

**REGULAR CITY COUNCIL MEETING  
MONDAY, JULY 10, 2017 – 6:00 PM  
COUNCIL CHAMBERS, CITY HALL**

Mayor Kupsik called the meeting to order at 6:00 p.m.

The Pledge of Allegiance was led by Alderman Straube

**Roll Call.** Present: Aldermen Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell. Also Present: City Administrator Oborn and Building and Zoning Administrative Assistant Follensbee

**Awards, Presentations, and Proclamations.** None.

**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.**

Beverly Leonard, 1504 Dodge St, Beverly spoke to the expansion of the Riviera Beach. As we have an active Purple Martin colony in Lake Geneva, she is concerned about how it may impact the location of the current Purple Martin houses. During nesting season, as early as April and as late as mid-September, it is against Federal Law to relocate these birdhouses. They are protected by Federal Law. She wants this to be considered before any birdhouses are moved.

Nan Adler, Visit Lake Geneva, 527 Center St, spoke on the Electric Christmas Parade. They appreciated everything the City, including the police, fire and parking departments, do to help with this event. She is asking for the fees to be waived.

Pete Peterson, 1601 Evergreen Lane, spoke to the referendum for the Riviera building improvements. He feels the public wants a referendum and hopes the City does not circumvent this.

Jason Hall, 626 Geneva Street, Police Sergeant, acknowledged their contracts will be discussed and thanked the administration for their support and discussions.

MaryJo Fesenmaier, 1085 S Lake Shore Dr, spoke on expanding the Riviera Beach. She noted a concrete boardwalk is tacky and they should look at something nicer that can be maintained for a lower cost. She stated the Beach and Riviera improvements should have been done while the TIF was open. Even though they are not bound to ask people, she feels it should be put to referendum out of good will.

**Acknowledgement of Correspondence.** None.

**Approval of Minutes.** Skates/Kordus motion to approve the Regular City Council Meeting minutes of June 26, 2017 and Special City Council Meeting minutes of June 28, 2017, as prepared and distributed. Unanimously carried.

**Discussion/Action on reconsidered motion amending the Banner Ordinance changing the 2 week maximum to a 2 week minimum, always charge the fee, and removing the \$20 fee from the ordinance and placing it on the fee schedule** (*Reconsidered on June 26, 2017 City Council Meeting; Discussed at Finance, License and Regulation on July 5, 2017*)

Kordus/Hedlund motion an amendment to charge a \$20 one-time fee which includes the placement and removal of banner, and \$1 per day per pole with the City Administrator having the ability to coordinate who puts what banner where, and the raising of nonspecific seasonal banners at no cost that do not advertise or promote events.

In order to avoid confusion, Ald. Kordus would like to eliminate the 2-week minimum so banners can be put up as long as the organization wants. This is where the \$1 per day comes in. Ald. Halverson stated the BID discussed this at their meeting this morning and requested the Council delay action until they can have more conversation with the City Administrator. The BID would like to pay the city a flat fee and do all the management of the banner poles. Mr. Oborn noted the problem with this fee structure is that you are not encouraging a seasonal banner as it would be around \$5,000 a

year with the \$1 per day fee. The BID is currently purchasing a Streets of Lake Geneva banner and asking council to waive the fees. This way banners will be on the poles all the time.

Ald. Kordus noted they didn't have a problem with seasonal banners; they are talking about marketing, advertising and/or event promotion. He is assuming the intent was to waive the fees for seasonal banners, although that wasn't directly stated. A seasonal "placeholder" banner with no marketing, no promotional, no event, would be put up when another one is taken down. Ald. Flower and Skates felt the discussion should be delayed to speak with the BID further. Mayor Kupsik doesn't feel it is a time sensitive issue, just more clean up. Ald. Kordus felt we have vetted this enough and sees no point in continuing it.

Roll Call: Chappell, Skates, Kordus, Straube, Halverson, Hedlund voting "yes." Motion carried 6 to 2 with Ald. Flower and Howell voting "no."

