

**REGULAR CITY COUNCIL MEETING  
MONDAY, FEBRUARY 8, 2016 – 7:00 PM  
COUNCIL CHAMBERS, CITY HALL**

Mayor Connors called the meeting to order at 7:01 p.m.

The Pledge of Allegiance was led by Alderman Gelting.

**Roll Call.** Present: Mayor Connors, Aldermen Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell.  
Also Present: City Attorney Draper, City Administrator Oborn, Director of Public Works Winkler, City Clerk Waswo.

**Awards, Presentations, and Proclamations.**

The Lake Geneva Beautification Committee presented the 8<sup>th</sup> Annual Holiday Decoration Awards.

Mayor Connors noted the water rate increase hearing is Thursday, February 11, 2016 at 2:00pm at Lake Geneva City Hall. Comments can be submitted through the Wisconsin Public Service Commission, oral testimony, written or mailed comments.

**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 to be limited to 5 minutes.**

Bill Huntress, 1015 Pleasant St., spoke in opposition of the City using TIF funds for the Geneva Theater project.

Bethany Souza, 327 Wrigley Dr., stated the statements made by Mr. Huntress were valid. She does not want to see the theater done without it being thought out but feels the City has to step in to help fix it. Noting it should be a team effort.

Tammy Carstensen, GM of Harbor Shores at 300 Wrigley Dr., represents 108 condo owners and taxpayers at said location. She spoke in favor of the Geneva Theater project.

Richard Madouse, 310 Walworth St., has lived in Lake Geneva his whole life. Shad Branen is a friend of his. Mr. Madouse is the Chief Engineer of a television station and has worked with him on projects over 30 years. He feels Mr. Branen is very credible and will find a frugal way to get the project done.

Ken Etten, 1109 Wisconsin St., spoke in support of TIF funds being used for the Geneva Theater project.

Rob Micklinghoff, 934 Carey St., has known Shad for many years and can concur that the theater is a blighted spot. He is looking forward to possibly having another vibrant business in downtown Lake Geneva.

Darien Schaefer, President of Visit Lake Geneva at 527 Center St., is in support of investing TIF funds to the Geneva Theater project.

Sean Payne, representing Clear Water Outdoors located at 744 West Main St., grew up in this town and loves it. The money is already there, so a tax burden will not come upon the people. A great part of Broad Street will be cleaned up. He supports this project 100%.

Kevin Fleming, 1032 Wisconsin St., is a member of Business Improvement District Board of Directors. It is a group established in 1991 of downtown property owners and business people who are focused on making improvements to the City's streetscape. He is speaking on behalf of the Board of Directors in support of using TIF funds toward the theater.

Sal Dimiceli Jr, 101 Broad St., read a letter from his father, Sal Dimiceli Sr. in support of using TIF funds to renovate the Geneva Theater.

Cheryl Piscotti, Owner of Geneva Wells Motel located at 1060 South Wells St., is in favor of Mr. Branen and the plans to move forward with the theater.

Terry O'Neill, 954 George St., spoke about the fishing derby. He does not want to see a repeat of last weekend where cars went through the ice. He also spoke on the theater; stating he feels the theater went out of business because of the nearby Showboat Theater. The Geneva Theater has no parking, which could be a deterrent. The movie theater business is declining as well. The only people to profit from this venture are those involved with the sale, the transfer, and the reconstruction of the theater.

Peter Jergens, 262 Center St., noted this is the third time he has been asked to look at the theater project to advise what it would take to put it back together. Economically it does not make sense to use the space for retail or restaurant use. The building can be restored based on the budgets he put together but will only happen with the assistance of the City. He believes the completed project will increase the tax base dramatically.

