

FINANCE, LICENSE & REGULATION COMMITTEE
MONDAY, MARCH 14, 2011 - 6:00PM
COUNCIL CHAMBERS, CITY HALL

Chairman Krause called the meeting to order at 6:00pm.

Roll Call. Present: Aldermen Krohn, Hartz, Marsala, Fesenmaier and Krause. Also Present: Administrator Jordan, Comptroller Pollitt, DPW Winkler, and City Clerk Reale.

Marsala/Krohn motion to approve Finance, License and Regulation Committee minutes of February 28, 2011 as distributed. Unanimously carried.

Comments from the public as allowed by Wis. Stats. §19.84(2), limited to items on this agenda except for public hearing items. Comments will be limited to 5 minutes.

Mark Pienkos, 703 S. Lake Shore Drive, member of the Police and Fire Commission, addressed the Committee on the subject of the prospective borrowing for a new aerial truck for the Fire Department. He discussed the advantages of purchasing the vehicle now rather than waiting, including the favorable costs of borrowing and the likelihood that the price of the truck would only continue to increase. He urged the members to focus on the safety of the community, as well as that of the firefighters, in recommending approval of this item to the Council.

RESOLUTIONS

Resolution 11-R11, authorizing the transfer of monies from the unreserved fund balance to the designated fund balance for police department donations

Comptroller Pollitt reported that this resolution would authorize the transfer of \$1,665.01 in unspent 2010 donations to the designated fund balance.

Hartz/Marsala motion to forward to Council with recommendation for approval. Unanimously carried.

Resolution 11-R12, authorizing the transfer of monies from the unreserved fund balance to the designated fund balance for police department vest donations

Comptroller Pollitt stated that this resolution would authorize the transfer of \$934.50 in unspent 2010 donations for police department vests to the designated fund balance.

Marsala/Hartz motion to forward to Council with recommendation for approval. Unanimously carried.

Resolution 11-R13, authorizing the transfer of monies from the unreserved fund balance to the designated fund balance for state seizures

Comptroller Pollitt stated that this item would provide for the transfer of the \$300.00 received as a result of State seizures and unspent in 2010 to the designated fund balance.

Hartz/Marsala motion to forward to Council with recommendation for approval. Unanimously carried.

Resolution 11-R14, authorizing the transfer of unspent TRACS Grant monies to the designated fund balance for police department grants

Comptroller Pollitt noted that the police department had received a State TRACS Grant in the amount of \$12,767.67 in 2010, of which a total of \$5,467.54 had been spent. Resolution 11-R14 would have the effect of transferring the remaining \$7,300.13 in grant monies to the designated fund balance.

Marsala/Krohn motion to forward to Council with recommendation for approval. Unanimously carried.

Resolution 11-R15, authorizing the transfer of monies from the designated fund balance for the EMS Act 102 Program to the undesignated fund balance

Comptroller Pollitt explained that this resolution would authorize the transfer of \$12,896.39 from the designated fund balance for the EMS Act 102 Program to the undesignated fund balance. It was reported that the department had received \$5,220.88 in program funding during 2010 and had spent a total of \$18,117.27 for the year. The designated fund balance account for the program had totaled \$32,418.86 at the beginning of the fiscal year. Administrator Jordan added that the EMS Act 102 Program involved funds received from the State for fire inspections that were to be spent for EMS programs and EMS-related equipment.

Marsala/Hartz motion to forward to Council with recommendation for approval. Unanimously carried.

Resolution 11-R16, authorizing the transfer of monies from the undesignated fund balance to the designated fund balance for fire donations

Comptroller Pollitt stated that this resolution would authorize the transfer of \$3,745.38 in unspent donations received during 2010 to the designated fund balance.

Hartz/Marsala motion to forward to Council with recommendation for approval. Unanimously carried.

