



CITY OF BURLINGTON
Committee of the Whole Minutes
Robert Miller, Mayor
Diahnn Halbach, City Clerk
Tuesday, May 6, 2014

1. Call to Order/Roll Call

Mayor Robert Miller called the meeting to order at 6:30 p.m. starting with roll call. Aldermen present: Bob Prailes, Ed Johnson, Peter Hintz, Ruth Dawidziak, Tom Vos, Tom Preusker, Jon Schultz and Todd Bauman. Student representative present: Joe Nguyen. Student representative absent: Sam Joski.

Also present: City Administrator Kevin Lahner, City Attorney John Bjelajac, Public Works Director Craig Workman, Fire Chief Perry Howard, Treasurer Steve DeQuaker, Director of Administrative Services Megan Watkins, Library Director Gayle Falk, and Tom Foht of Kapur & Associates.

2. Citizens Comments and Questions

There were none

3. Approval of Minutes from April 2, 2014

A motion was made by Schultz with a second by Preusker to approve the minutes from April 2, 2014. With all in favor, the motion carried to approve the minutes.

4. Presentation: Presentation by the Western Racine County Health Department regarding their annual report.

Cheryl Mazmanian, Director and Health Officer, provided a final summary of the many activities performed on a daily basis by the Western Racine County Health Department, including the statistical reports on communicable diseases, performance management highlights, immunization clinic usage, environmental concerns, community births, grant dollars obtained and spent, financial highlights, school services, and 2014 endeavors.

There was no further discussion.

5. Resolution 4667(1) to consider approving an Engagement Letter of Agreement with Ehlers and Associates, Inc. to provide Tax Incremental Financing services in the not-to-exceed amount of \$22,500.

Mayor Miller introduced Resolution 4667(1) and then introduced David Wagner to discuss the proposed resolution.

Wagner explained that there are two objectives via this engagement with Ehlers, Inc.; the first being the creation of Tax Incremental Finance District (TIF) Number 5, which is being created to fund infrastructure improvement for the Aurora Medical Complex project. The second is to amend the TIF Project Plan for TIF 3, which proposes to transfer funds from TIF 3 to the Environmental

Remediation (ER) TIF 1, which will allow the closure of ER TIF 1 and a projected closure of TIF 3 in 2017.

Wagner further explained that the contract would be divided into phases, beginning with the Feasibility Analysis phase and the City would have the right to terminate the project at the conclusion of each phase.

Vos inquired if it was possible for ER and TIF 3 to both close in 2017. Wagner responded that it is possible but more than likely won't occur, but that when it does close it will have paid for itself and then close when it is expected to.

Vos asked what property TIF 5 encompasses. Lahner responded that it would be the hospital property and the KW property and would total about four to five parcels.

Vos further inquired if anybody has the ability to petition for annexation into TIF 5. Lahner responded that it wouldn't benefit anyone else to be in the TIF 5 district because it is designed specifically to provide the City funds to service the hospital, but will extend infrastructure out to that area. Wagner also added that there is specific legislation language designed for this project and it only has a seven year life as opposed to the typical twenty years or that of a regular district, in essence the amount of time to generate taxes to benefit that property would be too short and there wouldn't be a lot of "bang for the buck". Vos was curious about what might happen to the Yanny property located adjacent to the TIF 5 district. Wagner suggested looking further into this during the Feasibility Phase of the proposed engagement and including their findings in the initial report.

Lahner further clarified that this was created specifically for Aurora as a "developer funded TID"; which essentially means that Aurora agrees to build the hospital and create enough value in order for the City to receive enough funds to pay off the debt that provided their infrastructure. Once the infrastructure is there, then other businesses can tap into it if they want; but this is the vehicle by which we are using to give Aurora the infrastructure they need in order to build. Lahner reemphasized that this is all very specific for this project.

There was no further discussion.

6. **Resolution 4668(2)** to consider a resolution authorizing the issuance and establishing parameters for the sale of not to exceed \$6,250,000 General Obligation Refunding Bonds, Series 2014A.

Mayor Miller introduced Resolution 4668(2) and opened it up for discussion, but first allowed Dave Wagner of Ehlers and Associates, to further explain the City's situation.

Wagner explained that in 2010, the City of Burlington authorized the sale of \$6.4 million in General Obligation Bonds, of which was part of the American Reinvestment and Recovery Act (ARRA) and Build America Bonds (BAB) Programs. The Internal Revenue Service (IRS) committed to reimburse 35% of the interest paid on the debt service of these types of bonds in an effort to open investments into the municipal bond market and try to encourage economic growth.

