

FINANCE, LICENSE & REGULATION COMMITTEE
MONDAY, AUGUST 24, 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 City Clerk Waswo.

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.

Mary Jo Fesenmaier, 955 George Street, commented on the budget timeline and goals. She suggested scheduling a public input session as part of the Council or Committee of the Whole meeting in the beginning of the budget process rather than the end. Ms. Fesenmaier also asked for more explanation on item 12 and the budget goals document related to item 6. She noted the residents are anxious to find out how they will not bear the cost of the Premier Resort tax but the tourists will. She stated there are other options regarding insurance such as what the school district offers. She hopes the City will move away from self funded insurance. She asked if someone could describe in more detail when the decisions were made on item 8 and Resolution 15-R42.

Approval of Minutes

Wall/Kordus motion to approve the Finance, License and Regulation Committee Meeting minutes of August 10, 2015, as prepared and distributed. Unanimously carried.

LICENSES & PERMITS

Temporary Class “B”/Class “B” Retailer’s License application for the sale of fermented malt beverages and wine filed by the Lake Geneva Business Improvement District for Taste of Lake Geneva on September 12, 2015 from 10:00am to 5:00pm in Flat Iron Park

Alderman Kupsik noted there was a mistake regarding the time. It should be 6:00pm.

Kordus/Gelting motion to recommend approval with amendment of time from 10:00am to 6:00pm. Unanimously carried.

Temporary Class “B” Retailer’s License application filed by Geneva Lake Arts Foundation for the sale of fermented malt beverages during the Art Exhibit Opening Reception at 647 W. Main Street on August 28, 2015 from 6:00pm to 8:00pm

Wall/Gelting motion to recommend approval. Unanimously carried.

Temporary Operator License application filed by Linda McLean on behalf of the Geneva Lake Arts Foundation for the Art Exhibit Opening Reception at 647 W. Main Street on August 28, 2015

Gelting/Kordus motion to recommend approval. Unanimously carried.

Original Class “A”/“Class A” Intoxicating Liquor and Fermented Malt Beverage License application filed by Hare Krishna Liquor Inc d/b/a Geneva Liquor, 797 Wells Street, Lake Geneva, Devdatt Patel, Agent, contingent upon payment of all outstanding liabilities and delinquencies with the City of Lake Geneva and wholesaler invoices, clearance of any Department of Revenue holds by all parties, and contingent upon H&P Enterprises LLC d/b/a Geneva Liquors surrendering their license

Gelting/Howell motion to recommend approval. Unanimously carried.

Original Class “A”/“Class A” Intoxicating Liquor and Fermented Malt Beverage License application filed by SA Enterprises LLC d/b/a QuickNSave, 1231 Grant Street, Lake Geneva, Amrik Singh, Agent, contingent upon payment of all outstanding liabilities and delinquencies with the City of Lake Geneva and wholesaler invoices, clearance of any Department of Revenue holds by all parties, and contingent upon QuickNSave LLC d/b/a QuickNSave surrendering their license

Gelting/Wall motion to recommend approval. Unanimously carried.

Original 2015-2016 Operator's (Bartender) License applications filed by Melissa Froemming and Alyssa Olsen Gelting/Howell motion to recommend approval. Unanimously carried.

Renewal 2015-2016 Operator's (Bartender) License applications filed by Justin Davis, Jay McNulty, Melissa Reiherzer, Gail Rempert, Judith Tapson and Andrew Wesolowski Gelting/Kordus motion to recommend approval. Unanimously carried.

Original Taxi Driver License application filed by Brandon Frank (*Approved by Police Chief; informational only*)

Discussion/Recommendation on approval of 2016 Budget timeline and goals

Comptroller Pollitt stated the timeline is the same as it was done in the past where prescheduled finance meetings were set. She stated if something different is preferred, please let staff know. She noted all of these are public meetings that the public can attend. Alderman Wall stated he is not available on Friday and noted if anyone else is not available they cannot have the meeting. Alderman Gelting asked how the budget request presentations are made. Ms. Pollitt explained they are made to this committee. Historically the meetings have been done during the day, but if is not acceptable to let her know. Alderman Kupsik asked if all of the meetings will be noted and have agendas. Ms. Pollitt stated they are workshop meetings and are published as a notice. Mr. Kordus wanted to clarify the Friday October 12th meeting by the Administrator, Comptroller and Finance Chair is only to compile all budget requests into a final form for the meeting.

