

**REGULAR CITY COUNCIL MEETING
MONDAY, MAY 11, 2015 – 7:00 PM
COUNCIL CHAMBERS, CITY HALL**

Mayor Connors called the meeting to order at 7:00 p.m.

The Pledge of Allegiance was led by Alderman Hedlund.

Roll Call. Present: Mayor Connors, Aldermen Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell. Also present: City Administrator Jordan, City Attorney Draper, City Clerk Waswo.

Awards, Presentations, and Proclamations.

Mayor Connors noted the City received notification from the WI Department of Transportation that the on ramp from WI Hwy 50 to westbound US Hwy 12 will be closed starting May 12 for a 10 day period. Traffic will be detoured north to Edwards Boulevard to access westbound US Hwy 12 from the WI Hwy 120 Interchange.

Presentation by Cottingham and Butler on City's Health Plan from Matthew Chadwick and Discussion thereafter

Matthew Chadwick with Cottingham and Butler stated he serves as a consultant to the City of Lake Geneva on their Health and Welfare plan. The last time he was here, they went over comparisons of other municipalities and national benchmarking, keeping in mind the 2018 Cadillac tax. This taxes high cost health plans at a 40% excise tax to the employer. Currently the City is in excess of the Cadillac tax limits. Mr. Chadwick stated they compared what the average per employee per year cost is for the city to other municipalities. The City's average per employee per year spent was at \$25,846 per employee per year. National average for a municipality is \$11,478.

Mr. Chadwick explained actuarial modeling. He stated it takes into consideration a claim shift responsibility away from the health plan to the employee along with claims avoidance. He stated there will be an avoidance of certain procedures, claims and services done with different plan designs. They looked at Health Savings Account (HSA) plans and traditional PPO plans, which the City has currently, with different deductible levels. They used the City's actual claims data from July 1, 2014 through March 31, 2015. During that time, there was \$1,269,000 worth of paid claims, after discounts and after any employee responsibility on the current plan. He stated the current plan has a \$500 deductible and primary care copay of \$10 per visit, same with a specialist, and planned coinsurance is at 100%. The single out-of-pocket maximum is \$500 and \$1,000 for the family plan.

Mr. Chadwick explained the comparisons provided in the actuarial modeling, showing the percentage change based on different plan designs. The comparison uses past claims data to predict future claims, which is not necessarily indicative of future results.

Alderman Kordus asked if the city would pay 90% of the claim up until the out-of-pocket is reached. Mr. Chadwick stated yes. Mr. Kordus replied that with his insurance, he pays the out-of-pocket first and then the insurance kicks in and asked if this would be a combination. Mr. Chadwick stated there are different types of cost sharing tools that health plans utilize. One is a copay, which is a flat dollar amount that is paid regardless of what the cost is. He stated what Mr. Kordus is referring to is a deductible expense where the employee pays 100% of the deductible expense until the full deductible is reached. Once that deductible is reached the insurance kicks in at 100% of the cost. In this case, it is called coinsurance, in which there is a co-responsibility for the insurance after the deductible is hit. Once the deductible is hit, the City, being a self-funded plan, would pick up 90% of the cost. The employee would pick up 10% of the cost until the aggregate amount that the employee has paid out is equal to that out-of-pocket maximum, including the deductible expense. He stated the first option with the \$1,500 PPO, the out-of-pocket max for the single is \$4,500, so there is a \$3,000 difference between the deductible and the out-of-pocket max. This means the member would have to incur over \$30,000 of coinsurance expense to hit their full \$3,000 amount.

Alderman Chappell questioned the timeframe for making a decision and felt employees should be allowed to give feedback. Mayor Connors stated the insurance needs to be decided in June. Mr. Connors explained there is a memo in the packet stating an employee taskforce would be established to allow for a mutually agreeable solution.

Alderman Hill commented the most significant changes are the deductibles and out-of-pocket expenses. She questioned where consumerism and PatientCare would fit with this design. Mr. Chadwick stated PatientCare would sit above the plan design. The consumerism aspect works best when there is a larger deductible with the cost of health care. He stated the actuarial models do not take into consideration transparency tools or narrowing of a network. It is essentially showing where claims incurred over that 9-month period went, what claims were incurred, and how would those claims either never happened, or changed if it were under a different plan design.

