

**FINANCE, LICENSE & REGULATION COMMITTEE**  
**MONDAY, SEPTEMBER 12, 2011 - 6:00PM**  
**COUNCIL CHAMBERS, CITY HALL**

Chairman Krause called the meeting to order at 6:00pm.

Roll Call. Present: Aldermen Krohn, O'Neill, Hartz, Marsala, and Krause. Also Present: Administrator Jordan, DPW Winkler, Comptroller Pollitt, and City Clerk Reale.

Marsala/Hartz motion to approve Finance, License and Regulation Committee minutes of August 22, 2011, as distributed. Unanimously carried.

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.

**RESOLUTIONS**

**Resolution 11-R51, amending the 2011 budget to transfer \$850.00 from the Historic Preservation Account to the Undesignated Fund Balance**

Comptroller Pollitt reported that the Historic Preservation Commission had received a \$3,000.00 donation for historic preservation activities which the Council had previously allocated to a Historic Preservation Account. The Commission was now requesting to use \$850.00 from those donated funds to cover IRS filing fees associated with the creation of a 501(c)3 organization to preserve the Geneva Theatre building on Broad Street.

Marsala/Krohn motion to forward to Council with recommendation for approval. Unanimously carried.

**Resolution 11-R52, amending the 2011 Capital Projects Fund budget to transfer a total of \$96,000.00 from various budgetary accounts associated with projects included in the 2011 Street Improvement Program to the 2011 Street Improvement Program Account**

Comptroller Pollitt stated that the subject resolution would consolidate funds from the various separate capital budget accounts associated with projects included in the 2011 Street Improvement Program bid that the Council had previously awarded to Payne and Dolan. It was therefore proposed that the funding earmarked for thermoplastic lane markings, storm manhole replacements, alley rehabilitation, curb and gutter replacements, and Street Department parking lot paving be merged into the 2011 Street Improvement Program Account, as all of these items had been let as one contract.

Alderman O'Neill questioned whether merging the funds as proposed would be permissible under Wis. Stats. 67.12 (12)(ee) which, in referencing municipal borrowing through promissory notes, stated that appropriations cannot be used for any purpose other than that for which they were appropriated. DPW Winkler responded that the subject items had been earmarked separately during the fashioning of the capital budget request, as this afforded the Council an opportunity to approve or disapprove of each project before determining the final amount to be borrowed. Since all of the items were related, he reasoned that it made sense to combine them under the scope of the Street Improvement Program. Alderman O'Neill stated that the merging of the items should have taken place prior to the approval of the promissory note and resultant capital budget. In light of the legal issues raised, City Attorney Draper was to review the relevant statutes and report back to the Committee.

Chairman Krause announced that the Committee would continue with its remaining business in the interim, and would revisit Resolution 11-R52 after the City Attorney had returned.

**ORDINANCES**

**First Reading of Ordinance 11-24, amending Chapter 26, Elections, of the Lake Geneva Municipal Code by establishing new boundaries for aldermanic districts**

Hartz/O'Neill motion to waive the full reading of Ordinance 11-24 and to read by title only. Unanimously carried.

**First Reading of Ordinance 11-25, amending Chapter 2, Administration, of the Lake Geneva Municipal Code regarding the appointment of positions designated as officers of the City (recommended by Personnel 8/30/11)**

Alderman Hartz reported that the Personnel Committee had reviewed the listing of appointed officers of the City and the selection process for each of these positions, as currently specified in the Municipal Code. He noted that the Committee had recommended an amendment to bring the code into conformity with the hiring practices currently employed by the City with respect to department heads. In its present form, Chapter 2 specified that these officials were to be appointed by the Mayor, subject to confirmation of the Council. If approved, Ordinance 11-25 would have the effect of placing the appointment authority directly in the hands of the Council, which would make appointments by majority vote based upon recommendation of the Personnel Committee.

Hartz/Marsala motion to waive the full reading of Ordinance 11-25 and to read by title only. Motion carried by vote of 3 to 2, Aldermen Krohn and O'Neill opposed.