**Consent Agenda** – *Recommended by Finance, License and Regulation on July 5, 2017*

- a. Beach Reservation Permit application filed by Mt. Zion Christian Church to rent the Riviera Beach on Sunday, September 17, 2017 from 12:00 pm to 4:00 pm for a beach baptism
- b. Parade Permit application filed by VISIT Lake Geneva for the 42<sup>nd</sup> Annual Electric Christmas Parade using Broad Street and Main Street on December 2, 2017 from 3:00 pm to 6:30 pm, with all fees waived including the application fee
- c. Street Use Permit application filed by VISIT Lake Geneva for the 42<sup>nd</sup> Annual Electric Christmas Parade using Broad Street and Main Street on December 2, 2017 from 3:00 pm to 6:30 pm including closure of 112 parking stalls on the west side of Broad Street from Marshall Street to Main Street and on the north side of Main Street from Broad Street to Cook Street, with all fees waived including the application fee
- d. Original 2017-2018 Operator's (Bartender) License applications as listed in packet
- e. Renewal of 2017-2018 Operator's (Bartender) License applications as listed in packet
- f. Renewal Taxi Company License application filed by All Star Cab
- g. Original Creamery Permit application filed by Funky Kup, 120 Broad St. *(Approved by Director of Public Works; informational only)*
- h. Renewal of Massage Establishment License application filed by Loosen Up Ltd, 201 Broad St Suite E
- i. Temporary Alcohol License Premises Extension application filed by the American Legion Post #24, 735 Henry St., to include fenced outdoor yard and garage areas for the 10<sup>th</sup> Annual Car Show on Saturday, July 29, 2017 from 8:00 am to 4:00 pm
- j. Retail License Transfer – Premises to Premises application filed by Curt Selby, Board and Brush Lake Geneva transferring the Class "B" Beer License for the Sale of Fermented Malt Beverages from 252 Center St. to 262 Center St. contingent upon approval of the occupancy permit and business license

Kordus/Chappell motion to approve.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting "yes." Unanimously carried.

**Items removed from the Consent Agenda.** None.

**First Reading of Ordinance 17-11, an Ordinance repealing the 25 Minute Parking Zones and dedicating Parking Stall #215 for Library Use** *(Approved by Council on June 12, 2017)*

Kordus/Hedlund motion to suspend the rules and go to the second reading.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting "yes." Unanimously carried.

Kordus/Hedlund motion to approve **Ordinance 17-11**, an Ordinance repealing the 25 Minute Parking Zones and dedicating Parking Stall #215 for Library Use

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

**First Reading of Ordinance 17-12, An Ordinance Amending the Joint Uniform Lake Law Ordinance of Geneva Lake** (*Approved by Council on June 26, 2017*)

**Finance, License & Regulation Committee Recommendations from June 6, 2017 – Alderman Kordus**

**Discussion/Action on expanding the Riviera Beach by 12,400 square feet and building a beach wall for an amount not to exceed \$311,035 funded by the Lakefront Fund Balance**

Kordus/Skates motion to approve. Ald. Kordus explained the beach/retention hill is caving in so we have to do something in order to retain that. While doing this, we looked at the possibility of making it even and more like the other side of the beach. We will need to take into consideration when to move the purple martin house. Ald. Flower feels the grassy area outside the beach does have a slope but a lot of people use it. She also noticed people sitting on the grass area inside of the beach. She knows they want to expand the beach for potential revenue; however based off her estimated calculations, they may only see an increase of \$35,000 a year in additional revenues. It will take about 10 years to have a return on the investment. The fence has been there for a long time and it’s not falling down, it’s not eroding beyond the barrier of where it’s been for a very long time. She does feel they should do enhancements and grooming on that side of the beach, she’s just concerned about going that far and would like to leave some grass. She noted they will have to take out more trees than suggested.

Ald. Straube stated since we’ve never filled the beach, making it bigger is not necessarily going to bring more people. She doesn’t see the need for that much expense. Ald. Chappell said the west end is always a dead spot, people migrate to the middle. Ald. Skates stated people don’t want to be crowded, they want more space. We could offer a volleyball court or cabana rental. In years past we used to have volleyball, but there is just no room for it anymore. Ald. Kordus stated on those busy days, people don’t go to the beach. There is a capacity issue, even though we are not at capacity. Ald. Halverson was concerned about losing more than 2 trees.

