



MINUTES VILLAGE BOARD

Village Hall Auditorium
9915 - 39th Avenue
Pleasant Prairie, WI

A regular meeting of the Pleasant Prairie Village Board was held on August 5, 2019. Meeting called to order at 6:00 p.m. Present were Village Board members John Steinbrink, Kris Keckler, Mike Pollocoff and Mike Serpe. Dave Klimisch was excused. Also present were Tom Shircel, Assistant Village Administrator; Jean Werbie-Harris, Community Development Director; Craig Roepke, Chief of Fire & Rescue; Matt Fineour, Village Engineer; Kathy Goessl, Finance Director; John Steinbrink Jr., Public Works Director; Carol Willke, Human Resources Director; and Jane C. Snell, Village Clerk. Eight (8) citizens attended the meeting.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **PRESENT RESOLUTION #19-28 OF APPRECIATION AND RECOGNITION TO JAMES BANDURA FOR HIS YEARS OF SERVICE TO THE VILLAGE OF PLEASANT PRAIRIE.**

Tom Shircel:

I can read that into the record. This is Resolution #19-28, and as the President said it's a resolution of appreciation and recognition to James Bandura for years of service to the Village of Pleasant Prairie Plan Commission and Park Commission. Whereas James Bandura professionally and attentively served the Village of Pleasant Prairie in various roles for 25 years; and Whereas on December 7, 1994 James Bandura was appointed to the Pleasant Prairie Plan Commission where he served as the Secretary of the Commission with professionalism and dedication; and Whereas on September 10, 2008 James Bandura was appointed to the Pleasant Prairie Park Commission where he served as a member with professionalism and dedication;

And Whereas James provided invaluable expertise in commercial design and construction that proved to be very beneficial to the Village during the growth which occurred during his tenure on the Plan and Park Commissions; and Whereas the Village of Pleasant Prairie would like to acknowledge and express its gratitude to James for his contributions serving to the Plan and Park Commissions. And now, therefore, let it be resolved that the Village of Pleasant Prairie does hereby extend its sincere appreciation and gratitude to James Bandura for his 25 years of commitment and attentive service to the Village of Pleasant Prairie in the cause of quality municipal planning. Considered and adopted this 5th day of August, 2019.

Michael Serpe:

I served with Jim the entire time he was on the Plan Commission, and he always came to the meetings prepared and had the right questions to ask. And he was a valuable member of this Commission and a valuable member to the Village. I'm truly going to miss Jim. He was a great Plan Commission member and very dedicated to this Village. And I wish him well. I know he's going to be moving to the Carolinas and a little bit less harsh winters that he expects to find. So Jim will be missed.

John Steinbrink:

One thing about Jim was no matter what we did here at the Village he was always a volunteer along with his wife. I never found more dedicated people being civically minded in helping out. No matter what it was, at Prairie Family Days, Historical Society, anything we did in the Village they were there and they were part of it. As you said, they are going to be missed.

Michael Serpe:

John, with that I would move to adopt Resolution 19-28.

Mike Pollocoff:

Second.

John Steinbrink:

We have a motion and a second. Any further discussion? Those in favor?

Voices:

Aye.

John Steinbrink:

Opposed? Nobody opposed? That's good. See, everybody liked Jim, there was no doubt about it. You'll get that over to him, Tom?

Tom Shircel:

We will do that. I think we plan on mailing it to him, correct. Thank you.

John Steinbrink:

Maybe he'll invite us down for that winter in the Carolinas to visit.

SERPE MOVED FOR APPROVAL OF RESOLUTION #19-28 OF APPRECIATION AND RECOGNITION TO JAMES BANDURA FOR HIS YEARS OF SERVICE TO THE VILLAGE OF PLEASANT PRAIRIE; SECONDED BY POLLOCOFF; MOTION CARRIED 4-0.

5. KENOSHA COUNTY DISTRICT ATTORNEY, MIKE GRAVELEY, PRESENTATION TO THE BOARD ON OPIOID CRISIS AND LAW ENFORCEMENT RESPONSE TO SCHOOL THREATS.

Mike Graveley:

Thanks so much to the Board for allowing me to come and to just sort of give a report about a few of the things that I think are of particular interest to Pleasant Prairie, but our projects that the District Attorney's office is really focused on. We're spending a lot of this summer and fall trying to go to the municipalities just to be sure that local leadership hears a few of the sort of things that we're interested in.

And the primary one, the primary crisis that I think really is everywhere in the criminal justice system right now is the opioid heroin crisis. Now a really strong development in that is an even more powerful drug called fentanyl which is 100 times more deadly, more powerful than heroin. And we have lost over the last five years about 50 Kenosha citizens to overdose deaths based on opioids. We were just turning the corner with heroin overdoses when fentanyl began to be something laced in almost all of the heroin we're now seeing coming into this county. And so that has increased and brought back the numbers in terms of opioid overdoses.

