



City of Appleton

100 North Appleton Street
Appleton, WI 54911-4799
www.appleton.org

Meeting Agenda - Final-revised Finance Committee

Tuesday, June 21, 2016

4:30 PM

Council Chambers, 6th Floor

1. Call meeting to order

2. Roll call of membership

3. Approval of minutes from previous meeting

[16-1012](#) June 7, 2016 Finance Committee minutes

Attachments: [MeetingMinutes07-Jun-2016-11-33-33.pdf](#)

4. Public Hearings/Apearances

[16-1013](#) Melissa Kempen, CPA and Jodi Dobson, CPA from Baker Tilly Virchow Krause, LLP presentation of 2015 Comprehensive Annual Financial Report

Attachments: [FS Highlight - final for 2015.pdf](#)

5. Action Items

[16-1015](#) Request to award Unit H-15 Spartan Drive and Haymeadow Avenue Sewer and Force Main Construction to Kruczek Construction Inc. in the amount of \$427,427 with a 4.7% contingency of \$20,000 for a project total not to exceed \$447,427.

Attachments: [Unit H-15.pdf](#)

[16-1016](#) Request to reject bid received for Unit Y-16 Arbutus Park Storm Lift Station Rehabilitation and rebid in Fall, 2016.

Attachments: [Unit Y-16.pdf](#)

[16-1017](#) Request to approve Finance Committee Report 4-P-16 for Sidewalk Construction.

Attachments: [Report 4-P-16.pdf](#)

[16-1022](#) Request to approve the following 2016 Budget adjustment:

TIF #6

Land Purchase	+\$152,749
Fund Balance (advance from General Fund)	- \$152,749

to provide funding for the repurchase of Lot 13 in the Southpoint Commerce Park (2/3 vote required).

Attachments: [Commercial Horizons LOI 6-7-16.pdf](#)
[SubjectParcel06162016.pdf](#)

[16-1025](#) CEA Review Committee Report for June 7, 2016.

Attachments: [CEA MeetingMinutes7-Jun-2016-07-51-57.pdf](#)

6. Information Items

[16-1014](#) Director's Reports:

Finance
Legal Services

[16-1018](#) The following 2016 Budget adjustments were approved by the Mayor and Finance Director in accordance with Policy:

General Fund - Library

Reimbursements - Friends of the Library	+\$12,456
Other Contracts/Obligations - Childrens Services	+\$12,456

to record funds received from the Friends of the Appleton Public Library for Reach Out and Read Fox Cities

General Fund - Parks & Recreation

Part-time Salaries	- \$5,066
Fringe Benefits	- \$395
Temporary Help	+\$5,561

to transfer funds originally budgeted for part-time wages to fund temporary customer service help during the summer

7. Adjournment

Notice is hereby given that a quorum of the Common Council may be present during this meeting, although no Council action will be taken.

Reasonable Accommodations for Persons with Disabilities will be made upon Request and if Feasible.

For questions regarding this agenda, please contact Tony Saucerman at (920) 832-6440.



City of Appleton

100 North Appleton Street
Appleton, WI 54911-4799
www.appleton.org

Meeting Minutes Finance Committee

Tuesday, June 7, 2016

4:30 PM

Council Chambers, 6th Floor

1. Call meeting to order

Meeting was called to order at 4:30pm.

2. Roll call of membership

Present: 4 - Alderperson Plank, Alderperson Dannecker, Alderperson Lobner and
Alderperson Siebers

Excused: 1 - Alderperson Martin

3. Approval of minutes from previous meeting

[16-917](#)

May 24, 2016 Finance Committee minutes

Attachments: [MeetingMinutes24-May-2016-12-30-30.pdf](#)

Alderperson Lobner moved, seconded by Alderperson Dannecker, that the Minutes be approved. Roll Call. Motion carried by the following vote:

Aye: 4 - Alderperson Plank, Alderperson Dannecker, Alderperson Lobner and
Alderperson Siebers

Excused: 1 - Alderperson Martin

4. Public Hearings/Appealances

5. Action Items

[16-919](#)

Request to approve Finance Committee Report 3-P-16 for Sanitary Sewer, Storm Sewer and Laterals.

Attachments: [Report 3-P-16.pdf](#)

Alderperson Dannecker moved, seconded by Alderperson Plank, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 4 - Alderperson Plank, Alderperson Dannecker, Alderperson Lobner and
Alderperson Siebers

Excused: 1 - Alderperson Martin

[16-922](#)

Request to award the City of Appleton Municipal Services Building 2016 HVAC Replacement Project contract to B&P Mechanical, Inc. in the amount of \$338,800 with a contingency of \$8,400 for a contract total not to exceed \$347,200.

Attachments: [2016 MSB HVAC replacement award and budget adjustemnt.pdf](#)

Alderson Dannecker moved, seconded by Alderson Plank, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 4 - Alderson Plank, Alderson Dannecker, Alderson Lobner and Alderson Siebers

Excused: 1 - Alderson Martin

[16-925](#)

Request to approve the following 2016 budget adjustment:

Facilities Capital Projects Fund

MSB Roof Replacement Project	- \$35,000
Fire Stations #3 & #5 Exterior Lighting Project	- \$30,000
MSB HVAC Replacement Project	+\$65,000

to reallocate positive budget variance from MSB roof replacement project and Fire Stations exterior lighting project to MSB HVAC replacement project.

Attachments: [2016 MSB HVAC replacement award and budget adjustemnt.pdf](#)

Alderson Lobner moved, seconded by Alderson Dannecker, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 4 - Alderson Plank, Alderson Dannecker, Alderson Lobner and Alderson Siebers

Excused: 1 - Alderson Martin

[16-926](#)

Request to approve entering an intergovernmental agreement with the Appleton Area School District for the purpose of the joint establishment, operation and cost sharing of an employee health clinic.

Attachments: [Memo Intergovernmental agreement.pdf](#)
 [Intergovernmental Agreement.pdf](#)

Alderson Dannecker moved, seconded by Alderson Lobner, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 4 - Alderperson Plank, Alderperson Dannecker, Alderperson Lobner and Alderperson Siebers

Excused: 1 - Alderperson Martin

[16-927](#)

Request to approve payment to ThedaCare for the City's share of facility location expenses during the three year term that ThedaCare also provides the employee health clinic services.

Attachments: [Lease Memo.pdf](#)
 [Lease Proposal.pdf](#)

Alderperson Dannecker moved, seconded by Alderperson Siebers, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 4 - Alderperson Plank, Alderperson Dannecker, Alderperson Lobner and Alderperson Siebers

Excused: 1 - Alderperson Martin

6. Information Items

[16-928](#)

The following 2016 Budget adjustments were approved by the Mayor and Finance Director in accordance with Policy:

General Fund - Library

Reimbursements - Friends of the Library	+ \$17,050
Library Materials and Supplies	+ \$7,300
Other Contracts/Obligations	+ \$9,750

to record funds received from the Friends of the Appleton Public Library for materials, administration, children's services, and community partnership activities

Grant Proceeds	+ \$9,500
Salaries - Children's Services	+ \$1,800
Supplies - Children's Services	+ \$7,700

to record grant funds received from BMO Harris to support ELL programming and staff

Reimbursements - Friends of the Library	+ \$77,694
Other Contracts/Obligations - Children's Services	+ \$77,694

to record funds received from the Friends of the Appleton Public Library United Way Fox Cities Innovation Grant fund for the Reach Out and Read Fox Cities program.

General Fund - Fire Department

Donations	+ \$1,878
Miscellaneous Supplies - Public Education	+ \$1,878

to record the purchase of rehabilitation equipment through the Assistance to Firefighters Grant.

This Presentation was received and filed

7. Adjournment

Aldersperson Lobner moved, seconded by Aldersperson Siebers, that the meeting be adjourned. Roll Call. Motion carried by the following vote:

Aye: 4 - Aldersperson Plank, Aldersperson Dannecker, Aldersperson Lobner and Aldersperson Siebers

Excused: 1 - Aldersperson Martin

CITY OF APPLETON
REPORT TO THE FINANCE COMMITTEE

June 21, 2016

Presented By:

Baker Tilly Virchow Krause, LLP
Ten Terrace Court
P.O. Box 7398
Madison, WI 53707-7398
800 362 7301

Melissa R. Kempen, CPA, Manager
Jodi L. Dobson, CPA, Partner

Note: Actual data was derived from current and prior years audited financial statements

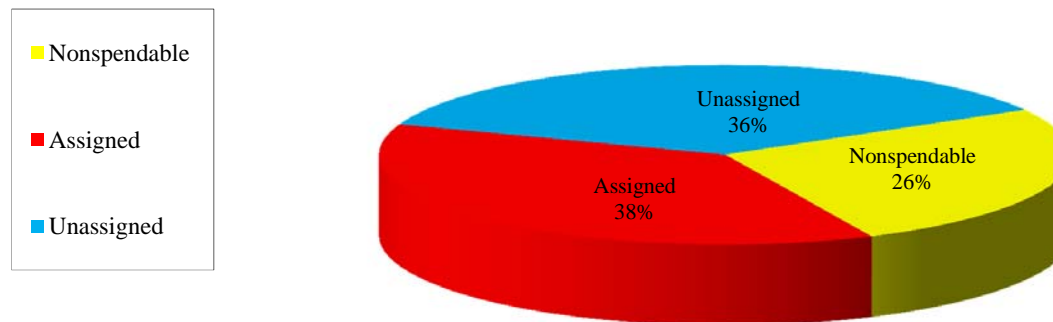
CITY OF APPLETON

2015 FINANCIAL STATEMENT HIGHLIGHTS

DETAILS OF GENERAL FUND BALANCE

<u>Nonspendable</u>	<u>2015</u>
<i>includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.</i>	\$ 8,342,254
<u>Assigned</u>	
<i>includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.</i>	11,828,526
<u>Unassigned</u>	
<i>includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories including stabilization funds and amounts for working capital.</i>	<u>11,429,020</u>
Total General Fund Balance	<u>\$ 31,599,800</u>