Resolution 11-R17, authorizing the transfer of monies from the unreserved fund balance to the designated fund balance for police department uniform allowances

Comptroller Pollitt noted that there was a modification that needed to be made to the resolution, subject to the approval of the Police and Fire Commission. She therefore requested that the Committee continue this item to the April 11, 2011 meeting.

Marsala/Krohn motion to continue to the April 11, 2011 meeting. Unanimously carried.

Resolution 11-R18, amending transfers from the Lakefront and Parking Lots and Meters Funds to the General Fund in the 2010 Operating Budget

Comptroller Pollitt explained that this resolution would provide for an additional \$75,000.00 to be left in the fund balances for each of the subject funds, as previously directed by Council. With this adjustment, the total amounts to be transferred from the special revenue funds to the General Fund at year end 2010 would be \$347,083.96 for Lakefront and \$450,415.49 from Parking Lots and Meters. This would result in a \$450,000 total fund balance for each of these funds.

Marsala/Hartz motion to forward to Council with recommendation for approval. Unanimously carried.

LICENSES & PERMITS

Marsala/Hartz motion to forward to Council with recommendation for approval of Park Permit application filed by Lake Geneva Jaycees for Venetian Festival in Flat Iron Park and Library Park, August 15, 2011 through August 22, 2011. Unanimously carried.

Hartz/Marsala motion to forward to Council with recommendation for approval of Park Permit application filed by Lake Geneva Jaycees for Annual Easter Egg Hunt in Seminary Park, April 23, 2011, from 7:00am to 11:00am. Unanimously carried.

Marsala/Hartz motion to forward to Council with recommendation for approval of Original Operator License application for Debra Conner. Unanimously carried.

Discussion/Recommendation on Payment No. 7 and Final, including fire protection/inspection change order work, for Geneva Lake Museum

DPW Winkler reported that this item would provide for the final payment for the improvements at the museum building in the amount of \$3,219.25. He noted that this payment also reflected the costs for additional work that had been required by the fire department and building inspector, including sprinklers, horns and strobes, and emergency

exit lights. With this additional work, the final pay estimate would total \$126,219.25 of the original \$150,000.00 project budget. Chairman Krause asked if any additional expenses were expected for the project. DPW Winkler responded that the City was still awaiting final architectural costs, which he estimated would be approximately \$18,000.00. After the payment of architect fees, any balance would be used for tuckpointing repairs at the museum. In response to questions regarding the change order work, DPW Winkler stated that the contractor had not been authorized to do the work; however, he had proceeded with the additions because he thought these items needed to be addressed. The Council would need to make the decision whether or not to pay for these additional items. Alderman Marsala felt that the contractor had no option but to do the additional work to satisfy code requirements.

Marsala/Krohn motion to forward to Council with recommendation for approval of Payment No. 7 and Final in the amount of \$3,219.25. Unanimously carried.

Discussion/Recommendation on capital request for Fire Department aerial truck

Administrator Jordan noted that the Fire Department had hosted a demonstration of the new aerial truck on March 9. This vehicle had been included in the original capital request from the department, and would replace the current ladder truck that was 23 years old. He noted that the department was now requesting approval of borrowing \$875,000.00 for the purchase of a new truck and additional equipment, adding that delaying this purchase would likely result in an increased cost. Alderman Hartz noted that the original request for the aerial truck had been \$1.2 million, which had then been lowered to \$800,000.00 and was now at \$875,000.00. Given that fact, he questioned whether or not the repeated statement that prices would only increase in the future was entirely accurate. He also inquired as to why the Council did not have a definitive purchase price to consider for the apparatus until now.

Hartz/Marsala motion to suspend the rules to permit Assistant Chief Heindl to address the Committee. Unanimously carried. Assistant Chief Heindl stated that the additional costs would include the purchase and installation of new radios and an intercom system for the truck, as there was uncertainty whether or not the existing radios could be narrow-banded and used in the new vehicle. Alderman Krohn stated that she had heard rumors that the company might be going out of business, asking who would be responsible for covering the warranty in the event that Pierce folded. Assistant Chief Heindl responded that the truck would come with a two-year warranty, adding that he was not aware of any solvency issues with Pierce. Alderman Krohn suggested that it might be prudent to examine the financial health of the company before proceeding with such a substantial purchase.