The problem starts with prescription pain killers. So it's a really insidious problem because two of every three new heroin addicts begin through a doctor's legal prescription of painkillers which are also opioids. So all the things from vicodin to oxycontin, all those sort of very powerful painkillers are exactly the same sort of substances that heroin is, have the same addictive properties.

And what happens is as the doctors, as the medical industry is beginning to really put a lot of controls, appropriate controls on painkiller prescriptions of opioids, the crazy and sort of tragic economy of this dead crisis is that the black market supply of painkillers that you had normally gotten through your doctor, let's say it takes \$50 a day of black market pain pills to keep you from getting sick in your addiction, you can get that same amount of heroin for \$10 with all the sort of deadly kind of ramifications that has. So the economy of it is extremely difficult to combat. And it's the most tough form of addiction that any of us who have been in this, I've been at this 30 years, have ever seen.

And so it's truly a crisis. And it goes everywhere in the criminal justice system. This year in Kenosha County we have twice as many children in foster care as we had five years ago. And it's a direct relation to parents struggling with addiction and not able to care for their kids. This year we're going to go from 44 cases that we filed that are termination of parental rights where parents have had substantially more than a year where they could not care for their kids even with services and supervision, usually we do about 45 of those a year, this year we're going to file 90 termination of parental rights. So this crisis is one that I can tell you I've never seen a drug addiction crisis of this type in my entire lifetime in this profession.

We're using two strategies in the DA's office to try to not leave anything, have no tool in the toolbox that we're not using. The first is we have really created Wisconsin's first diversion program where we take you right out of jail, if you are a first offender, if you've not committed a crime with a victim, you haven't burglarized someone's house or something like that. But if we've caught you, for instance, with heroin, we take you right out of the jail, we put you in the Care Center which is unlocked but a place where you can detox your body. And then we have a program where we put you on an injected drug that you can inject it once a month called Vivitrol which takes away the cravings for heroin. So we have a scientific solution that at least has a lot of promise right now. And that's a diversion program where we will supervise you for 18 months. And if you succeed we will not charge you with that crime. So you actually have a chance to be diverted out of the criminal justice system, never having your name on CCAP with all the difficulties that is for housing and employment. So we are trying to divert first offenders and get them into treatment.

The other thing we're doing is we have re-doubled our efforts to punish individuals who sell heroin causing a fatal overdose. So we're partnered with law enforcement agencies all over this county, and we're looking at every heroin overdose as a murder case. And we are charging you with reckless homicide which is a part of the murder statute if we can show you provided the drugs to an individual who then died as a result. And so we went from four of those cases two years ago, last year we filed 14 of those cases trying to put our dent on that fatal end of this spectrum. But with all that a huge crisis.

The second thing that I think really directly affects Pleasant Prairie because I've had an opportunity to partner with your Pleasant Prairie Police Department. By the way, I want to tell you how complimentary I am of Chief Smetana and the Pleasant Prairie Police Force. They're a pleasure to work with, really professional dedicated group and really do a fine job. About a year ago we had a case in Pleasant Prairie that began this process. It happened at LakeView. And it was a threat to the school, came over social media. They had to decide are we going to close the building down, are we going to notify parents, are we going to disrupt our school situation, and what sort of investigation are we going to do?

And I found out that there were substantial disagreements between law enforcement and the school and then the social services folks who would deal with the juvenile part of this, and then my office about which of these school threat cases should deserve the maximum resources.

Which of these should be taken most seriously? So I convened a meeting, we had all sort of parties from all over the county who represented those agencies I mentioned get together. Worst meeting I've ever put together. For those of you who have been meeting folks much of your life I thought we had an isolated couple of these cases. I found out there had been more than 20 school threats where school officials had to have those same kind of considerations, am I going to close the building, last academic year in Kenosha County schools.

And then I found out none of us agreed sort of even about a common language on how to handle these cases. So we had the Sandy Hook Institute, Sandy Hook is a community across the country that had a school tragedy of an active shooter case, and they have done a lot of academic research on this. They've looked at every school shooting over the last 30 years, and they've boiled them down into which types of circumstances are the ones that deserve the most resources. They came and trained for two days countywide. Pleasant Prairie's Police Department was actively involved in that as well as your school officials here in this Village.

And at least now we're speaking the same language. And with that LakeView case we were able to decide exactly how to handle that and what kind of investigation to do. Do you take the phone, do you take the computer, do you put that young person into custody. And so I think we at least now have a battle plan. Each time one of those happens we can sort out the ones that appear to be jokes or anger versus the ones that need to have a lot of diversion and resources.

