

**REGULAR CITY COUNCIL MEETING
MONDAY, JULY 25, 2016 – 7:00 PM
COUNCIL CHAMBERS, CITY HALL**

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

The Pledge of Allegiance was led by Alderman Chappell

Roll Call. Present: Mayor Kupsik, Aldermen Chappell, Skates, Kordus, Flower, Gelting, Horne, Hedlund, Howell. Also Present: City Attorney Draper, City Administrator Oborn, Director of Public Works Winkler and City Clerk Waswo.

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. None.

Acknowledgement of Correspondence. None.

Approval of Minutes. Horne/Kordus motion to approve the Regular City Council Meeting minutes of July 11, 2016, as prepared and distributed. Unanimously carried.

Consent Agenda

- a. Original 2016-2017 Operator's (Bartender) License applications filed by Michelle Basith, Kyle Carlson, Jack Golitz, Dayana Hernandez, Kerri Keisler, Lilian Montesinos, James Scully, and Joanne Sontag
- b. Renewal of 2016-2017 Operator's (Bartender) License applications filed by Karlene Bull and Catherine Petrassi

Kordus/Skates motion to approve. Unanimously carried.

Items removed from the Consent Agenda. None.

Kordus/Flower motion to approve Second Reading of Ordinance 16-07, amending Chapter 62, Sidewalks and Other Public Places, adding Sections 62-300 through 62-327, Article X. Right of Way Occupancy and Permitting
Roll Call: Chappell, Skates, Kordus, Flower, Gelting, Horne, Hedlund, Howell voting "yes." Unanimously carried.

Kordus/Skates motion to approve Second Reading of Ordinance 16-09, amending Chapter 74, Traffic and Vehicles, Article IV. Bicycles, Skateboards, Roller Skates, Section 74-157, Riding in Certain Areas Prohibited, to include the Brunk Pavilion
Roll Call: Chappell, Skates, Kordus, Flower, Gelting, Horne, Hedlund, Howell voting "yes." Unanimously carried.

Kordus/Chappell motion to approve Second Reading of Ordinance 16-10, amending Chapter 74, Traffic and Vehicles, Article VI, Traffic Code, Section 74-210, Parking Regulations, subsection (a)1 No Parking, Standing or Stopping Zones, adding no parking in front of 322 Warren Street
Roll Call: Chappell, Skates, Kordus, Flower, Gelting, Horne, Hedlund, Howell voting "yes." Unanimously carried.

Finance, License and Regulation Committee Recommendations – Alderman Kordus

Discussion/Action on prohibiting parking on the South Side of Grant Street from Williams Street to Tomike Street
(Recommended by Public Works Committee on July 14, 2016).
Kordus/Horne motion to instruct City Attorney to draft an ordinance. This was recommended by the Police Chief as a safety issue.

Roll Call: Skates, Kordus, Flower, Gelting, Horne, Hedlund, Howell voting “yes.” Motion carried 7 to 1 with Alderman Chappell voting “no.”

Discussion/Action on prohibiting parking on the North Side of Campbell Street from South Wells Street to South Lake Shore Drive *(Recommended by Public Works Committee on July 14, 2016)*

Kordus/Horne motion to instruct the City Attorney to draft an ordinance. Mayor Kupsik brought this up due to the congestion coming off of Campbell Street. On a busy weekend, they are parked all the way to the corner on Lake Shore Drive. He feels from a safety standpoint, eliminating the parking would be a plus. Alderman Flower questioned if there is a mailer or notification sent out to the residents. Mayor Kupsik stated there is already no parking on the other side of the street. He doesn't feel it would affect anyone.