Ms. Hill questioned how the network is determined with an HSA. Mr. Chadwick explained it would be the same network that the City is used to currently. He said there is no change to the network or providers. As the City has a self funded health plan, they get to choose the network that is best. The network is also predetermined; the City can't pick and choose specific hospitals.

Alderman Wall asked which plans do most of his clients use. Mr. Chadwick stated there is an infinite amount of plan designs, possibly a third of the client base has some sort of HSA plan. It also depends on location, competitiveness of the industry and financial welfare of the organization. There is not a single plan that is best suited for everyone out there. The vast majority nationwide offer a traditional PPO plan, similar to what the City has now, but the average deductible is substantially higher. He said more companies are moving towards an HSA eligible plan whether they offer one plan or multiple plan options.

Alderman Gelting asked how members in single versus family plans are affected. Mr. Chadwick stated it is not broken down that way; it just looks at the number of total claimants. It shows out of every claim last year, 23 members would have been affected by the out-of-network. By creating a differential between in-network and out-of-network, particularly with a deductible, it creates an incentive to find an in-network provider more so than is currently. Mr. Gelting asked if an HSA plan can be a PPO plan as well or not. Mr. Chadwick stated all HSA's are PPO's but not all PPO's are HSA's. He said a PPO refers to the network, or a more traditional plan. A traditional plan is one that has a deductible with copays and offers an in-network and an out-of-network benefit.

Ms. Chappell asked if these three plans would put the City below the Cadillac plan tax. Mr. Chadwick stated a 23% reduction in \$25,000 a year is still roughly \$16,000-\$17,000. This is the best estimation that they can do actuarially with the claims data they have. It would be the single biggest step the City can take towards a reduction below where the Cadillac tax limitations are. Mr. Chadwick stated if the City is over, they are taxed 40% by the amount they are over for each one. He clarified that the City is taxed and not the employee.

Ms. Chappell asked how would purchasing insurance through the exchange compare, and could they get a better plan. Mr. Chadwick stated the exchange is an online marketplace that has every plan an insurance company would have available; stretching from a \$500 deductible to a \$5,000 deductible HSA. Cost would be strictly contingent on age and income. An older individual would be far more expensive and would not have any competitive plans. Individuals in their 20's and single would have to pay a premium, which is more than what they currently are looking at. He stated as the City offers a qualified medical plan that is at least 60% actuarial value, has an affordability clause of at least 9½% of a person's gross pay and is offered to all employees, the employees who chose to go to the exchange would not have access to a subsidy. Meaning they would pay 100% of the cost of whatever plan they choose on the exchange with no subsidy from the government.

City Administrator Jordan stated they are trying a couple different approaches. One is the wellness plan, which he feels over a couple years will lower the City's claims substantially. Another is PatientCare which allows employees to see the data regarding who is highly recommended for certain operations as the most reasonable cost.

Mayor Connors asked about cost sharing. Mr. Chadwick stated part of the industry of health care is focusing on transparency as a viable means of cost cutting. Health Care is the only industry where a major product is purchased with no idea of the price before the bill comes. In a lot of cases, it is the same machine at all companies where cost could vary drastically. With a higher deductible more of the employee's money is on the line, and by allowing them to look at pricing, they have the option to pick the lower cost. In regards to surgeries, the tool allows them to find which doctor is doing the surgery the best. Usually the more expensive a procedure does not mean the procedure is better or of higher quality. In most cases the lower cost option is the one of highest quality. This has to deal with doctors who have made procedures route. There is tremendous savings to be had potentially by navigating people to lower cost options. However, it requires individual engagement as it cannot be mandated. Coupled with a higher deductible plan,

people usually want their dollars to go further, making the utilization for these programs fairly high. Mr. Chadwick stated PatientCare charges around \$6 to \$7 per employee per month to the City.

