

**REGULAR CITY COUNCIL MEETING
MONDAY, SEPTEMBER 12, 2016 – 7:00 PM
COUNCIL CHAMBERS, CITY HALL**

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

The presentation of Colors and the Pledge of Allegiance was led by Boy Scout Troop 235

Roll Call. Present: Mayor Kupsik, Aldermen Chappell, Skates, Kordus, Flower, Gelting, Horne, Hedlund, Howell. Also Present: City Attorney Draper, City Administrator Oborn, Comptroller Pollitt and City Clerk Waswo.

Awards, Presentations, and Proclamations.

Mayor Kupsik read a proclamation declaring the week of September 11-17, 2016 as “National Assisted Living Week – Keep Connected” in the City of Lake Geneva.

Mayor Kupsik presented a proclamation to Dan Winkler, Director of Public Works, recognizing his service to the City of Lake Geneva.

Mayor Kupsik announced that Lake Geneva’s 5th Annual Swift Night Out will be held this Thursday, September 15th at 6:00pm at the Geneva Lake Museum.

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 be limited to 5 minutes.

Jeff Nethery, employee at the Lake Geneva Police Department, spoke on behalf of represented and non-represented employees of the city. He served on the committee which assisted employees and the Council in finding ways to achieve a reduction in the cost of health care insurance. There have made significant cost savings. Each employee has contributed to these savings through the implementation of plan design changes, Patient Care, HealthCheck 360 and U-Serve pharmacy. Mr. Nethery went over information in the benchmarking analysis report. He asked the Council for another year to see what the employees can do to cut costs.

Jo Busch stated she has worked for the city for over five years, first at the Library and now at the Utility Commission. She noted that premium shares do count toward the Cadillac tax. It is the entire cost of the health insurance plan that is taken into account when calculating the penalty an insurance provider will pay. She feels it is unlikely the Cadillac tax will ever be implemented. She asked the Council to give the changes implemented over the past 2 years time to take affect. The benchmarking analysis shows that progress is being made. If the recommendation of a 15% family difference premium share is passed it means only employees with families are being singled out. Children are not the true drain on our healthcare plan. She also spoke regarding the spousal surcharge. She asked for more time before implementing anything. She gave examples of other municipalities who cover healthcare plans 100% for their employees. She asked the council to show the employees that they matter and explore other insurance options.

Sean Payne, 127 Sumner in Genoa City and BID Board member, clarified the chamber of commerce and the BID are two separate entities. The BID has an annual budget which is a tax that is collected from the building owners. That money is only used for promoting and the beautification of downtown Lake Geneva. They have a budget and that is all they have. They don’t collect in addition to, as VISIT Lake Geneva does. He doesn’t know all the facts with the city employees but would hope that the council would fight for the request to better themselves and their families. The City of Lake Geneva would not be what it is without all of them.

Mary Jo Fesenmaier, 955 George Street, spoke on 11.h. and 11.g. She applauded the City Administrator for being flexible and streamlining work through the committees. She suggested this be tabled so other options can be given. The packet states FLR will be the 1st Monday and 3rd, which is difficult for the public to remember. 11.g. is the controversial tourist tax. What we knew last is the City Administrator was going to ask communities around the lake to join in with this tax to

gain support. The public would like to know what communities were contacted and what their responses were. She also wanted to know if any other communities have shown interest in this outside of the lake communities.

Brandon McKaig, N1245 Tomball Rd in Genoa City, works for the water utility. He stated morale is low and employees are seeking other opportunities. He doesn't feel the city will attract quality employees.

Ken Bauman, W1751 Lynch Field Road, Lake Geneva, has worked for the Utility Commission with 14 plus years of experience. They are about to vote on something that will affect all employees by taking away discretionary funds or making them decide what bills get paid and which ones do not. The reduction in benefits, whether fringe or monetary, have affected the city employees. He described a number of benefits that have been reduced. He asked the city council to take this very seriously and to consider the short and long term impact this will have on both the employees and the city.

Rita Moore, 721 Ann Street, Lake Geneva, has been a dispatcher for 6 years, and feels it is bad business to continue to strip employees of benefits and reduce their take home pay. She stated her husband can get insurance through his employer, but their policy does not allow spouses that have access to their own insurance. She questioned if they will split their family to be on 2 different plans with 2 different deductibles. She feels there is no good solution for her family if this goes into effect. She asked the city to do better for the employees as the employees do their best every day. If the city does not do better for their employees, they will have staff comprised of people who are no longer the best.