#### **Acknowledgement of Correspondence.**

City Clerk Waswo stated on Jan. 25, 2016 the City received an email from Penny Roehrer requesting the Council proceed with the White River Trail and complete as much as possible. The City received an email from Thomas Anthony on Jan. 29, 2016 recommending the Council initiate a land usage feasibility study on the Hillmoor property. The City received a letter Feb. 8, 2016, from the Lake Geneva Business Improvement District asking the Council to consider honoring Mr. Branen's request to allocate TIF funds to revitalize the Geneva Theater. The City received an email Feb. 8, 2016, from Tom Hartz asking the council to support the Lake Geneva Theater Project.

**Approval of Minutes.** Wall/Kordus motion to approve the Regular City Council Meeting minutes of January 25, 2016, as prepared and distributed. Unanimously carried.

#### **Consent Agenda**

**Street Use Permit application filed by Geneva Lake Arts Foundation to close Center Street from Main to Wrigley Drive on Saturday, August 13 from 6 am to 9 am and Sunday, August 14, 2016 from 6 am to 9 am and 4 pm to 6 pm for the annual "Art in the Park" event (recommended by Board of Park Commissioners on Feb. 3, 2016)**

**Riviera Beach Use application filed by Troy Nottestad for the Duffy Nottestad Fishing Derby on the beach and ice held on Saturday, February 27, 2016 from 9am to 2pm with setup on Friday evening (recommended by Piers, Harbors and Lakefront on Feb. 3, 2016)**

**Park Reservation Permit application filed by Sheree Carlson for the Tenny-Wachsmuth Wedding held in Flat Iron park including rental of the Gazebo from 3 pm to 5:30 pm on Saturday, July 16, 2016 (recommended by Board of Park Commissioners on Feb. 3, 2016)**

**Park Reservation Permit application submitted by Lake Geneva Jaycees to use Seminary Park for the annual Jaycees Easter Egg Hunt on Saturday, March 26, 2016 from 7 am to 2 pm (recommended by the Board of Park Commissioners on Feb. 3, 2016)**

**Park Reservation Permit application filed by the Lake Geneva Jaycees to use Seminary and Flat Iron parks including Brunk Pavilion for the Venetian Festival on August 15 – 22, 2016 with balance of fees waived (recommended by the Board of Park Commissioners on Feb. 3, 2016)**

**Park Reservation Permit application filed by the Lake Geneva Jaycees to use Library Park on August 20 – 21, 2016 for the annual Arts and Crafts Fair with balance of fees waived (recommended by the Board of Park Commissioners on Feb. 3, 2016)**

**Temporary Class "B" License application submitted by the Lake Geneva Jaycees for the sale of fermented malt beverages at Flat Iron parking lot, 100 block of Center St., Lake Geneva, for Venetian Festival on August 16 – 22, 2016**

**Original 2015-2016 Operator's (Bartender) License applications filed by Linda Diamond, Dusha Lowrey, Dawn Monroe, Eileen Sorensen**

Hill/Kordus motion to approve. Unanimously carried.

**Items removed from the Consent Agenda.**

**Park Reservation Permit application filed by Geneva Lake Arts Foundation for the annual "Art in the Park" event at Flat Iron Park including rental of the Brunk Pavilion, from 10 am to 5 pm on Saturday, August 13 and 10 am to 4 pm on Sunday, August 14, 2016** *(recommended by Board of Park Commissioners on Feb. 3, 2016 with same fees as last year)*. Kordus/Kupsik motion to reduce the 94 parking stall charges to \$1,880 and waive the \$500 two day fee for the Brunk pavilion, making the new total \$1,975. Mr. Kordus noted this is the same fee they paid last year and what was agreed to at the Park Board meeting. In the past, it was said that Venetian Fest, Art in the Park and Taste of Lake Geneva would have the fees waived for the Brunk pavilion. Ms. Chappell feels these festivals are getting extremely large and there might be other areas where they could be located to reduce having to close roads, waive fees, and bag parking stalls. Mr. Wall does not have a problem with this but does think all non-profits should be treated the same with regard to waiving fees. Ms. Hill agreed with Mr. Wall's statement. Mr. Kordus stated the \$1,975 did include the application fee. He took the total fee of \$4,955 minus the reductions he recommended. City Clerk Waswo asked for clarification and noted the schedule of fees have changed since last year. Mr. Kordus clarified he would like the \$3,760 amended to \$1,880 which is \$10 per stall. He also would like the \$500 per day Brunk pavilion fee waived. Those are the only two fees he recommends waiving. If that is subtracted from the \$4,955 total, it comes to \$1,975. Mr. Kordus said while consistency is nice, there are certain events that provide a different benefit to the City than others, which needs to be taken into consideration.

