

**FINANCE, LICENSE & REGULATION COMMITTEE
MONDAY, AUGUST 10, 2015 – 6:00 PM
COUNCIL CHAMBERS, CITY HALL**

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

Roll Call. Present: Aldermen Howell, Gelting, Kupsik, Kordus and Wall. Also Present: City Administrator Oborn, Comptroller Pollitt and Assistant City Clerk Gunderson

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. None.

Approval of Minutes

Wall/Kordus motion to approve the Finance, License and Regulation Committee Meeting minutes of July 27, 2015, as prepared and distributed. Unanimously carried.

LICENSES & PERMITS

Park Reservation Permit Application filed by Daniel E. Thiermann to use Seminary Park for a birthday party on August 15, 2015 from 2:00 pm to 7:00 pm

Kordus/Wall motion to approve. Unanimously carried.

Street Use Permit Application filed by Nicole and Michael Keens to close the block surrounding 1115 Geneva Street for a block party on August 22, 2015 from 5:00 pm to 10:00 pm

Kordus/Howell motion to approve. Alderman Kordus questioned if it was the alleyway or street that would be closed. Alderman Kupsik confirmed it was the alleyway. Unanimously carried.

Original 2015-2016 Operator's (Bartender) License application filed by Amanda Crawford, Llana Crego, Shari Cruz, Samantha Denton, Bridget Ieronimo, Scott Koeppen, Steven Kosmalski, Kimberly Purnell, Kayla Richter, Samantha Rizzo, Manjit Singh, Sharise Stamborski, and Treasha Warren

Howell/Gelting motion to approve. Unanimously carried.

Renewal 2015-2016 Operator's (Bartender) License application filed by Nancy Dvovich and Dawn Hancock

Kordus/Wall motion to approve. Unanimously carried.

Original Taxi Driver License applications filed by Mark Crews and Courtney Riordon (*Approved by Police Chief; informational only*)

Discussion/Recommendation on Resolution 15-R40, a resolution adopting a budget amendment to transfer \$1,500 from the Contingency account to the Museum-Maintenance & Repairs account to fund the installation of smoke detectors at the museum

Kordus/Wall motion to approve. Alderman Kupsik questioned the extent of the installation and if is one smoke detector or a whole system. City Administrator stated it is a multiple wireless system. There was recently a fire in the museum and the alarms did not go off. Mr. Kupsik asked if the system will be wired to the Fire Department so that they are notified if there is no one in the building. Mr. Oborn was unsure but stated he would look into it with the committee. Alderman Gelting asked for the current balance in the contingency fund. Comptroller Pollitt stated \$89,934. Mr. Kupsik stated he has no objection. Although he would like to do it the right way now, even if it costs a little more money, to avoid a major catastrophe. Mr. Oborn stated the committee can approve a higher figure if they would like. Alderman Kordus asked if the Fire Department has looked at the plan and approved it. Mr. Oborn stated the Fire Department provided recommendations. Mr. Kupsik would like an opinion from the Fire Department. Mr. Kordus asked if this is needed immediately or can it be continued to the next meeting. Mr. Oborn recommended they approve it and he will make sure whatever system they go with meets the requirements Mr. Kupsik suggested. He stated if additional money is needed, they can come back to council.

Kordus/Wall motion an amendment to approve contingent upon the system being connected to the Fire Department and approved by the Fire Department. Unanimously carried.

Discussion/Recommendation on Resolution 15-R41, amending the City's Schedule of fees, raising Riviera rental fee to \$2,500 for resident weekend and \$3,000 non-resident weekend effective immediately for new Riviera bookings
(Recommended by Piers, Harbors and Lakefront on July 23, 2015)

Wall/Kordus motion to approve. Unanimously carried.

Discussion/Recommendation on Parking app proposal from Parkmobile (Continued from July 27, 2015 Council meeting and recommended by Parking Commission on July 15, 2015)

Kordus/Gelting motion to accept option #1 including the 15 cent surcharge and wallet option.

Kordus/Kupsik motion to suspend rules to allow Sylvia Mullally to update the Committee. Parking Manager Mullally noted option 1 would be a revenue sharing. Parkmobile would receive 20 cents from the user. The City would receive 15 cents that would directly subsidize credit card processing fees. The wallet portion is optional and the user would have to load a minimum of \$25. With this option, Parkmobile would be the merchant of record. The City would pay the processing fee to Parkmobile of 15 cents plus 3%. The City would then benefit with the 15 cents per transaction. The wallet option can be used in Fontana and Milwaukee as well. She stated this would be a nice convenience that we can pass along to our customers. Parking revenues would be received from Parkmobile between 30 to 45 days. Ms. Mullally stated the 35 cent option would leave the City as merchant of record. This would be a trial to understand better how it is used and if it would be an advantage to the City.

Alderman Wall asked if this was the option Ms. Mullally previously recommended with the added 15 cents that the City would retain. She stated yes, the 15 cents would help offset the credit card processing. Mr. Kordus pointed out that they should not look at the 15 cent transition as revenue; it is only to offset the credit card processing fees. He stated the City pays about 6 ½ cents for every dollar taken in and with a 3 hour transaction, the 15 cents would not even cover the full fee, just offset it.

Alderman Gelting questioned how Parkmobile would determine the wallet reload fee. Ms. Mullally stated it depends on where it is originated. Mr. Kordus asked if the City has control to turn on or off the wallet option. Mr. Oborn noted if they choose not to do the wallet, it would not be available. It is just an added option. Unanimously carried.

Discussion/Recommendation on 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 20, 2015

Wall/Gelting motion to approve. Unanimously carried.