The last thing I want to tell you briefly is that I've spent a lot of time in the last year focused on the corporate park and trying to figure out a way to connect employers who obviously one of their major challenges is hiring a complete workforce and many of those folks who are in the corporate park, and folks who are being released from prison. It's my huge belief that you can really impact the crime rate by having individuals released from prison have real job opportunities where they feel like I have a future here, I have an opportunity to really thrive in this situation.

And I feel a moral obligation. If you send someone to prison, when they come out if they've done their time and paid their price you should try to be there with resources. So there's an enormous amount of people who are supervising released felons, who are vetting released felons for employers, who are testing released felons and who are training them. And there's a little bit of a disconnect between the employers, particularly the private employers and those agencies where in many cases some of our larger employers would almost have hand picked individuals who were getting maximum supervision. And so we've done a number of resource fairs and sort of talks with different employers really trying to work on making sure that in this economy where that message is probably most well accepted that we are trying to give every opportunity for individuals as they try to re-enter in those situations.

So those are three things we're really focused on. And I am really pleased that we are working on all those projects though there are a lot of challenges. I'm ready to answer any questions with whatever time I have left, and I want to leave some cards. Because if any of you have constituents who are interested or asking you questions about something going on in the criminal

justice system I'd be happy to be the person who would answer those questions. I'm happy to answer any questions.

Michael Serpe:

Mike, I appreciate the stand you're taking on the drug problem that we have. I don't think there's a person in this room that could say that they don't know somebody who has a problem with drugs and me included. I wish the federal government would take a little bit more of an active role in declaring a war on drugs. We have fentanyl coming in from China. The government put China on notice. China said, yeah, we'll address the problem. They are not addressing the problem. We're losing 65,000 Americans a year. They're not coming back, and every year it's 65,000. And how many are addicted that are just probably going to be a part of that 65,000 number the following year. Columbia and China if we could declare a drug war in two areas that would be where I would start.

Mike Graveley:

And now heroin, Mike, so this is -- Trustee Serpe and I have had a conversation like this in a prior heroin generation. It's now the cheapest of our illegal drugs. It's shocking to me, but it's cheaper than cocaine because we get our heroin right from Mexico now. So the same cartels, the same drug routes it's so profitable that heroin is now cheaper than cocaine which is why the economics of getting off pain pills and getting into this whole deadly spiral is so tragic right now. So I agree with everything you said. And if you think about prior heroin crises, you and I have had a couple of those back in your law enforcement days, this is by far the worst I've ever seen. And it hits everywhere. Twin Lakes, think about a small town like Twin Lakes, had six overdose deaths two years ago. There's no place in this county that's not impacted which is what you were just saying.

Michael Serpe:

Just one last comment about the schools. And I talked to Kris on this and he's one of the administrators. I firmly believe uniforming students, and I'm not talking a military uniform, uniforming students would help tremendously in this district. We have gang problems. Whether they want to admit it or not gang problems are in the schools. And if you have one gang color going against another you're going to have a conflict and you're going to have a problem. And I firmly believe uniforms will -- go back to Columbine, the Black Trench Coat Mafia they were called, those kids were ostracized from that school because of probably their appearance, maybe what they were wearing. You have to wonder if that school was uniformed would that tragedy have ever taken place because they would be a part of the whole group. Just like you go in the military, once you get your hair cut and your uniform you're no different than anybody else you're serving with. I firmly believe that. I know there would be a fight with the parents and the students to get it done, I understand that, but I think there would be a huge benefit if we followed through with something like that.

Kris Keckler:

I had a question. You gave some startling statistics, and we're obviously no different than a lot of communities across the nation in dealing with this, both the rise and helping the people if they've not committed any other crime or just being held for possession than obviously those that are dealing and the increased rise of those that could be held for a murder charge. But you'd also said that two thirds come the route through prescription medication. Has your office been involved in any of the pipeline from that angle either from the pharmaceuticals or from the medical practitioners who have kind of abused this?

Mike Graveley:

So the state attorney generals are the ones who can sue on behalf of the state, right? So there's been a series of lawsuits, and I think our new attorney general is now joining in that process of suing some of the big pharmaceutical companies. And I have talked to our legislators now multiple times about cracking down on medical prescriptions on this stuff. And that has dramatically changed. So we peaked in this country in terms of pain medications with our prescriptions in 2012. That year we had 231 million bottles of opiates that were prescribed in this country which was more than one for every adult in the whole country.

