



City of Appleton

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

Meeting Agenda - Final Finance Committee

Monday, July 6, 2020

5:30 PM

Council Chambers, 6th Floor

1. Call meeting to order

2. Roll call of membership

3. Approval of minutes from previous meeting

[20-0825](#) June 22, 2020 Finance Committee meeting minutes

Attachments: [MeetingMinutes22-Jun-2020-06-28-35.pdf](#)

4. Public Hearings/Apearances

[20-0826](#) Dave Maccoux, CPA with CliftonLarsonAllen, LLP presentation of the 2019 Audit and Executive Summary

Attachments: [Scan of 0002 1 2019 Executive Summary - City of Appleton.pdf](#)

5. Action Items

[20-0827](#) Request to award the City of Appleton's 2020 MSB Cold Storage Roof Replacement project contract to Northeastern Roofing, Inc in the amount of \$160,000 with a contingency of 10% for a project total not to exceed \$176,000

Attachments: [2020 MSB Cold Storage Roof Repalcement_.pdf](#)

[20-0828](#) Request to accept a grant from the *David L and Rita E Nelson Family Fund within the Community Foundation of the Fox Valley Region* in the amount of \$500,000 for the construction of the Edison Trestle

Attachments: [2020 Community Foundation.pdf](#)
[City of Appleton Grant.pdf](#)

- [20-0843](#) Request to award the City of Appleton's 2020 Appleton Wastewater Treatment Plant Painting project contract to Berglund Construction, Co in the amount of \$80,000 with a contingency of \$10,000 for a project total not to exceed \$90,000

Attachments: [2020 AWWTP Painting.pdf](#)

- [20-0844](#) Request to award the 2020 PRFMD Fire Alarm project to VOE Power and Systems, LLC in the amount of \$37,697 with a contingency of 10% for a project total not to exceed \$41,467

Attachments: [2020 PRFMD Fire Alarm.pdf](#)

- [20-0845](#) Request to approve Contract Amendment/Change Order No. 1 to Contract No. 63-20, Unit E-20 Miscellaneous Concrete & Street Excavation Repair for additional quantities of water related street patches and the addition of Memorial Park Universal Playground sidewalk installations at the request of PRFMD in the amount of \$40,000. Project contingency decreases from \$36,000 to \$26,000. Overall contract increases from \$754,066 to \$784,066

Attachments: [Unit E-20 Change Order No. 1.pdf](#)

- [20-0854](#) Resolution #12-R-20 - Fossil Fuels

Attachments: [#12-R-20 Fossil Fuels.pdf](#)

6. Information Items

NONE

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
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Meeting Minutes Finance Committee

Monday, June 22, 2020

5:30 PM

Council Chambers, 6th Floor

1. Call meeting to order

Meeting called to order at 5:30 pm

2. Roll call of membership

Present: 5 - Lobner, Coenen, Meltzer, Reed and Siebers

3. Approval of minutes from previous meeting

[20-0746](#)

June 8, 2020 Finance Committee minutes

Attachments: [MeetingMinutes08-Jun-2020-11-49-04.pdf](#)

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

Aye: 4 - Lobner, Coenen, Meltzer and Siebers

Abstained: 1 - Reed

4. Public Hearings/Appearances

[20-0747](#)

Brad Viegut, Robert W. Baird and Company, on the 2020 General Obligation Notes, Water, Sewerage, and Stormwater System Revenue Bond issues

Attachments: [Baird Financing Plan finance committee.06.22.20 .pdf](#)

This Appearance was presented by Brad Viegut

5. Action Items

[20-0748](#)

Request for Finance Director to sell \$15,000,000 of General Obligation Promissory Notes

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

Aye: 5 - Lobner, Coenen, Meltzer, Reed and Siebers

[20-0749](#)

Request for Finance Director to sell \$6,620,000 of Water System Revenue Bonds

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

Aye: 5 - Lobner, Coenen, Meltzer, Reed and Siebers

[20-0750](#)

Request for Finance Director to sell \$10,995,000 of Sewerage System Revenue Refunding Bonds

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

Aye: 5 - Lobner, Coenen, Meltzer, Reed and Siebers

[20-0751](#)

Request for Finance Director to sell \$2,850,000 of Stormwater System Revenue Bonds

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

Aye: 5 - Lobner, Coenen, Meltzer, Reed and Siebers

[20-0752](#)

CEA Review Committee Report

Attachments: [CEA MeetingMinutes08-Jun-2020-12-07-02.pdf](#)

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

Aye: 5 - Lobner, Coenen, Meltzer, Reed and Siebers

[20-0772](#)

Request to approve Contract Amendment/Change Order No. 1 to Contract No. 24-20, Unit W-20 Sewer & Water Reconstruction No. 1 for additional time and materials required to remove an existing concrete encased sanitary sewer main in Glendale Avenue in the amount of \$53,200 resulting in a decrease to contingency from \$71,180 to \$34,498. Overall contract increases from \$3,630,180 to \$3,646,698

Attachments: [Unit W-20 Change Order No. 1.pdf](#)

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

Aye: 5 - Lobner, Coenen, Meltzer, Reed and Siebers

[20-0773](#)

Request to approve the following 2020 Budget amendment:

Valley Transit

State Grants	+\$500,000
Salaries & Fringe Benefits	+\$156,000
Supplies	+\$244,000
Purchased Services	+\$100,000

to record CARES Act funding for transit to prevent, prepare for and respond to the COVID-19 pandemic

Attachments: [VT CARES Act Memo 05.09.2020.pdf](#)

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

Aye: 5 - Lobner, Coenen, Meltzer, Reed and Siebers

6. Information Items

[20-0753](#)

Contract 15-20 was awarded to Cardinal Construction for the 2019 MSB Acoustical Ceiling Upgrades project in the amount of \$35,925 with a contingency of \$1,900. No change orders were issued for this project. Payments to date total \$34,128.75. Request to issue the final contract payment of \$1,796.25

This Contract final payment was presented

[20-0754](#)

Contract 12-20 was awarded to Northeast Asphalt, Inc for \$25,972 for Water Tower Replacement. Change orders were approved totaling (\$2,498). Final contract amount is \$23,474. Request final payment of \$23,473.89

This Contract final payment was presented

7. Adjournment

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

Aye: 5 - Lobner, Coenen, Meltzer, Reed and Siebers



CliftonLarsonAllen LLP
CLAconnect.com

To the Honorable Mayor and Common Council
City of Appleton
Appleton, Wisconsin

This Executive Audit Summary and Board Communications present information which we believe is important to you as members of the Common Council. We encourage you to review the sections of this report, the audited financial statements, and the auditors' reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation to the City for the courtesies, cooperation, and assistance extended to us during the course of our work.