Wagner further explained that the City's bond documents included an "Extraordinary Provision" to pay off or refund the bonds early should the reimbursement of the interest from the IRS ever drop below the 35% level. The Federal Government reduced the bond interest reimbursement from the IRS by 8.7% in March 2013 and by 7.2% in 2014; this gives the City the option to call the bonds.

Wagner says that Ehlers estimates that after considering all refunding transaction costs the City will realize modest savings of approximately \$165,000 in terms of current dollars.

Vos asked what the City's bonding limit is and where are we on that. Lahner responded that the City is at 41.6% of its limit.

There was no further discussion.

7. **Discussion and Update** regarding the analysis of routes for the sanitary sewer and watermain extensions.

Mayor Miller introduced Tom Foht from Kapur & Associates and Craig Workman, DPW Director, to explain the selected sewer and water line routes that would run out to the proposed hospital site; how those sites were chosen; and what the City intends to do with them once those lines are in.

Workman explained that the final report is not yet complete but should be available at the next meeting; however wanted to give an update on where they are at with the analysis and design of the sewer and water. Workman further indicated a map of the three proposed routes and said that based on a brief cost estimate and the existing capacity system, Route A, which includes State Street to Mormon Road, will most likely be the option of choice for the sanitary sewer. The watermain will also follow that route with a looping alternative along Route B. Workman further stated that Route C does not provide the options and benefits that the other two routes present.

Schultz inquired as to the whether or not Routes A and B makes the most sense for potential future growth of the City. Lahner responded that it does make sense as the routes follow a natural growth pattern where future development could connect into if so desired. Lahner further stated that beyond the property where Aurora and anything further west, are wetlands and other natural barriers that would not make it feasible for future growth.

There was no further discussion.

8. **Resolution 4669(3)** to consider authorizing the application and Grant Agreement for the Wisconsin Economic Development Corporation (WEDC) Community Development Investment Grant for the 492 N. Pine Street Coffee House, LLC project.

Mayor Miller introduced Resolution 4669(3) and opened it up for discussion.

Lahner explained that this grant is a new community grant program developed by the Wisconsin Economic Development Corporation aimed at downtown revitalization projects. Lahner further explained that the grant program falls under three different tier options depending on the size and scope of the project. This particular grant would be a Tier 2 grant, offering up to \$250,000, for The Coffee House who wishes to expand into the neighboring building and would include façade improvements, a multipurpose space for entertainment and private events, and an expanded kitchen and a bakery. Lahner further explained that there is a time limit to apply for this grant because Wisconsin's fiscal year ends in July, therefore the application needs to be filed as soon as possible.

Vos asked who is responsible for applying for the grant. Lahner responded that the City would act as a "pass-through" agent for the funds; however The Coffee House would be responsible for doing all the legwork and providing all the necessary information; they then give that paperwork to the City; the City then submits it to the State; the State then sends the City a check, which is then given to The Coffee House.

There was no further discussion.

9. **Resolution 4670(4)** to consider approving an Agreement for the sale of a City of Burlington airport building at 707 Airport Road to the Burlington Development Group, Inc. in the amount of \$115,000.

Mayor Miller introduced Resolution 4670(4) and explained that the City owns a concrete-type building at the airport with an aluminum pole barn hangar attached to the back of it, which is now just being used for storage. Mayor further stated that this is an opportunity for the City to take this building and have someone purchase it. Mayor then opened for discussion.

Prailles asked how the City benefits from this purchase. Lahner responded that this is another avenue to create cash flow for the airport and the City is slated to receive \$348,480 in federal and state airport grants for improvements, which is a combination of 90/10 matching (90 percent federal grant funds, 10 percent matching City funds) and 80/20 matching grants, which makes the City's out-of-pocket expenses for airport improvements very minimal.

Gary Meisner said that the airport receives \$150,000 annually as Entitlement Funds, which can be built up and banked, but if it's not used within a certain amount of time, it goes away. Currently the Airport has about \$600,000 in Entitlement Funds which has to be used within the next year otherwise it would go away and would have to start all over again.

Preusker asked if the City intends to do more to generate economic growth. Lahner stated there are future plans for airport development but they are contingent upon access issues.

Mayor asked Meisner the number of employees at the airport. Meisner replied there are between 30-40 employees.

Johnson clarified that Resolution 4671 and Motions 769-772 will all generate positive cash flow for the City. Lahner confirmed that to be correct.

There was no further discussion.

10. **Resolution 4671(5)** to consider approving an Agreement for the purchase of two airport buildings owned by Burlington Development Group, Inc. at 703 Airport Road to the City of Burlington.