Roll Call: Skates, Kordus, Straube, Halverson, Hedlund, Howell voting “yes.” Motion carried 6 to 2 with Ald. Chappell and Flower voting “no.”

**Discussion/Action on removing and replacing the Riviera Beach Wood Decking with a Concrete Path for an amount not to exceed \$20,000 funded by the Lakefront Fund Balance**

Kordus/Hedlund motion to approve and to include staff recommendations on a colored concrete. There is some issue with the stringers. That is also considered the handicap entrance to the beach. A concrete path makes sense from a handicap accessible standpoint, not just maintenance. About 5 years ago the wood was replaced as it was rotted. We are now finding out all the support wood underneath is bad. DPW Earle stated there are issues keeping it clean and level with the wind blowing the sand onto the wood. Concrete is not aesthetically the best thing to look at but it’s maintenance free, easier to clean and a more secure walkway. Ald. Chappell suggested make it sand color. There was another product researched that could be used in place of wood or concrete. Mr. Earle found this application would not be what we are looking for. It was discussed they could make it look better with a colored concrete.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

**Discussion/Action on Aurora Clinic Program of 12 hours per week with no deductible for employees and dependants on City Employee Health Plan**

Kordus/Hedlund motion to approve. Ald. Hedlund explained this is a benefit to employees and our health plan. It keeps our costs within reason and gives better service for our employees. There is discussion on if we are going to use the schools facilities or the aurora clinic. It will cost \$46,800 for 12 hours a week. It should reduce our overall costs because if an employee has a sore throat they can get treated for it there and we won’t have to pay a specialist or doctor. Employees won’t pay a deductible and the city won’t pay a per basis claim, just the flat fee.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

## **Discussion/Action on Organizational chart change for new Fire Department Part-Time Confidential**

**Administrative Assistant position with a Pay Grade Scale of 4** *(Recommended by the Police and Fire Commission on July 6, 2017)*

Skates/Chappell motion to approve. There is no additional cost. The work had been done by a fire fighter but they are moving it to a Confidential Administrative Assistant position.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

## **Discussion/Action on Riviera Building Improvements including:**

### **a. City Attorney Opinion on Referendum**

The City Attorney provided his opinion in the packet. Mr. Oborn explained the City Attorney’s official opinion from his memo says, “Therefore, I do not believe a referendum is required to make the repairs or renovations presented at the Special Council Meeting of June 28, 2017.” Certainly you can always do a voluntary referendum, but it doesn’t have to be binding. Ald. Kordus noted he made the motion when they changed the ordinance. We talked about what would happen if something major happened to the library, firehouse, or Riviera. That was part of the whole discussion about changing the ordinance that ties to the referendum; infrastructure and maintenance should not be subject to the referendum limits. If we had a binding referendum like this and it went out and the public voted it down, what’s the alternative? Do we sell the Riviera, do we let it crash into the lake, do we let it turn into rubble. That’s the crown jewel of the City of Lake Geneva. Part of changing that ordinance was to update the referendum that was originally put in place so we could do maintenance on infrastructure that already exists within Lake Geneva without going to referenda. That was the full intent.

If they were to do a referendum it wouldn’t happen until the February 2018 primary or the April 2018 Spring Election if no primary is needed. We could pay for an election in November, but there is a lot of education to the public involved. With the prioritization, we can break it up. Without having to do the referendum we can start on the roof which is the most critical right now. The others can be done in steps as this will be a 2 to 3 year project. Ald. Skates would rather be slower in the process than do everything at one time. Mayor Kupsik stated because it’s a historical building we have some challenges with getting it approved by the historical society. We have a roof that ranges from \$400,000 to \$800,000. It makes sense to start at the top and work our way down. Ald. Flower agreed; she likes that we have asset management. She noted the roof lifetime warranty does not cover the whole roof. Going forward we need these items on the equipment replacement fund.