Alderman O'Neill questioned removing the positions of Building Inspector, Zoning Administrator, and Street Superintendent from the current listing of appointed officials of the City. Alderman Hartz responded that none of the proposed changes would impact the current employment or contracts for the incumbents in those positions, adding that the hiring of all fulltime personnel (excepting Police and Fire employees) was subject to Personnel Committee recommendation and Council approval. The Council would therefore continue to exercise approval authority over the hiring of individuals for those positions; they simply would no longer be identified by the Municipal Code as officers of the City. City Clerk Reale clarified that the application of "officer" status upon certain positions carried statutory implications for the appointment and removal procedures to be utilized with respect to those individuals. He noted, for example, that the process for removal of officers was to comply with the provisions of Wis. Stats. 17.12 and 17.16. Alderman O'Neill also suggested that it might be appropriate to change the specification that the term of the City Assessor was "indefinite", since the functions of the assessor's office were now handled by an outside firm operating under contract with the City.

**Continued Discussion/Recommendation on Resolution 11-R52, amending the 2011 Capital Projects Fund budget to transfer a total of \$96,000.00 from various budgetary accounts associated with projects included in the 2011 Street Improvement Program to the 2011 Street Improvement Program Account**

City Attorney Draper reported that he had reviewed the statutes in question and offered the opinion that the proposed merging of the funds for the Street Improvement Program would be permissible under law, as the Council had already passed a resolution specifying that the City would spend proceeds from the promissory note on the Street Improvement Program. He stated that it was not viewed as separate borrowings for each of the capital items included in the budget. Comptroller Pollitt noted that the consolidation of the funds was really an accounting function because it would be virtually impossible for the contractor to separate out the amount priced for each item since the projects were let as one bid. City Attorney Draper further commented on the fact that Wis. Stats. 67.12 (12)(ee) pertained to the required tax levy to accompany the borrowing, specifying that the balance of funds remaining after appropriation were to be returned to the General Fund to reduce the levy.

Hartz/Marsala motion to forward to Council with recommendation for approval of Resolution 11-R52. Motion carried by vote of 4 to 1, Alderman O'Neill opposed.

**First Reading of Ordinance 11-26, regarding the collection and assessment of delinquent municipal debts**

Comptroller Pollitt noted that the City sends delinquencies into a collection agency, and a resolution had been passed in 2007 to address the assessment of collection fees and interest for these situations. In recent conversations with H.E. Stark, the collection agency employed by the City, she had been informed that these provisions needed to be established by ordinance in order to comply with State statutes. She stated that this would cover the late fees added by the City, and would provide the authority to the collection agency to charge a collection fee and interest in addition to the amount owed to the City. Comptroller Pollitt stated that delinquent parking tickets constituted the majority of items sent to collections by the City, with the Stark add-on being twenty-five percent. She noted that the City had not sent any tickets to collections while awaiting the approval of Ordinance 11-26.

Hartz/Marsala motion to waive the full reading of Ordinance 11-26 and to read by title only. Unanimously carried.

## LICENSES & PERMITS

### **Request for Temporary Extension of Licensed Premises filed by Sprecher's Pub & Restaurant to include the lower surface parking lot on Center Street on October 1, 2011, from 11:00am to 12:00am (continued from 8/22/11)**

Marsala/Hartz motion to suspend the rules to permit the applicant to address the Committee. Unanimously carried. Stephen Schroeder approached the podium to explain the proposed temporary use for the Oktoberfest event, which would serve as a fundraiser in which a portion of the proceeds would be donated to the Lake Geneva Fire Department. He noted that the event was to include amplified music between the hours of 2:00pm and 11:00pm, and that the applicant had received consent from the neighboring hotels (Mill Creek, Harbor Shores, The Cove of Lake Geneva) for the outdoor music. Chairman Krause inquired about the enforcement of the beer tent in the parking lot area. Mr. Schroeder responded that the tent would be staffed by licensed operators and would be sectioned off within a double-fenced area, adding that Sprecher's would be bringing in additional managers and employees from other locations to assist in staffing the site. The applicant would pay the Lake Geneva Police Department for manpower to have two liaisons posted at the event, along with two or three additional security enforcers hired from a private company. Mr. Schroeder added that the applicant was looking to possibly make this an annual event for the community.