CliftonLarsonAllen LLP

David Maccoux, CPA
Principal

Leah Lasecki, CPA
Manager

CITY OF APPLETON
EXECUTIVE AUDIT SUMMARY AND BOARD COMMUNICATIONS
DECEMBER 31, 2019

CITY OF APPLETON
TABLE OF CONTENTS
DECEMBER 31, 2019

EXECUTIVE AUDIT SUMMARY	1
I. FORMAL REQUIRED COMMUNICATIONS	2
APPENDIX A	
FINANCIAL TRENDS OF YOUR CITY	6
APPENDIX B	
TECHNICAL UPDATE	15
APPENDIX C	
MANAGEMENT REPRESENTATION LETTER	



We prepared this Executive Audit Summary in conjunction with our audit of the City's financial statements for the year ended December 31, 2019.

Audit Opinion

The financial statements are fairly stated. We issued what is known as a "clean" audit report.

Internal Controls

There were no deficiencies in internal control over financial reporting reported.

In addition, there were no deficiencies in internal control over compliance reported.

Compliance Findings

There were no separate compliance findings reported.

General Fund – Fund Balance

As the main operating fund of the City, a strong general fund balance is important to maintain the City's long-term financial stability. Accordingly, the City maintains a reserve policy which stipulates that the total unreserved fund balance (excluding designations for debt service) will be 25% of the following year's budgeted appropriations. The policy also calls for an assigned balance for debt service of 25% of the ensuing year's debt service requirements, with 75% of any excess funds over these amounts used for the reduction of long-term liabilities and the remaining excess subject to recommendation from the Finance Committee and final Council approval. A summary of the City's 2019 general fund in comparison to this policy follows:

Fund balance, December 31, 2019	\$ 33,807,665
Less: Nonspendable fund balance	(7,819,413)
Less: Assigned fund balance	
PILOT applied to the subsequent year's budget	(1,937,452)
Health insurance	(1,037,113)
Debt service (25% of ensuing year's debt service requirements)	(2,370,010)
Subsequent years expenditures of carryover	(3,036,636)
Less: Working capital (25% of 2020 budgeted expenditures)	<u>(15,977,905)</u>
General fund balance (in excess (deficiency) of reserve policy)	<u>\$ 1,629,137</u>

The City's general fund as of December 31, 2019 exceeded the projected balance of \$28,157,363 in the City's 2019 budget primarily due to lower expenditures than projected. In looking at the individual components, the nonspendable fund balance was down due to less advances to other funds and a decrease in prepaids, while the City carried forward budget appropriations of \$3,036,636. General fund operating results and budgetary highlights are summarized in the City's Management's Discussion and Analysis on pages 13 and 14, respectively, of the comprehensive annual financial report.



CliftonLarsonAllen LLP
CLAAconnect.com

FORMAL REQUIRED COMMUNICATIONS

To the Honorable Mayor and Common Council
City of Appleton
Appleton, Wisconsin

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of City of Appleton (the City) as of and for the year ended December 31, 2019, and have issued our report thereon dated June 16, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

As described in Note 1.C., the City changed accounting policies related to property taxes and special collections, by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*, in 2019. Accordingly, property taxes and specials collected on behalf of other governments were restated in its custodial fund and are now accounted for within the requirements of this standard.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- Management's estimate of the other postemployment benefits is based on an actuarial report. We evaluated the key factors and assumptions used to develop the other postemployment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the depreciable life of the capital assets is based upon analysis of the expected useful life of the capital assets. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the amortization period of intangible assets and deferred costs are based upon analysis of the expected useful life of the intangible assets. We evaluated the key factors and assumptions used to develop the reserves in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of accumulated sick leave is based upon analysis of the employees sick leave balance. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the accumulated sick leave liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the fair value of the investments is based on ending market values as of December 31, 2019 as reported by the investment managers. We evaluated the key factors and assumptions used in valuing the investments in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability (asset) and related deferred outflows/inflows of resources is based on information received from the Wisconsin Retirement System. We evaluated the key factors and assumptions used to develop the net pension liability (asset) and related deferred outflows/inflows of resources in determining that they are reasonable in relation to the financial statements taken as a whole.

We reviewed and tested management's procedures and underlying supporting documentation in the areas discussed above and evaluated the key factors and assumptions used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole. We concluded that the accounting estimates and management judgments appeared to consider all significant factors and resulted in appropriate accounting recognition.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Copies of the audit adjustments are available from management.

Corrected Misstatements

None of the misstatements detected as a result of audit procedures and corrected by management are material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 16, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant Issues Discussed with Management Prior to Engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

In addition, during our audit, we noted certain other matters that are presented for your consideration. We will review the status of these comments during our next audit engagement. Our comments and recommendations are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these matters in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized in the comments and observations section of this report.

Other Information in Documents Containing Audited Financial Statements

We applied certain limited procedures to the management's discussion, the budgetary comparison information and analysis and the schedules relating to pensions and other postemployment benefits, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report there on dated June 16, 2020.


We were not engaged to report on the statistical section, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Common Council
City of Appleton

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Common Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 16, 2020

APPENDIX A

FINANCIAL TRENDS

The following graphs reflect financial trends of City of Appleton. Information related to fund balances, and revenues and expenditures on pages 11 through 18 were obtained from current and prior year audit reports.