Mayor Kupsik stated as council we need to pay attention to our current infrastructure. Ald. Chappell asked if there is another TIF that can be created for beautification or improvements. Mr. Oborn stated if we do the repairs and increase the value, it’s not a taxable item so it creates no increment. When closing the TIF last year, there was opposition on Riviera repairs because of the previous expenditure in 2010 of \$600,000. Given that opposition, it never was proposed and never really looked at. Mayor Kupsik explained we didn’t know the extent of the repairs before closing the TIF and was not sure if we could have used TIF money for that. Mr. Oborn confirmed that we could have used the TIF money. Ald. Kordus noted the council was under extreme pressure. The same people stating we should have used TIF money for the Riviera are the same ones that told us to close it. Because we were under such pressure to close the TIF, we rushed to close it. We got done what we could, when we could. Mr. Oborn noted there are probably grant funds out there.

### **b. Prioritization of Projects**

Howell/Skates motion to suspend the rules and allow Mr. Henry to speak. Unanimously carried.

Mr. Henry explained how they could phase the project, noting a lot of items are inter-related but they could group some items together. The site improvements for the trench drain and concrete paving on the north entry can be done independently; however, they may want to group it with the monumental stair reconstruction so that area is only disturbed once. It’s imperative that work in the front of the Riviera entrance be done in coordination with what the beautification committee is doing in the Driehaus Plaza. The fire protection system is independent and should be done in coordination of the interior renovation to conceal the piping as much as possible. The building is grandfathered in so you would not have to do a sprinkler system. The exterior envelope should be started first to avoid any potential damage from window or roof leaks. As a second priority you could do the monumental stairs and the south wall that supports the balcony. The monumental stairs should be phased, doing one side first, to allow access to the ballroom. Once those items are done, they would turn to the windows and exterior doors. Those 3 major items should be combined as a single phase. The range in the cost depends on if the city wants to do repairs instead of replacement. The HVAC is a priority. Their recommendation is better technology for the window frames and glass. This will reduce the amount of heating and

cooling equipment you need when you do replace the heating system. The heating system would have to be caught up to code with the outside air ventilation. The loads will increase if you don't do something to the envelope and primarily the windows. The elevator can be done at any time. The elevator ramp also needs to be redone. Each floor can be done independently as well as each half of the main concourse floor to work with the tenants as much as possible. These individual priority budgets do not total the whole amount as he did not do a separate budget for the site work improvements or the fire protection system.

Mr. Henry used the Spanish metal tile in the budget as, based on the discussions on the 28<sup>th</sup>, the council is going to try and get the state to approve it. He shifted a couple other things in the optional: using the lake for heating and cooling; option of rebuilding the entire layout of the first floor for more stalls; and an in floor radiant heat system. Renovation piecemeal would be \$5 to \$6 million. Doing a phased approach may have some sacrifices, but it could be problematic doing it all at once.

The timeframe to do it all at once is 1 year to 18 months. Ald. Kordus feels we are still in the discussion phase. We are in quasi agreement to take this in bite size pieces so we probably are not going to go to referendum with it. Funding is the whole next phase. This should go to the Piers, Harbors and Lakefront Committee to figure out how we are going to piecemeal and move forward on it. Ald. Flower questioned if we have to extend Mr. Henry's contract to continue. Mayor Kupsik replied we will want him to stay on board to lead us in the direction we need to go. He has exhausted all the funds approved for him and at some point it will have to go back to FLR.

Ald. Flower asked about the final price. Mr. Henry explained the amount is less as the site improvement, fire protection, extra \$200,000 for the roof and some HVAC items are not included. By breaking it into pieces it will be around \$5 to \$6 million versus \$4.8 and \$5.7 million. We put the budgets together with construction starting in 2018; although with phases, you have to factor in construction inflation which is about 4% per year.

Ald. Skates asked about feedback on the roof from the historical society. Mr. Henry could make the contact with Chip Brown at the State Historic Preservation office. He recommends sending the report and showing the product. They should begin the application process as the entire project needs to be outline and approved. A face to face meeting in Madison would be appropriate or it would be good for them to come down and look at the site. Ald. Kordus said to move things forward this should go to PHL and have Mr. Henry come back with a proposal for additional funding to him on board. Then direct staff to start working with the state historical society and also start looking for grant funds. Mr. Henry feels Vandewalle could be part of that too.