General Fund Balance

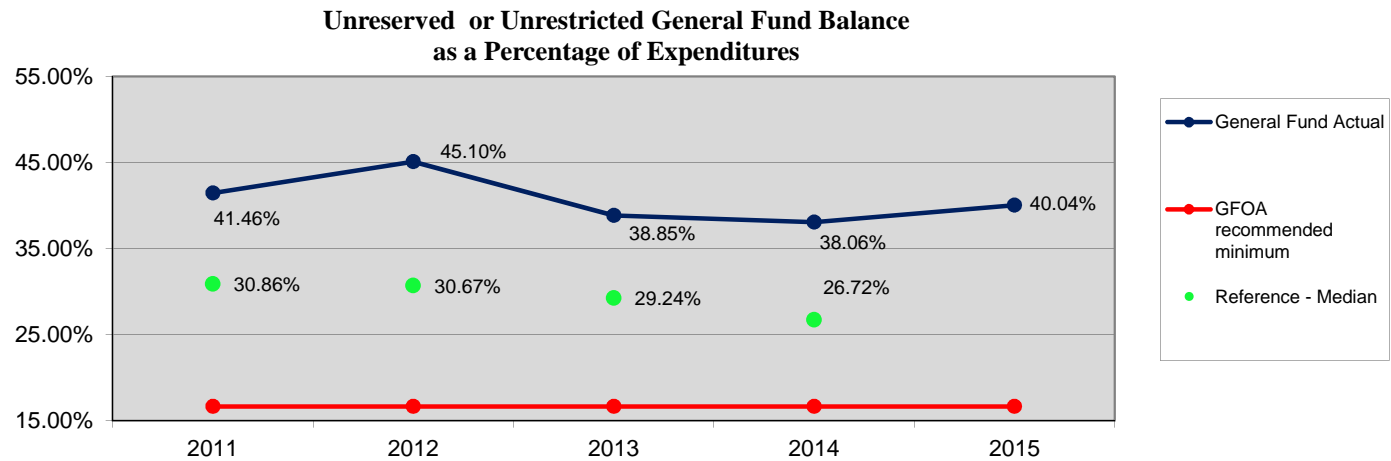


CITY OF APPLETON

2015 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF GENERAL FUND BALANCE

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Unrestricted Fund Balance	\$ 22,713,119	\$ 24,249,711	\$ 22,244,613	\$ 22,064,770	\$ 23,257,546
Expenditures	54,788,761	53,768,471	57,261,312	57,966,419	58,083,429
% of expenditures	41.46%	45.10%	38.85%	38.06%	40.04%



GFOA recommended range for % of expenditures: no less than 2 months of regular GF operating expenditures

2012 Median - Reference: 30.67%

2013 Median - Reference: 29.24%

2014 Median - Reference: 26.72%

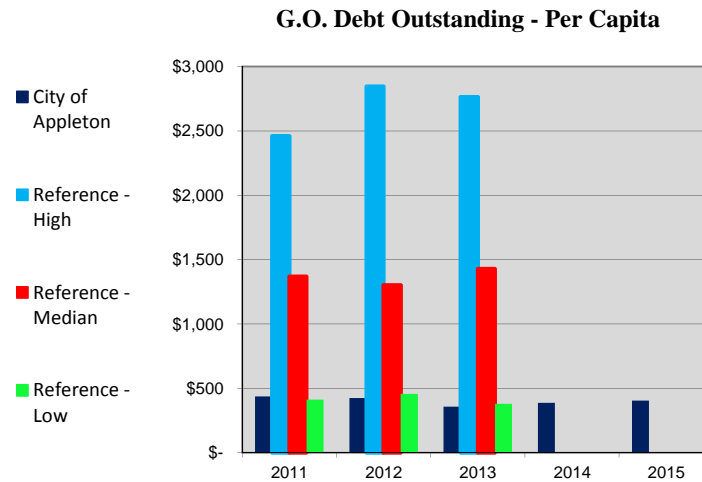
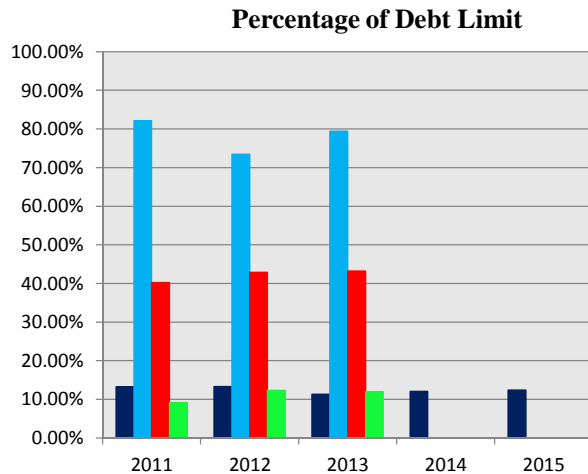
Reference values for the population range: 30,000 to 150,000 generated from 2009-2013 Baker Tilly municipal client data for Wisconsin.

CITY OF APPLETON

2015 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL OBLIGATION DEBT OUSTANDING

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Total General Obligation (G.O.) Debt (net)</u>					
City	\$ 32,898,198	\$ 32,516,328	\$ 26,958,995	\$ 29,226,663	\$ 30,719,330
Utilities	708,509	735,000	725,000	695,000	635,000
Internal service	61,340	53,672	46,005	188,337	180,670
Subtotal	33,668,047	33,305,000	27,730,000	30,110,000	31,535,000
Less: Funds available for debt	(1,972,070)	(2,320,132)	(1,503,052)	(1,703,173)	(1,695,673)
TOTAL	\$ 31,695,977	\$ 30,984,868	\$ 26,226,948	\$ 28,406,827	\$ 29,839,327
Population	72,715	72,768	73,150	73,463	73,737
G.O. Debt Capacity	\$ 239,855,175	\$ 232,570,430	\$ 231,115,610	\$ 234,833,025	\$ 240,837,740
G.O. debt per capita	\$ 436	\$ 426	\$ 359	\$ 387	\$ 405
% of debt limit	13%	13%	11%	12%	12%



2011-2013 Reference values for the population range: 30,000 to 150,000 taken from *MunicipalFacts15* publication by the Wisconsin Taxpayers Alliance, 2015.

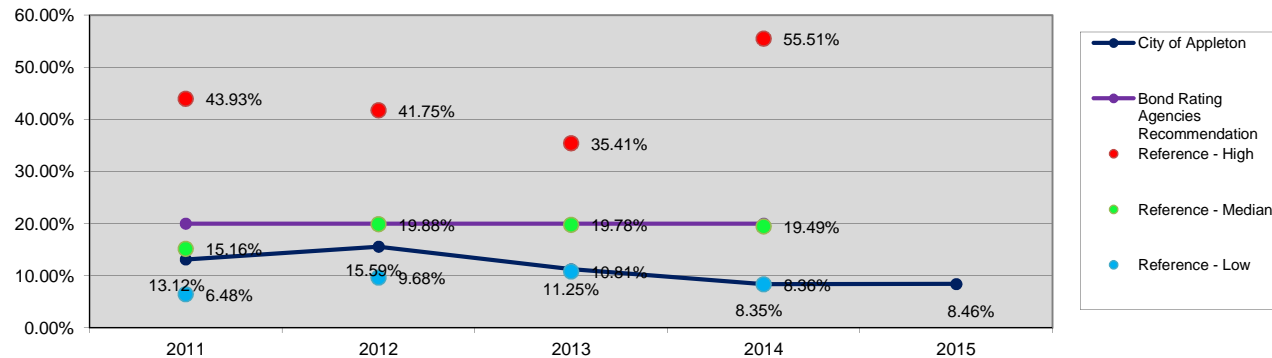
CITY OF APPLETON

2015 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Total Debt Service</u>					
Principal	\$ 7,021,625	\$ 8,761,870	\$ 6,057,333	\$ 4,107,332	\$ 4,282,333
Interest	2,304,241	2,235,391	1,924,256	1,767,037	1,676,117
TOTAL	<u>\$ 9,325,866</u>	<u>\$ 10,997,261</u>	<u>\$ 7,981,589</u>	<u>\$ 5,874,369</u>	<u>\$ 5,958,450</u>
<u>Total Non-Capital Expenditures</u>					
Total governmental funds expenditures	\$ 78,660,069	\$ 77,525,627	\$ 85,232,486	\$ 80,310,100	\$ 83,751,496
Less: capital outlay	(7,595,439)	(6,974,759)	(14,281,748)	(9,972,321)	(13,292,522)
TOTAL NON-CAPITAL EXPENDITURES	<u>\$ 71,064,630</u>	<u>\$ 70,550,868</u>	<u>\$ 70,950,738</u>	<u>\$ 70,337,779</u>	<u>\$ 70,458,974</u>
 % of debt service to non-capital expenditures	 13.12%	 15.59%	 11.25%	 8.35%	 8.46%