Kupsik/Kordus motion to recommend approval of the 2016 Budget timeline. Unanimously carried.

City Administrator Oborn explained the goals and stated he likes providing this information for transparency. Item on is no property tax increase. Item 2 is balancing the budget with \$90,000 contingency. Ms. Pollitt stated that number has fluctuated. Item 3 is to evaluate options on the public fire protection charge and pending increase. Mr. Oborn stated they do have issues with the projected \$82,000 increase. It will continue to be evaluated and brought back in September after the report is done. Item 4 is to evaluate options on room tax revenue and pending law changes. The final implementation is in 2017. Mr. Oborn stated he will evaluate it and present options. Item e is to review capital needs. It appears to be done every three years and the City is on year two. However, there may be some immediate capital expenditures to put to add instead of borrowing. Item 6 evaluates the premier resort area sales tax and infrastructure funding. Mr. Oborn stated it will help going through the budget process to evaluate the need and what the monies would be spent on. At some point strategy should be discussed as well as goals. Item 7 is implementation of the compensation study. Item 8 is a pay raise which is normally done at the end of the year, but stated it would be easier to budget for it at the beginning. Mr. Oborn suggested and welcomed modifications to a 1% at the beginning of the year and 1% at the middle of the year, which would be 1.5% on the budget. Item 9 is to fund the equipment replacement fund. He noted this has always been a goal and tied it in with reviewing the capital needs. Item 10 is to complete the Police and Fire union contracts so they will know the amount of pay increase to budget for in 2016. In years past the City has been two to three years behind in retro effect. He explained item 11 regarding health benefits. The Wellness program is an area that is being worked on as well as the plan design and fully insured plan options. The transparency issue is also being focused on to bring down costs. Item 12 is to evaluate cost allocation between funds. Mr. Oborn explained he wants to make sure water, sewer and general fund are all paying their fair share, so that one fund is not subsidizing the other.

Alderman Kordus questioned item 4 as it would not affect the 2016 budget since it takes effect January 1, 2017. Mr. Oborn noted that was correct, but the City may want to plan for it and budget in its own fund to prepare for changes in 2017. Alderman Gelting stated with regard to no property tax increase, the City must make sure to tie together the potential changes for the fire protection charges if it is going to move that out of the tax roll and into a user fee that is reduced accordingly. Mr. Oborn explained it will be an option that will flush out and will be discretionary with the finance and council's part. It ties to the levy limit, and there are a lot of variables involved in that. Mr. Gelting said as the City ties together the equipment replacement fund and the capital need review, he is not sure if the Luke system and other pieces of that have been allocated into the equipment plan, as they have a 5 to 7 year life. Mr. Oborn suggested it converts the City from a borrowing to a pay as you go system.

Mr. Kordus explained he is fine with number 8 assuming it is a place holder with a recommendation from the Personnel Committee. He also wants to tie that to performance based pay versus an across the board pay increase. Mr. Oborn stated it is a benchmark to start with.

Kordus/Gelting motion to accept the 2016 budget goals as presented. Unanimously carried.

Discussion/Recommendation on renewal of CD in the amount of \$463,302.57 plus interest, maturing on August 30, 2015 from BMO Harris Bank

Comptroller Pollitt stated she recommends keeping the money at BMO Harris at 0.50% for 13 months.

Kordus/Gelting motion to recommend renewal with BMO Harris for a total of \$463,302.57 plus interest, maturing on August 30, 2015 for a 13 month period at 0.50%. Unanimously carried.

Discussion/Recommendation on Resolution 15-R42, a 2015 budget resolution transferring \$30,762.00 from the Contingency Account to the City Administrator Account for the City Administrator's salary increase per employee agreement

Comptroller Pollitt noted this is not only for salary, it also includes balancing the recruitment fees and moving expense. City Administrator Oborn stated the employee agreement is only part of it.

Wall/Gelting motion to recommend approval. Alderman Gelting questioned the contingency amount of \$88,000 and asked if staff keeps a list of everything taken out of contingency. Ms. Pollitt confirmed it is tracked. Unanimously carried.