We as a country are less than five percent of the world's population, and we consume more than 60 percent of the world's prescription opiates. So we created a medical culture that said to people you deserve when you leave a doctor's office to be completely pain free. We're the first generation that ever thought that in the history of medicine, right? It used to be you felt pain and your body was trying to tell you, hey, there's something going on here, we probably should do -- now the objective of people in a medical office taught by this medical culture is that you should be pain free. And there's a cost to that. And that's the kind of thing you're talking about. That has begun to change. And the doctors who have been found to be abusing that are being charged, and they're usually being charged at the state level because there are state charges for that and some federal charges. Remember just a few years ago there were these whole pain clinics where that's all they did was prescribe opiates. That was the whole reason those building existed.

Mike Pollocoff:

You mentioned you're diverting people to the Care Center. What's been the success rate on those initial diversions?

Mike Graveley:

Thank you for asking that because the care center is not a locked facility, right? And so if anybody knows when you get off of opiates your body has the worse flu you've ever had and it lasts for about seven days. You don't die from it but you think you will and it's really tragic. So

what we have found is we lose about one of every three participants in that transition period in about that five or six days that somebody would be at the Care Center. So people leave that facility, and then we turn around and we charge them with the case so they end up getting a charge. So we lose about one in three. Once we get an ejection for someone, then our failure rate is less than ten percent. It dramatically takes away your cravings which allows us then to followup with counseling. We can get to the work of sort of how you got to this situation because the craving is over at that point. And if you take heroin or an opiate while you have vivitrol in your system you will not get high so you will not get the effect.

Mike Pollocoff:

Is there enough beds in there?

Mike Graveley:

So they expanded the Care Center last year. I don't know if any of you have been out there. it's on 60th Street. It used to be a mortgage office.

Mike Pollocoff:

Gateway, yeah.

Mike Graveley:

It's a fabulous facility. Really a wonderful facility. And they expanded, I think it's a 12 or 14 bed facility now so they added about six beds last year. And because of that expansion we have not had a time yet where we've not had the resources. Prior to that expansion it was a challenge.

Mike Pollocoff:

Good.

John Steinbrink:

All right, I'm going to switch gears on you a little bit. Vaping has been in the news with serious respiratory problems. I know if Chief Roepke has got any calls because sometimes it looks like the car's on fire because there are just plumes of smoke coming out. But it's becoming a serious thing around the state. And they didn't list Kenosha County as one of them that had a serious problem with somebody. But are there steps being taken at the county level for this?

Mike Graveley:

So I'm not aware of any county steps. It's a great question in terms of any -- because I do state law, because I enforce state law and there is not a state law against vaping, in that situation it's not something I'm actively involved in enforcing. But I'd be interested in talking to people about that because clearly that's another one of those dramatic health risk situations. So if there was ever some sort of a concerted county effort to talk about what to do in those areas I'd be happy to be a part of that.

John Steinbrink:

Because right now I think they're just trying to find a link between those that have the most serious problem and the product they're using.

Mike Graveley:

Right, exactly.

John Steinbrink:

All right. Other questions for Mike?

Michael Serpe:

Appreciate it, Mike.

Kris Keckler:

Thank you.

Mike Graveley:

Thank you so much, appreciate it.

6. CITIZEN COMMENTS

Jane Snell:

Mr. President, there were no signups this evening.

John Steinbrink:

Anyone wish to speak under citizens' comments? Hearing none I'll close citizens' comments.

7. ADMINISTRATOR’S REPORT

Tom Shircel:

I have nothing to report this evening, Mr. President.

8. NEW BUSINESS

A. Consider approval of First Amendment to Development Agreement between Village of Pleasant Prairie and Riverview Group LLC.

Jean Werbie-Harris:

Mr. President, I am going to talk about both the first amendment as well as the collateral assignment to the development agreement and TID proceeds. So if we could take both items at this time I’m going to be making one presentation.

Michael Serpe:

So moved.

Kris Keckler:

Second.

John Steinbrink:

Motion and a second. Those in favor?

Voices:

Aye.

**SERPE MOVED TO CONSIDER NEW BUSINESS ITEMS 8A AND 8B AT THIS TIME;
SECONDED BY KECKLER; MOTION CARRIED 4-0.**

B. Consider approval of Collateral Assignment of Development Agreement and TID Proceeds between Riverview Group LLC and Associated Bank, National Association.

Jean Werbie-Harris:

Mr. President and members of the Board, simply put the request you have before you this evening, the first amendment to development agreement will make it clear that in the event of a default by a developer under the development agreement the Village will have the right to complete the infrastructure, and that the Village is to be reimbursed from the tax increment from TID 7 prior to the developer receiving any TID 7 funds as PAGO payments under the municipal revenue obligation.