Debt Service to Non-Capital Expenditures



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bond rating agencies recommended %	20.00%	20.00%	20.00%	20.00%
High - Reference	43.93%	41.75%	35.41%	55.51%
Median - Reference	15.16%	19.88%	19.78%	19.49%
Low - Reference	6.48%	9.68%	10.81%	8.36%

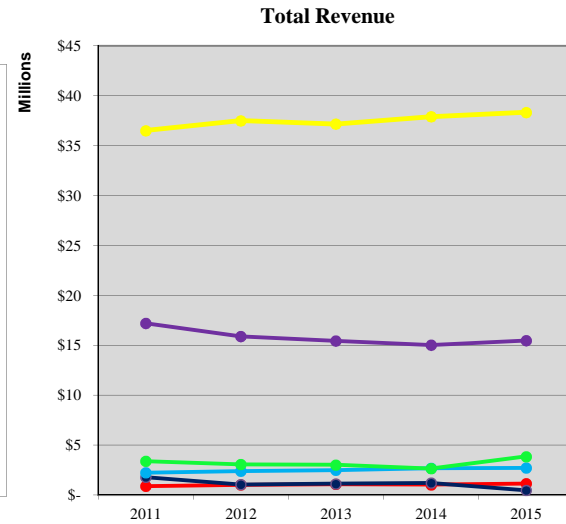
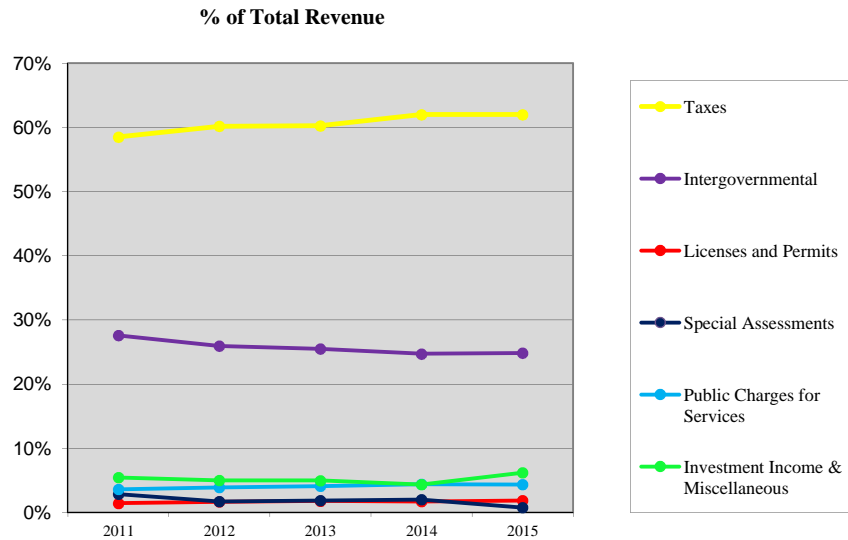
Reference values for the population range: 30,000 to 150,000 generated from 2011-2014 Baker Tilly municipal client data for Wisconsin.

CITY OF APPLETON

2015 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL, DEBT SERVICE & SANITATION FUND REVENUES

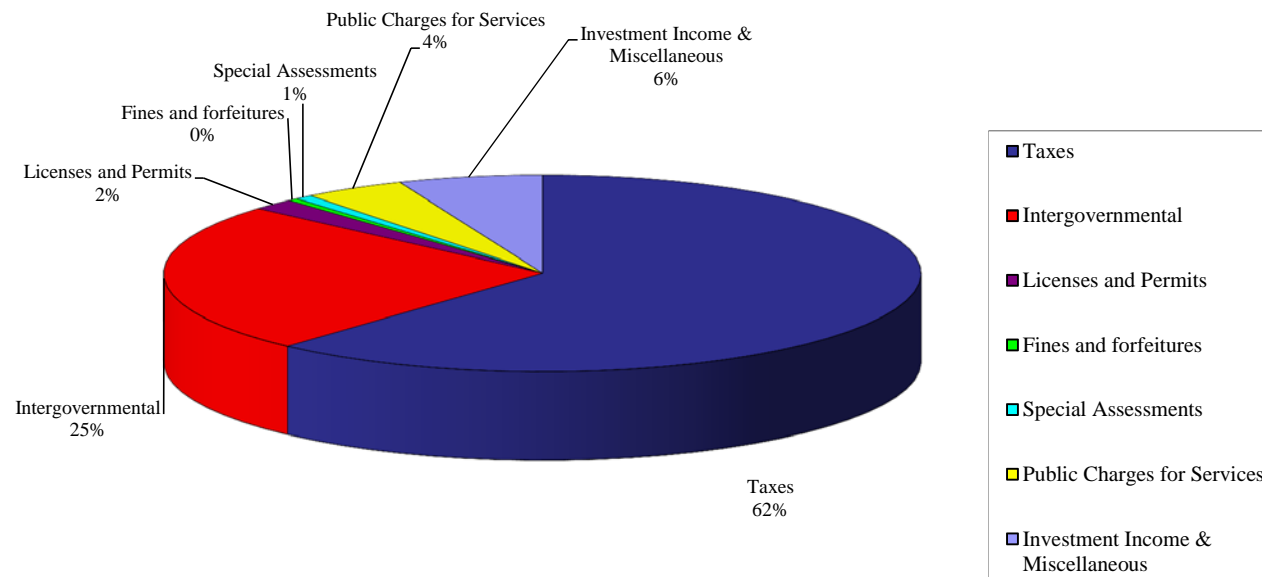
	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>
<u>Total Revenues</u>										
Taxes	\$ 36,502,988	59%	\$ 37,496,775	60%	\$ 37,161,108	60%	\$ 37,894,249	62%	\$ 38,331,455	62%
Intergovernmental	17,199,561	28%	15,900,288	26%	15,454,279	25%	15,037,371	25%	15,469,469	25%
Licenses and Permits	895,927	1%	1,018,228	2%	1,086,494	2%	1,035,280	2%	1,147,980	2%
Fines and forfeitures	359,662	1%	384,340	1%	334,540	1%	310,674	1%	273,814	0%
Special Assessments	1,786,373	3%	1,040,514	2%	1,128,596	2%	1,220,878	2%	470,806	1%
Public Charges for Services	2,238,524	4%	2,393,688	4%	2,485,471	4%	2,686,106	4%	2,723,068	4%
Investment Income & Miscellaneous	3,399,288	5%	3,070,730	5%	3,023,474	5%	2,646,500	4%	3,854,996	6%
TOTAL	\$ 62,382,323	100%	\$ 61,304,563	100%	\$ 60,673,962	100%	\$ 60,831,058	100%	\$ 62,271,588	100%



CITY OF APPLETON
2015 FINANCIAL STATEMENT HIGHLIGHTS

2015 GENERAL, DEBT SERVICE & SANITATION FUND REVENUES

Total Revenues: \$62,271,588

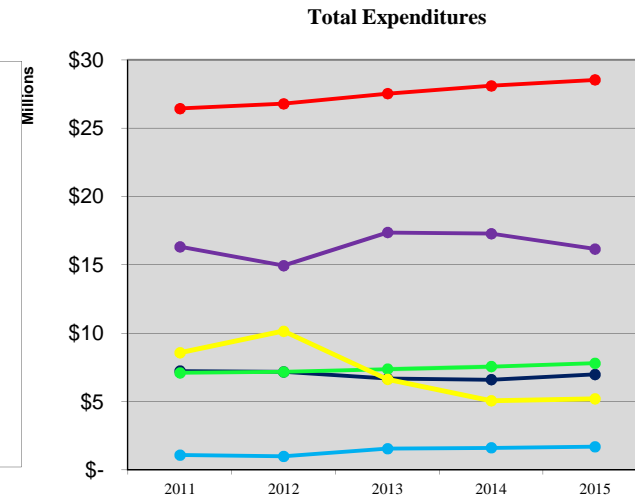
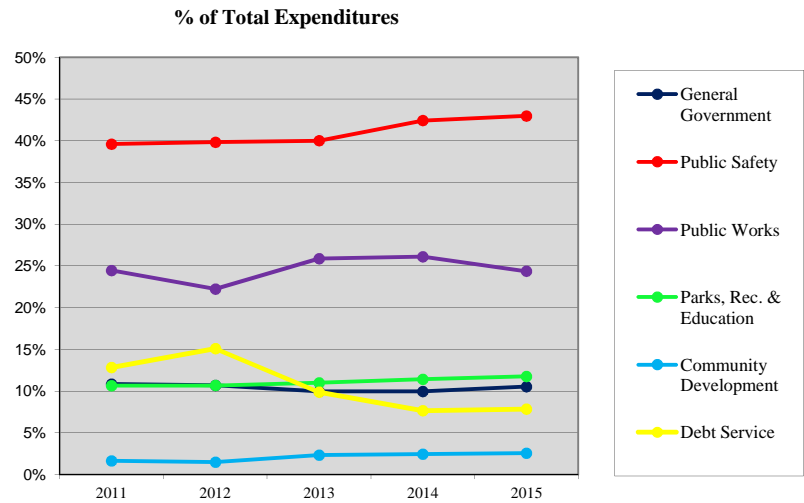