Alderman Hartz asked about the implications of failing to meet the standards established by the National Fire Protection Association (NFPA), particularly with respect to the age of the equipment. Chief Connelly, who was permitted to address the Committee, responded that the City could potentially be held liable for any injuries that might be sustained by firefighters or others while the department uses substandard apparatus lacking the necessary safety features. He also addressed the previous questions about the financial stability of Pierce, noting that the company was the largest manufacturer in the world holding roughly fifty percent of the global apparatus market. He felt there were no concerns about the solvency of the company. Alderman Marsala questioned whether the City would be held liable simply on the basis of the age of the equipment if the existing truck continued to pass routine inspections. Chief Connelly responded that the NFPA would certainly take age into account, along with maintenance history and other issues, in determining liability. Alderman Hartz asked about the plans of the department in the event that the capital request was to be denied by Council. Chief Connelly stated that the department would continue to use the existing apparatus until it failed. He noted that the department could eventually lose its credit as a ladder company, which would be expected to impact the ISO rating and insurance rates. Alderman Hartz inquired about the possible budgetary impact of maintenance costs associated with the continuing use of the existing truck. Chief Connelly expected maintenance costs of approximately \$4,500.00 per year, not including any unforeseen repairs that might be necessary. He also noted that stricter EPA standards in the coming years would likely increase the operational and maintenance costs associated with newer trucks and engines. Chairman Krause asked about the advantages of purchasing an aluminum truck rather than a steel truck. Chief Connelly stated that the aluminum apparatus would have the added benefit of allowing for below-grade extrication, as well as lower associated maintenance costs. Alderman Krohn questioned whether it would be more difficult to maintain aluminum because of corrosion from exposure to salt. Chief Connelly responded that the department had not experienced problems with corrosion of aluminum equipment in the past.

Hartz/Marsala motion to forward to Council without recommendation. Unanimously carried.

Discussion/Recommendation on establishing criteria for allotting “Class B” (Quota) Liquor Licenses (Aldermen Hartz and Mott)

Alderman Hartz stated that he had requested this item to be placed on the agenda for discussion because, historically, the individual aldermen had adopted different approaches to viewing applications and relevant criteria when making decisions on the issuance of the quota licenses. He felt that the City needed to apply some uniform standards to be used as a basis for determining which applicants should receive licenses, thereby adopting a more systematic approach to evaluating the applications. Administrator Jordan stated that he felt it could be beneficial for the Council to consider some of the criteria proposed by Alderman Hartz in determining which applications to approve; however, he was not certain that the criteria could be formalized into a binding set of rules to govern Council decisions on these matters. He noted that legislation was coming forth that would have the effect of making restaurants with greater than fifty percent of revenues from the sale of food automatically eligible for the “Class B”/Class “B” combo license. If adopted, that provision would alleviate most of the competition for the quota licenses in Lake Geneva, as the majority of applicants would qualify for a license under the restaurant exemption. Aldermen Marsala and Krause agreed that the Council needed to be looking at the issues raised by Alderman Hartz in evaluating license applications.

Hartz/Marsala motion to continue to the March 28, 2011 meeting. Unanimously carried.

Presentation of Accounts, Alderman Krause.

Purchase Orders. None.

Marsala/Hartz motion to recommend approval of Prepaid Bills in the amount of \$33,557.04. Unanimously carried.

Hartz/Marsala motion to recommend approval of Regular Bills in the amount of \$326,318.19. Unanimously carried.

Adjournment

Hartz/Marsala motion to adjourn at 7:01pm. Unanimously Carried.

/s/ Jeremy A. Reale, City Clerk

**THESE MINUTES ARE NOT OFFICIAL UNTIL APPROVED
BY THE FINANCE, LICENSE & REGULATION COMMITTEE**