Mr. Kordus asked if this was just a stepping stone to get where they have to be by 2018. Mr. Chadwick stated he is not promising that one move and one step will get them where they need to be. With 80 employees on the plan, there is not enough predictability. By coupling the wellness, compliance management, and access to doctors and nurses through SisCo large cost claims should be lower. To put these three aspects into play over a longer period of time is a good recipe to get below that limit, however, he cannot say for sure.

Ms. Hill asked that since the City is self insured, is there a difference between an in-network versus out-of-network plan. Mr. Chadwick stated that the City is able to go to several different stand alone networks where their whole business is creating a network of providers, doctors and clinics within a certain geographical area. In exchange for an access fee, the City would get pre-negotiated discount rates. He stated the City's current network, Health Payment Systems, averages a 42% discount on paid claims. Ms. Hill stated currently employees have a \$500 deductible in-network and a \$500 deductible out-of-network, which means there is no incentive for them to go to a network that is saving the City 42%. Mr. Chadwick stated there is a bit of a difference after the deductible is hit. There is 80% coinsurance meaning the employee would pick up 20% of the cost until another \$500 is hit. The maximum out-of-pocket for a single is \$1,000 and the maximum out-of-pocket for a family is \$2,000, which is twice as much as the in-network out-of-pocket maximum. The savings is an additional \$500. Mr. Chadwick stated 93% were using in-network providers.

Mr. Chadwick stated Health Payment Services providers are Aurora, MercyCare, every major health provider in Waukesha and Milwaukee County, Froedert, the UW in the Madison area, Marshfield Clinic, St. Clairs in Green Bay, and Gunderson in LaCrosse. He stated in the Milwaukee area there is no other network that has the breadth that HPS does.

Ms. Hill commented that she does not want this to be too drastic of a change for employees and certainly going from a \$500 to \$6,000 deductible would be a huge leap. She would like to get closer but would like to baby step it a bit. Alderman Kupsik asked if any of these plans will cover all employees of the City. City Attorney Draper stated the only thing bargained on is the cost. If there is a cost contribution by the employees, the union can bargain that, however deductibles are not items that can be bargained. Mr. Jordan stated the plan is only for full time employees and the fire department would not qualify for the coverage. Mr. Kupsik asked if it would cover all union and non-union employees. Mr. Draper stated it depends on whether or not they will contribute towards a premium. Mayor Connors stated the thought process is that there would be one plan. Mr. Kordus stated the actuarial data does not contain any employee contributions. Ms. Chappell asked if the employee contributes, would is lower costs to get the City below the Cadillac tax. Mayor Connors stated it would lower the amount by said amount.

Presentation of the Compensation and Classification Study by Ann Antonsen and Discussion thereafter

Ann Antonsen presented a revised report of the compensation study including the requested insurance comparison. She stated the survey was done in conjunction with the City of Delavan and City of Elkhorn. The comparisons are from 16 organizations with 26 positions matching the City of Lake Geneva's positions.

She stated some of the objectives were to review the City's current classification and compensation program, a review of the wages and benefits that are provided to Staff in relationship to the established marketplace, developing a compensation system that looks at internal equity and market competitiveness and help the City develop policies, procedures and guidelines for maintaining classifications, compensation and fringe benefits programs.

In looking at fringe benefits, she stated some are consistent with the market, such as contributions towards Wisconsin retirement, short/long term disability and deferred compensation plans. She stated what is not consistent with the market is the health insurance. The City's costs are very high for health insurance and the level the City contributes is above average. The City currently pays 100% of the insurance for the employees. There are only two other communities that provide 100% employer contribution, and those were the two cities included in this study, the City of Delavan and the City of Elkhorn. She stated the average employer contribution for insurance is 91%. In looking at the earlier presentation, the cost share of 90% is more in line with the marketplace. Employees in other market organizations average a contribution of \$1,500 per year, meaning a decrease in their pay of \$1,500. Single coverage is \$657. She stated they also compared dental insurance, finding that the City's costs were not significantly above

average but they are higher than what is occurring in the market survey participants. The market average for employee contributions are \$473 for family and \$188 for a single plan. The City's employees were not providing any contribution towards their dental coverage.

