

VILLAGE BOARD OF CLEVELAND, WISCONSIN
MONTHLY MEETING
TUESDAY, JULY 18, 2023
MINUTES

- I. CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL/AGENDA APPROVAL.** Village President Jake Holzwart called the meeting to order and led the Pledge of Allegiance at 6:02pm on Tuesday, July 18, 2023, at the Cleveland Village Hall, 1150 W Washington Ave, Cleveland, Wisconsin. Board Present: Jake Holzwart, Village President; John Ader, Jon Hoffman, Barrett Paasch, Tom Warosh. Board Absent: Danielle LaLonde (excused). Staff Present: Stacy Grunwald, Director of Village Services (arrived 6:20pm); Jake Winker, Engineer, MSA Professional Services. Motion Warosh/Hoffman to approve the agenda as posted; carried without negative vote. President Holzwart assumed responsibility for the minutes in the absence of Director Grunwald.
- II. CITIZEN INPUT AND COMMUNICATIONS**
- A. FEE SCHEDULE: Mike Koenig Construction.** Koenig Construction asked the Board to consider a formula change in the calculation of commercial fees. President Holzwart stated that there were some concerns raised by citizens regarding how complicated the fee schedule was. *Referred to Finance Committee.*
- B. FIREWORKS USAGE: Lakeshore Dr.** President Holzwart stated he would work directly with law enforcement regarding fireworks usage and complaints in the Village.
- C. TRASH CART OPTIONS: Judith Perlman.** Ms. Perlman was concerned with the difficulty managing the carts on Lakeshore Dr., which has a narrow shoulder and ditch system. *Referred to Public Works and Utilities Committee.*
- D. CONSIDERATION OF SPECIAL BENEFIT FOR ASSESSMENT PURPOSES: Orthland Dairy.** Orthland Dairy submitted a request that its parcel on W. Washington Ave. be found to receive no special benefit from the street project, which would mean street project costs could not be assessed against it. *Referred to Public Works and Utilities Committee.*
- Becky Paasch, 1232 Franklin Dr., expressed her concern about the police chief and officers leaving.
- Sandy Brost, 1040 Elm St., expressed concerns about trash in some properties and the lack of street sweeping.
- It was stated there may be drug dealing in the east parking lot at Veterans Park, based on vehicles entering, remaining a few minutes, and leaving the lot at dusk. It was suggested from the audience that children in the park are often picked up at these times and this may be the behavior that was observed.
- III. AMPLIFYING SYSTEM PERMIT.** Motion Warosh/Ader to grant an Amplifying System Permit to Cleveland Fish & Game for Hika Park, July 28 through July 30, 2023, per the terms of its application; carried without negative vote.
- IV. FINANCIALS**
- A. MONTHLY VOUCHER REPORT.** *Review of Pro-1 and T&L Services contracts referred to Public Works and Utilities Committee. Motion Hoffman/Ader to approve the monthly voucher report; carried without negative vote.*
- B. REALTOR SERVICES: Dane Checolinski, NAI Pfefferle.** Written information from Realtor Dane Checolinski included potential sale information for Village properties and his proposal to determine commission. Trustee Ader provided a brief history of previous Realtor work on behalf of the Village and recommended the Village Board accept the proposal. Motion Warosh/Paasch authorizing the Village President and Director of Village Services to enter a listing contract with Dane Checolinski to market Village-owned properties under the proposed terms; carried without negative vote.
- [Director Grunwald arrived and assumed responsibility for the minutes—6:20pm]
- C. 2023 STREET PROJECT CHANGE ORDER NO. 1.** Director Grunwald reported the revision was to install water service north to south under North Ave in the vicinity of I-43 to allow future development on the south side of the street. The estimated cost was \$35,000. Motion Holzwart/Ader to open the floor to Jake Winker, Engineer with MSA Professional Services; carried without negative vote. Engineer Winker explained the cost estimate. Motion Ader/Warosh to close the floor; carried without negative vote. Motion Ader/Hoffman to approve Peters Concrete Inc. Change Order No. 1, not to exceed \$40,000; carried without negative vote.
- D. 2023 STREET PROJECT FINANCING, inc. loan, interfund advances, and utility rates.** Director Grunwald presented information on the shortfall in project funding for the 2023 street and utility projects, a projection of available funds from the sanitary utility, and financing options. The projection did not include any financial needs that may be tied to creation of Tax Increment District No. 2. The estimated total shortfall was approximately \$707,000, with \$576,000 of that falling on the water utility and the remaining on the general fund. She proposed financing \$200,000 for the general fund from Cleveland State Bank with a 10-year loan repayment at 5.49%. For the water utility, she suggested an interfund advance from the sewer utility of \$300,000, paid over 20 years at 1% and a loan from the Board of Commissioners of Public Lands in the amount of \$300,000, paid over 20 years at 5.75%. She also reviewed the change needed in water utility rates to finance the overall debt service; the resultant increase at a 6.2% rate of return (the prefilled rate of return in the application template) was 41.43%, or between \$17 and \$18 in additional cost for a residential customer using 4000 gallons of water per month. She noted the Public Service Commission (PSC) recently increased the rate of return on simplified rate case applications from 3% to 8%, which it had not changed in many years, and the Board should anticipate the PSC could on its own volition raise the rate of return on the Village's application.
- The Board discussed the financing options, with a particular focus on balancing the water utility rate impact with the need for funding now and for anticipated costs and expenses in the next few years. The members calculated a 7.2% rate of return would result in an increase of \$20 for a residential customer using 4000 gallons of water per month, or less than a penny a day more than submitting the application at 6.2%.