Now, let me give you some history and then I'll come back to that. The developer's lending institution, Association Bank, has requested a stand still of the termination rights of the Village in the consent to the collateral assignment required in the first amendment to the development agreement. The Village is being asked to execute a consent to the collateral assignment of the development agreement and TID proceeds which provides Associated Bank with a collateral assignment of a developer's rights under the development agreement and the municipal revenue obligation after it is issued.

Within the consent Associated Bank has requested that if the bank needed to foreclose on the property to step into the shoes of the developer and comply with the developer's obligations under the agreement, then the Village would not have the right to terminate the development agreement until the bank had a chance to complete the developer's obligations. This might require a foreclosure action against the developer, and it could take a long time for the bank to obtain the title to foreclose on the property. While it's reasonable for the bank to request this time to complete a foreclosure action before the Village can terminate the development agreement, it could put the Village in a bad situation where the developer fails to complete the infrastructure improvements, and the Village would be unable to service the property or adjoining properties by completing the infrastructure improvements itself and obtaining the reimbursement of the cost from the TID.

So that is a long way of saying that we are making these modifications to the collateral assignment and also to the amendment to the development agreement in order to protect the Village and to make sure that if the Village wants to and needs to complete the public infrastructure improvements for the Stateline 94 Corporate Park development because the developer has failed to do so, that we will be able to do it, and we would be reimbursed first from the proceeds of the TID. The staff recommends approval of both the first amendment to the development agreement as well as the collateral assignment to the development agreement and TID proceeds.

Mike Pollocoff:

I guess I see where we're going with this and it makes sense. My questions relate to if the developer fails to live up to their obligations with the bank and the bank takes over the development, and we have grading left and we have some other work left to be done, one, does

the Village have the ability to say we're not going to do it until we know who we're going to do grading for? We want to see what the grading plans are. And then does this relieve the developer or the bank in taking the place of the developer from putting money forth -- they received funds from the bank I'm presuming which is a loan, and if they go under if any of those excess proceeds does that get called on first, or does the TID go first? That would be my question. If there was a pot of money that was developed to finance this whole improvement, assuming the bank wouldn't let that money go unless that money had been backed up by some kind of improvement, they would have signed off on a release, there should be some money left, and that money should be able to be drawn on prior to the Village having to turn TID money over to them.

Kathy Goessl:

We have a lot of credit currently with the developer, too, so we should be able to pull from the letter of credit.

Mike Pollocoff:

So this agreement would put Associated Bank in place of the developer to release that credit, that letter of credit?

Kathy Goessl:

We would pull from the developer's letter of credit, and then we would be able to pay or finish the project [inaudible] would be able to finish the project. If Associated is not doing anything, we can then go in ourselves, but we'll be the first in line for the [inaudible] payback.

Mike Pollocoff:

Okay, so we're number one and Associated isn't?

Kathy Goessl:

We're number one before Associated if we put forth effort to complete a road or do something.

Mike Pollocoff:

Okay. I don't have any problem with it then in that scenario. Is there something else I missed?

Kathy Goessl:

No, we would only come in and do public improvements. We would not go in and do grading and stuff that they also had in their plan that was initially in the TID.

Mike Pollocoff:

Okay. As long as we don't get pushed into doing something we don't want to do as far as improvements. I mean we would want those to happen in an orderly manner irregardless of whether it's the developer or Associated. If we have that ability, and then if the letter of credit is there first to draw upon and the TID is not the first thing then I could support this.

Kathy Goessl:

We would only step in if we really had to.

Mike Pollocoff:

Pardon?

Kathy Goessl:

We would only step in if we really had to and we had to finish something because maybe adjacent land needed it, the road completed or something like that. We wouldn't be grading on their site or that kind of stuff.

Mike Pollocoff:

Okay. Then, Mr. President, I would move for the First Amendment to the development agreement with Venture One, move approval.

Michael Serpe:

Second.

John Steinbrink:

We have a motion and a second. Further discussion? Those in favor?

Voices:

Aye.

John Steinbrink:

Opposed? Motion carries. Item B?

Michael Serpe:

Move approval of the collateral assignment of the development agreement.

Kris Keckler:

Second.

John Steinbrink:

Motion and a second. Any discussion on Item B? Those in favor?

Voices:

Aye.

John Steinbrink:

Opposed? Motion carries. Thank you, Jean.

POLLOCOFF MOVED FOR APPROVAL OF THE FIRST AMENDMENT TO DEVELOPMENT AGREEMENT BETWEEN VILLAGE OF PLEASANT PRAIRIE AND RIVERVIEW GROUP LLC; SECONDED BY SERPE; MOTION CARRIED 4-0.