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

Kordus/Chappell motion to approve Engineering Service Agreement with Kapur & Associates, Inc for design and construction management of the 227 South Lake Shore Drive Parking Lot not to exceed \$15,412.00 from the Parking Fund *(Recommended by Public Works Committee on July 14, 2016)*

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

Kordus/Horne motion to approve Demolition and Removal of Hard Surfacing by Robert Stewart Excavating, Inc. for 227 South Lake Shore Drive Parking Lot not to exceed \$13,000.00 from the Parking Fund *(Recommended by Public Works Committee on July 14, 2016)*. Mr. Kordus explained this is the removal of excess hard surfacing and prepping the property for pavement. This amount could increase if they hit something unexpected under the surface.

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

Discussion/Action on an Ordinance to prohibit unauthorized use of the Brush and Compost Drop-off Site on Carey Street at the Street Department *(Recommended by Public Works Committee on July 14, 2016)*

Kordus/Gelting motion to instruct the City Attorney to draft an ordinance. There was a lengthy discussion at Public Works. It's mainly an issue with contractors/commercial vendors dropping off excess compost and brush. They will do the ordinance and a sign and may look into more extreme measures. Mayor Kupsik felt the compost site is becoming a dump area. Hopefully the ordinance will keep the area primarily for what it was set up for.

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

Kordus/Horne motion to approve request filed by William Chesen on behalf of the Lake Geneva Fire Bells Rehab Unit #64 to reserve and waive the parking fees for six parking stalls on the east side of the 100 block of Broad Street from the alleyway north to Main Street for the annual Lake Geneva Fire Bells fundraiser on Sunday, September 17, 2016.

Mr. Kordus explained historically the fees have been waived. The date was questioned as the 17th is a Saturday.

Kordus/Horne withdrew the original motion for clarification of the event date.

Kordus/Horne motion to continue to the next meeting. Unanimously carried.

Kordus/Chappell motion to approve Dan Larsen Landscape TIF4 Escrow Draw Request No 3 for \$10,937.00

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

Kordus/Gelting motion to approve Down To Earth Contractors TIF4 Escrow Draw Request No 2 for \$2,949.00

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

Kordus/Horne motion to approve Giraffe Electric TIF4 Escrow Draw Request No 1 for \$1,702.76

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

Kordus/Gelting motion to approve Hein TIF4 Escrow Draw Request No 3 for \$31,251.06

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

Kordus/Horne motion to approve Humphreys Contracting TIF4 Escrow Draw Request No 1 for \$9,999.35

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

Kordus/Gelting motion to approve Lake Geneva Economic Development Corporation TIF4 Escrow Draw Request No 1 for \$25,867.50. This is most likely the final draw on the property renovations for the Traver Hotel property that is being prepped to be sold.

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

Kordus/Gelting motion to approve Systems Design TIF4 Escrow Draw Request No 1 for \$1,708.47

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

Kordus/Horne motion to approve Wil-surge Electric TIF4 Escrow Draw Request No 1 for \$7,650.00

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

Kordus/Gelting motion to approve TIF Closing Audit Services with Schenck for a cost of \$6,500 funded by TIF4

This is a State required audit to close the TIF. Once the final numbers are in, the other taxing jurisdictions can be paid out.

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

First Reading of Ordinance 16-11, a Zoning Text Amendment to Sections 98-407: Substandard Lot Regulations; 98-706: Exterior Storage Standards for Residential, Office and Commercial Districts; 98-034: Definitions; and 98-206 Commercial Land Uses of the Municipal Zoning Code of the City of Lake Geneva, Wisconsin (*Plan Commission recommended on July 18, 2016*). Alderman Chappell requested these items be separated out and individually voted upon at the second reading. It was done that way at the Plan Commission meeting and she would request that here as well. City Attorney Draper stated that can be done at the second reading.

Discussion/Action of Premier Resort Area Tourist Sales Tax and consideration of a corresponding Referendum (*Discussed at Committee of the Whole on June 6, 2016*)

City Administrator Oborn explained the information he provided in the packet. He noted the City has 41 miles of road and 1 mile is done a year. There is a 30 year life which means the City is not keeping up the deterioration. The City is overly dependent on property taxes as we use 55% and the state averages 44%. He reiterated this is the only sales tax option for municipalities in the State of Wisconsin. The state gets a lot of the ½ cent sales tax but none of that goes to the local government. Our goal is to lower our dependence on property tax. The statistic is that citizens will pay about an average of \$74 per year with this tax. If they do not have this tax, a 12% increase is \$173 per household. This is a tourist sales tax that generates 70% of revenue through tourists.