Discussion/Recommendation on awarding bid to Burris Equipment of Waukegan, Illinois for a Sand Star II groomer for the Veteran's Park baseball fields in the amount of \$16,410.50 funded from Department of Public Works Equipment Replacement Fund with the YMCA to contribute half of the replacement cost

Howell/Gelting motion to recommend approval. Alderman Kordus asked where the \$8,000 is coming from for the City portion. City Administrator Oborn clarified it would come from the equipment replacement fund. It is not budgeted but there are sufficient funds to cover the cost. Unanimously carried.

Discussion/Recommendation on second amendment to the City of Lake Geneva Employee Health Care Plan regarding chiropractic care

City Administrator Oborn stated when changing the benefits design, one of the clarifications was the chiropractic care. There was not a separate line item so it was lumped in with the Specialist charge co-pays. During the employee meetings, the intent was to go from \$10 to \$25. The intent was to treat those as two different deductibles. Alderman Wall asked how much it will cost the City. Mr. Oborn stated more, but he does not have a model that breaks it out separately. We know from experience our chiropractic is used 400% more than normal. He stated in the private sector, those that do have chiropractic care would have to pay their deductible first. Alderman Kordus stated if \$50 was presented initially, they should stick with it. He has a problem reducing it especially not knowing what the end cost is.

Alderman Gelting asked if information can be retrieved it show the first 6 month usage and what the potential impact may be. Mr. Oborn stated we can do that on a whole. He feels the \$25 or the \$50 will curtail usage. He stated chiropractic is an issue and \$25 will drive down behavior. The modeling was basically an estimate as behavior differs from organization to organization. Alderman Howell asked when the impact will be known as he cannot make a good decision without that information. Mr. Oborn stated he is getting the numbers monthly which he is tracking very significantly. He noted if changed, it would be retroactive to July 1. Mr. Kordus said he would have a problem reducing the amount as it sounds like abuse. He asked what the retroactive amount would cost the City. Mr. Oborn did not have the numbers.

Wall/Howell motion to leave chiropractic care at the current rate of \$50.00. Unanimously carried.

Discussion/Recommendation on Cemetery mapping project proposals

City Administrator Oborn stated the card system works efficiently for cost but does not meet the standards of data systems. A number of systems were looked at, and the committee decided to go with Pontem Software. There is not a cost on the data entry, which would be budgeted in the following year. These two items would be \$20,600. Alderman Kordus explained this puts our foot in the door with software and gets us set up moving forward. The expensive work is the data entry portion which we are looking into for the 2016-2017 budget year. Bringing the historical data in is a monumental task that will take some time. Alderman Wall asked if the money is budgeted for this year. Comptroller Pollitt stated yes, in the Cemetery Fund. Mr. Kordus explained this was in the mid-range. It was not the lowest bid but in comparing apples to apples, it was the most complete bid that gave the most forthright numbers. Mr. Oborn estimated data entry will be somewhere in the \$20,000 range. The committee thought the data entry would not get

done in-house. Mr. Gelting questioned if it is a matter of having the engineer set up a different workflow if we want to layer in more information such as next of kin. Mr. Oborn clarified there is no next of kin in our database currently. He tried to downscale to reduce costs. Mr. Gelting asked if workflows will be developed for the new sections that would be plotted. Mr. Oborn answered it would be part of the estimate.

Kordus/Gelting motion to recommend approval of purchase of software and mapping. Unanimously carried.

Discussion/Recommendation on acceptance of City of Lake Geneva Tax Incremental District No. 4 Financial Statements through June 30, 2015 and distribution of report to taxing jurisdictions

Kordus/Wall motion to send to council without recommendation. Alderman Kupsik stated he is assuming this report will satisfy the county's needs for updated reports and what they asked for. Mr. Oborn stated he hopes so. Unanimously carried.

Presentation of Accounts – Alderman Kupsik

Purchase Orders. None.

Kordus/Wall motion to recommend approval of Prepaid Bills in the amount of \$6,103.50. Unanimously carried.

Kordus/Gelting motion to recommend approval of Regular Bills in the amount of \$129,749.84. Unanimously carried.

Adjournment

Kordus/Gelting motion to adjourn at 6:49 p.m. Unanimously carried.

/s/ Sabrina Waswo, City Clerk

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