SERPE MOVED FOR APPROVAL OF THE COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT AND TID PROCEEDS BETWEEN RIVERVIEW GROUP LLC AND ASSOCIATED BANK, NATIONAL ASSOCIATION; SECONDED BY KECKLER; MOTION CARRIED 4-0.

C. Consider approval of Ordinance #19-23 as it relates to Chapter 242 pertaining to RecPlex Fees.

Elizabeth Caruso:

Elizabeth Caruso, Manager of Guest Services. Thanks for seeing us tonight. So we took the opportunity to update our Chapter in Ordinance 242. Recently we discussed the new pass types and the family membership pricing. There were some outdated policies and the definitions in the ordinance. So we made these changes to make a better flow, more flexibility, along with removal of some redundant items.

The ordinance outcomes listed rather than the operational procedures is one of the changes that we made. Removal of some of the program pricing to give us real time flexibility in changes our pricing by session rather than annually so that we could pull on some different revenue strands

more frequently if we needed to do so. Membership pricing is now contained in the addendum that you see up there. And that will continue to be contained, but the program fees have been removed.

Resident listing, each individual rule by department, we did an overarching rule, and then each specific rule we listed. Like down in the ice arena it will say no puck handling in the lobby, and down in the aqua arena we'll say shoes and shirts required. But that won't be in the ordinance anymore.

Basic facility wide rules will be listed with the potential penalties for noncompliance so that we can still reference the ordinance because it's a valuable tool that we use as managers. But it has become kind of redundant and a lot of pages. And this reduces it down so that our managers and our staff can utilize the ordinance when showing what happens on the bottom line. And then we can refer to specific areas if there's any different layers like no dogs on the beach or the no shoes, like I said, down in the aqua arena. It's our hope with this new ordinance that it's easier to comprehend and easier to be used. Do you have any questions for me?

Michael Serpe:

Do you have a comparison on the increases in the memberships?

Elizabeth Caruso:

As far as when we changed our pass types?

Michael Serpe:

Yes.

Elizabeth Caruso:

So membership numbers are down right now, but we do have a lot of plans for the future. So about a year ago we had a lot of competition --

Michael Serpe:

No, as far as the rates go, the rate increases -- are you asking for rate increases on this tonight?

Elizabeth Caruso:

No, sir, no rate increases at all.

Michael Serpe:

There's no rate increases. So senior --

Elizabeth Caruso:

Just specifically edits to the content. So the ordinance used to be about 29 pages long, and about 16 of those were RecPlex specific. So we took the ordinance, we squished it down to about six pages. We eliminated some of the redundant things. We related some of the specific rules that were in individual areas, and we just created a more user friendly document for our management and our staff. Because it used to be the blanket -- we were governed by a Village ordinance, and then we would point them towards this 29 page document. Now it's going to be more user friendly. We'll be able to say here's what's in the ordinance, the definition of membership types, the rules. And then department specific things we'll be able to have posted in the areas so it's not cumbersome in the ordinance and then the fees.

So the biggest thing we're doing is taking the fees out of the ordinance. And the reason why that is is because we don't want to give a one stop shop for our competition to come and see the list of every single program we offer and exactly what we're charging and what new programs we're offering. That's kind of internal information, and that can be provided to you as necessary. But it doesn't need to be out there necessarily in our ordinance. That way if we want to change programming midstream because we see an opportunity to pull a revenue strand.

Like with Malory's Youth Program we were able to change her fees \$1 per day per child to the tune of about \$8,000 in revenue that we found. So if you're paying \$200 a week per child and I bump you up \$5 in that week you're not going to notice that change. Whereas if you're paying for a membership and I'm bumping you up \$5 a month, the biggest reason why people cancel their memberships is because they're not using it, and now I'm going to charge you \$5 more a month for something you're not using and now you're going to cancel. Where if I were to charge you \$58 for basketball for one session, and the next session we can change that to \$62 for the session nobody is going to shake their head. But we just increased our revenue pretty dramatically. That was the biggest reason for removing all of those rates out of the ordinance so we had some flexibility.

Michael Serpe:

Every weekend we have major events out there either with the swimmers or hockey. And we've spent an enormous amount of money in the field house with restrooms with \$90,000, I don't know what it was. [Inaudible] pittance. The people that come in to watch their kids play volleyball or basketball or watch them swim they're using these facilities, and it takes Tom's crew to clean up afterwards and put everything back the way it was. In some way or another are we capturing any of those costs either in the fees that we charge these teams to play, or should we look at something like charging \$1 a person to come into the front door?

Elizabeth Caruso:

Absolutely, and that's something that's on our radar for sure, charging gate fees because we currently don't do that. We charge fees for the organization to rent the facility, but then the organization keeps the gate fees. So that's definitely on the radar. We took over concessions so we realized about \$100,000 in revenue that we weren't realizing last year since Brett has taken over that department. So we are capitalizing on that as well, opening up in the field house as well as in the aqua arena. So, yeah, there are definitely things that we can do.