Mr. Oborn outlined 3 options in his memo. Option 1 is a November 8th referendum. The advantage is a high voter turnout but the deadline is coming up quick. Option 2 is an April 4th 2017 referendum. The advantages are there are very little additional costs. It provides more time to educate voters. The negative is that the voter turnout will not be as high. Option 3 is to not do a referendum, and the City could try and garner support of the legislature.

Alderman Chappell asked if we could go in as a group with other towns in the area and decide to choose together. Mr. Oborn stated if more municipalities were involved in it, it would be easier to garner support from the legislature. He spoke with the Chamber on this and stated it is certainly something we can look into. Option 1 would be harder but options 2 or 3 could work.

Alderman Kordus said at the Visit Lake Geneva meeting some were for and some were against. The legislature stated they would not put the item forward. That is where the discussion happened to include the towns around the lake, which is what was done in Door County. Mr. Kordus feels that is the better way to go as the referendum is already a moot point since we know in advance they are not going to present something in the bill or budget, so it won't go forward. If we had 6 resolutions, it wouldn't matter. They stated that other communities won't have a say about the tax. That would preclude the November election and put it off until April.

Alderman Chappell agreed. Mayor Kupsik stated Lake Geneva and Linn Township are represented by one Legislator, but Williams Bay and Fontana have a different one. We would have to influence two Legislators as well as a Senator. Mayor Kupsik asked what the process would be to get the other municipalities involved. Mr. Oborn could reach out to them. The Chamber offers a lot of publicity.

Mr. Kordus explained the fact that we are going to have about \$800,000 raised. He questioned why the City wouldn't be generating money because the City is generating the \$2.1 million for the County and they have a .5% sales tax. Mr. Kordus believes it would generate more revenue than what Mr. Oborn estimated. He feels that more than half of the people paying the tax will not be 70% as we have people from surrounding communities that shop here as well. Mayor Kupsik doesn't know how precise the numbers can be as there is no other area around us that has the premier area resort tax.

Alderman Flower questioned if the Council is in favor of this as she is unsure if she is or not. She is concerned that City of Lake Geneva residents will be paying more as well. She felt it is being sold as a tax cut but it's actually a tax increase and does not feel okay with that. It has been discussed the City needs the extra money for roads, but she questioned the status of the roads and infrastructure as well as the need. Mayor Kupsik stated in 2017 we will lose a substantial amount of money to Visit Lake Geneva for tourism. We are in a position where we have no way to recoup that money. This would be an alternative to getting that money back. In order for the City to maintain services such as police, fire, and clean parks, we need to generate revenue. The premier resort tax is a way to make money that will be needed for the infrastructure. The more tourists that come here, the more wear and tear the City has on the roads and infrastructure. Mr. Oborn noted we will be going in the wrong direction if the Chamber spends more money on advertising and we don't have the infrastructure to maintain them coming in.

Ms. Chappell stated by ordinance, we can get rid of the room tax. That is an option but it still doesn't preclude us from having the extra money to offset some of the items we still need to address and not increase peoples' taxes directly.

Alderman Howell felt there are a couple of simple choices to make. The City can fix the infrastructure and support it or not. If the City decides to keep the town up, we need to find out how we are going to pay for it. We are in a lower economic environment. He asked if they want to put it all on the property taxes and people of the City of Lake Geneva who they represent; or do they want people from the outside to put a little in here too. We represent the people of the City of Lake Geneva, not Elkhorn, Delavan, Williams Bay or Illinois tourists. He asked why property taxes should go way up if there is an alternative. If the City is going to do this, the people of Lake Geneva have to be behind it. If we have a strong vote, our legislatures need to at least listen. He can't see himself not taking advantage of a funding source like this or not fixing things.