They incorporated the insurance benefit by taking the survey average wages, deducting what employees were paying for family health and dental insurance coverage, and looked at what that relationship was for City of Lake Geneva wages and the market survey averages. The City's current salaries, excluding Library positions, then become 15% above the average minimum salaries, 7% above the midpoint and just over 1% below the average maximum salaries. She stated the Library salaries are 8% above the minimum salaries, 3% below midpoint and a little under 14% below maximum salaries.

In comparing the wages with the insurance benefit, City positions had 3 employees paid below the range, with a \$13,000 to bring them to the minimum. There are 48 employees that have a wage that falls within the proposed wage for their position and 7 employees that have a current wage which falls above the proposed maximum for their position.

She stated for Library positions with the insurance benefit, there were still 13 employees paid at a rate that falls below the proposed minimum for their range, however, the cost of implementation decreases from \$48,000 to \$37,000. There are still 3 employees that have a range that falls within their position.

She stated they did a sample 2% increase as they are seeing a lot of 2% increases in the marketplace for employee adjustments, which would cost the City about \$53,000.

Ms. Hill asked when looking at market place, is she strictly referring to private sector. Ms. Antonsen stated yes, however, the private sector data was dated. The County conducted a study in 2012 of private sector wages and the WI Dept. of Labor's data was from 2013. Ms. Hill asked if employee contributions meant monthly premiums. Ms. Antonsen stated there are very few that are self insured, just Elkhorn, Delavan and Lake Geneva. The trend has been for employees to pick up a portion of the premium and increase deductibles to save costs. Ms. Hill stated on the findings page, it states the average is around 90% cost to the employer and 10% cost to the employee. Ms. Antonsen stated in Appendix 4 of the report, it gives the low, high and average for both premiums and for employee and employer contributions.

Alderman Gelting questioned how the average amounts for the family and single employee contributions were broken out. Ms. Antonsen stated these are just averages and that employees are picking up 9% of the average cost. Mr. Gelting stated it is around an 8% difference rather than a 4% different. Ms. Antonsen stated they took the market survey average percentages less the salary survey averages less employee insurance contribution percentages to get the 4%. She stated the deductible is not calculated into this benefit analysis as the deductibles are all over the board. They looked directly at what was coming out of the employee's paycheck, not the out-of-pocket as that range is different for everyone. It is hard to say what a potential direct cost would be as some people may use very little medical care and some may have medical issues and use their whole \$6,000 deductible. With insurance premiums they know what that cost is and can directly deduct the medical and dental insurance premiums to get a total annual cost for employees.

Ms. Hill asked what the Council is meant to do with this information. There are multiple variables here, and how do they fold it together. Mayor Connors stated that is just one part of it. They have to look at some of the salaries that are on the low end. City Administrator Jordan stated it would go to the Personnel Committee to discussion a pay plan, however, he feels they need to make a decision about the health plan first to get a better understanding of how it will all fit together.

Re-consider business from previous meeting. None.

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.

Samantha Strenger, 721 Geneva Street, owner of Re-Vive Art Gallery, wanted to clarify that she has applied for a Class C Wine license and is planning on offering healthy food and deli options in addition to juice. She is working with the State to construct a commercial kitchen that is suitable for that option.

Tammy Carstensen, Walworth, on behalf of her retired husband, Russ Carstensen, was concerned that the short notice of the insurance meeting and wanted to know how they contact retired employees about changes to their health insurance. She was curious as to who will be invited on the taskforce and wondered if retirees would be included. She feels that she was in the same predicament last year where employees were given a two week notice and did not know what was going on until it was done. She requested the council invite retirees to be a part of the insurance meeting.