GOVERNMENTAL FUND BALANCES

Presented below is a summary of the City's governmental fund balances on December 31, 2019 and 2018. This information is provided for assessing financial results for 2019 and for indicating financial resources available at the start of the 2020 budget year.

	<u>12/31/19</u>	<u>12/31/18</u>
General Fund		
Nonspendable		
Inventories	\$ 846,578	\$ 835,694
Prepaid items	23,573	43,581
Advance to other funds (principal portion)	6,235,838	6,985,514
Developer loans	713,423	804,634
Restricted		
Encumbrances	310,537	81,918
Assigned		
PILOT applied to the subsequent year's budget	1,937,452	1,963,358
Carryover appropriations	3,036,636	2,901,592
Compensated absences	5,169,542	5,078,538
Health insurance	1,037,113	987,407
Debt service	2,370,010	2,229,705
Unassigned	12,126,963	9,737,773
Total general fund	<u>33,807,665</u>	<u>31,649,714</u>
Special Revenue Funds		
Restricted		
Community development block grant	8,972	7,887
Health grants	52,845	34,891
Hazardous materials level A	353,284	352,834
Room tax	6,058	8,831
HOME homeowner	118,688	109,737
Housing rehabilitation grant	1,227	70,969
Business and neighborhood revitalization grant	1,812	6,117
Lead hazard control grant	4,204	4,204
Tuchscherer disability	12,222	18,073
Peabody estate	69,269	66,861
Lutz Park	144,339	139,321
Park purpose open space	59,672	20,563
Union Spring Park	2,677	2,584
Project City Park	6,294	6,076
Miracle league baseball	27,296	26,347
Library grants	59,854	79,139
Emergency shelter	-	14,241
Rental energy grants	-	8,951
Continuum of care	-	2,315
Committed		
Sanitation & recycling program	1,482,253	1,228,173
Unassigned		
Tax incremental district no. 3	(4,158,727)	(5,649,231)
Police grants	-	(1,193)
Total special revenue funds	<u>(1,747,761)</u>	<u>(3,442,310)</u>

	<u>12/31/19</u>	<u>12/31/18</u>
Debt Service Fund	\$ 1,588,068	\$ 1,701,196
Capital Projects Funds		
Restricted		
Tax incremental district no. 7	1,024,426	814,082
Tax incremental district no. 9	262,033	196,937
Tax incremental district no. 10	98,825	91,772
Public safety facilities	774	32,232
Public works equipment	1,270,665	2,755,944
Facilities capital projects	967,074	2,342,198
City center facilities	123,999	31,999
Information technology	77,899	151,599
Assigned		
Subdivision development projects	1,150,986	1,275,242
Industrial Park Land	602,336	571,287
Public safety facilities	11,358	9,930
Public works equipment	973,401	-
CEA replacement	2,536,486	2,602,466
Community development	76,512	78,363
Facilities capital projects	1,115,479	-
Unassigned		
Tax incremental district no. 6	(3,583,473)	(5,153,436)
Tax incremental district no. 8	(104,900)	(166,598)
Tax incremental district no. 11	(1,096,330)	(419,132)
Tax incremental district no. 12	(53,391)	(8,283)
Information technology	-	4,233
Total capital projects funds	<u>5,454,159</u>	<u>5,210,835</u>
Total governmental fund balances	<u>\$ 39,102,131</u>	<u>\$ 35,119,435</u>

WATER UTILITY

A comparative summary of the Water Utility's change in net position for the years ended December 31, 2019 and 2018 appears below:

	2019	2018
Operating Revenues		
Charges for services	\$ 19,697,837	\$ 20,441,887
Other	572,905	605,886
Total operating revenues	<u>20,270,742</u>	<u>21,047,773</u>
Operating Expenses		
Operation and maintenance	8,713,971	8,255,383
Depreciation	4,075,847	4,063,770
Taxes	684,668	684,668
Total operating expenses	<u>13,474,486</u>	<u>13,003,821</u>
Operating income	<u>6,796,256</u>	<u>8,043,952</u>
Nonoperating Revenues (Expenses)		
Interest expense	(1,787,765)	(1,951,448)
Investment income	715,334	278,749
Debt issuance costs	(6,000)	(7,000)
Loss on sale of assets	(34,419)	-
Amortization of prior losses on refunding bonds	(245,210)	(273,727)
Amortization of premium on debt issuance	625,199	716,132
Miscellaneous	19,671	19,334
Total nonoperating revenues (expenses)	<u>(713,190)</u>	<u>(1,217,960)</u>
Income before capital contributions and transfers	6,083,066	6,825,992
Capital contributions	504,525	410,927
Transfers out	<u>(1,893,193)</u>	<u>(1,912,691)</u>
Change in net position	4,694,398	5,324,228
Net position - January 1	<u>94,156,225</u>	<u>88,831,997</u>
Net position - December 31	<u>\$ 98,850,623</u>	<u>\$ 94,156,225</u>

The water utility's net position increased by \$4,694,398 for 2019 compared to an increase of \$5,324,228 for 2018. From an operating perspective, there was a slight decrease in operating revenues, with constant operating expenses.

The following analysis compares the 2019 and 2018 rate of return as calculated by the Public Service Commission (PSC). The primary differences in the operating income shown above and the operating income below is that depreciation on contributed plant is excluded from operating expenses per in the PSC calculation. The authorized rate of return approved by the PSC is 7.0%.