Hartz/O'Neill motion to forward to Council with recommendation for approval. Unanimously carried.

### **Temporary Class "B" Retail License application filed by St. Francis de Sales Church for the sale of fermented malt beverages during Fall Festival/Pig Roast at St. Francis de Sales Church, 148 E. Main Street, on September 18, 2011, from 11:30am to 5:00pm**

Marsala/Krohn motion to forward to Council with recommendation for approval. Motion carried by vote of 4 to 0, with Alderman O'Neill abstaining.

### **Park Permit application filed by Boy Scout Troop 235 for rocket launching contest at Dunn Field on September 17, 2011, from 8:00am to 2:00pm, with rain date of September 24, 2011 (recommended by Board of Park Commissioners 9/7/11, including waiver of fees)**

Marsala/Hartz motion to forward to Council with recommendation for approval, including waiver of park rental fees. It was confirmed that the application fee had been paid. Unanimously carried.

### **Original Operator License applications filed by Jazzmine Behn, Todd Henricksen, Jodi Chapman, and Nicholas Jensen**

Marsala/Krohn motion to forward to Council with recommendation for approval. Unanimously carried.

### **Discussion/Recommendation on RFP for professional auditing services**

Administrator Jordan reported that the City had received responses to the Request for Proposals from four auditing firms: Baker Tilly, Deignan & Associates, Wipfli, and Schenck. The lowest bid had been submitted by Baker Tilly, with the three remaining firms providing bid prices in relatively close proximity to each other. A panel consisting of Mayor Connors, Administrator Jordan, Comptroller Pollitt, and City Clerk Reale had reviewed the proposals and had recommended that Wipfli be eliminated from further consideration due to a relative lack of presence in Wisconsin. A substantial difference in staff hours dedicated to the audit had been noted between Baker Tilly and the other firms, with Baker Tilly proposing significantly less time spent by its employees. He stated that the panel felt that Schenck had given the best presentation and had provided very positive client references; however, they were also the most expensive of the proposals. Administrator Jordan noted that the Council was not necessarily bound to accepting the lowest price for a professional services proposal. It was proposed that copies of the proposals be made available for the aldermen to review prior to the next regular meeting, so a final decision could be made on September 26, 2011.

The Committee reviewed a chart delineating the amount of staff hours proposed for audit-related services by each of the respondent firms. Chairman Krause noted that Deignan, the City's current auditor, had proposed 257 hours of work while Baker Tilly proposed 140 hours. Schenck and Wipfli had proposed 230 and 250 hours of staff time, respectively. Although Baker Tilly was less expensive than the other firms, he wondered whether the City would be getting the desired level of work dedicated to its audit. Alderman O'Neill requested a client list of governmental bodies currently served by each of the firms.

Hartz/Marsala motion to continue to the next regular meeting of September 26, 2011, subject to review of the proposals. Unanimously carried.

**Discussion/Recommendation on award of bid for sale of 1988 E-One aerial ladder truck**

Administrator Jordan noted that the Council had previously authorized listing the truck for sale, with an asking price of \$100,000.00 or best offer. Advertisements had been placed in various Fire Department publications and through the League of Wisconsin Municipalities, with the City receiving one bid from the Brownsville Fire Department in the amount of \$96,895.00. It was recommended that the Council approve the bid, with the proceeds to be returned to the General Fund.

Marsala/Hartz motion to forward to Council with recommendation to approve of the sale to Brownsville Fire Department in the amount of \$96,895.00. Unanimously carried.

**Discussion/Recommendation on award of bid for 2011 fall tree planting**

DPW Winkler reported that three bids had been received, with the low bid supplied by Dan Larsen Landscaping in the amount of \$13,351.30. Copies of the planting list and map, as recommended by the Tree Board and city arborist, had been included with the bid packages. Alderman O'Neill noted that he had received comments from residents on the number of trees that had been cut down recently and asked if there was a reason for this. Chairman Krause asked that DPW Winkler address those issues at a later date.