Motion Holzwart/Ader directing the Director of Village Services to file the conventional rate case application with a 7.2% rate of return; carried with one negative vote (Paasch.)

Motion Warosh/Hoffman authorizing a general obligation borrowing not to exceed \$225,000 from Cleveland State Bank at the rate of 5.49% and directing the Director of Village Services to take the actions necessary to fulfill the intent of the Board's decision; carried without negative vote.

Motion Holzwart/Ader authorizing an interfund advance from the sanitary utility to the water utility in the amount of \$350,000, to be repaid over 20 years, and directing the Director of Village Services to apply to the Board of Commissioners of Public Lands for a general obligation loan in the amount of \$250,000 to be repaid over 20 years; carried with one negative vote (Paasch.)

V. REPORTS

- A. POLICE DEPARTMENT.** Activity report on file. President Holzwart reported Daniel Reid resigned the position of Police Chief effective June 30, 2023. He met with Manitowoc County Sheriff Dan Hartwig who agreed to draft terms for a contract with the Sheriff's Department for one full-time law enforcement officer who would be dedicated to the Village of Cleveland. The minimum contract term would be five years. Police Secretary Rhonda Deehr was creating an inventory of police equipment as part of that process.
- B. ADMINISTRATION.** Building permit and municipal court reports on file. Director Grunwald answered questions from the Board.

VI. ANNOUNCEMENTS AND EVENT REPORTS

- A. WED JUL 19..... BOARD OF REVIEW TRAINING, 5PM.** Cancelled.
- B. MON JUL 24 PUBLIC WORKS AND UTILITIES COMMITTEE, 6PM**
- C. WED JUL 26..... BOARD OF REVIEW, 5PM-7PM.** President Holzwart cannot attend.
- D. JUL 28-30..... CLEVELAND FISHING DERBY, HIKA PARK**
- E. WED AUG 2 PLAN COMMISSION, 6PM**
- F. AUG 5-6 DAIRYLAND FESTIVAL, DAIRYLAND PARK**
- G. MON AUG 7 MUNICIPAL COURT, 5PM**
- H. WED AUG 9 HUMAN RESOURCES AND PUBLIC SAFETY COMMITTEE, 6PM**
- I. TUE AUG 15..... VILLAGE BOARD, 6PM**
- J. FINANCE AND BUDGET COMMITTEE** rescheduled to Thursday, August 3, 2023.
- K. SCHEDULE OTHER MEETINGS AS NEEDED.** A special meeting to discuss law enforcement services may be scheduled if needed.
- L. QUARTER 2 MEETING PAY SHEETS DUE**
- M. ANY OTHER ANNOUNCEMENTS/EVENTS.** (1) Trustee Ader monitored Village Hall for The Salvation Army Ride and reported no issues. He supplied an extra canopy for their use from his home. He also thanked the East Wind Garden Club for a "Welcome to Cleveland" sign. (2) Trustee Ader hadn't realized the last day of employment for Deputy Clerk-Treasurer Julie Rusch was July 7 and suggested the Village Board should recognize her service to the Village. He asked that the topic be discussed at the next Board meeting.

VII. CLOSED SESSION

- A.** Motion Holzwart/Ader to CONVENE IN CLOSED SESSION pursuant to Sec. 19.85 (1) (e), Wis. Stats., where competitive or bargaining reasons require a closed session to develop strategies to (1) advance economic development projects in the vicinity of I-43, (2) address an issue of zoning compliance, and (3) respond to a demand for severance and determine a paid leave balance prior to distribution; (4) Sec. 19.85 (1) (g), Wis. Stats., to confer with legal counsel for the governmental body who is rendering written advice concerning strategy to be adopted by the body with respect to litigation in which is likely to become involved; and (5) to review minutes for the closed sessions held pursuant to Sec. 19.85 (1) (c) (e) (f) and (g), Wis. Stats. at the June 20 and June 26, 2023, meetings. Roll call—all ayes. Motion carried. Director Grunwald was invited to remain for the closed session.

The Village Board offered guidance on proposed economic development projects in the vicinity of I-43; requested additional information to address property owner concerns related to a development project impacted by a change in zoning determination; discussed the demand for severance; and reviewed advice from legal counsel related to a former employee's demand for payment. Due to the late hour, there was no discussion on Matter 5.

- B.** Motion Warosh/Hoffman to RECONVENE IN OPEN SESSION pursuant to Sec. 19.85 (2), Wis. Stats. Roll call—all ayes. Motion carried.

- C. ACT ON MATTERS (1), (2), (3), and (4) DISCUSSED IN CLOSED SESSION.** No action.

VIII. JUNE 20, 2023, and JUNE 26, 2023, MEETING MINUTES, inc MATTER 5 DISCUSSED IN CLOSED SESSION. Held over.

XII. ADJOURNMENT. Motion Warosh/Hoffman to adjourn; carried without negative vote. The meeting adjourned at 10:10pm.

Respectfully submitted,
Stacy Grunwald
Director of Village Services