	2019	2018
Rate Base (Average Balances)	<u>\$ 104,812,000</u>	<u>\$ 106,762,129</u>
Operating Income	<u>\$ 5,391,289</u>	<u>\$ 6,491,687</u>
Rate of Return	<u>5.14%</u>	<u>6.08%</u>

WASTEWATER UTILITY

A comparative summary of the Wastewater Utility's change in net position for the years ended December 31, 2019 and 2018 appears below:

	2019	2018
Operating Revenues		
Charges for services	\$ 8,884,584	\$ 9,140,058
Other	3,592,788	3,659,792
Total operating revenues	<u>12,477,372</u>	<u>12,799,850</u>
Operating Expenses		
Operation and maintenance	7,828,505	7,417,075
Depreciation	2,983,241	2,948,529
Total operating expenses	<u>10,811,746</u>	<u>10,365,604</u>
Operating income	<u>1,665,626</u>	<u>2,434,246</u>
Nonoperating Revenues (Expenses)		
Interest expense	(503,473)	(424,193)
Investment income	881,256	291,561
Gain (loss) on disposal of capital assets	(22,025)	-
Debt issuance costs	(9,000)	(83,596)
Amortization of premium on debt issuance	101,629	17,256
Other	25,129	-
Total nonoperating revenues (expenses)	<u>473,516</u>	<u>(198,972)</u>
Income before capital contributions and transfers	2,139,142	2,235,274
Capital contributions	687,604	399,455
Transfers	<u>(175,509)</u>	<u>(183,117)</u>
Change in net position	2,651,237	2,451,612
Net position - January 1	<u>99,990,385</u>	<u>97,538,773</u>
Net position - December 31	<u>\$ 102,641,622</u>	<u>\$ 99,990,385</u>

The wastewater utility's net position increased by \$2,651,237 for 2019 compared to an increase of \$2,451,612 for 2018. From an operating standpoint, the utility's expenses stayed consistent with 2018.

STORMWATER UTILITY

A comparative summary of the Stormwater Utility's change in net position for the years ended December 31, 2019 and 2018 appears below:

	2019	2018
Operating Revenues		
Charges for services	\$ 10,882,633	\$ 9,626,251
Other	88,334	82,704
Total operating revenues	<u>10,970,967</u>	<u>9,708,955</u>
Operating Expenses		
Operation and maintenance	3,361,827	2,944,035
Depreciation	<u>2,675,051</u>	<u>2,578,960</u>
Total operating expenses	<u>6,036,878</u>	<u>5,522,995</u>
Operating income	<u>4,934,089</u>	<u>4,185,960</u>
Nonoperating Revenues (Expenses)		
Interest expense	(1,718,266)	(1,624,376)
Intergovernmental	630,000	-
Investment income	691,296	243,982
Gain on disposal of capital assets	-	111,712
Debt issuance costs	(8,750)	(79,583)
Amortization of prior losses on refunding bonds	(140,016)	(147,228)
Amortization of premium on debt issuance	<u>409,209</u>	<u>414,828</u>
Total nonoperating revenues (expenses)	<u>(136,527)</u>	<u>(1,080,665)</u>
Income before capital contributions and transfers	4,797,562	3,105,295
Capital contributions	1,892,555	1,017,013
Transfers out	<u>(72,500)</u>	<u>(12,500)</u>
Change in net position	6,617,617	4,109,808
Net position - January 1	<u>76,370,124</u>	<u>72,260,316</u>
Net position - December 31	<u>\$ 82,987,741</u>	<u>\$ 76,370,124</u>

The Stormwater Utility's net position increased \$6,617,617 for 2019 compared to \$4,109,808 for 2018.

VALLEY TRANSIT

A comparative summary of Valley Transit's change in net position for the years ended December 31, 2019 and 2018 appears below:

	2019	2018
Operating Revenues		
Charges for services	\$ 1,485,205	\$ 1,533,078
Other	127,834	106,323
Total operating revenues	<u>1,613,039</u>	<u>1,639,401</u>
Operating Expenses		
Operation and maintenance	9,352,928	9,152,309
Depreciation	816,670	632,834
Total operating expenses	<u>10,169,598</u>	<u>9,785,143</u>
Operating loss	<u>(8,556,559)</u>	<u>(8,145,742)</u>
Nonoperating Revenues (Expenses)		
Investment income	83,005	42,600
Loss on disposal of capital assets	-	(164,247)
Subsidies from other governmental units	7,161,292	7,041,102
Total nonoperating revenues (expenses)	<u>7,244,297</u>	<u>6,919,455</u>
Loss before capital contributions and transfers	(1,312,262)	(1,226,287)
Capital contributions	3,536,725	565,291
Transfers in	<u>640,199</u>	<u>674,022</u>
Change in net position	2,864,662	13,026
Net position - January 1	<u>5,629,096</u>	<u>5,616,070</u>
Net position - December 31	<u>\$ 8,493,758</u>	<u>\$ 5,629,096</u>

Valley Transit's net position increased by \$2,864,662 for 2019 compared to an increase of \$13,026 for 2018. Transit received \$3,536,725 in capital contributions, which is approximately \$3 million more than in prior year and contributed to the large increase in change in net position. Operating revenues remained fairly consistent from prior year. Operating expenses experienced an increase of approximately \$200,000 in operation and maintenance costs.

PARKING UTILITY

A comparative summary of the Parking Utility's change in net position for the years ended December 31, 2019 and 2018 appears below:

	2019	2018
Operating Revenues		
Charges for services	\$ 2,284,146	\$ 2,183,669
Other	402,204	404,151
Total operating revenues	<u>2,686,350</u>	<u>2,587,820</u>
Operating Expenses		
Operation and maintenance	1,517,368	1,679,417
Depreciation	591,992	590,178
Total operating expenses	<u>2,109,360</u>	<u>2,269,595</u>
Operating income	<u>576,990</u>	<u>318,225</u>
Nonoperating Revenues (Expenses)		
Investment income	28,933	12,150
Interest and fiscal charges	(20,186)	(17,250)
Total nonoperating revenues (expenses)	<u>8,747</u>	<u>(5,100)</u>
Income before transfers	585,737	313,125
Capital contributions	541,507	-
Transfers out	<u>(609,300)</u>	<u>(1,009,300)</u>
Change in net position	517,944	(696,175)
Net position - January 1	<u>7,023,410</u>	<u>7,719,585</u>
Net position - December 31	<u>\$ 7,541,354</u>	<u>\$ 7,023,410</u>

The parking utility's net position increased \$517,944 for 2019 compared to a decrease of \$696,175 for 2018. The increase is due to the capital contributions of \$541,507.