Mr. Kordus said the big thing is getting state legislatures on board. Director of Public Works Winkler has an extensive chart that was put together on the streets and how they were rated. Mr. Winkler maintains the Wisler inventory, which he personally inventories each street and block in the city. Our average street condition index is 6 to 6½ range with 10 being the best and 4 and 5 being "you better do something yesterday". Overall we are hanging in there. If you look at Main Street by the Library, the road has really deteriorated over the winter. Mr. Howell was smart when he asked if you will be borrowing to pay for the road systems here, even as early as next year.

Mr. Oborn stated this tax can only be used for infrastructure. You can't do a direct cut in taxes. We have been borrowing a half million dollars a year for roads. Instead of borrowing, we can have this revenue stream dedicated to that.

Kordus/Chappell motion to direct the City Administrator to contact other municipalities in the area to get a regional consensus on an April ballot initiative for a referendum and move this out to another Council date when he has the appropriate information.

Mr. Oborn would be able to do this and bring back to the council by January or earlier for an April referendum. Mr. Kordus said this would help us out if Williams Bay and Fontana's Representative is in favor and they could include us. Mr. Kordus recommended it be done before January.

Roll Call: Motion carried 6 to 2 with Aldermen Chappell, Kordus, Flower, Horne, Hedlund, Howell voting "yes" and Aldermen Skates and Gelting voting "no."

Plan Commission Recommendations – Alderman Skates

Skates/Kordus motion to approve a General Development Plan (GDP) Application filed by Peter Jurgens for Oakfire Restaurant, 831 Wrigley Drive, Lake Geneva, for building Modifications to include a rear addition, and a

new second floor with indoor and outdoor seating in the Central Business (CB) zoning district at 831 Wrigley Drive, Tax Key No. ZOP 00340 including all staff recommendations and finding of fact (*Plan Commission recommended on July 18, 2016*). Alderman Skates explained this was the approval for the rear addition footprint. Mr. Draper added the General Development Plan was just the permission to do this structure. The next item is all of the details for the building. Roll Call: Chappell, Skates, Kordus, Flower, Gelting, Horne, Hedlund, Howell voting “yes.” Unanimously carried.

Skates/Kordus motion to approve a Precise Implementation Plan (PIP) Application filed by Peter Jurgens for Oakfire Restaurant, 831 Wrigley Drive, Lake Geneva, for building Modifications to include a rear addition, and a new second floor with indoor and outdoor seating in the Central Business (CB) zoning district at 831 Wrigley Drive, Tax Key No. ZOP 00340 including all staff recommendations, finding of fact, alley to be passable by end of work day, wood sample presented at Plan Commission to be product used for all wood references on plan, smooth sample of concrete presented at Plan Commission to be used for all precast sections, both wood and precast be used below front windows as shown on plan, emergency services be notified 48 hours in advance when road and alley is going to be blocked by construction equipment, exterior construction to be completed between November 1st and April 30th, roof panels to be bronze color to match window surrounds, Hardy Board to be standard 6” overlap, notify neighbors when road or alley will be blocked, protect street and curb from damage, and fire sprinklers are required (*Plan Commission recommended on July 18, 2016*)