CITY OF APPLETON

2015 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL, DEBT SERVICE & SANITATION FUND EXPENDITURES

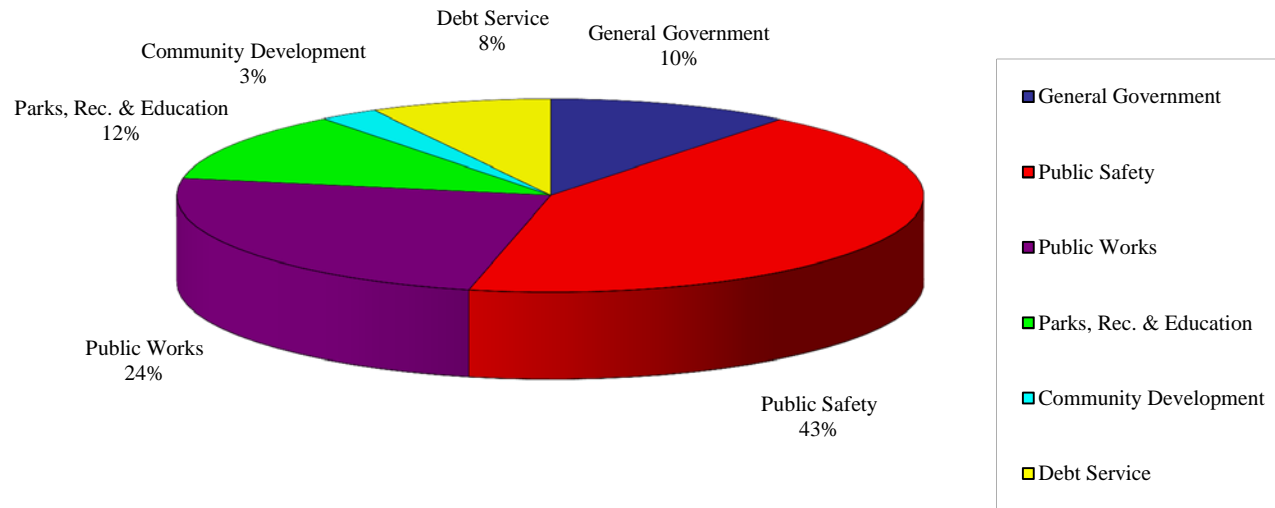
	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>
<u>Total Expenditures</u>										
General Government	\$ 7,237,076	11%	\$ 7,182,956	11%	\$ 6,679,402	10%	\$ 6,600,117	10%	\$ 6,996,188	11%
Public Safety	26,444,183	40%	26,786,645	40%	27,526,967	40%	28,102,962	42%	28,537,213	43%
Public Works	16,323,554	24%	14,951,964	22%	17,373,663	26%	17,290,491	26%	16,170,161	24%
Parks, Rec. & Education	7,104,280	11%	7,175,293	11%	7,375,059	11%	7,564,048	11%	7,804,714	12%
Community Development	1,091,649	2%	993,840	1%	1,554,648	2%	1,618,637	2%	1,699,819	3%
Debt Service	8,571,674	13%	10,154,974	15%	6,635,151	10%	5,070,261	8%	5,201,008	8%
TOTAL	\$ 66,772,416	100%	\$ 67,245,672	100%	\$ 67,144,890	100%	\$ 66,246,516	100%	\$ 66,409,103	100%



CITY OF APPLETON
2015 FINANCIAL STATEMENT HIGHLIGHTS

2015 GENERAL, DEBT SERVICE & SANITATION FUND EXPENDITURES

Total Expenditures: \$66,409,103

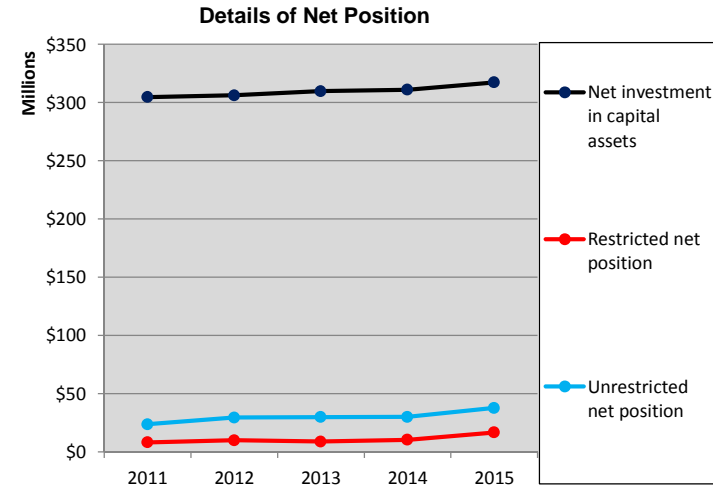
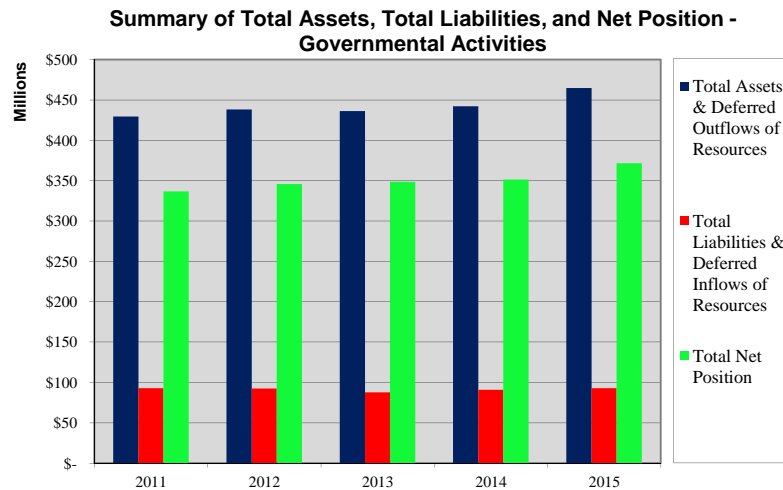


CITY OF APPLETON

2015 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF NET POSITION - GOVERNMENTAL ACTIVITIES

	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>
Total Assets & Deferred Outflows of Resources	\$ 429,451,947		\$ 438,360,725		\$ 436,116,811		\$ 442,243,777		\$ 464,615,506	
Total Liabilities & Deferred Inflows of Resources	92,797,994		92,670,030		87,675,623		90,878,762		92,945,924	
Net investment in capital assets	304,733,210	91%	306,228,924	89%	309,789,370	89%	311,002,481	89%	317,294,433	85%
Restricted net position	8,193,931	2%	10,030,642	3%	8,784,010	3%	10,320,311	3%	16,722,531	4%
Unrestricted net position	23,726,812	7%	29,431,129	9%	29,867,808	9%	30,042,223	9%	37,652,618	10%
Total Net Position	<u>\$ 336,653,953</u>	<u>100%</u>	<u>\$ 345,690,695</u>	<u>100%</u>	<u>\$ 348,441,188</u>	<u>100%</u>	<u>\$ 351,365,015</u>	<u>100%</u>	<u>\$ 371,669,582</u>	<u>100%</u>
Net Position as a % of Total Assets		78%		79%		80%		79%		80%

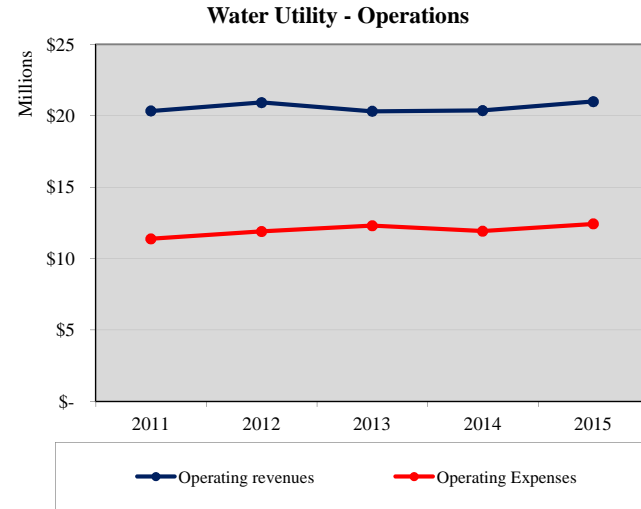
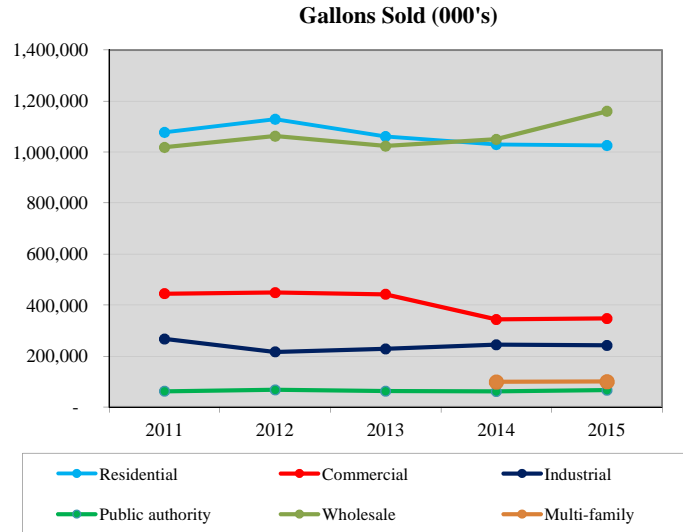


Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF APPLETON WATER UTILITY

2015 FINANCIAL STATEMENT HIGHLIGHTS

	2011	%	2012	%	2013	%	2014	%	2015	%
<u>Gallons Sold (000's)</u>										
Residential	1,076,988	38%	1,129,181	39%	1,060,957	38%	1,029,503	36%	1,026,208	35%
Commercial	444,604	15%	448,835	15%	442,087	16%	343,622	12%	347,740	12%
Multi-family							99,342	4%	100,150	3%
Industrial	267,359	9%	216,345	7%	228,215	8%	244,451	9%	241,827	8%
Public authority	61,961	2%	67,120	2%	62,548	2%	61,780	2%	66,768	2%
Wholesale	1,018,921	36%	1,062,399	36%	1,023,495	36%	1,049,935	37%	1,159,859	39%
TOTAL	2,869,833	100%	2,923,880	100%	2,817,302	100%	2,828,633	100%	2,942,552	100%
Operating Revenues	\$ 20,334,751		\$ 20,932,453		\$ 20,316,037		\$ 20,374,553		\$ 20,994,942	
Operating Expenses	11,390,470		11,908,401		12,308,498		11,921,238		12,431,596	

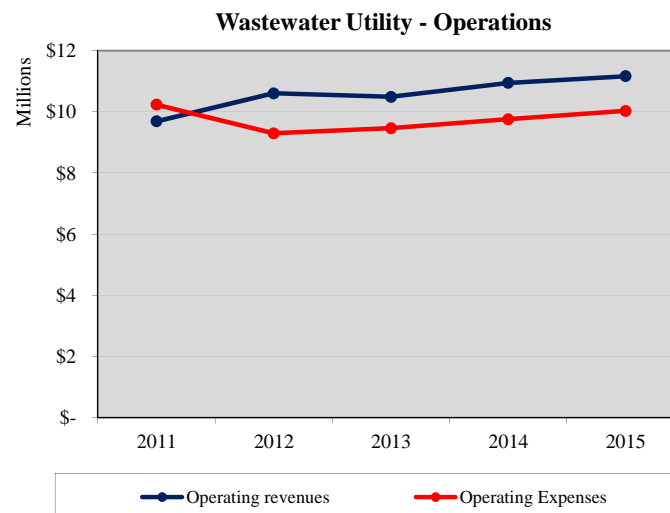
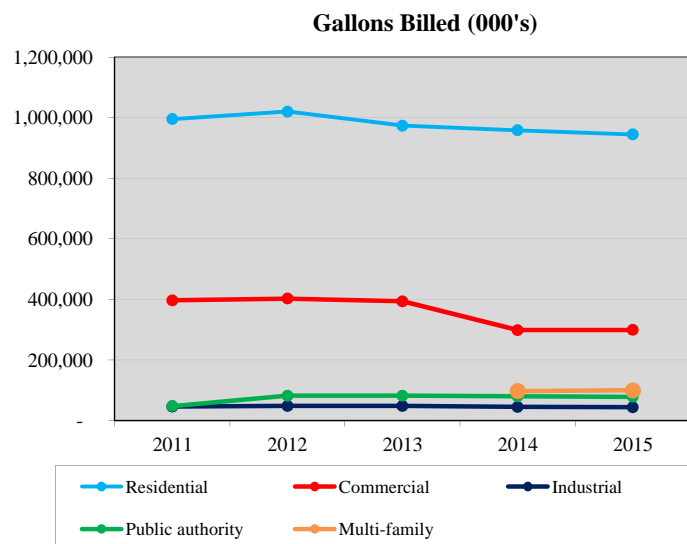


	2011	2012	2013	2014	2015
<u>Ability to meet current obligations</u>					
Unrestricted cash & investments	\$ 5,369,661	\$ 9,958,654	\$ 12,311,150	\$ 8,290,268	\$ 12,101,210
Months of unrestricted cash	3.08	5.88	7.25	4.74	6.92
<u>Rate of Return</u>					
Actual rate	7.63%	7.62%	6.59%	7.08%	6.74%
Authorized rate	7.00%	7.00%	7.00%	7.00%	7.00%
<u>Debt Coverage</u>					
Actual	1.61	1.57	1.38	1.44	1.43
Required	1.10	1.10	1.10	1.10	1.10

CITY OF APPLETON WASTEWATER UTILITY

2015 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>
<u>Gallons Billed (000's)</u>										
Residential	995,414	67%	1,019,886	66%	973,731	65%	958,317	65%	944,737	64%
Commercial	396,635	27%	402,494	26%	393,776	26%	298,638	20%	299,009	20%
Multi-family							97,224	7%	99,819	7%
Industrial	45,614	3%	48,099	3%	48,099	3%	45,097	3%	43,981	3%
Public authority	47,533	3%	81,756	5%	81,756	5%	79,778	5%	78,123	5%
TOTAL	1,485,196	100%	1,552,235	100%	1,497,362	100%	1,479,054	100%	1,465,669	100%
Operating Revenues	\$ 9,687,803		\$ 10,601,634		\$ 10,486,298		\$ 10,942,593		\$ 11,163,377	
Operating Expenses	10,229,600		9,297,699		9,462,373		9,756,089		10,029,819	

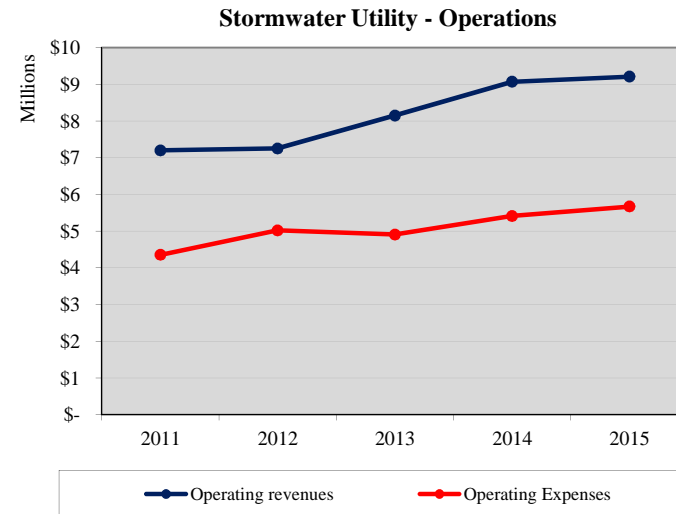
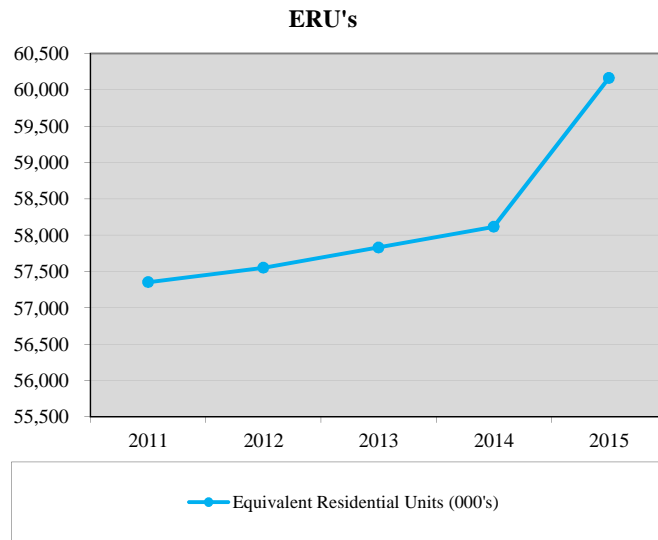


	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Ability to meet current obligations</u>					
Unrestricted cash & investments	\$ 10,168,075	\$ 9,615,123	\$ 10,993,704	\$ 12,095,585	\$ 12,864,209
Months of unrestricted cash	11.51	11.00	12.06	13.00	13.83
<u>Debt Coverage</u>					
Actual	1.98	3.30	2.85	3.44	3.23
Required	1.20	1.20	1.20	1.20	1.20

CITY OF APPLETON STORMWATER UTILITY

2015 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Equivalent Residential Units (000's)	57,353	57,552	57,831	58,115	60,163
Operating Revenues	\$ 7,196,739	\$ 7,251,853	\$ 8,146,867	\$ 9,067,717	\$ 9,207,428
Operating Expenses	4,349,766	5,015,613	4,902,765	5,409,368	5,668,167



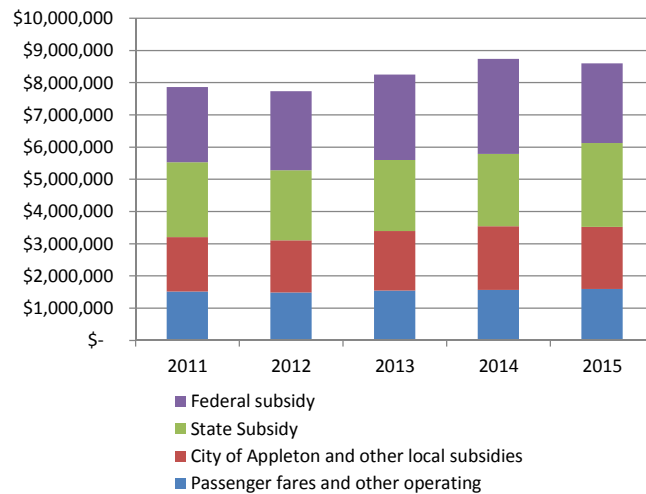
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Ability to meet current obligations</u>					
Unrestricted cash & investments	\$ 9,911,308	\$ 11,000,829	\$ 12,152,790	\$ 6,570,109	\$ 11,890,199
Months of unrestricted cash	16.40	16.20	16.08	8.56	15.50
<u>Debt Coverage</u>					
Actual	1.57	1.22	1.29	1.44	1.29
Required	1.20	1.20	1.20	1.20	1.20