REID MUNICIPAL GOLF COURSE

A comparative summary of Reid Municipal Golf Course's change in net position for the years ended December 31, 2019 and 2018 appears below:

	2019	2018
Operating Revenues		
Charges for services	\$ 723,373	\$ 742,155
Other	81,118	76,519
Total operating revenues	804,491	818,674
Operating Expenses		
Operation and maintenance	795,745	697,559
Depreciation	61,164	64,979
Total operating expenses	856,909	762,538
Operating income (Loss)	(52,418)	56,136
Nonoperating Revenues (Expenses)		
Interest expense	(11,370)	(12,345)
Investment income	7,499	3,209
Total nonoperating revenues (expenses)	(3,871)	(9,136)
Income before transfers	(56,289)	47,000
Transfers out	(17,900)	(21,100)
Change in net position	(74,189)	25,900
Net position - January 1, as restated	928,647	902,747
Net position - December 31	\$ 854,458	\$ 928,647

Reid Municipal Golf Course's net position decreased \$74,189 for 2019 compared to an increase of \$25,900 for 2018. This is caused by the increase in operation and maintenance of \$98,196.

APPENDIX B

TECHNICAL UPDATE

GASB Standards that were effective for the City's 2019 fiscal year:

GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

GASB Statement No. 88 improves the consistency in the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. The statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Requires disclosure of additional essential information about debt. The statement was effective for the City beginning in the 2019 fiscal year.

GASB Statement No. 84 – Fiduciary Activities

GASB Statement No. 84 establishes criteria for identifying fiduciary activities for state and local governments, focusing on (1) whether the government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception is provided for a business-type activity that normally expects to hold custodial assets for three months or less. Different criteria are included for fiduciary component units and postemployment benefit arrangements.

The main changes of this statement:

1. Governments may find additional activities that need to be reported as fiduciary that were not reported in the past.
2. Some activities treated as fiduciary may no longer be reported as fiduciary.
3. Agency funds will now be called custodial funds.
4. A statement of changes in fiduciary net position will be required for custodial funds.
5. Liabilities will be reported when an event has occurred that compels the government to disburse fiduciary resources.
6. Single purpose business-type activities will be required to report fiduciary activities unless the above exception applies.

The statement was effective for the City beginning in the 2019 fiscal year.

The remaining GASB standards have been issued but are not yet effective.

GASB Statement No. 87 – Leases

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Specifically, this statement:

1. Establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
2. Defines the "lease term" and clarifies when lessees and lessors should reassess the lease term due to lease modifications or terminations.
3. Defines and establishes recognition criteria for short-term leases.
4. Amends accounting and financial reporting requirements for contracts with multiple components, contract combinations, subleases, and leaseback transactions.

The statement is effective for the City beginning in the 2022 fiscal year.

Steps that can be taken now:

- 1) **Gather leases and contracts.** Depending on the number of leases your organization has, this may be a bigger challenge than anticipated. Keep in mind that not all leases are written "lease" agreements. Some contracts also include embedded leases that were previously treated as expenses, so you may be surprised to find more operating leases than you realized. Checking accounts payable for recurring payments may help you locate agreements that you'll need to analyze.
- 2) **Analyze all contracts to determine which are leases under the new standard.** GASB 87 defines a lease as a "contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset), as specified in the contract, for a period of time in an exchange or exchange-like transaction." Here are some of the agreements that can be excluded:
 - Short-term leases that are one year or less in duration.
 - Intangibles, such as investment assets, software licenses, and patents.
 - Financed purchases, where ownership of the asset transfers at the end of the lease without an additional payment.
- 3) **Review leases for multiple components.** Some leases include service agreements that will need to be split off from the entire lease. Many agreements (like service agreements and supply contracts) may qualify as leases under GASB 87. Some examples of service contracts that may have embedded leases can include cafeteria equipment, soda fountains, water coolers, coffee machines, etc. where the government may get to use a particular piece of equipment for free in return for the exclusive use of the provider's products.
- 4) **Determine appropriate materiality thresholds for capitalization.** Work with your auditor to determine what this should be. Be aware that items that are well below that threshold individually may be material in the aggregate.

- 5) **Select a technology solution such as leasing software to help manage your leases.** Unless your organization only has a few leases, the calculations for journal entries and footnote disclosures will most likely be beyond the capabilities of Excel. When choosing a software solution, keep in mind that tracking this information from leases will be an ongoing project, so look for one that's easy to use and provides your organization with all the information you'll need. Make sure to consider document storage as part of the capabilities. Entities with greater than 10-20 identified leases may wish to seriously consider a lease software solution and not rely on spreadsheets. Keep in mind that if a government has many similar leases, it may choose to amortize the lease assets as a group rather than individually. Composite depreciation is applied to groups of dissimilar assets, but should not be applied across classes of assets, such as buildings, equipment, furniture, and vehicles.
- 6) **Consider the City's bond covenants, loan covenants, and debt limitations to determine impact.** While a recent update from GASB (GASB 88) specifies that lease liabilities are excluded from the definition of debt for the purposes of financial statement disclosures, it's not clear whether banks, credit rating agencies or other stakeholders will take a similar stance.

Adding liabilities for operating leases to the balance sheet may mean that covenants for bond contracts and loan agreements will be violated. If this is the case, you may need to renegotiate those agreements. Contacting these stakeholders and other interested parties early on is crucial.