Wes Toton, Lake Geneva, stated he used to work at Hillmoor Golf Course as an accountant and ran the restaurant. In 2001, the City wanted to renegotiate the lease and stated Hillmoor was making a ton of money. When it closed down and the City was looking at it, they said municipal courses do not make any money. He stated the truth is somewhere in between. He was there for 12 years where they did make money and stated municipal courses do make money. He did a survey of 17 municipal courses with 2 losing money that were 9-hole walking courses. He gave examples of golf courses that are making money and stated municipal courses as a whole do not lose money, they can break even and make a little money on the side. He stated based on the 12 years of records he had, Hillmoor had about a \$260,000 net profit, which at that time they said would support a \$4 million dollar mortgage at 5.25%. He stated it showed a profit, and he worked it. He suggested building a new clubhouse with a restaurant on the second floor with picture windows, which would have the best view of Lake in the area. It is a beautiful area, and looks terrible now. He feels if the council put a little money in it, it would be a profitable venture.

Henry Sibbing, Lake Geneva, stated he feels that Hillmoor was ripped from the community, and they were all robbed. It's time for the council to take charge. He stated it is really simple, they have the money, the power and eminent domain procedures. They just have to have the will to get it done. A substantial majority of citizens are in favor of the City acquiring the Hillmoor property, restoring and preserving it. It is abundantly clear that the local citizens want the City to save Hillmoor from the developer's bulldozers. Hillmoor can and will be economically successfully like it always has been. He asked to the council to please vote yes in favor of the Hillmoor acquisition and restoration. He said if you don't do this now, that land and the City's own golf holes will be lost forever.

Gary Milliette, Wrigley Drive, stated he understands they are going to tinker with the voter's rights on projects that are over \$1 million dollars. He feels the amount should be based on how much it is used. The ordinance has been in place for 9 years and has only been used twice. If any change, it should be lowered. He concedes that it was never designed to be a static document as inflation does exist. He suggested they use the Personal Consumption Expenditure Price Index, which are the same parameters that the Federal Reserve uses. He felt that emergencies situations would be covered by insurance. Lake Geneva normally has an average of two or three elections a year, which means it would not be unreasonable to put a referendum on the ballot. Another clause is giving the utility department an exemption to this. In the last 4 years the biggest sell out was expanding the utilities to Grand Geneva and not annexing it into the City's tax base. If Grand Geneva was assessed at 100% value, it would be \$160 million dollars in tax base for virtually no additional expense. He feels the council cannot be trusted with this exemption.

Ken Etten, 1109 Wisconsin St, Lake Geneva, spoke on behalf of the Friends of Geneva Theatre. He stated they are working on a potential public private venture on accruing the theatre. He understands the city does not want to run the theater, and feels this public private option would be the best way to go. He stated the partnership is interested in a commercial development on the north side of the building and are open to some kind of community related arts venture with them. He is asking the City to consider granting \$700,000 to \$800,000 to work with the developer to raise funds. He feels that they could make a strong case as this would benefit school kids, local residents, and increase visitors to Walworth County, jobs, room taxes and sales taxes. He stated the real estate taxes on the property would increase as the property has gone under \$14,000. He is requesting the City allocate funds towards a grant to help the public private venture with the Theatre.

Darin Schaefer, N3306 Vine Road, Chamber of Commerce, spoke in support of TIF funds. He feels the ultimate beneficiaries are the residents as it improves quality of life. The Chamber supports the successful and sustainable economic environment that these funds will help produce with the proposed projects that will benefit the entire County.

Terry O'Neill, 954 George St, spoke on raising the \$1,050,000 cap on spending. He felt it should be done within the current law. Doubling it to \$2 million is excessive and the fixed 5% interest rate will not work. He commented on the closed session item regarding hiring the new city administrator. He feels the information he found on the internet should be discussed in closed session. He stated the purchase of Hillmoor should not be dropped from the project list.

The citizens are overwhelmingly in favor of the purchase of Hillmoor and overwhelmingly opposed as a large development. He stated the land is very valuable to the city.

Penny Roehrer, 951 South Lakeshore Drive, stated she also Googled the new City Administrator and hopes the Personnel Committee did its due diligence on researching him. She is in support of the TIF funds being used for the White River project. At the last meeting she changed her mind about the Theatre and likes the idea of the City offering a grant through a partnership. She questioned why the City cannot put a higher offer on Hillmoor as it is a valuable piece of property for the City. She also wants to see more of the wiring buried underground.

Acknowledgement of Correspondence.