CITY OF APPLETON VALLEY TRANSIT

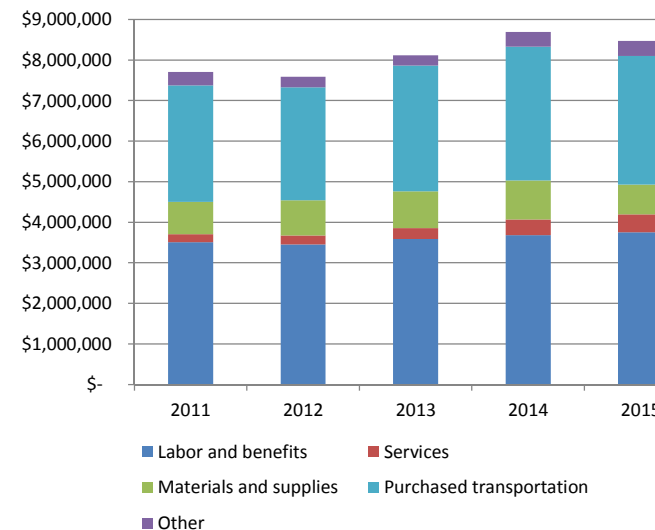
2014 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2011</u>			<u>2012</u>			<u>2013</u>			<u>2014</u>			<u>2015</u>		
<u>Ridership</u>															
Fixed Route		1,073,655			1,095,650			1,093,202			1,081,882			1,055,544	
ADA Paratransit		90,128			87,261			92,643			94,487			96,437	
<u>Operating Revenues</u>															
Passenger fares and other operating	\$	1,512,804	19%	\$	1,485,517	19%	\$	1,547,558	20%	\$	1,563,356	18%	\$	1,593,398	19%
City of Appleton and other local subsidies		1,694,671	22%		1,621,880	21%		1,841,665	24%		1,981,692	23%		1,931,080	22%
State Subsidy		2,322,036	30%		2,169,356	28%		2,208,486	28%		2,246,007	26%		2,598,948	30%
Federal subsidy		<u>2,336,554</u>	30%		<u>2,455,837</u>	32%		<u>2,649,815</u>	34%		<u>2,952,625</u>	34%		<u>2,481,702</u>	29%
TOTAL	\$	<u>7,866,065</u>	100%	\$	<u>7,732,590</u>	100%	\$	<u>7,752,253</u>	106%	\$	<u>8,743,680</u>	100%	\$	<u>8,605,128</u>	100%
<u>Operating Expenses</u>															
Labor and benefits	\$	3,511,580	46%	\$	3,451,382	45%	\$	3,587,920	44%	\$	3,685,729	42%	\$	3,753,090	44%
Services		192,114	2%		220,147	3%		271,349	3%		384,024	4%		440,747	5%
Materials and supplies		800,154	10%		867,131	11%		905,241	11%		959,385	11%		738,432	9%
Purchased transportation		2,869,324	37%		2,791,597	37%		3,098,708	38%		3,296,289	38%		3,163,972	37%
Other		<u>335,532</u>	4%		<u>260,913</u>	3%		<u>255,813</u>	3%		<u>362,878</u>	4%		<u>371,996</u>	4%
TOTAL (excluding depreciation)	\$	7,708,704	100%	\$	7,591,170	100%	\$	8,119,031	100%	\$	8,688,305	100%	\$	8,468,237	100%

Transit Operating Revenues



Transit Operating Expenses



CITY OF APPLETON
Department of Public Works
MEMORANDUM

TO: ☒ **Finance Committee**
☐ **Municipal Services Committee**
☐ **Utilities Committee**

SUBJECT: Award of Contract

The Department of Public Works recommends that the following described work:

Unit H-15 Spartan Drive & Haymeadow Ave Sewer Construction

Be awarded to:

Name: Kruczek Construction Inc.

Address: 3636 Kewaunee Rd

Green Bay, WI 54311

In the amount of : \$427,427.00

With a 4.7 % contingency of : \$20,000.00

For a project total not to exceed : \$447,427.00

**** OR ****

In an amount Not To Exceed : _____

Budget: \$1,063,241.00

Estimate: \$559,605.00

Committee Date: 06/22/16

Council Date: 07/06/16

BID TABULATION

SPARTAN DRIVE AND HAYMEADOW AVENUE SEWER AND FORCEMAIN

UNIT H-15

Item	Description	Qty./Unit	#1 - Kruczek Construction		#2 - Woleske Const. Co.		#3 - PTS Contractors		#4 - Dornier, Inc.		
			Unit Price/\$	Total/\$	Unit Price/\$	Total/\$	Unit Price/\$	Total/\$	Unit Price/\$	Total/\$	
1.	Furnish & Install 18" Sanitary Sewer	106	lin.ft.	\$129.00	\$13,674.00	\$144.00	\$15,264.00	\$156.60	\$16,599.60	\$200.00	\$21,200.00
2.	Furnish & Install 15" Sanitary Sewer	95	lin.ft.	\$89.20	\$8,474.00	\$124.00	\$11,780.00	\$151.50	\$14,392.50	\$100.00	\$9,500.00
3.	Furnish & Install 12" Sanitary Sewer	1,100	lin.ft.	\$85.00	\$93,500.00	\$49.00	\$53,900.00	\$91.70	\$100,870.00	\$100.00	\$110,000.00
4.	Furnish & Install 10" Sanitary Sewer	810	lin.ft.	\$83.00	\$67,230.00	\$70.00	\$56,700.00	\$82.70	\$66,987.00	\$115.00	\$93,150.00
5.	Furnish & Install 8" Sanitary Sewer	115	lin.ft.	\$80.00	\$9,200.00	\$64.00	\$7,360.00	\$80.85	\$9,297.75	\$100.00	\$11,500.00
6.	Furnish & Install 10" Sanitary Force Main	110	lin.ft.	\$45.00	\$4,950.00	\$44.00	\$4,840.00	\$65.15	\$7,166.50	\$44.00	\$4,840.00
7.	Furnish & Install 4" Sanitary Force Main	1,035	lin.ft.	\$26.50	\$27,427.50	\$29.00	\$30,015.00	\$34.00	\$35,190.00	\$35.00	\$36,225.00
8.	Furnish & Install 12' dia. Sanitary Wet well	28	vert.ft.	\$4,100.00	\$114,800.00	\$5,064.00	\$141,792.00	\$4,754.00	\$133,112.00	\$3,500.00	\$98,000.00
9.	Furnish & Install Std. 4' dia. Sanitary Manhole	134	vert.ft.	\$225.00	\$30,150.00	\$314.00	\$42,076.00	\$315.00	\$42,210.00	\$265.00	\$35,510.00
10.	Sanitary Outside Drop	13.5	vert.ft.	\$285.00	\$3,847.50	\$323.00 **	\$4,360.50	\$555.00	\$7,492.50	\$460.00	\$6,210.00
11.	Furnish & Install Sanitary Manhole Casting	3	ea.	\$696.00	\$2,094.00	\$444.00	\$1,332.00	\$755.00	\$2,265.00	\$410.00	\$1,230.00
12.	Furnish & Install 4" dia. 45° bend	5	ea.	\$235.00	\$1,175.00	\$300.00	\$1,500.00	\$300.00	\$1,500.00	\$225.00	\$1,125.00
13.	Furnish & Install Section #305 1 1/4" Densely Graded Base	700	ton	\$19.00	\$13,300.00	\$12.00	\$8,400.00	\$11.46	\$8,022.00	\$18.50	\$12,950.00
14.	Furnish & Install Type "D-M" Inlet Protection	2	ea.	\$118.00	\$236.00	\$50.00	\$100.00	\$190.00	\$380.00	\$200.00	\$400.00
15.	Furnish & Install Silt Fence	1,570	lin.ft.	\$1.50	\$2,355.00	\$3.00	\$4,710.00	\$2.15	\$3,375.50	\$2.15	\$3,375.50
16.	Furnish Site Grading	4,835	sq.yds.	\$2.40	\$11,604.00	\$5.80	\$28,043.00	\$2.95	\$14,263.25	\$5.00	\$24,175.00
17.	Furnish & Install Seed, Fertilizer, & Mulch	21,360	sq.yds.	\$1.00	\$21,360.00	\$0.80	\$17,088.00	\$0.72	\$15,379.20	\$0.75	\$16,020.00
18.	Furnish & Install Extra Stone Bedding	100	ton	\$15.00	\$1,500.00	\$5.00	\$500.00	\$25.00	\$2,500.00	\$12.00	\$1,200.00
19.	Contaminated Soil Removal	10	ton	\$55.00	\$550.00	\$40.00	\$400.00	\$64.00	\$640.00	\$25.00	\$250.00
TOTAL ITEMS 1 THROUGH 19:					\$427,427.00	**	\$430,160.50		\$481,642.80		\$486,850.50