Adding to the complexity, the rules and statutes governing debt limitations vary across states, counties, and municipalities. You may need to consult with an attorney to determine whether lease liabilities count as debt for those limitations.
- 7) **Develop new City policies and procedures as necessary.** Unlike many other financial controls, you'll need to work as a team with people outside of accounting, including procurement, IT, and legal, to make sure all leases and contracts go through accounting. You may need to educate others about the balance sheet impacts of leases.
- 8) **Do your initial calculations and run the results past your auditor.** Because the calculations are different from the previous treatment of leases, some advisors are recommending performing a trial calculation on a subset of your leases. Then, ask us as your auditors to check your numbers before you do the entire population of leases.
- 9) **Begin the process early.** Early adopters report that they need two or three hours per lease to analyze and extract the data. Adding to the challenge, many government finance professionals wear many hats, and dealing with financial matters may be only a small part of their responsibilities. Be sure to keep the resulting information very organized and accessible and also keep in mind the new information that will be required for footnote disclosures.
- 10) **Start learning and keep learning.** Understanding the new standards is a steep learning curve. You'll need to dedicate time and resources for your team to get up to speed.

GASB Statement No. 91 – Conduit Debt Obligations

The primary objective of GASB Statement No. 91 is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement is effective for the City beginning in the 2022 fiscal year.

APPENDIX C



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

**PARKS, RECREATION & FACILITIES
MANAGEMENT**

Dean R. Gazza, Director

1819 East Witzke Boulevard
Appleton, Wisconsin 54911-8401
(920) 832-5572 FAX (920) 993-3103
Email - dean.gazza@appleton.org

TO: Finance Committee

FROM: Dean R. Gazza

DATE: 7/6/2020

RE: Action: Award the City of Appleton's "2020 MSB Cold Storage Roof Replacement Project" contract to Northeastern Roofing, Inc. in the amount of \$160,000 with a contingency of 10% for a project total not to exceed \$176,000.

The 2020 Capital Improvement Plan includes \$225,000 to replace the roof on the Municipal Services Cold Storage Building. The amount of \$9,300 has been utilized for design and \$22,000 has been allocated for the modification of existing roof joists to support the new roof. The existing roof is at the end of its useful life and is in need of replacement. Our annual roof inspection program identifies roofing in need of replacement and allocates resources to allow for proactive replacement to protect and preserve the facility's asset.

The bids were received as follows:

Northeastern Roofing, Inc. (low bid)	\$160,000
Northern Metal and Roofing, Inc.	\$183,840

Our consulting engineer has written the City of Appleton a formal letter of recommendation to award the contract to Northeastern Roofing, Inc. The Parks, Recreation, and Facilities Management Department has also reviewed the bids and is in agreement with the engineer's recommendation. Therefore, we recommend awarding the contract to Northeastern Roofing, Inc. in the amount of \$160,000 plus a contingency of 10% only to be utilized as needed.

Please contact me at 832-5572 or at dean.gazza@appleton.org with any questions.



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

**PARKS, RECREATION & FACILITIES
MANAGEMENT**

Dean R. Gazza, Director

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(920) 832-5572 FAX (920) 993-3103
Email - dean.gazza@appleton.org

TO: Finance Committee

FROM: Dean R. Gazza

DATE: 7/6/2020

RE: Action Item: Request to accept a grant from the *David L. and Rita E. Nelson Family Fund* within the Community Foundation of the Fox Valley Region in the amount of \$500,000 for the construction of the Edison Trestle.

On June 25, 2020 the Community Foundation informed us that the *David L. and Rita E. Nelson Family Fund*, a donor advised fund within the Community Foundation for the Fox Valley Region, had recommended a grant of \$500,000 to the City of Appleton designated for the Edison Trestle Trail. In 2018 this fund was created reflecting the charitable interests of David and Rita Nelson and their family. Parks, Recreation and Waterways is an interest identified in the fund for consideration.

An agreement is attached for your review. The grant agreement requests that the trail trestle be renamed from the Edison Trestle in recognition of this grant with naming placed on the archways on both ends of the trail trestle, including a plaque explaining the Fund's involvement.

The grant agreement requests to pay \$250,000 on or after July, 2021 upon issuing construction contracts and another \$250,000 upon completion of the project on or after July, 2022. The total project cost is estimated to be \$2,950,000. Design would begin early 2021 and bidding would occur in mid-2021 with construction to follow.

The Parks, Recreation and Facilities Management Department requests your support to approve this grant. Our department would be honored to name this trestle after *David L. and Rita E. Nelson* for their support of the trail system and waterways in our community.

Please contact me at 832-5572 or at dean.gazza@appleton.org with any questions.

GRANT AGREEMENT

The grant to your organization from the **David L. and Rita E. Nelson Family Fund**, a donor advised fund within the Community Foundation for the Fox Valley Region, Inc. is for the explicit purpose(s) described below and is subject to your acceptance of the following conditions. Please confirm by **RETURNING THE SIGNED ORIGINAL COPY OF THIS GRANT AGREEMENT TO THE FOUNDATION** at: 4455 W. Lawrence St., Appleton, WI 54914, ATTN: Ann Engelhard. You will then be eligible to receive the funds per the payment schedule below.

Grantee	City of Appleton		
Project	Edison Trestle Trail		
Grant Start Date	7/1/2020	Tentative Date of Grant Completion	10/31/2022
Total Amount Awarded	\$500,000		
Payment Schedule	Proposed schedule, pending receipt of signed Grant Agreement, special instructions, and progress reports: July 2021 \$250,000 July 2022 \$250,000		
Grant Purpose	Designated to support the Edison Trestle Trail.		
Reporting	Progress	Due Date:	Every 6 months
Reporting	Final	Due Date:	Within 3 months of grant completion
Special Instructions	Renaming of the Edison Trestle in recognition of this grant with naming placed on the archways on both ends of the trail, including a plaque explaining the Fund's involvement.		