Michael Serpe:

And with an explanation, if we get into that, people can understand that the place has to be maintained, and it is maintained to perfect, it is. And I credit Tom Patrizzi and his crew on that. But I think if you explained to them, just say, you know, we spend an enormous amount of money to make your stay here a little bit more pleasurable, and we're asking a small amount in return for you to watch your kid to play, costs you a dollar. Who is going to argue with that?

Elizabeth Caruso:

Absolutely, I don't think anybody And I think that goes back to the point of pulling on those other revenue strands besides our members because our members pay a flat fee every month. But all these visitors there should be a cost, an impact fee if you will.

Michael Serpe:

It is.

Elizabeth Caruso:

And there are some events that do pay specific impact fees, but we're definitely looking at that in the future because you're right.

Kris Keckler:

You said membership is down?

Elizabeth Caruso:

Membership is down slightly, yes.

Kris Keckler:

Just slightly?

Elizabeth Caruso:

Just slightly. Yeah, there's a couple reasons why that was. So Planet Fitness opened, some boutique facilities opened. We tried a couple different membership specials. Changed our membership drive which as I spoke with Mike before that was a little bit of a loss leader because we had to reduce some of our revenue to get us to that \$99 per month per family membership. And then the cancellation rate spiked. But we have seen it level out. We're one year in from all the opening of those surrounding facilities. And we feel very confident that going into the second half of the year with our three biggest specials that we have that we're going to be seeing that turn around. So we did a membership drive in January which is no money due until February 2 so it looked like we took a hit in our revenue. But the reality is we'll see it in 2020, it just won't hit in 2019. Just trying a new special there.

And then we lost about 600 memberships who cancelled and left, and the biggest reason was cost. Prior to that the biggest reason for cancellation was not using and moving. And moving we can't do anything about. But not using we just created a loyalty program. Because we saw that a year ago that our retention was starting to slide. So we started bring a buddy Wednesday. So every member who has been a member a year or more can bring a buddy every single Wednesday. We increased our day passes based on longevity. We started giving away more things like shaker bottles and lanyards and doing the spin the wheel and having member appreciation. So we were capitalizing on that.

So our retention rate is excellent. People are staying. It was just that one year when everyone left to go try Planet Fitness. Burn Boot Camp was another one that was killing us. But they're coming back now because we're not really in direct competition with Planet Fitness. We're a community rec center. So we rebranded ourself a year ago when we saw that happening because we wanted to take advantage of all the programs that we offer, everything we offer that Planet doesn't. So I anticipate the next six months is going to see -- I think we're done with our cancellations, and we're just going to see the influx in the memberships after that.

Michael Serpe:

You have somebody looking at marketing alone?

Elizabeth Caruso:

Absolutely. Craig and Josh and Sam just met with a marketing company who created our new logo. And that was to look at how we are missing out and not capitalizing on things like Instagram and Twitter and all of that marketing. Instead of spending our marketing dollars to the

tune of \$20,000 in newspaper and radio, is there a better way in the second half of this year that we can spend that money so we can capitalize on those new memberships. So, yeah.

Michael Serpe:

Good.

Elizabeth Caruso:

I really think successfully with Craig at the helm we have our finger on the pulse, and I'm confident that we're going to see some increase.

Michael Serpe:

I'll renew my senior membership.

Mike Pollocoff:

There's one thing I just want to clarify. I mean I don't think we're trying to trick anybody by raising rates. It's not that we're hiding that we're having an increase. We're just making an increase that's tolerable.

Elizabeth Caruso:

Thank you, that's a much better way to put it.

Mike Pollocoff:

I don't want anyone to think we're --

Elizabeth Caruso:

No, no, I'm sorry if I came off that way. That was definitely not what it was. Just a more tolerable increase.

Mike Pollocoff:

The other thing I think if you look at the financials for RecPlex I think the cash position is very good. For 18 years in, 19 years in it's still never been on the tax roll. It's paid its way through the users, be it members or people that just sign up for a program or a rental where we bring some people in. And I think that that's one of the things maybe we ask Carthage or UW to help us with on analysis is take a look at the economic impact of RecPlex. I don't know how many young children have got their first job at RecPlex be it a lifeguard, a custodian, camp counselor,

childcare. And they got their jobs at RecPlex, it's the first jobs they've had where they've had to have some responsibility and do something. And I don't know what the number is, I think at some point it was like 550 individuals, granted some of those are program people, some are full time, but at the peak of employment period in the summer there's a lot of people that are out there. I mean there's that aspect that's a positive impact to the community.