Scott Eckert, Utility Commission employee for almost 20 years stated he felt security and loyalty when he first started working here. He stated as time went on him and his family had to use medical more, not because they wanted to, but because they had to. Our health has been important to the city as it is to our families and the city has been making it harder to survive. More burden on the paychecks will not help morale of the employees. He requested they think about what they are going to do with insurance as it affects employees' families a lot more than your bottom line.

Sarah Hill, 1024 George Street, stated she has worked with a number of employees over the last number of years. She thinks we still have a very intelligent and reasoned Council that will be sensitive to employee needs. It's a matter of a balancing act which we all face. She asked the employees to offer patience and guidance for the council that has to lead through these difficult decisions. She also spoke to Resolution 16-R45, the Premier Area Resort Tax and encouraged the council to have the conversation. She commended Mr. Oborn for reaching out to other municipalities. We need to figure out a way to pay for these large events that come to our community. They need to think of creative options to pay for our Premier Resort status.

Marilyn Kolb, 351 West Laurie Street, spoke on the health care premium share. Potentially 15% of the difference between a family and single coverage is \$215. If the employee adds a spouse it will be \$130 if the spouse has access to healthcare. If one fails the health screening it is an added \$130 and if both fail it becomes a combined total of \$260. The ultimate cost could be \$605 a month out of employee pockets. She feels it is a hardship for most families.

Becky Kostman, 1647 Church Street, Lyons Township, stated she has only been with the city for 2 years. She has 16 years of experience dispatching as she came from Walworth County. Everyone is proud to do their job and work for the City of Lake Geneva. She doesn't want to leave the city but she came here for the benefits. Within 6 months of being here the deductibles and copays doubled. Now they may go even higher. She feels the situation is disappointing and hopes the council reconsiders.

Daniel Winkler, 1112 Bonnie Brae Lane, spoke on items 11.i and 15.b. in closed session. There has been a lot of discussion about separating the Public Works Director from the Utilities Director. He supports the decision of the Personnel Committee and the likely candidate to be appointed to the position.

Acknowledgement of Correspondence.

The city received an email on September 7, 2016 from Kathi Bosworth requesting something be done about the light pollution from the street light at the west end of Library Park. The city received a card from Becky Buhler and Colin Nugent, September 12, 2016, thanking the mayor and council members who participated in the "Welcome Back" celebration at Central Denison school.

Approval of Minutes. Horne/Gelting motion to approve the Regular City Council Meeting minutes of August 22, 2016, as prepared and distributed. Unanimously carried.

Consent Agenda

- e. Park Reservation Permit filed by Brenda Buchanan on behalf of the National Multiple Sclerosis Society to use Library Park on September 23, 2016 from 7:00am to 12:00pm for a “brunch stop” during the Tour of Champions cycling event *(approved by the Board of Park Commissioners on 9/7/2016)*
- f. Park System – Memorial and Donation application filed by Stephanie Hansel for the donation of a park bench with plaque in an amount less than \$2,500 *(approved by the Board of Park Commissioners on 9/7/2016)*
- g. Temporary Class “B”/Class “B” Retailer’s License application for the sale of fermented malt beverages and wine at St. Francis De Sales Church, 148 W Main St, Lake Geneva, for Fall Festival on September 25, 2016 from 11:00am to 6:30pm
- h. Temporary Operator License application filed by Carole Nevin on behalf of St. Francis de Sales Church for the Fall Festival on September 25, 2016
- i. Temporary “Class B” Retailer License application filed by Geneva Lake Arts Foundation for the sale of wine during the Fall Art Exhibit Opening at 223 Broad Street, Lake Geneva, on October 7th, 2016, from 6:00pm to 8:00pm and October 8th, 2016, from 3:00pm to 5:00pm
- j. Temporary Operator License application filed by Sarah McConnell on behalf of Geneva Lake Arts Foundation for the Fall Art Exhibit Opening on October 7th and 8th, 2016
- k. Renewal of 2016-2017 Operator’s (Bartender) License application filed by Jeremy Hanson
- l. Original 2016-2017 Operator’s (Bartender) License applications filed by Nicolette Almeida, Kelsey Larson and Patricia Martin

Horne/Kordus motion to approve.

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

Items removed from the Consent Agenda.