Mayor Miller introduced Resolution 4671(5) and explained that this Resolution involves the same information as the one just discussed. Mayor then asked for comments or questions on Item #10.

There was no discussion.

11. **Motion 14-769** to consider approving an Airport Office Lease at 703 Airport Road with Meisner Aircraft, Inc. for a term of 5 years in the amount of \$1,800 per month.

Mayor Miller introduced Motion 14-769 and opened it for discussion.

There was no further discussion.

12. **Motion 14-770** to consider approving an Airport Hangar Lease with the Burlington Air Center, Inc. at 703 Airport Road, Unit 703 for a term of 5 years in the amount of \$3,942 per month.

Mayor Miller introduced Motion 14-770 and opened for discussion.

There was no discussion.

13. **Motion 14-771** to consider approving an Airport Hangar Lease with John Pelland at 916 Alpha Taxiway for a term of 29 years in the amount of \$427.50 per year.

Mayor Miller introduced Motion 14-771 and opened for discussion.

Schultz asked if this was an actual hangar. Mayor replied that this was a parcel of land that the hangar actually sits on and not a building.

Preusker asked what the reasoning was for a 29 year lease. Meisner replied that airplane owners want a longer lease because they invest a lot of money into their aircraft and do not want to have to worry about having to find a new place in five years. Meisner further stated that it is not a fixed rate and is subject to incremental increases every five years if deemed necessary.

There was no further discussion.

14. **Motion 14-772** to consider approving an Airport Hangar Lease with Dale Severs at 832 Hotel Taxiway for a term of 29 years in the amount of \$152 per year.

Mayor Miller introduced Motion 14-772 and opened for discussion.

Schultz pointed out that the listed amount of \$.95 was incorrect and should be \$.095. Meisner concurred that the amount should be 9.5 cents not 95 cents. Attorney Bjelajak responded that could be changed at the Common Council Meeting.

There was no further discussion.

15. **Motion 14-773** to consider authorizing the July 4, 2014 fireworks display to 5-Star Fireworks Corporation in the amount of \$10,000.

Mayor Miller introduced Motion 14-773 and opened for discussion.

Vos asked if the bid process was used and if this was the result of that. Mayor responded that RFP's were requested and three were received. Of those three, 5-Star was the best offer received.

Dawidziak asked if this was the best because it was the best price or if it was the best overall deal and wanted to be sure the City would get its money's worth. Lahner responded that it was combination of the proposal submitted and the reputation of the company that led the City to its decision to use 5-Star for the 4th of July Fireworks and they have also been highly recommended by other communities. Prailes also replied that Chocolate Fest uses 5-Star as well.

Preusker asked if they would be shooting over the water. Mayor said they would be lighting the fireworks on the Chocolate Fest Grounds due to safety and feasibility issues. Lahner added that Echo Lake is no longer conducive to lighting off fireworks due to the additional amount of shells being purchased and not having access to a large enough barge to set up all the cannons.

Preusker asked if there were any other potential locations to light them from. Lahner responded that other locations were explored but the Chocolate Fest Grounds was the safest and most convenient to set them off from and watch them.

There was no further discussion.

16. **Motion 14-774** to consider authorizing the City Administrator to spend up to \$25,000 for maintenance and repair of the City Pool.

Mayor Miller introduced Motion 14-774 and expressed a dire need for improvements in order for it to open its doors for this season; however remains unsure and concerned about the future of the pool without a major overhaul and feels, at this point, it won't be operating in 2015. Mayor then opened for discussion.

Vos agreed 100% but feels the City needs to think further down the road and decide whether or not the City wants a community pool and how it plans to proceed if it does.

Scott Hoffman, Community Pool Board Member, stated that most of the upgrades are cosmetic and won't impact the operation of the pool but are needed to ensure the facility continues to attract swimmers until a long-term solution is determined.

Jeff Erickson, member of Kiwanis, said it is his goal to make it last and has plans and ideas that will help generate money including a major fundraiser. The other service clubs (Kiwanis, Jaycees, Rotary, and Lions), have stepped in every year to commit funds to repairs and maintenance of the pool. Erickson estimated that the pool probably needs \$100,000 - \$150,000 worth of work. Erickson further stated that if the City gives the \$25,000, he will not let it fail.

There was no further discussion.

17. Adjourn

A motion was made by Preusker with a second by Vos to adjourn the meeting. With all in favor, the meeting adjourned at 8:30 p.m.

Minutes respectfully submitted by:



Diahnn C. Halbach
Burlington City Clerk
Racine & Walworth Counties