Ald. Chappell asked if there is any benefit to staying with the historical status. Mr. Henry replied the state historical office does sound like they are willing to work with us. The proposal does have items that more closely resemble what the original Riviera looked like when it was built. Mr. Henry stated there are financial tax incentives to remodel a historic structure to maintain its historical integrity. However, the City does not pay taxes so there really is no advantage to keeping it a historical building; you can't write anything off for it. From that standpoint, it makes no difference if the City keeps it on the registry or not. Ald. Flower suggested other alternatives such an interior staircase due to the issues with salt and possibly remodeling the layout of the first floor to improve the tenant space.

Howell/Chappell motion to ask Mr. Henry to come back to the next Piers & Harbors meeting to discuss these various details. Mayor Kupsik asked if we are going to go after grant money, are we going to leave it as a historical building or are we going to disregard that and turn it into something completely different. Ms. Chappell felt if there are no advantages she would want to save money and not be on the historical registry. Ald. Flower explained when you remove it from the historical status, you start to lose control of the site over time. Mayor Kupsik stated this should be forwarded to the appropriate committees for further discussion.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting "yes." Unanimously carried.

**c. Funding Options** *(Continued from June 28, 2017 Special Council Meeting)*

Mr. Oborn explained different funding sources and options. Tax incremental financing requires an increment which is an increase in assessment value. TIF is not an option as we need to have something that has value. Ald. Kordus would like to explore grants, public private partnerships and the Beautification Committee. There was further discussion on donations, public private partnerships and a 20 year bond. Mr. Oborn noted he would not recommend the Lakefront fund

as that money is scheduled for other items. The Lake Geneva Development Corp does have grant applications available for businesses. Mr. Oborn noted the consensus is to look into grant funding and donations.

**Presentation of Accounts – Alderman Kordus** (*Recommended by Finance, License and Regulation on June 20, 2017*)

**Purchase Orders (none)**

**Kordus/Skates motion to approve the Prepaid Bills in the amount of \$80,244.34**

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

**Kordus/Chappell motion to approve the Regular Bills in the amount of \$231,704.12**

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

**Kordus/Hedlund motion to approve the Treasurer’s Report for May 2017**

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

**Mayoral Appointments.** None.

**Closed Session**

- a. **Motion to go into Closed Session pursuant to Wis. Stat. 19.85(1)(c) considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility regarding:**
  1. **Police Chief Rasmussen**
  2. **Lieutenant Gritzner**
  3. **Lieutenant Way**
  4. **Sergeant Hall**
  5. **Sergeant Derrick**
  6. **Sergeant Hinzpeter**
- b. **Motion to go into Closed Session pursuant to Wisconsin Statutes 19.85 (1)(e) for purposes of conducting other specified public business, whenever competitive bargaining reasons require a closed session for negotiations on the various Riviera Concourse leases**

Kordus/Skates motion to go into closed session and include City Administrator Oborn and Mr. Henry for item b.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

Council entered into closed session at 8:10 pm

**Open Session**

**Kordus/Skates 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, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

Council entered into open session at 8:52 pm

**a.1.** Kordus/Hedlund motion to approve a 1.2% pay increase retroactive to January 1, 2017 for Police Chief Rasmussen as discussed in closed session.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

**a.2. & 3.** Kordus/Skates motion to proceed as discussed in closed session.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

**a.4., 5. & 6.** Kordus/Hedlund motion to approve the contracts of Sergeant Hall, Sergeant Derrick, and Sergeant Hinzpeter as discussed in closed session.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

**b.** Kordus/Skates motion to proceed as discussed in closed session.

Roll Call: Chappell, Skates, Kordus, Flower, Straube, Halverson, Hedlund, Howell voting “yes.” Unanimously carried.

**Adjournment.** Kordus/Flower motion to adjourn at 8:57 pm. Unanimously carried.

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/s/ Sabrina Waswo, City Clerk

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