All grants are made in accordance with the current and applicable laws and pursuant to the Internal Revenue Code, as amended, and the regulations issued thereunder, as well as the following additional terms and conditions:

I. PUBLICIZING GRANTS

Grantee organizations are encouraged to make public announcements on their own, especially when such notices might stimulate additional support or help to spread word about important new projects. Please refer to this award as a grant from the **David L. and Rita E. Nelson Family Fund within the Community Foundation for the Fox Valley Region**. Questions about publicity can be directed to Megan Mulholland, Director Marketing & Communications at mmulholland@cffoxvalley.org or 920.702.7636. Please send Megan final copies of news releases, promotions, and weblinks to published media stories. **Please note that the Community Foundation has recently rebranded. Make sure to reach out to Megan to obtain a new David L. and Rita E. Nelson Family Fund/Community Foundation for the Fox Valley Region logo.**

Executive Director: Initial each page to acknowledge you have read this Grant Agreement.

Initials _____

I. PUBLICIZING GRANTS CONT.

- A. Grantee shall recognize the Foundation in all publicity materials related to the funded project or program, **as specified in the grant notification letter.**
- B. The Foundation retains the right to review and approve the content of any proposed publicity concerning this grant prior to its release.
- C. Grantee shall allow the Foundation to include any information about this grant, including your logo or trademark, and materials about your organization, in any of the Foundation's publicity and reports.

Marketing/Communications Contact for Your Organization:	Dean Gazza
Contact Phone Number:	920.993.3103
Contact Email:	dean.gazza@appleton.org

II. EXPENDITURE OF FUNDS

This grant is to be used only for the purpose(s) described on page 1 of the Agreement. It is subject to the Foundation's terms and conditions as agreed to by your organization upon submission of its application, and as reiterated below. **The program may be modified only with the Foundation's prior written approval.** In addition,

- A. **The grantee shall return to the Foundation any unused funds:**
 - 1. at the end of the grant period, unless written permission has been secured for an extension, or
 - 2. if the grantee has not performed as per this agreement and approved program/budget, or
 - 3. if the grantee loses its status as a public charity.
- B. Grantee agrees to notify the Foundation immediately of any change in grantee's legal or tax status, or grantee's executive or key staff responsible for achieving the grant purposes, or grantee's ability to expend the grant for the intended purpose.
- B. Funds provided by the Foundation may not be used to participate or intervene in political campaigns or to support an attempt to influence legislation except to the extent that such activities are permissible under IRS rules pertaining to recognized 501(c)(3) organizations.
- C. Unless specifically authorized in writing by the Foundation, expenses charged against this grant may not be incurred prior to the start date of the grant or after the grant's end date as listed on page 1 of this Grant Agreement. Expenses may be incurred only as necessary to carry out the purposes and activities of the approved program.
- D. The grantee organization is responsible for the expenditure of funds and for maintaining adequate supporting records. Grantee shall give the Foundation reasonable access to the grantee's files and records for the purpose of making such financial audits, verifications, and investigations as it deems necessary concerning the grant, and maintain such files and records for a period of at least four years after completion or termination of the project.

Initials _____

III. REPORTS TO THE FOUNDATION

Progress Reports: Funding for each year of a multiple year commitment is conditional upon receipt, review, evaluation and approval of Progress Reports. The Foundation may require a report in writing, completion of a form, or an interview and presentation prior to approval of future year payments.

Final Reports: If required as a condition of this grant, the Foundation will forward a form prior to the due date, with an expectation that it be completed in full and returned by the deadline indicated.

IV. LIMIT OF COMMITMENT

Unless stipulated in writing, this grant is made with the understanding that the Foundation has no obligation to provide other or additional support to the grantee.

By signing below, City of Appleton understands and agrees that granted funds are to be used only for the purpose(s) set forth in its application and this agreement.

Upon receipt of the signed agreement, the Community Foundation will co-sign the document and return a copy to you for your records.

The undersigned are authorized to commit the grantee to abide by terms and conditions as set forth herein.

Executive Director (signature)
City of Appleton

Print Name

Date

Annamarie Engelhard
VP Donor Services & Gift Planning
Community Foundation for the Fox Valley Region

Board Chair or Chair Elect (signature)
City of Appleton

Print Name

Date

Date

Initials _____



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

**PARKS, RECREATION & FACILITIES
MANAGEMENT**

Dean R. Gazza, Director

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Appleton, Wisconsin 54911-8401
(920) 832-5572 FAX (920) 993-3103
Email - dean.gazza@appleton.org

TO: Finance Committee

FROM: Dean R. Gazza

DATE: 7/6/2020

RE: Action: Award the City of Appleton's "2020 Appleton Wastewater Treatment Plant Painting Project" contract to Berglund Construction, Co. in the amount of \$80,000 with a contingency of \$10,000 for a project total not to exceed \$90,000.

The 2020 Capital Improvement Plan includes \$100,000 for interior painting at the Wastewater Treatment Plant. Of that amount, \$9,600 was spent on design leaving a balance of \$90,400 for preparation and painting. Due to the size of the Wastewater Plant and environment within the buildings, PRFMD budgets funds every year for painting projects at Wastewater.

The bids were received as follows:

Berglund, Construction Co. (low bid)	\$80,000
M.V. Klinger Painting Co., Inc.	\$135,500
SDS Painting Co., Inc.	\$172,115
TMI Coatings. Inc.	\$200,000
The Boldt Co.	\$216,776

Our consulting engineer has written the City of Appleton a formal letter of recommendation to award the contract to Berglund Construction Co. The Parks, Recreation, and Facilities Management Department has also reviewed the bids and is in agreement with the engineer's recommendation. Therefore, we recommend awarding the contract to Berglund Construction Co.. in the amount of \$80,000 plus a contingency of \$10,000 only to be utilized as needed.

Please contact me at 832-5572 or at dean.gazza@appleton.org with any questions.



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Email - dean.gazza@appleton.org

TO: Finance Committee

FROM: Dean R. Gazza

DATE: 7/6/2020

RE: Action: Award the "2020 PRFMD Fire Alarm Project" to VOE Power and Systems, LLC. in the amount of \$37,697 with a contingency of 10% for a project total not to exceed \$41,467

The 2020 Capital Improvement Plan includes \$75,000 to install a new fire protection system at the Parks Recreation and Facilities Management Building. Of that amount, \$8,200 has been utilized for professional services, leaving a balance of \$66,800 for construction. The existing system is at the end of its useful life. The project includes replacing existing fire protection system with a new system that meets the current city standards.