The City received a letter from Henry Sibbing on May 11, 2015 requesting the council vote YES to acquire and restore Hillmoor as a TIF Project.

Approval of Minutes

Wall/Kordus motion to approve the Regular City Council Meeting minutes of April 27, 2015, and City Council Organizational Meeting minutes of April 21, 2015, as prepared and distributed. Unanimously carried.

Consent Agenda

Park Reservation Permit application filed by St. Francis de Sales for a School Field Day at Veteran's Park on May 27, 2015 from noon to 2:30pm (recommended by the Board of Park Commissioners on 5/6/15)

Street Use Permit application filed by Badger High School to close a portion of Wells Street from North Bloomfield Road to Hwy 120 on May 31, 2015 from 12:30pm to 3:30pm.

Original Class "A" Fermented Malt Beverage License Application for the Cove Condominium Association d/b/a The Cove of Lake Geneva, 111 Center Street, Lake Geneva, Patrick J. McCarthy, Agent

Temporary Operator License application filled by Frank Bonifacic on behalf of the Geneva Lake Museum for the "Roaring 20's Speakeasy Party" on May 22, 2015

Temporary Operator License application filled by John Hagenah on behalf of the Geneva Lake Museum for the "Roaring 20's Speakeasy Party" on May 22, 2015

Renewal of 2015-2016 Operator's (Bartender) License application filed by Jessica Bush, Richard Carls, Juana Fonseca, John Gelshenen, Jenna Gough, Mark Lalasz, Amanda McLernon, Brian Monahan, Gina L. Nocek, Anna Orsi, Shanna Shefchik, and Thomas Trilla

Original 2015-2016 Operator's (Bartender) License application filed by Joseph Arvo

Street Use Permit application filed by Len Jegerski on behalf of the American Legion Post 24 for a Memorial Day Parade and Ceremony using Wisconsin and Broad Street to the Riviera with staging at 10am and parade from 11am to 11:30am with request of waiver of fees.

Kupsik/Howell motion to approve the consent agenda. Unanimously carried.

Items Removed from the Consent Agenda

Original Class "C" Wine License Application for Re-Vive LLC d/b/a Re-Vive Gallery and Studio, 721 Geneva St., Lake Geneva, Samantha Strenger, Agent

Alderman Kupsik stated there was an issue regarding the Class C license and the percentage of food that needs to be sold in order to obtain that license. City Attorney Draper stated there is nothing demonstrating what they are going to do pertaining to a restaurant on their premises description. The statute states in order to get a Class C Wine license, they must be defined as a restaurant with the sale of food being more than 51%. They also need to obtain approval from the WI Dept. of Health Services governing sanitation and restaurants. He recommended continuing the item to give the applicant an opportunity to supplement their application and provide information regarding their business

plan. Alderman Hill questioned how the City would enforce the percentage of restriction on food. Mr. Draper stated the sales records are available after one year from the Dept. of Revenue.

Kordus/Wall motion to continue to obtain all the information. Ms. Chappell asked if there is a way to help guide them through the process along with the steps they should follow. Mayor Connors stated staff will inform the applicant of what they need to complete the application and clarified that they have already been granted a beer license. Unanimously carried.

Finance, License and Regulation Committee Recommendations – Alderman Kupsik

Discussion/Action on renewal of CD in the amount of \$143,747.42 plus interest, maturing on May 21, 2015 from BMO Harris Bank of Lake Geneva

Kupsik/Wall motion to approve renewal of the CD for a 13 month term with an interest rate of 0.35% at BMO Harris.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Discussion/Action on renewal of CD in the amount of \$600,000.00 plus interest, maturing on May 21, 2015 from Community Bank of Delavan

Kupsik/Hedlund motion to renew the CD split between Town Bank and Associated Bank for a 12 month term, Town Bank at 0.25% and Associated at 0.33%.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Discussion/Action on proposed Ordinance for Disposal of Abandoned Personal Property

Kupsik/Hedlund motion to instruct the City Attorney to draft an ordinance on the disposal of abandoned personal property. Unanimously carried.