** CORRECTED FIGURE

SPARTAN DRIVE AND HAYMEADOW AVENUE SEWER AND FORCEMAIN

BID TABULATION

Item	Description	Qty./	Unit	#5 - Donald Hietpas		#6 - Globe Contractors		#7 - Advance Const.	
				Unit Price/\$	Total/\$	Unit Price/\$	Total/\$	Unit Price/\$	Total/\$
1.	Furnish & Install 18" Sanitary Sewer	106	lin.ft.	\$225.00	\$23,850.00	\$180.00	\$19,080.00	\$231.00	\$24,486.00
2.	Furnish & Install 15" Sanitary Sewer	95	lin.ft.	\$195.00	\$18,525.00	\$110.00	\$10,450.00	\$120.00	\$11,400.00
3.	Furnish & Install 12" Sanitary Sewer	1,100	lin.ft.	\$116.00	\$127,600.00	\$104.00	\$114,400.00	\$140.00	\$154,000.00
4.	Furnish & Install 10" Sanitary Sewer	810	lin.ft.	\$115.00	\$93,150.00	\$102.00	\$82,620.00	\$137.00	\$110,970.00
5.	Furnish & Install 8" Sanitary Sewer	115	lin.ft.	\$150.00	\$17,250.00	\$100.00	\$11,500.00	\$135.00	\$15,525.00
6.	Furnish & Install 10" Sanitary Force Main	110	lin.ft.	\$95.00	\$10,450.00	\$60.00	\$6,600.00	\$115.00	\$12,650.00
7.	Furnish & Install 4" Sanitary Force Main	1,035	lin.ft.	\$28.00	\$28,980.00	\$50.00	\$51,750.00	\$28.00	\$28,980.00
8.	Furnish & Install 12" dia. Sanitary Wet well	28	vert.ft.	\$3,872.00	\$108,416.00	\$4,000.00	\$112,000.00	\$4,500.00	\$125,000.00
9.	Furnish & Install Std. 4' dia. Sanitary Manhole	134	vert.ft.	\$400.00	\$53,600.00	\$170.00	\$22,780.00	\$380.00	\$50,920.00
10.	Sanitary Outside Drop	13.5	vert.ft.	\$550.00	\$7,425.00	\$300.00	\$4,050.00	\$340.00	\$4,590.00
11.	Furnish & Install Sanitary Manhole Casting	3	ea.	\$625.00	\$1,875.00	\$600.00	\$1,800.00	\$630.00	\$1,890.00
12.	Furnish & Install 4" dia. 45° bend	5	ea.	\$225.00	\$1,125.00	\$200.00	\$1,000.00	\$175.00	\$875.00
13.	Furnish & Install Section #305 1 1/4" Densely Graded Base	700	ton	\$13.65	\$9,555.00	\$18.00	\$12,600.00	\$15.00	\$10,500.00
14.	Furnish & Install Type "D-W" Inlet Protection	2	ea.	\$125.00	\$250.00	\$100.00	\$200.00	\$150.00	\$300.00
15.	Furnish & Install Silt Fence	1,570	lin.ft.	\$1.50	\$2,355.00	\$2.00	\$3,140.00	\$2.00	\$3,140.00
16.	Furnish Site Grading	4,835	sq.yds.	\$2.20	\$10,637.00	\$8.00	\$38,680.00	\$8.00	\$38,680.00
17.	Furnish & Install Seed, Fertilizer, & Mulch	21,360	sq.yds.	\$1.50	\$32,040.00	\$3.00	\$64,080.00	\$1.50	\$32,040.00
18.	Furnish & Install Extra Stone Bedding	100	ton	\$11.00	\$1,100.00	\$20.00	\$2,000.00	\$10.00	\$1,000.00
19.	Contaminated Soil Removal	10	ton	\$50.00	\$500.00	\$60.00	\$600.00	\$50.00	\$500.00
TOTAL ITEMS 1 THROUGH 19:					<u>\$548,683.00</u>		<u>\$559,330.00</u>		<u>\$628,446.00</u>

** CORRECTED FIGURE

				#1 - August Winter & Sons, Inc.	
<u>Item</u>	<u>Description</u>	<u>Qty./</u>	<u>Unit</u>	<u>Unit Price/\$</u>	<u>Totals/\$</u>
1	Arbutus Park Stormwater Lift Station Reconstruction	1	lump sum	\$215,000.00	\$215,000.00.
TOTAL BID ITEM 1:					<u>\$215,000.00</u>

REPORT OF THE FINANCE COMMITTEE

PROJECT LIMITS:

4-P-16

SIDEWALK CONSTRUCTION

Lake Park Road from Plank Road to Northshore Boulevard

In accordance with the preliminary resolution of the Common Council dated July 6, 2016, we herewith submit our report on the assessment of benefits on the above named construction.

This report consists of the following:

Schedule A - Preliminary plans and specifications on file in the office of the Director of Public Works.

Schedule B - The total cost within the project limits in accordance with the plans and specifications in Schedule A is **\$13,605.50.**

Schedule C - Proposed Assessments. The properties included within the project limits are benefited and the work or improvements constitute an exercise of the police power. The total value of assessments is **\$13,008.20.**

Finance Committee



"...meeting community needs...enhancing quality of life."

MEMORANDUM

TO: Community and Economic Development Committee

FROM: Matt Rehbein, Economic Development Specialist

DATE: June 16, 2016

RE: Letter of Intent for Southpoint Commerce Park

The City has received a Letter of Intent (attached) from Commercial Horizons for development of a World Headquarters, Innovation Center and Pilot Plant for an undisclosed company to purchase Lots 12 and 13 of Plat 1 in the Southpoint Commerce Park (map attached).

The proposed purchase price is \$45,000 per acre which is the City's asking price for Plank Road frontage land in the Southpoint Commerce Park. The two parcels comprise 6.83 acres. Other requested terms, including the requested framework of the Development Agreement are also included in the Letter of Intent. As stated in the LOI, "this Letter of Intent shall not create a binding agreement and shall not be constructed as a contract for purchase and sale of property."

Lot 13 is not currently owned by the City. To facilitate this transaction, the City would have to repurchase Lot 13 under Section 13 of the Deed Restrictions and Covenants, Repurchase Rights. The estimated repurchase price, assuming an August 1, 2016 closing date, using the guidelines in the Deed Restrictions and Covenants is approximately \$152,749 (calculations attached).

Staff Recommendation:

CEDD be authorized to accept the basic terms of the Letter of Intent from Commercial Horizons dated June 7, 2016 and continue to negotiate terms toward offer to purchase and development agreement for subject parcel.

CEDD be authorized to proceed with the Repurchase of Lot 13, Plat 1, in the Southpoint Commerce Park under the terms outlined in Section 13 – Repurchase Rights.

Matthew Rehbein

From: Monica Stage
Sent: Wednesday, June 08, 2016 8:56 AM
To: Matthew Rehbein
Subject: FW: Southpoint Commerce Park
Attachments: LOI - City of Appleton.docx

From: Paul Klister [mailto:pkllister@commercialhorizons.com]
Sent: Tuesday, June 07, 2016 8:21 PM
To: Karen Harkness <Karen.Harkness@Appleton.org>; Monica Stage <Monica.Stage@appleton.org>; matt.rehbein@appleton.org
Cc: Mike Lokensgard <mlokensg@gklaw.com>
Subject: Southpoint Commerce Park

Hello all – please see revised LOI that changes our price per acre. Thank you, Paul



Paul Klister | Principal

100 W. Lawrence St #214 Appleton, WI 54911
P.O. Box 115 Appleton, WI 54912-0115
Office: (920) 830.9646 | Fax: (920) 830.9647
Mobile: (920) 428-7007
pkllister@commercialhorizons.com

June 7, 2016

City of Appleton
Community & Economic Development
Attn: Matt Rehbein
100 N. Appleton Street
Appleton, WI 54911

Re: LETTER OF INTENT for the Purchase and Sale of Real Property known as Lots 12 & 13 of the Southpoint Commerce Park, Appleton, WI (the "Property"), and Development Agreement.

Dear Mr. Rehbein:

We are pleased to present to you this Letter of Intent which sets forth the terms on which Commercial Horizons, Inc. (the "{Purchaser}") is willing to purchase lots 12 & 13 of the Southpoint commerce Park, Appleton, Wisconsin, from the City of Appleton ("Seller"). Said purchase is for the immediate development of the world Headquarters, Innovation Center and Pilot Plant for Company to be named at a later date ("Company").

Terms and conditions to be included in the Purchase and Sale Agreement include the following:

1. **Purchase Price:** \$307,350.00 (\$45,000.00 per acre for 6.83 acres).
Purchase price would be paid as follows:
 - a. Earnest Money deposit of \$10,000.00 will be paid within 5 days of executed Purchase and Sale Agreement and held in Escrow at a Title Company agreed to by the parties.
 - b. Balance of purchase price to be paid by cash at the time of closing.
2. **Site Development:** Seller shall be responsible for the costs associated with the development of the Property including installation of adequate offsite storm water piping and/or storm water management basin and extension of utilities up to the property line. This offer is contingent upon the community development retention pond being adequate based on the final site design.
3. **Closing Date:** Closing shall take place on or before ten (10) days after:
 - i. Obtaining all necessary municipal approvals;
 - ii. Municipal approval of a Development Agreement between the parties.

4. **Inspection/due diligence period:** Purchaser shall have a 90 day inspection period from the time of the execution of the Purchase and Sale Agreement to complete all environmental, geotechnical, zoning, flood plain, title, and engineering reviews. Seller shall provide any and all information in its possession in a timely manner, including, but not limited to: all maps,, geotechnical and environmental reports; title. Purchaser shall be granted two (2) extension periods of 45 days each if unable to complete all due diligence.
5. **Title:** At closing marketable and insurable title to the Property shall be conveyed to Purchaser of Purchaser's designee by general warranty deed in fee simple absolute free, clear and unencumbered, subject only to easements of record, the leases to be approved by Purchaser during the Inspection period and Installments of real estate taxes a lien but not yet due and payable.
6. **Closing Costs:** Seller shall pay all state and local conveyance fees. Purchaser shall be responsible for recording costs of the deed and other documents that Purchaser requires be recorded.
7. **Real Estate Taxes:** Seller shall pay its prorated share of real estate taxes based on the prior year known property tax. Buyer shall receive a credit against the Purchase Price at closing.
8. **Commission:** Seller shall be responsible for a commission associated with this transaction equal to 8% of \$307,350.00 payable to Commercial Horizons, Inc. attn.: Mike Maedke.

