

**COMMITTEE OF THE WHOLE
MONDAY, JUNE 6, 2016 - 6:30 PM
CITY HALL BUILDING, COUNCIL CHAMBERS**

Council President Kordus called the meeting to order at 6:32 p.m.

Pledge of Allegiance led by Alderman Kordus.

Roll Call. Present: Aldermen Chappell, Skates, Kordus, Gelting, Hedlund, Howell. Absent: Aldermen Flower and Horne. Also Present: City Administrator Oborn.

Hedlund/Skates motion for approval of minutes from May 2, 2016 Committee of the Whole Meeting as distributed. Motion carried unanimously.

Comments from the public as allowed by Wis. Stats. §19.84(2), except for public hearing items.

Mary Jo Fesenmaier, 955 George Street, spoke on the premier resort area sales tax. Ms. Fesenmaier read an excerpt from an article on the topic. She suggested once the tax is implemented, it is easy to keep increasing it. She does not feel this needs to go to referendum.

Pete Peterson, 1601 Evergreen Lane, spoke on workloads. He suggested forming a fire district and thanked City Administrator Oborn for the work he has done in regard to spending at the Utility Department. He stated something should be done with the lake front assets; stating a lake front corporation should be established. He also noted his disapproval of the premier resort area sales tax.

Sarah Hill, 1024 George Street, spoke on the premier resort area sales tax. She encouraged the City to have conversations on the advantages and disadvantages of this process.

Presentation by the Community Action Group

Beth Tallon, Public Relations Manager for Community Action of Rock and Walworth Counties, spoke on Twin Oaks and anti-poverty programs that Community Action operates. Twin Oaks is the only 24/7 shelter in Walworth County, and the only one that allows families. People utilizing Twin Oaks are taught financial literacy and must go to mandatory workshops. She gave information on their charity golf outing as well as other fundraising programs.

Discussion on Premier Resort Area Sales Tax

City Administrator Oborn screened a video on the topic. The City of Lake Geneva generates 55% of its revenue from property taxes, making the City more dependent on property taxes than the average city in the state. State shared revenue is 13% on the average and with the City at 1%. We are a little better on transportation funding than the average community. The premier resort area sales tax can address these issues but we are open to other ways of addressing them.

State government has a history of fixing budget holes by reducing aid to local governments. Ours is already very low, so that would contribute to our over average dependency on property tax. A big advocate for this alternative source of revenue is reducing property tax and maintaining quality infrastructure.

Mr. Oborn feels we should be eligible for the premier resort area sales taxes because we are in one of the counties whose tourism revenue income is over 5%. Transportation is a local challenge as well as deteriorating roads. We would be open to a regional approach to addressing issues. The City could implement a wheel tax, but we would be taxing the same people who already pay property taxes. Local gas tax is not currently available in Wisconsin. He estimates 70% of the premier resort area sales tax will be paid by non-residents.

The premier resort area sales tax is the only municipal retail sales tax in Wisconsin. It would be imposed by tourist related retailers and some department stores. Walworth County has a 0.5% tax that generates \$8.4 million dollars a year. Lake Geneva provides roughly 25% of that, but gets none of it. Mr. Gelting asked if Representative August has spoken with Mr. Oborn on this topic at all. Mr. Oborn said they spoke at a conference and he seemed open to it at that time. Premier resort area sales tax revenue is only for infrastructure expenses such as transportation and parks. Tourism related businesses would have to collect this tax such as variety stores, general merchandise stores, tourist related convenience

stores, restaurants, hotels, and bars, as well as clothing and sporting goods stores. Mr. Oborn will probably take our business license reports and estimate which businesses would be affected by it. Those businesses would have to increase their sale tax by 5.5% to 6%.

The key areas of infrastructure the tax can be used toward are transportation funding, sewer and water, parking lots and access ways, parks, boat ramps, beaches, other recreational facilities, firefighting equipment, police vehicles and other public safety materials and equipment as well as public works. The revenue cannot be used toward operating. Mr. Oborn stated property tax is 100% on the residents of the community, whereas premier resort area sales tax would be 30%. An optional, non-binding referendum could be done to see where the public is at on the topic.

Mr. Oborn stated it is not just another tax. There is a great benefit to the community. There was a discussion on the various pros and cons of the tax. Mr. Oborn said an advisory resolution can be done to gauge the public support and/or lobby for required legislative support to grant the City the required exemption to enact the premier resort area sales tax. Mr. Oborn urged the public to reach out to their representatives with their feelings on the topic. He noted the rate is capped at half of a percent at this time. The rate would have to be raised in the legislature; the City could not raise the tax each year.

Mr. Howell would like to see if people want to fix the infrastructure, if they want to use a premier resort area sales tax, raise the property taxes or cut services somewhere else. Mr. Kordus stated they need to decide if they want to move a referendum forward or continue with a lobbying effort. If they go the route of a referendum, a special election can be held but it would be solely at the cost of the City or they could aim for the November or April elections.

Mr. Kordus asked Mr. Oborn to present more information on this topic at the July Committee of the Whole meeting.

Standing Committee Reports given:

Finance, License & Regulation Committee, Alderman Kordus
Personnel Committee, Alderman Hedlund
Public Works Committee, Alderman Kordus
Piers, Harbors, & Lakefront Committee, Alderman Skates

Committee, Commission and Board Reports given:

Board of Review, Alderman Kordus
Utility Commission, Aldermen Hedlund
Tree Board, Alderman Skates
Police & Fire Commission, Alderman Gelting
Plan Commission, Alderman Skates
Board of Park Commissioners, Alderman Skates
Library Board, Alderman Gelting
Historic Preservation Commission, Alderman Chappell
Cemetery Board, Alderman Kordus
Parking Commission, Alderman Gelting
Communications Committee, Alderman Kordus
Avian Committee, no report given

Other Boards and Committee Reports given:

Chamber of Commerce, Alderman Kordus
Geneva Lake Museum, Alderman Howell
Lake Geneva Economic Development Corporation, Alderman Gelting
Geneva Lake Environmental Agency, no report given
Geneva Lakes Family YMCA, Alderman Skates
Geneva Lake Use Committee, no report given

Hedlund/Skates motion to adjourn the meeting at 8:29 p.m. Unanimously carried.

/s/ Stephanie Gunderson, Assistant City Clerk

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