Discussion/Action on final list of TIF projects

Alderman Kupsik stated this was sent to council without recommendation. Alderman Kordus motion to remove escrow from maintenance and buy Hillmoor from the list. Item dies as no second.

City Attorney Draper stated the first step is to refer it to the Plan Commission for a resolution, then it will be sent to the Joint Review Board and unless they are convinced they can sell them on all the projects, they are going to have to widdle down the list.

Howell/Chappell motion to approve all projects except for the escrow for maintenance. Mr. Draper stated he is concerned with the motion on Hillmoor as the difficulty is there is someone under contract. If the City is taking the position that they want the property and the buyer comes before Council with a project plan as a contingency on their contract, and the Council says no, there is concern over potential liability.

There was discussion regarding taking all the items to the review board as the approval is all or nothing. If Hillmoor was to be removed the dollar amount the City is requesting is significantly lowered. Alderman Howell stated he would like to withdraw his motion as he did not understand it was all or nothing and thought the Joint Review Board could pick and choose what they wanted to approve. City Administrator Jordan stated at the last JRB, they limited the total amount of money.

Kordus/Kupsik call to question on original motion and stop discussion.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Roll Call Vote on Original Motion: Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “no.” Item fails with Alderman Chappell voting “yes.”

Hill/Gelting motion to bury the overhead wires and assign up to a \$900,000 value. Alderman Wall questioned as to why they cannot come closer to what the number should be. Mr. Jordan stated Alliant did a study on the costs and stated depending on the conditions it may be less, but they are going to take the higher number to make sure they are covered. He stated they contacted Time Warner and have not received a response yet.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Kupsik/Hill motion to set \$300,000 for the Traver Hotel redevelopment grant.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Kupsik/Wall motion to include the White River Trail acquisition and construction not to exceed \$400,000.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Hill/Kordus motion to include Downtown Signage not to exceed \$200,000.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Kupsik/Kordus motion to not include the alley improvements. Mr. Jordan stated this was to try and get dumpsters out of the alleyways. Alderman Kupsik stated he is against the City becoming garbage collectors for businesses and does not think it fits with the request. Alderman Kordus stated negotiating contracts would be opening a can of worms that the City should not get into.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Kupsik/Howell motion to include Theatre Redevelopment Grant not to exceed \$800,000.

Mr. Kupsik is in favor of the City not owning the theater and stated it is definitely blight. Alderman Wall stated he is in favor of the grant but thinks the dollar amount is too high.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Motion carried 7 to 1 with Alderman Wall voting “no.”

Kordus/Hill motion to eliminate escrow for maintenance.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Kordus/Hill motion to exclude Hillmoor. Alderman Chappell asked City Attorney Draper to explain the situation further and how to proceed with an offer. Mr. Draper stated any time the governing body says they want this piece of property with a pending contract to purchase and then says no to certain things, you are tying the body’s hands. It is going to look like an arbitrary and capricious decision because the City wants the property. Ms. Chappell questioned if the City has any power through eminent domain. Mr. Draper stated eminent domain is something the City can utilize when there is a property that fits the definition of blight. The City could certainly proceed forward; however, it would be in bad faith to throw that out there to someone that has a pending contract. He stated right now there is open space out there which he would have to research if that would fit the definition of blight. Alderman Hedlund stated if Hillmoor is voted down, the Council will only be asking for a \$2.6 million dollar adjustment out of \$11 million. The City will also receive around 25% of that back that they could use to purchase Hillmoor if they wanted. He feels asking the Joint Review Board to approve \$2.6 million in projects is way better than \$7.95 million originally talked about.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Kordus/Hill motion to send items to Plan Commission for a resolution, with items being: bury overhead wires on Main Street from Curtis to Wells in the amount of \$900,000, the Traver Hotel redevelopment grant in the amount of \$300,000, the White River Trail acquisition and construction in the amount of \$400,000, Downtown Signage for \$200,000, and the Theatre redevelopment grant in the amount of \$800,000.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Discussion/Action on proposed Ordinance amending Chapter 2, Sec. 2-345 Capital Improvement Referendum for City Capital Expenditures raising it to a 2 million dollar limit with a 5% annual increase each year starting 2016 and including provisions for emergency expenditures and exempting Capital Expenditures for new utilities

