

FINANCE, LICENSE & REGULATION COMMITTEE
MONDAY, JANUARY 24, 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 Clerk Reale.

Marsala/Hartz motion to approve Finance, License and Regulation Committee minutes of January 10, 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. None.

RESOLUTIONS

Resolution 11-R01, a resolution amending the City of Lake Geneva 401(a) Plan (tabled 1/10/11)

Marsala/Hartz motion to remove from the table. Unanimously carried.

Administrator Jordan explained that the Comptroller had been in contact with representatives from Security Benefit in an effort to secure additional information on the specific changes being recommended for the plan. Some information had been received since the previous meeting; however, the information was relatively generic in terms of language about the proposed changes. He noted that the basic plan document would incorporate language as required by the Internal Revenue Service to comply with statutes, adding that the January 31, 2011 deadline to comply was IRS-mandated. Although there was a lack of specific information, Administrator Jordan stressed that Security Benefit is a professional firm that the City trusts to manage and monitor these plans. He added that he was concerned about the potential consequences of failing to act on the plan amendment before the deadline date. It was noted that Security Benefit was based out of Kansas City, thus making it difficult to get a representative before the Committee for any type of formal presentation. Alderman Fesenmaier reiterated her concerns about the language of the resolution that would authorize staff to make changes to the plan without the approval of Council.

Fesenmaier/Krohn motion to amend Resolution 11-R01 to add thereto a Section 3 stipulating that the Council shall have final approval of any amendments to the Plan. Unanimously carried.

Hartz/Marsala motion to forward to Council with recommendation for approval of Resolution 11-R01, as amended. Unanimously carried.

Resolution 11-R04, a resolution amending the annual budget to transfer \$3,500.00 from the Contingency account to provide for the authorized purchase of speed control signage on Townline Road

Marsala/Hartz motion to forward to Council with recommendation for approval of Resolution 11-R04. Chairman Krause noted that the purchase and installation of the signage had already been authorized by Council, adding that a budget amendment was necessary to transfer the funds from Contingency to cover those expenses. Motion carried by vote of 3 to 2, with Aldermen Krohn and Fesenmaier opposed.

Resolution 11-R05, a resolution amending the annual budget to transfer \$2,000.00 from the Plan Commission salaries account to the Contingency account

Hartz/Krohn motion to forward to Council with recommendation for approval of Resolution 11-R05. Chairman Krause noted that the budget approved by Council had included a line item for Plan Commission salaries. As the Council had failed to adopt an ordinance providing for those members to be compensated, the subject resolution would move those funds into Contingency. Alderman Fesenmaier asked about the necessity of transferring the funds at this point. Comptroller Pollitt responded that it wasn't necessary; however, Mayor Connors had indicated that he felt it would be prudent to complete the transfer in order to clean up the budget. Alderman Fesenmaier stated that she would prefer to see the funds transferred into the Tree Replacement Program, as funding for that program was still uncertain. Motion carried by vote of 4 to 1, with Alderman Fesenmaier opposed.

ORDINANCES

First Reading of Ordinance 11-01, amending Section 54-34 of the Lake Geneva Municipal Code to permit trapping on certain City property (referred to staff for revisions and continued First Reading 1/10/11)

Administrator Jordan reported that the City Attorney had drafted a revised ordinance to specify that any trapping activity would be subject to permit requirements and local regulations, as adopted by the Council. Alderman Fesenmaier asked if there was a permit form or any listing of specific regulations available. Administrator Jordan responded that any specific regulations would be included in the form of a separate resolution to be approved by Council. This arrangement would allow for modifications to be made to any regulations without the need for amending the ordinance.

First Reading of Ordinance 11-04, prohibiting the sale and/or possession of synthetic chemical cannabinoids (synthetic marijuana)

Administrator Jordan noted that synthetic marijuana had become a concern in several communities. The subject ordinance would put regulations in place for the City, in the event that the State failed to act on changes to statute. Alderman Hartz asked if the City has had any problems with synthetic marijuana. Administrator Jordan stated that Chief Rasmussen had indicated that the product had not yet presented itself as a problem in Lake Geneva.

LICENSES & PERMITS

Marsala/Hartz motion to forward to Council with recommendation for approval of original Operator Licenses for the following applicants: Adam Miskie, Connie Patten, Aaron Rathbone, and Alexander Leonard. Unanimously carried.

Discussion/Recommendation on renewal of Community Bank of Delavan CD in the amount of \$304,923.23, maturing February 10, 2011

Comptroller Pollitt reported that she was unable to provide the exact current rates for the CD, as they were issued on a weekly basis. Action would be required now because the Council would not meet again until after the CD was set to mature. She stated that the City could renew for an additional three months at a rate of 0.15 percent, or could move the funds into the local government investment pool, which would draw a rate of 0.19 percent. Given that there was very little difference in the rates, she recommended rolling the CD over for another three months to see if rates would begin to improve. The Committee was told that the City was trying to keep its funds as liquid as possible.

Marsala/Fesenmaier motion to forward to Council with recommendation for approval to renew CD for a term of three months at 0.15 percent. Unanimously carried.

