



CITY OF BURLINGTON

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CITY OF BURLINGTON
Committee of the Whole Minutes
Robert Miller, Mayor
Diahnn Halbach, City Clerk
Tuesday, July 7, 2013

1. Call to Order/Roll Call

Mayor Bob Miller called the meeting to order at 6:30 p.m. starting with roll call. Aldermen present: Bob Prailes, Ed Johnson, Ruth Dawidziak, Tom Preusker, and Todd Bauman. Excused: Tom Vos

Also present: City Administrator Kevin Lahner, City Attorney John Bjelajac, Police Chief Peter Nimmer, Fire Chief Perry Howard, Public Works Director Craig Workman, Public Works Supervisor Dan Jensen, Treasurer Steve DeQuaker, and Director of Administrative Services Megan Watkins.

2. Citizens Comments and Questions

None

3. Motions

Motion 13-761 to consider approving the 2012 Annual Audit.

The mayor introduced Motion 12-747 to the council for consideration. Mr. Patrick Romenesko distributed the Management Letter to the council members and discussed the following issues:

- Fund Balance of the General Fund
- Amending the City Budget
- Monitoring Financial Results of the Sewer Utility
- Negative Fund Balance of the Environmental TIF Fund
- Retirement of Capital Assets

Preusker asked about the sale of Sheldon property and if that would help the budget. Lahner responded that the sale of that property is near completion and that will help improve the negative fund balance. Lahner further stated that the other two primary drivers for the negative fund balance include the additional unbudgeted dollars used on the purchase of the Fire Department property plus the additional expense of the garbage contract with the combination of the CPI and the fuel surcharges being higher than what was budgeted.

Preusker asked if the upcoming Fire Department parking lot project was in the budget. Lahner responded that is part of the 2013 street projects budget and is already planned for.

Schultz inquired as to why is the budget amended annually. Romenesko responded that amending the budget is about compliance with the state statutes that requires expenditures to be appropriated for, plus reviewing the budget before year end helps to eliminate any surprises before it's too late. Lahner added that amending the budget mid-year is a good practice in that it brings everyone up to speed as to where the City is financially.

Schultz inquired about the Environmental TIF and asked for that to be explained. Lahner responded that the Environmental TIF was created for the downtown redevelopment project which included the hotel and parking structure and is funded in part by TIF 3 which will eventually be paid back through the value created by the Environmental TIF.

Romenesko went on to further review the City's Financial Statements.

Schultz asked if the debt amounts that were shown are normal and whether or not that debt should be a concern. Romenesko responded that the City is limited to the amount it's allowed to borrow by the state statutes of the General Obligation Debt which is secured by the taxing powers of the City. Romenesko further stated that the City has almost \$18 million of indebtedness that it could borrow. Another area to review is whether or not the debt is manageable and is determined by the rating agencies. Lahner responded that the most recent bond rating the City has received was an AA- which was an improvement from last year's rating and overall our bond rating has been steadily improving over the years.

No further comments were made.

4. Approval of Minutes from June 18, 2013

A motion was made by Hintz with a second by Preusker to approve the minutes from June 18, 2013. With all in favor, the motion carried to approve the minutes.

5. Resolutions

Mayor Miller introduced Resolution 4622(12) to consider the award of bid for the Washington Street Improvement Project to the The Wanasek Corporation in the amount of \$204,229.55.

Alderman Prailes asked why there was only one bidder. Lahner responded that one of the requirements of the bids was to attend the pre-bid meeting, of which Wanasek was the only one who showed up, plus no other bids were submitted. Craig Workman added that the project was advertised for two weeks prior with a standard one page description of the project and its requirements, but there just seemed to be little interest. Dan Jensen added that at this time of year, many contractors' schedules are already booked.

Preusker asked if this was the normal process for soliciting bids or if the City also personally invites contractors to prepare and submit bids. Craig responded that the City has statutory requirements that we have to follow which include advertising; in addition, other contractors were contacted and notified of the project and for one reason or another, interest wasn't there.

Preusker asked if the pre-bidding practice was a normal procedure. Lahner responded that pre-bid meetings are common and the City has had them in the past. Lahner further stated that as far as contractors go, this is a relatively small contract and could have played a role as to why other contractors chose not to bid for the particular project.

There were no further comments.

6. Adjournment

A motion was made by Schultz with a second by Johnson to adjourn the meeting. With all in favor, the meeting adjourned at 7:08 p.m.

Minutes respectfully submitted by:

Diahnn Halbach
Burlington City Clerk
Racine & Walworth Counties