Roll Call: Kordus, Hill, Gelting, Kupsik, Howell voting "yes." Motion carried 5 to 3 with Chappell, Wall and Hedlund voting "no."

**Street Use Permit application filed by the Lake Geneva Jaycees for the use and closure of Wrigley Dr. from Center St. to Broad St. for Venetian Festival on August 15 – 22, 2016**

Kordus/Kupsik motion to approve with Jaycees paying the application fee and waiving the other fees.

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

**Riviera Beach Reservation Permit application filed by the Lake Geneva Jaycees for the use and closure of the Riviera Beach on Sunday, August 21, 2016 for the water ski show, boat parade and fireworks display**

Kordus/Kupsik motion to approve with Jaycees paying the application fee and waiving the other fees.

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

**Fireworks Permit application filed by the Lake Geneva Jaycees to be held on Sunday, August 21, 2016**

Kordus/Kupsik to approve with Jaycees paying the \$50 permit fee.

Roll Call: Chappell, Hill, Wall, Kordus, Gelting, Kupsik, Hedlund, Howell voting "yes." Unanimously carried.

**Finance, License and Regulation Committee Recommendations – Alderman Kupsik**

**Kupsik/Kordus motion to approve Resolution 16-R3, a wage resolution implementing pay scale grades and wage increases for part-time employees** *(recommended by the Personnel Committee on Jan. 28, 2016)*

This is part of implementing the wage study and assigning grades to part-time positions. All City positions now have grade scales, which provide flexibility. There was a modification from the Personnel Committee to clarify the starting wage. Mr. Oborn added the multi-year positions. Mr. Oborn has taken this to the Police & Fire Commission as well.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voting "yes." Unanimously carried.

**Discussion/Action on awarding 2016 Riviera East (Elmer's) Pier Replacement Project Alternate Bid to Gage Marine for \$54,185 (recommended by Piers, Harbors and Lakefront on Feb. 3, 2016)**

Kupsik/Kordus motion to approve not to exceed \$54,185. The base bid is replacing the existing wood pier in present configuration and the alternate bid replaces the existing wood pier with a modified configuration. This will depend on the Wisconsin Department of Natural Resources application. The City received two bids. Gage Marine came in at \$54,185 with the alternate bid. The next bid was Janke General Contractors with an alternate bid of \$202,440. The City Administrator recommended the Gage Marine bid and also to include the alternate. Mr. Oborn stated this is pending the application for the permit which will extend the pier out 4 feet and straighten it from 95 to 90 degrees, which makes the pier more stable. If we can't get the application in time and need to complete this in the spring, we will fall back to the base bid. Mr. Connors clarified if the pier is rebuilt at the existing diameters, a permit is not required. If it is changed, a permit is required. The footprint of the actual pier is not changing; just that it is being moved from a 95 to a 90 degree angle. Ms. Hill noted there is not an aerator around this pier and you can see the difference. Mr. Oborn stated there have been discussions about this and will be purchasing an aerator for this pier. This is budgeted and funded from the Lakefront fund.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voting "yes." Unanimously carried.