And the second one is just the number of tournaments. Just last week it was a Speedo competition. And if you notice when I went out there this weekend there was cars from Michigan, from Missouri, from all over the place who were coming here and staying here for four days with their kids, and they were feeding them and paying for them to stay someplace at night. And they're all over the community. They were going down to see the boats when they weren't swimming. So RecPlex plays a part in the local economy as far as how much it helps buoy that tourism part of the industry that's critical to the economic growth of the area.

I think the third thing that's critical, and back when I was a working person, I remember we used to bring people out there. I think it was Yamaha or Volkswagen, we were touring around the corporate park trying to find a place that they would like to have their building land. And it was like they really weren't warmed up to it. And our last stop was at RecPlex, walking through RecPlex. That just closed the deal. They said this is great. This is good for our employees.

We had another business that it was a bakery, refined back goods, I forget his name, but his daughter was at a volleyball tournament that was from Illinois that was up at RecPlex. He took a drive around the corporate park, he saw the Chicago Lock building that was for sale. He went in and bought it, refurbished it, made it a special business for bakeries and he moved his business up here. And then three months later he had a contaminated product and he closed down.

But the key thing is that you open one door, you close one door, you open another one, that building now, that improvement is Good Foods. And Good Foods is a really large employer in the community and they're doing a lot of good business. So it's just another asset. When we put our best foot forward and try to find good companies to come here and employ people and pay taxes it's one of the tools we use. And those people, those employees end up being members.

So even though we're down memberships I think when you look at the whole picture, and I think the bottom line in cash reflects that. There's a lot of things going on that affect the bottom line at RecPlex, but I think your rate adjustments are a good move and good procedure, and I think we just stick to the program the way it is. I'd move that we approve the ordinance amendment as presented for 242.

Kris Keckler:

Second.

John Steinbrink:

Motion and a second. Any further discussion? And they were from all over the Midwest. There were two large buses from Ohio and other states.

Mike Pollocoff:

It was weird, some of our kids that same weekend were off at other -- I mean the older kids were competing in national tournaments in other places. So it gives the youth here the opportunity to compete at a higher level.

Elizabeth Caruso:

And when you walk around the lobby and all those folks are out there and they see you have your RecPlex gear on they'll be like this place is amazing. There's no place like this anywhere. We swim all over the place, and we don't see a place like this anywhere else. So you kind of forget when you're in it every day how cool it really is. So it's good to hear that from all the people who visit us.

John Steinbrink:

Were you at the Speedo thing modeling?

Mike Pollocoff:

I had my Speedo, and I was handing out complimentary sunglasses to shade your eyes.

John Steinbrink:

We have a motion and a second, no further discussion? Those in favor?

Voices:

Aye.

John Steinbrink:

Opposed? Motion carries. Thank you.

POLLOCOFF MOVED FOR APPROVAL ORDINANCE #19-23 AS IT RELATES TO CHAPTER 242 PERTAINING TO RECPLEX FEES; SECONDED BY KECKLER; MOTION CARRIED 4-0.

9. CONSENT AGENDA

- 1) Consider approval of the Intergovernmental Agreement regarding State Highway 50 with City of Kenosha and Wisconsin Department of Transportation.**
- 2) Consider approval of The Cottages at Village Green Letter of Credit Reduction, Phase 1, Request No. 7.**
- 3) Consider approval of The Cottages at Village Green Letter of Credit Reduction, Phase 2, Request No. 5.**
- 4) Minutes of Meeting - July 15, 2019**

Michael Serpe:

I would move approval of Consent Agenda Items 1 and 2.

John Steinbrink:

No, there's two more.

Kris Keckler:

There's 3 and 4.

Michael Serpe:

And the next page, 3 and 4.

Kris Keckler:

Second.

John Steinbrink:

We have a motion and a second. Any discussion? Those in favor?

Voices:

Aye.

John Steinbrink:

Opposed? Motion carries.

**SERPE MOVED FOR APPROVAL OF THE CONSENT AGENDA ITEMS 1, 2, 3, AND 4;
SECONDED BY KECKLER; MOTION CARRIED 4-0.**

10. VILLAGE BOARD COMMENTS

11. ADJOURNMENT

Mike Pollocoff:

Move we adjourn.

Michael Serpe:

Second.

John Steinbrink:

Motion and a second for adjournment. Those in favor?

Voices:

Aye.

John Steinbrink:

Opposed? Motion carries.

**POLLOCOFF MOVED TO AJOURN THE MEETING; SECONDED BY SERPE;
MOTION CARRIED 4-0 AND MEETING ADJOURNED AT 6:45 P.M.**