The bids were received as follows:

VOE Power and Systems, LLC.	\$37,697
Northern Electric, Inc.	\$40,011
Elmstar Electric Corporation	\$41,919

Our consulting engineer has written the City of Appleton a formal letter of recommendation to award the contract to VOE Power and Systems, LLC. The Parks, Recreation, and Facilities Management Department has also reviewed the bids and is in agreement with the engineer's recommendation. Therefore, we recommend awarding the contract to VOE Power and Systems, LLC. in the amount of \$37,697 plus a contingency of 10% only to be utilized as needed.

Please contact me at 832-5572 or at dean.gazza@appleton.org with any questions.

CONTRACT AMENDMENT AND CHANGE ORDERChange Order No. OneDate 07/01/20Contract No. 63-20 for the following public work : Unit E-20, Miscellaneous Concrete & Street Excavation Repairbetween Al Dix Construction Co., Inc. , 401 Gertrude St., Kaukauna, WI 54130
(Contractor Name) (Contractor Address)and the City of Appleton dated: 4/9/2020 is hereby changed in the following particular wit:

Item No.	Account No.	Current Contract Amount	Current Contingency	C.O. Amount (+/-)	Contingency (+/-)	New Contract Total	New Contingency Total
1	5222.640800	\$15,000.00	\$750.00			\$15,000.00	\$750.00
2	5230.6809.4	\$65,000.00	\$3,250.00			\$65,000.00	\$3,250.00
3	5357.640800	\$170,000.00	\$0.00			\$170,000.00	\$0.00
4	5371.6809.5	\$70,000.00	\$10,000.00	\$10,000.00	(\$10,000.00)	\$80,000.00	\$0.00
5	5427.640800	\$15,000.00	\$750.00			\$15,000.00	\$750.00
6	5431.6809.3	\$15,000.00	\$750.00			\$15,000.00	\$750.00
7	17014.6809.1	\$268,066.00	\$19,250.00			\$268,066.00	\$19,250.00
8	17015.6809.2	\$25,000.00	\$1,250.00			\$25,000.00	\$1,250.00
9	17032.640800	\$75,000.00	\$0.00			\$75,000.00	\$0.00
10	4350.632700	\$0.00	\$0.00	\$30,000.00		\$30,000.00	\$0.00
	Total	\$718,066.00	\$36,000.00	\$40,000.00	(\$10,000.00)	\$758,066.00	\$26,000.00

Reason for Change: Additional water patch quantities to complete project (Account 5371).Scope revision to add Memorial Park Universal Playground sidewalk installation at the request of P&R/FM Department (Account 4350).The Contract Time will be (increased / decreased / unchanged) by this Change Order: 0 DaysThe Date of Completion as of the date of this Change Order therefore is: 70 daysFinance Committee Agenda Date: 07/06/20

Date approved by Council: _____

Resolution #12-R-20

Resolution urging Congress to levy a revenue-neutral fee on carbon in fossil fuels

Submitted By: Alderperson Schultz – District 9, Alderperson Fenton – District 6, Alderperson Otis- District 15

Date: 7-1-2020

Referred To: Finance Committee

WHEREAS, climate scientists worldwide are in near-unanimous agreement that the Earth is warming rapidly which is causing changes in climate that are perilous to the Earth's natural systems and to human civilization; and,

WHEREAS, the primary cause of that warming is human activity, especially through the combustion of fossil fuels which emit greenhouse gases such as carbon dioxide (CO₂); and,

WHEREAS, the continued use of fossil fuels is being supported by a market failure whereby the costs of carbon emissions are not included in the price of fossil fuels; and

WHEREAS, the urgent need to transition away from fossil fuels can best be accomplished with a market-based program, namely a revenue-neutral carbon fee on fossil fuel producers with a corresponding rebate or dividend to consumers; and

WHEREAS, the City of Appleton established the Taskforce on Resiliency, Mitigation and Climate Adaptation to investigate and present scalable strategies to the adverse affects of Climate Change including initiatives to reduce carbon dioxide emissions, carbon sequestration and renewable energy targets, and

WHEREAS, using a revenue-neutral carbon fee and dividend to reduce carbon emissions would have the following benefits:

- 1.The carbon fee would incentivize the development and use of energy efficiency and low carbon energy sources and minimize the need for onerous governmental energy regulations and subsidies that attempt to forecast winners and losers.
- 2.The transition to low-carbon energy sources will provide a range of additional benefits including enhanced public health, job creation and strengthening of the U.S. economy, increased energy security, and increased local energy development in rural areas.
- 3.Even though the carbon fee would temporarily increase energy costs including electric rates, and the cost of living, those costs would be offset by the revenue returned to households on an equal basis as a dividend such that the bottom 55-60% of households by income would break even or receive more in dividends than they would pay in higher living expenses.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of Appleton, Wisconsin, that the Common Council strongly urges the United States Congress to pass legislation that levies

an annually increasing revenue-neutral fee on the carbon in fossil fuels at the point of production or importation, that would be sufficient to:

- 1.a) Encourage individuals and businesses to produce and use less fossil fuels;
- 2.b) Make the transition from fossil fuels less onerous to consumers and to the economy by returning to Americans on an equal basis all of the revenues gained from the fee;
- 3.c) Reduce U.S. CO₂ emissions to 10% of 1990 levels by 2050;
- 4.d) Encourage similar actions by other nations trading with the United States, by suitable carbon-content-based fees for imports, and rebates for exports, to nations that have not taken such actions.

BE IT FURTHER RESOLVED that the Appleton City Clerk is directed to forward a copy of this resolution to the Governor of the State of Wisconsin and those members of Congress, State Assembly and State Senate representing the citizens of the City of Appleton.