**Kupsik/Hill motion to approve awarding 2016-2018 Pier & Buoy Service Project to Gage Marine (recommended by Piers, Harbors and Lakefront on Feb. 3, 2016).** The annual pier installation, removal and maintenance work was bid as instructed. The only bid received was from Gage Marine at \$34,820 for the 2016 pier installation and removal, \$35,864 for the 2017, \$36,940 for 2018, and \$20,435.38 for the 2016 maintenance. Pier painting will be on a separate bid proposal and contracts are still in process. The pier installation and removal costs are in line with the operating budget. Mr. Oborn noted they did send out notices to all other pier companies in the lake area.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voting "yes." Unanimously carried.

**Kupsik/Wall motion to approve awarding bid to Vorpagel for emergency furnace replacement at the Museum in the amount of \$9,000 funded from contingency.** Vorpagel had the lowest bid, but it does exceed the budget. Funding is needed for the other heating and air conditioning units and regular maintenance items. Ms. Hill questioned how they did not know they might need a furnace. Mr. Wall felt it is not something they would buy ahead of time. Mr. Kupsik questioned Mared's maintenance contract and asked the City Administrator to have them look at the equipment and report back if anything needs to be replaced. Ms. Chappell questioned if they should sell the building to the Museum.

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voting "yes." Unanimously carried.

**Discussion/Action on consideration of proposal for TIF theater redevelopment grant and authorize City Administrator and City Attorney to negotiate with Mr. Branen on a development agreement with a site development incentive (grant) for the revitalization of the Geneva Theater**

Howell/Chappell motion to approve. Howell/Chappell withdrew motion.

Hill/Kordus motion to suspend the rules and allow Mr. Shad Branen to speak. Mr. Kordus stated they are authorizing the City Attorney and Administrator to proceed with negotiations. Any negotiated dollar amount and Developer's Agreement would have to come back to the Council to be voted on. This is just authorizing negotiation power. City Attorney Draper confirmed this was correct. He noted they are looking for direction. Motion carried 7 to 1 with Alderman Kupsik voting "no."

Mr. Shad Branen gave a presentation on his proposal to renovate the Geneva Theater back to a 4 screen movie theater with a little over 500 seats. Mr. Branen stated there is an accepted offer contingent upon funding from the City of \$800,000; however he is requesting \$950,000. He stated a beer and wine license would be requested, but not a full liquor license.

Kordus/Howell motion to direct staff to negotiate an expenditure of up to \$800,000 to be used for items as stated in the renovation budget that would include those items under the general construction area that might be used to bring the building up to code with general construction and rehab of the building.

Howell/Chappell motion an amendment to allow staff to negotiate no higher than \$950,000. Ms. Hill feels there is no negotiation if you have given them a final number. This is a very appropriate use of TIF funds. At the time a dollar amount was set, they did not know what the exact cost of the project was going to be, so that was a placeholder. If we are in favor and trust Mr. Branen will do what he says, we should look at the full request. She is in favor of the amendment and project. Mr. Kordus stated we originally authorized \$800,000, which he believes is a reasonable number. It would be a tough sell to go \$150,000 over. The point was to make it a more attractive purchase to cover the expenses to bring it up to code. He questioned if there was even enough money to cover the amount in TIF or does it come from contingency. Mr. Wall stated he had a hard enough time voting for \$800,000. He questioned where the additional money would be coming from and what assurances do they have that the business won't fail. Mr. Oborn stated there is \$100,000 in contingency. There have been discussions about collateral and guarantees of when it will be open. They are viewing it on a 10 year basis. The longer it is open, the value of the payback would go down. The development agreement would be filed against the lien.

City Attorney Draper stated this is going to be a joint venture, including a bank, the City and money from the owner. He is concerned with just limiting it to construction costs, as they have the number here of \$794,660. If you let us work all the factors, we can put a structure together and come back with the development agreement. We may need a second position but on the other hand, if we were to take a UCC financing agreement on the projection equipment, we may have the first position. He does not want to be tied so much that they are limited to a number. He would rather have flexibility and come back and negotiate. He noted they are not committing to the money tonight. They are only approving negotiations and coming back with a proposal. Mr. Howell stated the whole point of the amendment was to give wiggle room. It doesn't mean we have to spend that number. Mr. Hedlund feels this is a very worthwhile proposal. He didn't want to go to \$800,000 initially. He questioned why they are talking about dollars when they don't even know what they are talking about. He stated we should give the City Administrator and Attorney the authority to negotiate.