Alderman Flower had questions regarding the height. It is almost double the size of the buildings next to it. Mr. Skates stated the height that it is at now is basically a façade wrapped around an old house. It is 8 feet taller than the old building next door and was considerable compared to Popeye’s. Mayor Kupsik noted the height was dropped about 8 feet. Mr. Oborn stated it is 38 feet tall. Ms. Flower said this is below the max that is in our ordinance. Alderman Hedlund stated he doesn’t really like this as it gives the feeling Chicago is coming to Lake Geneva. Mayor Kupsik answered there are so many different designs in that area. There is no distinct design as to what could possibly fit there. Alderman Gelting echoed some of the concerns of Alderman Flower and the elevation. He appreciates seeing that in the packet, but some of the conversions that he recalls are not there. The current elevation of this building as compared to the building next to it was not included. Mr. Gelting stated it seems out of space from a scale standpoint. He feels not having that information seems misleading. Mr. Skates added we are talking 12 feet, and would challenge someone to say what height a building is. Mr. Gelting stated he doesn’t know what that house peak elevation is, because it’s not there. Mr. Skates noted the peak was a little taller than the Victorian house next door. Mayor Kupsik noted there was a public hearing that no one appeared to speak for or against it. Mr. Skates said we asked to make quite a few changes and he has. Ms. Chappell stated none of the buildings behind it have any windows that face the alley, none would be blocked. She likes that they are bringing different architecture styles. Mr. Kordus stated it is technically a two story building now. Mayor Kupsik added they are also cleaning up the alley quite a bit. There are provisions for a larger grease trap to maintain the waste coming from the restaurant. Mr. Hedlund stated the packet says include a new second floor and nothing about a third floor. Ms. Flower questioned if there are any other Frank Lloyd Wright style buildings in the downtown. Mr. Skates said the challenge was should he match the house next door or Popeye’s. Mayor Kupsik added we don’t have a per se architectural building style. Mr. Gelting stated when he looks at the two elevations from the front, one shows Popeye’s at 17 feet and the other shows it at 15 feet. Mayor Kupsik noted the maximum allowable height is 45 feet.

Ms. Chappell noted she is more worried about putting in outside seating all over the sidewalk rather than the height. Mr. Oborn said the consensus was this will be the trend. This will be visible from the water. Ms. Flower is afraid this will be the trend as it is a historic downtown. She realizes there are differences, but there is a theme going downtown. Mr. Kordus questioned if this is within code and fits all the ordinances, would they need to come up with a reason not to approve this as opposed to not personally liking it. Mr. Draper answered it is not per code, but we are doing a GDP that has some give and take. Any time you make a decision, you have to have a good reason as to why not and good reasons for determining. If you are not happy with it, you can send it back to Plan Commission.

Ms. Flower is not necessarily for denial versus kicking it back to Plan Commission. Oakfire is a great restaurant, and she wants to make sure it is consistent with what we want the look and feel to be. She is not opposed to height, but it just does not blend. It doesn’t seem to fit. Mr. Draper added 5 votes are needed regardless of quorum to override the Plan Commission vote.

Roll Call: Chappell, Skates, Kordus, Gelting, Horne, Hedlund, Howell voting “yes.” Motion carried 7 to 1 with Alderman Flower voting “no.”

Skates/Kordus motion to approve Resolution 16-R42, a Conditional Use Application filed by Lyle Fitterer, 1040 San Jose Drive, Elm Grove, IL 53122, to install an accessory structure (Pier) closer to the lake shore than the primary structure, within Lakeshore Overlay Zoning District located at 63 Hillside Drive, Lake Geneva, Tax Key No. ZYUP 00094I including all staff recommendations and finding of fact (*Plan Commission recommended on July 18, 2016*)
Mr. Skates noted this was approved by the DNR. He had an old structure, so this will be cleaned up and look nice.
Roll Call: Chappell, Skates, Kordus, Flower, Gelting, Horne, Hedlund, Howell voting “yes.” Unanimously carried.

Presentation of Accounts – Alderman Kordus

Purchase Orders. None.

Kordus/Gelting motion to approve Prepaid Bills in the amount of \$12,696.57

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

Kordus/Skates motion to approve Regular Bills in the amount of \$177,062.07

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

Mayoral Appointments. None.

Adjournment. Kordus/Skates motion to adjourn at 8:36 pm. Unanimously carried.

/s/ Sabrina Waswo, City Clerk

THESE ARE NOT OFFICIAL MINUTES UNTIL APPROVED BY THE COMMON COUNCIL