Marsala/Krohn motion to forward to Council with recommendation to authorize the award of bid to Dan Larsen Landscaping in the amount of \$13,351.30. Unanimously carried.

**Discussion/Recommendation on award of bid for Flat Iron Park pavilion replacement**

DPW Winkler reported that the lowest bid had been submitted by Big Foot Construction in the amount of \$45,900.00. The scope of the bid would include the assembly and installation of the pavilion materials purchased by the City, along with sidewalk and electrical conduit work, and was to be funded by TIF. It was noted that a purchase order for the pavilion materials in the amount of \$16,440.00 was to be separately considered as part of the project.

Hartz/Marsala motion to forward to Council without recommendation. Motion carried by vote of 4 to 1, Alderman O'Neill opposed.

**Discussion/Recommendation on contract with k-Consult, LLC, to negotiate changes with AT&T for City telecommunications packages**

Marsala/O'Neill motion to suspend the rules to permit Joe Kitzinger to address the Committee. Unanimously carried. Mr. Kitzinger stated that he is a telecommunications analyst specializing in reviewing the bills of public and private sector entities to find ways to possibly save clients money for unnecessary charges and unused features in their current telecommunications plans. He told the Committee that he had reviewed the AT&T bills provided by the City of Lake Geneva and had preliminarily estimated that savings of \$6,000.00 to \$10,500.00 could be realized by eliminating components of the telecommunications packages for which the City was paying but not utilizing. If approved to contract with the City, Mr. Kitzinger would be compensated by collecting fifty percent of the total annual savings found for the City during the first year. The City would receive the full benefit of the savings for each subsequent year.

Marsala/Krohn motion to forward to Council without recommendation. Unanimously carried.

**Discussion/Recommendation on disallowance of claim for water damages at 7253 Sheridan Springs Road filed by Robert Horvath, Geneva Lakes Carpet Cleaning, and Alan & SueAnn Gezunterman, pursuant to Wis. Stats. 893.80 (1g)**

Administrator Jordan reported that the claimants had sustained water damage as a result of the discharge from hydrant flushing being conducted by the Water Department in the vicinity of the property. The City had submitted the claim to its insurance provider to be investigated, and it had subsequently been recommended that the claim be denied. It was noted that the City was entitled to governmental immunity, unless it could otherwise be proven that the City had knowledge of a defect and was negligent in its actions. City Attorney Draper noted that the City had an obligation to

follow the recommendation of the insurance provider, as the insurance company would not pay for any claims allowed by the City contrary to its recommendation. If, however, the City denied the claim and was subsequently contested by the claimant, insurance would cover the cost if the City lost the suit. Aldermen Hartz and O'Neill expressed concerns about the City Council consistently being placed in the position of having to deny claims for sewerage backups and other actions outside of the control of the City, as this was possibly engendering ill will with residents. Alderman O'Neill further noted that the total amount for the subject claim was approximately \$1,000.00, and speculated whether it might be worth paying simply to build some good will. City Attorney Draper responded that paying the claim would admit to negligence on the part of the City, and would further establish an undesirable precedent.

Marsala/Hartz motion to forward to Council with recommendation to disallow the claim. Motion carried by vote of 3 to 2, Aldermen Krohn and O'Neill opposed.

**Presentation of Accounts, Alderman Krause.**

Hartz/Marsala motion to recommend approval of Purchase Order No. 46 in the amount of \$19,510.56. Unanimously carried.

Hartz/Krohn motion to forward Purchase Order No. 47 in the amount of \$16,440.00 without recommendation. Unanimously carried.

Marsala/Hartz motion to recommend approval of Prepaid Bills in the amount of \$3,449.80. Unanimously carried.

Hartz/Marsala motion to recommend approval of Regular Bills in the amount of \$242,300.05. Unanimously carried.

Hartz/Marsala motion to recommend approval of regular bill to Del's Service, Inc., in the amount of \$100.00. Motion carried by vote of 4 to 0, Alderman Krohn abstaining.

**Adjournment**

Marsala/Krohn motion to adjourn at 7:27pm. Unanimously Carried.

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/s/ Jeremy A. Reale, City Clerk

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