Discussion/Recommendation on method of charge for Fire Department Fire Protection Hydrant Rental Charge

City Administrator Oborn stated the Lake Geneva Utility Commission is seeking a 36% water rate increase from the Public Service Commission. A component of the Water Rate is the Public Fire Protection (PFP) charge sometimes referred to as hydrant rental with the charge to the City listed in the Fire Department Budget under Fire Protection – Hydrant Rental. He stated component means it is one of the sources of revenue that the water fund receives. The PFP charge covers the utility's cost for upsizing the water system and to provide hydrants for Public Fire Protection Services. The PFP charge was \$229,357 in 2014 and is budgeted at \$232,000 in 2015. A 36% increase in the PFP is about \$84,000. It is essentially \$84,000 paid from the general fund. The PFP is a component of the rate increase and could vary plus or minus 36%. Meaning the estimate of \$84,000 could vary between \$100,000 to \$20,000.

Currently the PFP charge is recovered as a Municipal charge funded through property taxes and is included in the Fire Department Budget. At the August 6, 2015 Police & Fire Commission meeting it was recommended the City Council remove the PFP charge from the Fire Department Budget. He stated the PFC did not want to get involved if the City would like to charge it an alternative way. If left in their budget, PFC would have to absorb a rate increase. The City's other option would be to recover the charge from the water bill. He stated most municipalities have moved towards the water bill option. He stated the advantages of leaving as it is right now as a municipal charge on the general fund which is primarily funded by property tax is the water bill is smaller, the PFP charge is tax deductible, and the tax is paid proportional to the value of home. If it is on the water bill it would be one rate for residential based on meter size. Hypothetically it would be proportional as more taxes are charged with someone with a larger home. A disadvantage is that Tax exempt organizations do not contribute, such as the school districts. Alderman Kordus stated the charge is tax deductible to the homeowner as it is part of the property tax bill. Mr. Oborn stated this option would take it off the tax bill and put it on the water bill instead. He noted there is some complexity on how water customers outside of the City are treated. Right now it is done the old fashioned way, based on line sizes and number of hydrants. They do not include the hydrants and lines that are outside of City limits. There are also a lot of islands where there is no significant line outside of City limits. Mr. Oborn stated if put

on the water bill, people outside the City limits would have the fee included, plus they would still pay the 25% water rate surcharge. Alderman Kordus asked if it goes on the water bill, it would be a flat rate per customer regardless of home size and/or water usage or is it a percentage. Mr. Oborn stated the most common way would be a flat rate based on meter size. It would be an annual estimate of about \$50 per customer, although it may be lower upon implementation.

Alderman Wall asked if the water bill charge would be beneficial to the tax payer. Mr. Oborn stated yes because people outside the City limits would have the surcharge and PFP charge. From that point of view it would be advantageous to the City taxpayer and less advantageous to people outside the City limits.

Mr. Kordus asked if this would be made as a line item on the water bill, would an increase have to go through the Public Service Commission. Mr. Oborn stated they would only raise it if they do a rate increase, which is also when they would recalculate the fire protection charge. He stated as part of this 36% rate increase, they are going to calculate it the new way and the City will receive a fixed amount. With fire protection being a component, it is subject to them and they will go through their process. By having it on the general fund, the City is at the mercy of the PSC. If it is on the water bill, it will be passed on every time there is a water rate increase. He stated they have not raised the water rates in over 21 years.

Mr. Kordus stated if it is on the tax bill, the burden is solely on the City of Lake Geneva property taxpayers. If someone is on the City water system and is outside the City limits with a hydrant, they are not paying for the service. By using the water bill option, anyone that is attached to the City water system, would be charged. Mr. Oborn added people outside the City limits would also pay the 25% surcharge. Mr. Kupsik asked if they put it on the water bill, would tax exempt organizations contribute. Mr. Oborn stated yes, they will be added into the equation.

Mr. Oborn explained including it on the water bill does not increase property taxes, the rate increases are passed on to users, tax exempt organizations contribute, and water customers outside of the City contribute. The disadvantages are that it is not tax deductible, water rate increases on the water bill, and it is not perfectly equitable. However, he noted it is not perfectly equitable right now.

When calculating the PFP charge, it appears that the PSC does not include the over sizing waterlines and hydrants outside of the City in the PFP charge for the City. It is estimated that 8% of users and 12% of usage is outside of City limits. The water rate 25% surcharge for outside the City water customers appears to help reduce the PFP expense for these customers. Mr. Oborn stated more research will be done to make sure they get charged. The most common method for the water bill charge is a rate based on ratios of meter size. The PFP charge method has been changed since the last rate increase so the new PFP charge could vary. The Utility Commission expects to have the water rate increase detail by the middle of September 2015. He noted they could hold off on making a decision until they receive the dollar amount as it does not have to be included with the rate increase.

Mr. Oborn stated he recommended the amount going on all at one time which avoids the general fund covering any additional fees. It can be blended with 50% on the water bill and 50% the way it is being done now as well. Mr. Kordus stated he would be interested in the charge on the water bill as it seems most advantageous to the City and taxpayer. Mr. Kupsik stated he would like to hold off until they receive the water rate increase detail.

Kordus/Wall motion to continue the item until figures are received on water rates with recommendation that the charge go on the water bill. Unanimously carried.

Presentation of Accounts

Purchase Orders. None.

Howell/Gelting motion to recommend approval of Prepaid Bills in the amount of \$9,043.94. Unanimously carried.

Wall/Kordus motion to recommend approval of Regular Bills in the amount of \$132,058.94. Unanimously carried.

Adjournment

Kordus/Gelting motion to adjourn at 6:44 p.m. Unanimously carried.

/s/ Stephanie Gunderson, Assistant City Clerk

THESE MINUTES ARE NOT OFFICIAL UNTIL APPROVED BY THE FINANCE, LICENSE & REGULATION COMMITTEE