stangel and Zimmerman – aye, Alderson Mills – nay, motion carried.*

### **Boat Launch**

Alderson Vollenweider wanted to know if there should be money allocated to the Boat Launch line item, as we know it needs repairs.

Aldersperson Schiller stated that he felt it was premature to put money in the Boat Launch line item. Now that the City has contracted with Cedar Corp and with them bringing in their Marina and Waterfront experts, the City needs to look at viable options and then figure out the costs and then do a budget modification.

Administrator Schnook stated that there were four grants the City received for the Boat Launch Project. There is currently about \$100,000, left in the grant to draw down on. If the water goes down far enough, Staff is hoping that in January or February concrete can be poured.

Aldersperson Vollenweider asked if that is \$100,000 by itself not Marina Money, and whether it is clear money or do we have to match funds? Administrator Schnook stated that is correct, it is grant money not Marina Funds and that there is no match required. The City was able to use the four grants, both Federal and State Grants, as matching money.

Aldersperson Zimmerman stated that we discussed that we need to do something with the Boat Launch next year so the remaining grant funds should be put into the budget.

Aldersperson Schiller supported dedicating that money for figuring out how to fix the problem, and he is not convinced that pouring random concrete in December or January is going to fix the problem for the Boat Launch that was designed 18” below the current water level.

Aldersperson Dworak asked if there was a time frame we need to request the funds by?

Administrator Schnook stated that it was due about a year and a half ago, but we have managed to get extensions which will be up June 30, 2021. The DNR has been lenient on these grants because of the high water. These grants are designated for repairs to the Boat Launch. The City cannot take the money and use it for something other than repairs.

Aldersperson Vollenweider asked if we could budget this money and we wouldn't look at pouring more concrete and use Marina Funds for the engineering to see how to go forward, but pouring more concrete is not going to be the solution.

Clerk/Treasurer Decur stated that the money can only be drawn after the project is completed.

***Aldersperson Schiller moved, seconded by Aldersperson Vollenweider, to place the undrawn amount into the Revenue and Expenditure Boat Launch line item for the 2021 Budget. Discussion followed:***

Aldersperson Mills felt that until the water goes down there is nothing that can be done.

Administrator Schnook stated that the Boat Launch project plan calls for placing cement pads in front of the three ramp. Those cement pads act as the anchors for the piers that need to be used for the Boat Launch. So if you don't pour the cement pads, you cannot attach the piers, then you don't have a Boat Launch. The piers that the City has purchased are held in place on the land side.

***Vote of the above motion: Motion carried unanimously.***

### **Brown Duck Subdivision**

Aldersperson Zimmerman asked to have the Brown Duck Subdivision removed from the 2021 proposed Budget. Aldersperson Zimmerman stated that she would like a developer come in and take it over.

***Aldersperson Zimmerman moved, seconded by Aldersperson Stangel, to remove the Brown Duck Subdivision from the 2021 proposed Budget. Discussion followed:***

Mayor Jelinek stated that this is one of those line items that is a place holder which shows the accomplishments the City would like to see in the next year. It doesn't mean any tax dollars are going to be spent, because Staff would be looking for grant money. Mayor Jelinek asked how you attract developers if you don't have some kind of plan in place for infrastructure.

Aldersperson Stangel feels there is a lot of property in the City limits, which was Agriculture but is no longer being used for Agriculture that would be ripe for development. Aldersperson Stangel also felt that with the connection of Scott Street, that in itself should spark more development. Aldersperson Stangel stated that he has not talked to the property owner to see if he is even interested in selling the property.

Aldersperson Schiller questioned why the placement on the Revenue side is under bank loans. Clerk/Treasurer Decur stated that the amount was placed under bank loans until we have confirmed grants. Aldersperson Schiller felt that by putting this in the budget we are getting ahead of ourselves by not talking with the property owner and not going through the Plan Commission process.

Discussion was held on ways to build our tax base with new development.

***Vote on the above Motion: Alderspersons Zimmerman, Vollenweider, Stangel and Schiller – aye, Alderspersons Mills, Dworak and Brewster – nay, motion carried.***

#### **Attorney Fees**

Aldersperson Zimmerman questioned why the Attorney fees have almost doubled. Aldersperson Zimmerman stated that the Attorney is paid by the hour, she does not believe we will go over \$60,000 for 2020 and she feels \$40,000 would be enough. If we do run into some issues we could do a budget modification.

Aldersperson Stangel stated, that we approve that amount as a retainer. The City only pays the Attorney for the hours he has worked not the \$60,000. If anything is left it would go to the general fund.

Aldersperson Schiller stated that the \$60,000 is not even a retainer. It is a budgeted amount, and the Attorney only collects for services that he has provided. Aldersperson Schiller stated that as of June 30, the Attorney had already billed the City \$24,000, and by the end of the year the amount would be between \$50,000 and \$60,000, this is an estimate based on this year's expenditures.

#### **Review Proposed Property Tax Levy**

Administrator Schnook stated that in 2019 the Tax Levy was \$1,628,820 and the proposed 2020 Tax Levy is \$1,677,630 which is a 2.2% increase.

Aldersperson Schiller asked if the Levy would go down slightly with the salary reduction.

Administrator Schnook stated that would depend on where the Council would like to see those funds inserted. The excess funds could go to reduce the Levy or could be placed in the fund balance repair line item.

Mayor Jelinek explained to the people that called in for the meeting that when he was elected as Aldersperson 4 1/2 years ago the General Fund Balance was negative \$750,000, and Council has been working on getting this deficit corrected. As of the end of 2019 the deficit is at \$135,000.

*Aldersperson Vollenweider moved, seconded by Aldersperson Schiller, to place the 1.35 % reduction in wages, to the Negative Fund Balance. Motion carried unanimously.*

## **BUDGET PUBLIC HEARING**

Mayor Jelinek opened the Public Hearing for the Proposed 2021 Budget.

### **Public Input**

Gordon Krogh of 1305 Kilbourn Street asked if the vote could be announced so the caller know how the individual Alderman voted.

Tom Kleiman, N2674 County AB, Luxemburg, and business owner at 203 Dodge Street was glad to see that Salmon Harbor was taken out of the Budget. Mr. Kleiman also was glad to hear discussion about the Boat Launch and Ramp taking place, and thought Fisherman's Point, if developed right, could be used as an additional Boat Launch which could be used longer than the existing Launch to the West.

Hearing no other comments Mayor Jelinek closed the Public Hearing.

## **ACT ON/APPROVE RESOLUTION NO. 1099-2020, ADOPTING CITY OF KEWAUNEE 2021 BUDGET AND TAX LEVY FOR THE CALENDER YEAR 2020**

*Aldersperson Mills moved, seconded by Aldersperson Dworak, to approve Resolution No. 1099-2020, Adopting City of Kewaunee Budget for 2021 and Tax Levy in the amount \$1,677,630, for year 2020, with changes. Upon a roll call vote, Alderspersons Dworak, Brewster, Schiller, Vollenweider, Stangel, Mills and Zimmerman all aye. Motion carried unanimously.*

*Aldersperson Vollenweider moved, seconded by Aldersperson Brewster, to adjourn the meeting at 7:40 pm. Motion carried unanimously.*

Submitted by Clerk Treasurer Decur