Alderman Kupsik stated this was sent to Council without recommendation. Mayor Connors stated he included information from the Social Security Office showing the cost of living has increased 19.9% since 2006; and the U.S. Bureau of Labor Statics showing the value of \$1,500,000 now being \$1,220,000. Ms. Chappell stated she would like to lower the 5% as it is higher than inflation and base it on the Core Personal Consumption Expenditures Price Index so that it can fluctuate. She takes issue with exempting anyone. Mr. Connors noted, in the future, they will have to add a fourth ring at the Treatment Plant that will allow them to treat more sewage, which will be quite an expensive

project. He questioned what the City would do if voters said no, tell people they could not flush. There are certain utility and infrastructure projects that need to be done. Ms. Chappell felt this was taking the power away from the people.

Kordus/Wall motion to move ordinance forward and instruct staff to change the dollar amount to \$1.5 million, indexed by the Consumer Price Index, and including emergency verbiage. Ms. Hill was concerned with a variable rate as it would be hard to plan projects from one year to the next and suggested a straight 2% rate.

Hill/Kupsik motion an amendment to change the rate to 2.5%.

Roll Call: Hill, Kordus, Gelting, Kupsik, Hedlund, Howell voted “yes.” Motion carried 6 to 2 with Chappell and Wall voting “no.”

Main Motion to bring the ordinance back as a first reading changing the amount to \$1.5 million with a 2.5% increase per year including the emergency and utility language.

Roll Call: Wall, Kordus, Gelting, Kupsik, Hedlund, Howell voted “yes.” Motion carried 6 to 2 with Chappell and Wall voting “no.”

Presentation of Accounts – Alderman Kupsik

Purchase Orders. None.

Kupsik/Howell motion to approve Prepaid Bills in the amount of \$10,553.82

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Kupsik/Kordus motion to approve Regular Bills in the amount of \$301,161.78.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Kupsik/Kordus motion to acceptance the Monthly Treasurer’s Report for February 2015.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Mayoral Appointments

- **Parking Commission**
 - Reappointment of Todd Krause to May 1, 2017
- **Cemetery Commission**
 - Reappointment of Clarence Read to May 1, 2018
- **Historic Preservation**
 - Reappointment of Jackie Getzen to May 1, 2018
- **Library Board**
 - Reappointment of Duanne Lafrenz to May 1, 2018
- **Zoning Board of Appeals**
 - Reappointment of Stewart Mathison, Chairman to May 1, 2018
- **Tree Board**
 - Reappointment of Dan Andresen to May 1, 2018
 - Reappointment of Clara Jacobs to May 1, 2018
- **Board of Park Commissioners**
 - Reappointment of Barbara Philipps to May 1, 2018
 - Reappointment of Peggy Schneider to May 1, 2018

Kupsik/Hill motion to approve the mayoral reappointments. Unanimously carried.

Closed Session

Kupsik/Hill motion to go into closed session pursuant to Wisconsin Statutes 19.85 (1) (c) considering employment, promotion, compensation or performance evaluation data of any public employee which the governmental body has jurisdiction or exercises responsibility for hiring Blaine Oborn as the City Administrator and to include Mr. Oborn if the Council has questions.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

The Council entered into closed session at 10:19 p.m.

Return to Open Session

Kupsik/Hill motion to return to open session pursuant to Wisconsin Statutes 19.85(2) and take action on any items discussed in closed session.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

The Council reconvened in open session at 10:39 p.m.

Hill/Kordus motion to offer the position of City Administrator to Blaine Oborn.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Hill/Kupsik motion to approve the Employment Agreement with Blaine Oborn with a start date no later than July 13, 2015.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voted “yes.” Unanimously carried.

Adjournment

Kordus/Hill motion to adjourn at 10:41 p.m. Unanimously carried.

/s/ Sabrina Waswo, City Clerk

THESE ARE NOT OFFICIAL MINUTES UNTIL APPROVED BY THE COMMON COUNCIL