Mr. Gelting said the property is being bought for about \$900,000. He feels the TIF money should be used for improvement of the theater and questioned if they would be putting the City in a second position behind the acquisition amount. Ms. Chappell is in favor of the project. She visited his other building in Burlington and was impressed. Mr. Kordus asked how much direction the Attorney and Administrator are looking for. Mr. Draper stated he wants as much input as possible from this discussion. He does not necessarily want it in a motion so that they are restricted. For the benefits of the taxpayers, it should be as detailed as possible. Ms. Chappell suggested making some kind of long term commitment for the project. Mr. Draper noted they did that with the Traver Hotel by demanding they put something there within our zoning structure within 7 years. Economics will have a lot to do with it too.

Roll Call on amendment: Chappell, Hill, Gelting, Kupsik, Hedlund, Howell voting "yes." Motion carried 6 to 2 with Kordus and Wall voting "no."

Hill/Chappell motion an amendment to remove the terminology of the construction costs and the dollar amount figure. Roll Call on amendment: Chappell, Wall, Hill, Gelting, Kupsik, Hedlund, Howell voting "yes." Motion carried 7 to 1 with Kordus voting "no."

Main motion as amended: Kordus/Howell motion to direct staff to negotiate a developer's agreement.

Roll Call on motion as amended: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voting "yes." Unanimously carried.

### **Presentation of Accounts – Alderman Kupsik**

Purchase Orders. None.

### **Kupsik/Hedlund motion to approve Prepaid Bills in the amount of \$7,152.64**

Roll Call: Chappell, Wall, Kordus, Hill, Gelting, Kupsik, Hedlund, Howell voting "yes." Unanimously carried.

### **Regular Bills in the amount of \$157,900.93.**

Kupsik/Gelting motion to approve Regular Bills in the amount of \$154,775.93

Mayor Connors stated the amount is down \$3,000 from what was published. Alderman Gelting questioned the change in the Lake Geneva Convention and Visitor's Bureau. He thought they agreed in the budget process to pay the whole

amount in the first three quarters. In the fourth quarter they would review it and if it was over what the budgeted amount was, they were going to pay the percentage over that as a lump sum in the last quarter. Ms. Hill stated she had the same recollection but Mr. Oborn did not. Mr. Oborn stated he is working on a resolution that would clarify it as the budget is not clear on the intent.

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

**Mayoral Appointments.** None.

**Closed Session**

Kordus/Chappell motion to go into Closed Session pursuant to Wis. Stat. 19.85(1)(c) for purposes of considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility concerning certain police department employees; and pursuant to Wis. Stat. 19.85(1)(e) for purposes of conducting other specified public business, whenever competitive or bargaining reasons require a closed session concerning seeking services from and an agreement with James M. Lewis, LLC as a law enforcement services management consultant concerning an investigation involving specific law enforcement personnel including Legal representative, City Attorney, City Administrator and additional legal counsel.

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

The Council entered into closed session at 9:33 pm.

**Return to Open Session**

Hill/Kupsik 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 voting “yes.” Unanimously carried.

The Council reconvened in open session at 10:41p.m.

Hill/Kordus motion to authorize the execution of the professional services agreement with James M. Lewis, LLC

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

**Adjournment.**

Kordus/Hill motion to adjourn at 10:42 p.m. Unanimously carried.

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/s/ Sabrina Waswo, City Clerk

**THESE ARE NOT OFFICIAL MINUTES UNTIL APPROVED BY THE COMMON COUNCIL**