- a. **Park Reservation Permit filed by the Lake Geneva Business Improvement District to use Flat Iron Park and the Brunk Pavilion for Oktoberfest beginning on October 8, 2016 at 7:00am and ending on October 9, 2016 at 6:30pm with request for additional equipment and operator and request to waive fees of \$885.00 and waiver of rental fee for all equipment** *(approved by the Board of Park Commissioners on 9/7/2016 including waiver of Park Security Deposit, \$210 Park Reservation Fee and \$500 Brunk Pavilion rental fee leaving a balance due of \$175; no recommendation made regarding additional amenities requested for event)*
Kordus/Horne motion to approve and charge \$305 which includes a \$25 application fee, \$210 park reservation fee, \$70 fee for barricades and a \$50 hourly fee based on number of hours worked for Street Department forklift operator.

Flower/Chappell motion an amendment to add a security deposit of \$100 to be refunded after the event if the grounds are in good condition. Alderman Skates stated the city holds their money; they come to us for their money. He would agree if this was an outsider, but he doesn’t feel it’s necessary for the BID. Alderman Flower stated it was a request from the Street Department. Mr. Skates said he speaks with Neil and Tom, so he knows of problems if there are any. With the BID, he didn’t feel like it’s important.

Roll Call: Chappell, Flower, Hedlund voting “yes.” Motion fails 3 to 5 with Skates, Kordus, Horne, Gelting, Howell voting “no.”

Hedlund/Flower motion an amendment to include a \$100 barricade fee and \$50 security deposit.

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

Original motion as amended: Kordus/Horne motion to approve including a \$25 application fee, \$210 park reservation fee, \$100 barricade fee with \$50 security deposit fee, and a \$50 hourly fee based on number of hours worked for Street Department forklift operator.

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

- b. Street Use Permit application filed by the Lake Geneva Business Improvement District for closure of the 200 block of Broad Street from Main Street to Geneva Street beginning on October 8, 2016 at 7:00am to 6:30pm on October 9, 2016 and utilizing downtown area sidewalks and alleys on the 200 block of Broad Street for Oktoberfest with request to waive fees of \$65.00**

Kordus/Chappell motion to approve and charge a \$25.00 application fee.

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

- c. Parking Stall Bag request filed by the Lake Geneva Business Improvement District to use 6 parking stalls located in the southwest corner of the Geneva Street lot behind champs from 7:00am on October 8, 2016 to 6:30pm on October 9, 2016 (2 days) and to close Center Street lot and use the 25 parking stalls from 7:00am to 6:30pm on October 9, 2016 (1 day) for Oktoberfest with request to waive fees of \$750.00**

Kordus/Gelting motion to approve and charge a \$620 parking stall bag fee and a \$10 administrative fee for a total of \$630.

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

- d. Parking Stall Bag request filed by the Lake Geneva Hope Walk Committee for the Lake Geneva Hope Walk event on Saturday, September 24, 2016 to use 6 parking stalls with request to waive the \$130 fee (event permit approved by Council on 11/9/2015)**

Chappell/Hedlund motion to charge the \$130 parking stall bag fee.

Alderman Skates noted they are a local organization with local city personnel involved.

Roll Call: Chappell, Flower, Horne voting “yes.” Motion fails 3 to 5 with Kordus, Skates, Gelting, Hedlund, and Howell voting “no.”

Kordus/Skates motion to approve with waiver of the \$120 parking stall bag fee and charge a \$10 administrative fee. Alderman Chappell felt that just because people ask doesn’t mean we have to waive fees. Alderman Gelting asked if we can allow them to violate our line ordinance without bagging the meter. Attorney Draper stated it has been the policy to do that, but technically you are not supposed to violate the ordinance. Mr. Gelting noted the spaces will not be used after noon and the bags would come off.