DEVELOPMENT AGREEMENT

Company is an International, Innovator that has engaged Commercial Horizons, Inc. ("Developer") to assist in procuring a site and developing and leasing a new facility that will house its world headquarters. The development will include class "A" office space, laboratories and a pilot plant. Due to the unique nature of this facility, the cost and expense to develop and operate far exceed what the cost to develop a more customary office building. Thus, a substantial financial gap is created and but for, financial assistance to be provided by the City of Appleton, Company would not enter into a lease for the Project and Developer would not be able to proceed with the project.

1. **Developer Obligations:** Developer shall construct the Project in accordance with all applicable City zoning and building codes, ordinances and regulations. Developer warrants and represents to the City that the Project will contain at least 37,000 square feet of space and that the total

development costs expended on the Project (inclusive of personal property and equipment) will be approximately \$17,000,000.00.

2. **City Obligations:** Subject to mutually acceptable terms, covenants and conditions of a Development Agreement and applicable provisions of law, and as an inducement by the City of Appleton to Company and Developer to carry out the Project, the City of Appleton will pay to Company a development investment (the "Investment"). The principal amount of the Investment shall be the lesser of: (i) Three Million Seven Hundred Forty Thousand Dollars (\$3,740,000.00); or (ii) twenty two percent (22%) of the total equalized value of the real and personal property comprising the Project as of January 1 of the year in which the Project is first fully assessed - as such equalized value is determined by the Wisconsin Department of Revenue, minus the base value of the Property, as determined by the Wisconsin Department of Revenue. The Investment will be paid directly to Company in a manner to be negotiated and will include interest on the Investment at the rate of five percent (5%) per annum. Additionally, the City of Appleton will reinvest the amount of the purchase price of the land into the project.

This Letter of Intent shall not create a binding agreement and shall not be constructed as a contract for purchase and sale of Property. It is, however, an expression of certain terms and conditions to be included in the Purchase and Sale Agreement and Development Agreement. Upon receipt of a signed copy of this Letter of Intent, Purchaser shall instruct its legal counsel to prepare the Purchase and Sale Agreement. Seller and Purchaser shall work diligently and in good faith to enter into the Purchase and Sale Agreement within forty-five (45) days after the acceptance of this letter of intent by Seller.

If the terms of this Letter of Intent are acceptable, please sign and return to Paul Klister (Commercial Horizons, Inc.). Thank you.

AGREED TO BY PURCHASER:

Name: _____
Title: _____
Date: _____

AGREED TO BY SELLER:

Name: _____
Title: _____
Date: _____

CALCULATION OF REPURCHASE PRICE PER DEED RESTRICTIONS FOR LOT 13, PLAT 1 SPCP

Purchase Price	\$167,400.00
Sale Date	Oct. 20, 2008
Lot Size	3.72 Ac

Sum of original purchase price	\$167,400
Special Assessments (Add)	-
Unpaid Property Taxes (Deduct)	470
Pro-Rata Current yr. Property Taxes (Deduct)	2,196 *
Title Insurance Premium (Deduct)	93
RE Commission pd. At closing (Deduct)	13,392
Liens and encumbrances (Deduct)	**
Option Fee (Deduct)	-

ESTIMATED REPURCHASE PRICE	\$151,249
TO SELLER PER DEED RESTRICTION LANGUAGE	

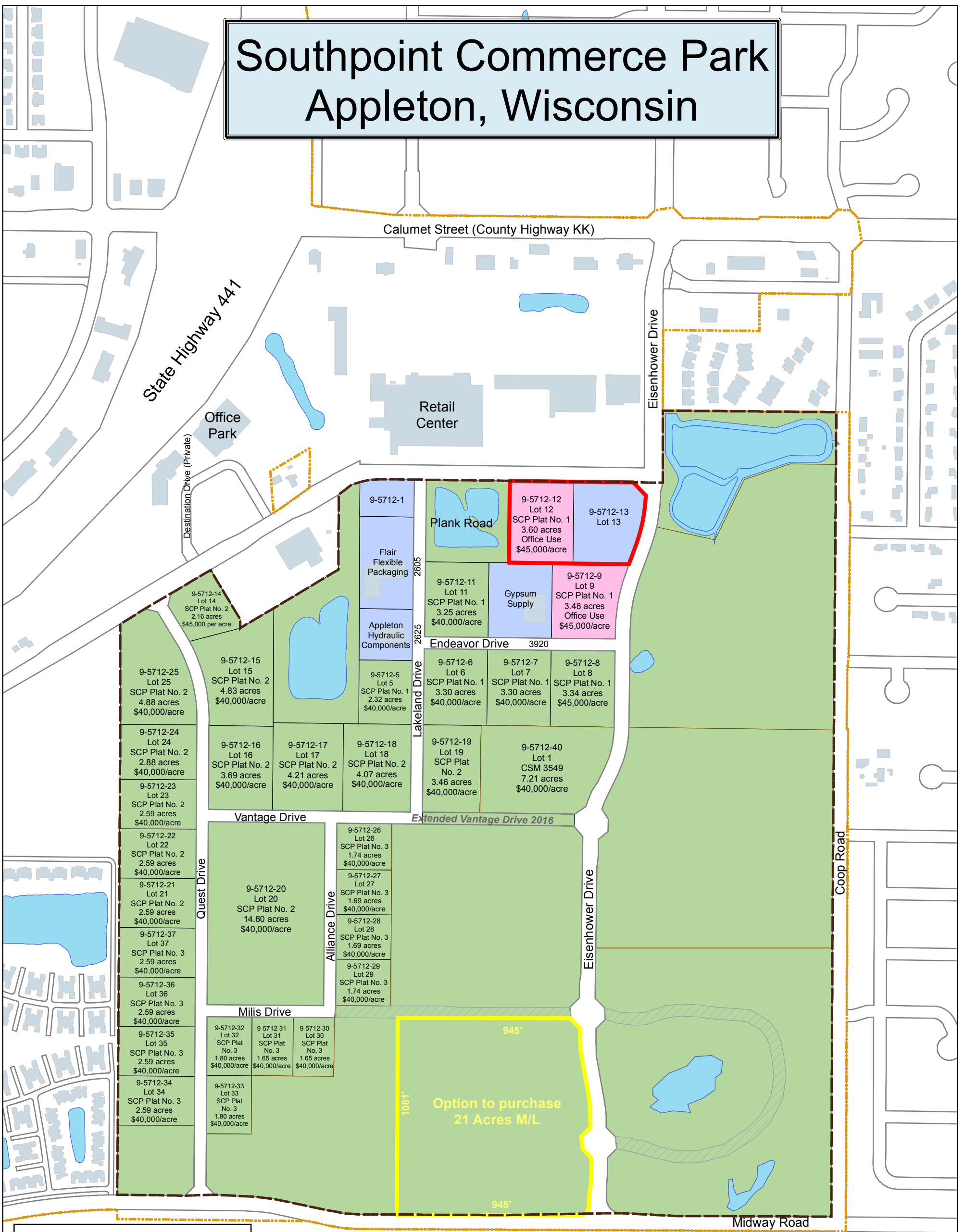
Estimated Transaction Costs	1500
-----------------------------	------

TOTAL ESTIMATED COST	\$152,749
-----------------------------	------------------

*Assumes close date Aug 1, 2016

**Don't know liens/encumbrances

Southpoint Commerce Park Appleton, Wisconsin



Legend

- Park Boundary
- Subject Parcels
- Option to purchase 21 acres M/L
- Proposed Roads
- City Limits
- Proposed Parcel Lines
- AppletonGIS.DBO.ActionPoly
- For Sale
- Office Use
- Sold

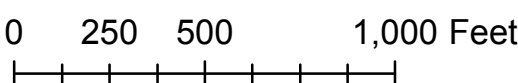


Exhibit A
Available Sites



City of Appleton

100 North Appleton Street
Appleton, WI 54911-4799
www.appleton.org

Meeting Minutes CEA Review Committee

Tuesday, June 7, 2016

3:30 PM

Council Chambers, 6th Floor

1. Call meeting to order

2. Roll call of membership

Present: 3 - Vandehey, Lobner and Rogers

Excused: 2 - Saucerman and Croatt

3. Approval of minutes from previous meeting

[16-918](#)

Minutes from March 22, 2016

Attachments: [Minutes from March 22, 2016.pdf](#)

Vandehey moved, seconded by Croatt, that the Minutes be approved. Roll Call.
Motion carried by the following vote:

Aye: 3 - Vandehey, Alderperson Lobner and Rogers

Excused: 2 - Saucerman and Alderperson Croatt

4. Public Hearings/Appealances

5. Action Items

6. Information Items

[16-920](#)

2016 Equipment Purchase Log

Attachments: [2016 Equipment Purchase Log.pdf](#)

[16-921](#)

Proposed 2017 Equipment Purchases

Attachments: [2017 Equipment Replacements.pdf](#)

7. Adjournment

Excused-Croatt

Vandehey moved, seconded by Rogers, that the meeting be adjourned. Roll Call. Motion carried by the following vote:

Aye: 3 - Vandehey, Rogers and Alderperson Lobner

Excused: 1 - Saucerman