Discussion/Recommendation on Change Order No. 1 for Riviera remodeling project, to deduct cost of materials purchased by the City from the contract price

Administrator Jordan stated that this change order would subtract the cost of parts included in the original contract with Scherrer Construction, as those materials had been purchased directly by the City. It was noted that there was a savings associated with the City purchasing these items because such purchase would not be subject to sales tax. With this change order, the total contract price would be reduced from \$506,349.00 to \$417,751.00, including the tax credit savings.

Hartz/Marsala motion to forward to Council with recommendation for approval of Change Order No. 1. Unanimously carried.

Discussion/Recommendation on Change Order No. 3 for Riviera remodeling project, for modification to project screen

DPW Winkler reported that Change Order No. 3 would provide for the addition of a four-foot border above the projection screen surface, thus allowing the screen to be lowered closer to the floor.

Marsala/Hartz motion to forward to Council with recommendation for approval of Change Order No. 3 in the amount of \$69.63. Unanimously carried.

Discussion/Recommendation on Change Order No. 4 for Riviera remodeling project, to replace toggle switch in elevator cab

DPW Winkler reported that Change Order No. 4 would cover the cost of labor and materials associated with the replacement of the existing toggle switch in the elevator car operating panel. The old switch would be replaced with a key switch and the contractor would also furnish twenty-two keys for the device upon completion of the installation. It was noted that this replacement would be up to code standards, which the existing toggle switch was not. Some Committee members expressed concern that this item should have been noted by the contractor in the original proposal, and Alderman Fesenmaier suggested that contractor fees could be saved if the City waited to handle this item outside of the scope of the project. DPW Winkler responded that it would be easier to do the replacement work now, as the elevator repair contractor was already on site. He added that the fact the contractor was already on site was also reflected in the price, which would likely increase if the City waited to perform the work later.

Hartz/Marsala motion to forward to Council with recommendation for approval of Change Order No. 4 in the amount of \$1,155.00. Motion carried by vote of 3 to 2, with Aldermen Krohn and Fesenmaier opposed.

Discussion/Recommendation on requested capital items for Capital Budget

Chairman Krause reported that the City Clerk had prepared a chart detailing the responses of the individual aldermen as to capital priorities. Based upon the feedback received, the priority rankings of the capital projects had been averaged and divided into three categories based upon the average ranking: high priority, medium priority, and low priority. Chairman Krause provided an overview of the project rankings.

Marsala/Hartz motion to recommend approval of the capital items listed as “high priority” totaling \$1,878,431.00. Alderman Hartz expressed concern about the prospect of voting on the priority categories separately, suggesting that this method wouldn’t really give the Council an idea of where it stood in terms of the total amount of money to borrow. Alderman Fesenmaier noted that the capital projects list included a \$60,000.00 allocation for storm manhole replacements, asking how many replacements could be done for that amount. DPW Winkler responded that the requested allocation would fund roughly ten to twelve manhole replacements in each of the three years of the capital program. Alderman Fesenmaier further inquired if the City had previously had any type of plan in place for the replacement of manholes. DPW Winkler responded that the past practice had been to replace them as they had collapsed. Alderman Krohn asked if the requested allocations for the capital projects were estimates. Administrator Jordan stated that the numbers had been estimated based upon historical data.

Alderman Hartz broached the subject of developing an ongoing capital projects fund as a means to avoiding the need to borrow money again in the near future. Administrator Jordan stated that he had put together a basic equipment replacement schedule for public works, fire and police, adding that the City would need to set aside between \$1.5 million and \$2 million a year just to cover the cost of equipment replacement in the first couple of years of the schedule. Without significant reduction of expenses or new revenue streams, it would be unrealistic for the City to set aside an adequate amount of funding for these capital items. Alderman Hartz reiterated his preference to see the City move away from using borrowing as a solution, noting that other equipment items would become due for replacement during the lifespan of the proposed bond. Alderman Krohn asked what would happen in the event that the City ended up with excess money from the bond. Administrator Jordan responded that any excess funds could be reallocated to other capital projects or used to pay on the debt service.

Roll Call: Hartz, Marsala, and Krause voted “yes”. Krohn and Fesenmaier voted “no”. Motion carried by vote of 3 to 2.

Chairman Krause then began a review of the capital requests that had been rated as “medium priority”. In the interest of time, it was recommended that the additional items be forwarded to Council for further discussion.

Krause/Krohn motion to forward the remaining capital items to Council without recommendation. Unanimously carried.

Presentation of Accounts, Alderman Krause.

Hartz/Marsala motion to recommend approval of Purchase Order in the amount of \$86,598.00. Comptroller Pollitt noted that this purchase order would provide for the purchase of materials for the Riviera project, as outlined in Change Order No. 1. Unanimously carried.

Marsala/Krohn motion to recommend approval of Prepaid Bills in the amount of \$36,344.07. Alderman Hartz remarked that he appreciated having the data on draw payments included in the Council packet. Unanimously carried.

Marsala/Hartz motion to recommend approval of Regular Bills in the amount of \$316,495.30. Unanimously carried.

Fesenmaier/Marsala motion to accept the monthly report of the City Treasurer, as presented. Unanimously carried.

Adjournment

Marsala/Krohn motion to adjourn at 7:04pm. Unanimously Carried.

/s/ Jeremy A. Reale, City Clerk

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