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

Finance, License and Regulation Committee Recommendations – Alderman Kordus

Discussion/Action on Employee Health Benefits Benchmarking Analysis and various cost savings measures *(discussed at the Personnel Committee on August 25, 2016)*

City Administrator Oborn stated there are 17 single and 56 family plans. We are higher on our families and our demographics show that. Our COBRA rate without the 2% premium is \$1,308.40, which is what the retirees are charged. Medical claims are a major factor with an estimated cost of 1.4 million. Our rates are a product of our usage. As discussed, the norm for single is in the \$600 to \$900 range and family is \$1,100 to \$1,800 range per month. We have a challenge here with higher rates. Mr. Oborn explained the analysis stating these are annualized trends, not actual numbers. We are going in the right direction; and his gut feeling is that we are getting close to the 18% we need to avoid the Cadillac tax. The city won’t receive any hard numbers until October. The employees have put forth the effort to benefit some savings. The reason we are talking about premium shares is that we need to do it ahead of time going into open enrollment. Ms. Chappell questioned if employee sharing does or does not contribute to the reduction for the Cadillac tax. Mr. Oborn replied an employee share drives down participation rates. Alderman Gelting asked for more information for comparable periods to clarify what our actual insurance expense was to see the trend. He doesn’t view

any type of copay or shared expense as a reduction in benefits, he views it as maintaining the benefits you already have. It doesn't appear from our budget standpoint that we are able to maintain the cost of healthcare. The struggle is trying to satisfy employees and satisfy the taxpayers. The question is who pays for it, either the taxpayers or shared with the employees. There was further discussion on other cost saving measures such as transparency, plan design changes and the wellness program. They discussed whether or not the downward trend was enough to reach our goal or should changes be done now.

Discussion/Action on Employee Health Benefits Employee Premium Cost Share for family only plans with a rate at 15% of the difference between the single and family rates (estimated at \$214.28 per month for 2017) (recommended by the Personnel Committee on August 25, 2016)

Mr. Oborn explained this was brought up as one of the tools to drive down costs. He reminded the council that the pay scale was lowered 4% due to the city having a better health insurance plan. Now would be the time for them to consider implementing it or not as it would give employees time to enroll in a spousal plan. Cost sharing would be based on a percentage of rates. This is a tough decision and a balance between what is fair for employees and taxpayers. The 15% premium share would be 15% of the difference between the single rate and family rate.

Hedlund/Horne motion to recommend option 7, a 15% premium share for family plans estimated at \$214.28 per month. Alderman Flower feels a gradual introduction with this is something they should keep in mind. Ms. Chappell stated they didn't have the information that there are 17 single and 56 family plans at Personnel. In light of that, she doesn't believe they can put 15% onto the employees, but should phase it in at 5%. There was further health care coverage discussion, noting the city does not employ the family. Alderman Horne stated industry tells us that costs are going to go up; they are not going to go down. He does not feel they have made enough change.

Roll Call: Kordus, Horne, Hedlund voting "yes." Motion failed 3 to 5 with Chappell, Flower, Skates, Gelting, and Howell voting "no."

Chappell motion that we revisit this in one year's time and allow the employees to continue with the wellness and HealthCheck 360. Motion fails for lack of second.

Gelting/Flower motion to continue to the 1st Council meeting in October for more information.

Mr. Gelting would like to see actual trending numbers. Mr. Howell felt hard decisions may have to be made, but doesn't feel he presently has the information. There was discussion on if that would give the employees enough time or not to open enroll. Comptroller Pollitt pointed out this is a significant line item in the budget and would rather they discuss it sooner than later.

Alderman Gelting withdrew his motion

Gelting/Flower motion to continue to the next Council meeting with the additional information requested.

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

Discussion/Action on Employee Health Benefits Employee working spousal surcharge of 10% of the single cobra rate (estimated at \$130.84 per month for 2017) (recommended by the Personnel Committee on August 25, 2016)

Kordus/Gelting to continue to the next council meeting with additional information requested.

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

Kordus/Horne motion to approve Michael's Signs, Inc. TIF4 Escrow Draw Request No. 2 for \$25,300.00

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

Discussion/Action of Hein Electric TIF4 Escrow Draw Request No. 4 for \$22,119.90 with overage of \$19,090.90 from Capital Fund

Kordus/Gelting motion to continue to the next council meeting.

Mr. Oborn will look into the overage further and provide more information.

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

Howell/Gelting motion to approve Resolution 16-R44, a resolution calling on the Legislature to pass legislation Closing Tax Loopholes Causing More of Property Tax Burden to Shift from Commercial to Residential

Mr. Oborn noted we lost 5 million last year due to tax loopholes and 2.2 million this year with Best Buy doing a settlement. The tax loophole lets commercial businesses value their store as empty and that is what they are taxed at. If commercial value drops on commercial property, residential has to subsidize businesses.

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

Discussion/Action on Resolution 16-R45, Notice of Referendum Election Regarding Tourist Sales Tax (Premier Resort Area Tax).

Alderman Kordus stated his intent was to only have discussion, not set a referendum date.

Kordus/Howell motion to continue this item to the next meeting and come back with referendum wording only. There was discussion on referendum language and the procedure they are going to use in contacting other municipalities. Alderman Kordus feels that if this is passed, it is committing the city to an election on April 4th. He suggested they direct the administrator to pass the language onto neighboring municipalities for review after the City Attorney has reviewed it. Alderman Flower was not sure she is on board with even doing this. She doesn't want to mislead any of the communities.

Alderman Kordus withdrew his motion.

Kordus/Howell motion to continue this item to the next meeting. Unanimously carried.

Discussion/Action on eliminating the Parking Commission and Communications Committee, rescheduling the Finance, License & Regulation Committee meeting, and general discussion on the scheduling of advisory committees of the City and corresponding ordinance changes *(discussed at Committee of the Whole on 9/6/2016)*

Mr. Kordus motioned to ask City Attorney to eliminate the ordinance containing the Parking Commission. Mayor Kupsik asked if he would consider continuing the item for more time to discuss.

Kordus/Chappell motion to continue this item to the next council meeting. Unanimously carried.

Discussion/Action on changing the Director of Public Works position to be a stand-alone position with corresponding organizational chart change *(recommended by the Personnel Committee on August 25, 2016)*

Ms. Flower motioned to change it to an acting Director of Public Works position. Motion fails for lack of second.

Hedlund/Howell motion to recommend the Director of Public Works to be a stand-alone position to be responsible to the city and City Administrator with corresponding organizational chart change.

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

Discussion/Action on joint workshop with the City Council and Utility Commission regarding coordination and interaction between the City operations and Utility operations as they currently exist *(discussed at Committee of the Whole on 9/6/2016)*

Mayor Kupsik stated the purpose of this workshop is to discuss the operation of the utilities and how they are going to interact with the city.

Kordus/Skates motion to hold a joint workshop with the City Council and Utility Commission on October 20th at 5:00pm in the upstairs police training room if available.

Roll Call: Chappell, Kordus, Skates, 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 \$12,097.03

Roll Call: Chappell, Kordus, Skates, Flower, Gelting, Horne, Hedlund voting “yes.” Motion carried 7 to 1 with Alderman Howell “abstaining.”

Kordus/Skates motion to approve Regular Bills in the amount of \$284,700.36

Roll Call: Chappell, Kordus, Skates, Flower, Gelting, Horne, 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 for Building & Zoning Administrator review and contract negotiations**
- b. 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 for appointment of Interim Director of Public Works/Director of Public Works and contract negotiations**
- c. Motion to go into Closed Session pursuant to Wis. Stat. 19.85(1)(e) for purposes of conducting other specified public business, whenever competitive bargaining reasons require a closed session regarding Police Officer’s Union Negotiations**

Kordus/Hedlund motion to go into closed session to include City Attorney, City Administrator, City Clerk and Assistant Director of Public Works on item b.

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

Alderman Chappell left the meeting at 10:56pm.

Entered into closed session at 10:56pm

Kordus/Gelting 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, Kordus, Skates, Flower, Gelting, Horne, Hedlund, Howell voting “yes.” Unanimously carried.

Council returned to open session at 11:47pm.

- a. Kordus/Gelting motion to approve the contract for the Building and Zoning Administrator as discussed in closed session.**
Roll Call: Kordus, Skates, Flower, Gelting, Horne, Hedlund, Howell voting “yes.” Motion carried 7 to 0.
- b. Kordus/Flower motion to make an offer to hire Tom Earle as the Director of Public Works with a salary of \$82,000, grade 18, with benefits as discussed in closed session.**
Roll Call: Kordus, Skates, Flower, Gelting, Horne, Hedlund, Howell voting “yes.” Motion carried 7 to 0.
- c. Kordus/Gelting motion to continue to negotiate as discussed in closed session.**
Roll Call: Kordus, Skates, Flower, Gelting, Horne, Hedlund, Howell voting “yes.” Motion carried 7 to 0.

Adjournment. Flower/Gelting motion to adjourn at 11:49 pm. Motion carried 7 to 0.

/s/ Sabrina Waswo, City Clerk

THESE ARE NOT OFFICIAL MINUTES UNTIL APPROVED BY THE COMMON COUNCIL