



AGENDA
COMMITTEE OF THE WHOLE
Tuesday, November 3, 2015 at 6:30 p.m.
Common Council Chambers - 224 East Jefferson Street

Mayor Robert Miller
Edward Johnson, Alderman, 1st District
John Ekes, Alderman, 1st District
Ruth Dawidziak, Alderman, 2nd District
Bob Grandi, Alderman, 2nd District
Tom Vos, Council President, Alderman, 3rd District
Jon Schultz, Alderman, 3rd District
Thomas Preusker, Alderman, 4th District
Todd Bauman, Alderman, 4th District

Student Representatives:
Shiyue Xie (BHS)
Abigail Sibilski (BHS)

1. Call to Order – Roll Call
2. Citizen comments
3. Approval of minutes for October 20, 2015 (*B. Grandi*)
4. **Topic:** Presentation by Tina Chitwood, Community Development Manager for the Racine County Economic Development Corporation (RCEDC), on the 2015 RCEDC Semi Annual Report.
5. **Topic:** Resolution 4750(24) to consider approving the 2016 Racine County Economic Development Corporation (RCEDC) Annual Contract for a total in the amount of \$48,669.26. This item is scheduled for final consideration at the November 17, 2015 Common Council meeting.
6. **Topic:** Resolution 4751(25) to consider amending the City of Burlington Revolving Loan Fund Policy and Procedures Manual. This item is scheduled for final consideration at the November 17, 2015 Common Council meeting.
7. **Topic:** Discussion regarding the possibility of creating At-Large Council seats.
8. **Topic:** Resolution 4752(26) to consider approving a change of polling location from the United Methodist Church to the City of Burlington Department of Public Works, located at 2200 S. Pine Street, for Wards 5-8 and 10. This item is scheduled for final consideration at the November 17, 2015 Common Council meeting.

9. **Topic:** Resolution 4753(27) to consider approving an Engagement Letter with Ehlers, Inc. to develop a Five-Year Financial Plan for the not-to-exceed amount of \$21,000. This item is scheduled for final consideration at the Common Council meeting the same night.
10. **Topic:** Resolution 4754(28) to consider approving an Engagement Letter with Patrick Romenesko for the 2015 Annual Audit and a 2015 TIF 3/ER TIF 1 Audit in the amount of \$36,500. This item is scheduled for final consideration at the November 17, 2015 Common Council meeting.
11. **Topic:** Ordinance 2001(7) to consider creating Section 293-3G titled, “Parking in the front, side and street yards” in the Municipal Code. This item is scheduled for final consideration at the November 17, 2015 Common Council meeting.
12. **Topic:** Motion 15-820 to consider approving a salary increase of five percent for City Administrator Carina Walters. This item is scheduled for final consideration at the Common Council meeting the same night.
13. **Adjourn** (*T. Vos*)

Note: If you are disabled and have accessibility needs or need information interpreted for you, please call the City Clerk's Office at 262-342-1161 at least 24 hours prior to the meeting.



CITY OF BURLINGTON

Administration Department
300 N. Pine Street, Burlington, WI, 53105
(262) 342-1161 – (262) 763-3474 fax
www.burlington-wi.gov

Committee of the Whole Number: 3	Date: November 3, 2015
Submitted By: Diahnn Halbach, City Clerk	Subject: Meeting Minutes

Details:

Staff recommends approval of the attached Minutes from the October 20, 2015 meeting.

Options & Alternatives:

N/A

Financial Remarks:

None.

Executive Action:

Staff recommends that the Common Council approve these Minutes at the November 3, 2015 Committee of the Whole meeting and as a report on the Common Council Agenda.



CITY OF BURLINGTON
Committee of the Whole Minutes
Robert Miller, Mayor
Diahnn Halbach, City Clerk
Tuesday, October 20, 2015

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: Ed Johnson, Bob Grandi, Ruth Dawidziak, Jon Schultz, Tom Preusker, and Todd Bauman. Excused: John Ekes and Tom Vos.

Also present: City Administrator Carina Walters, City Attorney John Bjelajac, Treasurer and Budget Officer Steven DeQuaker, Police Chief Mark Anderson, Fire Chief Perry Howard, Building Inspector and Zoning Administrator Gregory Guidry and Tom Foht of Kapur and Associates.

2. Citizens Comments and Questions

None

3. Approval of Minutes from October 6, 2015

A motion was made by Johnson with a second by Dawidziak to approve the minutes from October 6, 2015. With all in favor, the motion carried to approve the minutes.

4. Topic: Discussion regarding status, limitations and solutions for the intersection of Pine Street and the Burlington Bypass.

Administrator Walters stated she has been in discussions with Stacey Pierce of the Wisconsin Department of Transportation (DOT) regarding this topic. Ms. Pierce has indicated the City could do a speed analysis of that corridor; however, past studies have shown reducing the speed limit has not helped off-set accidents. Ms. Pierce suggested the City look into grant opportunities, such as grants for overtime associated with speed monitoring. In light of the recent accidents, the DOT is willing to look into options and recommendations with this stretch of the Bypass. Walters further stated this corridor of the Bypass is difficult as it is a State highway within Town of Burlington and City of Burlington boundaries.

Schultz questioned if more accidents occur on the Bypass rather than Pine Street. Chief Anderson stated most accidents are on the Bypass. Schultz further stated that the intersection of Pine Street and the Bypass was designed awkwardly where it is difficult to see until you enter it and would like the DOT to take that into consideration when they do a study and make recommendations. Anderson stated he would relay that to the DOT. Anderson further stated the last three accidents in that area were due to speed. Based off of experience, he feels reducing the speed would not prevent accidents, especially if someone purposely exceeds the speed limit.

Dawidziak thanked staff for looking into options and recommends the City stay proactive as we owe it to the people to keep them safe. Dawidziak further questioned if the Town of Burlington was on board with the speed study. Walters said they are and feel it is worthwhile to look into.

Preusker stated he is curious what the results of the speed study will show as he drives the Whitewater bypass weekly and hasn't heard of any problems there.

Grandi inquired that if the stoplights should be looked at if lowering the speed wouldn't help. Anderson stated the speed study would not include analysis of the stoplights. He further stated most of the accidents have occurred in the winter months due to the weather.

There were no further comments.

5. **Topic:** Discussion regarding restricting residential parking in the front, side, and street yards.

Mayor Miller introduced this discussion stating this item was first introduced in 2010 prior to the alternate overnight parking ordinance being enacted.

Bauman stated he felt the draft ordinance presented was a good starting point, but it should be more comprehensive to include areas such as storage of tires.

Schultz stated he does not like putting restrictions on property owners, but would like to see this as a package with other property maintenance amendments. He does not want to see changes come in pieces before the Council. He further stated he understands the concept of the ordinance; however, the City should be very careful telling people what they can do with their own property. Attorney Bjelajac responded that he does not recommend policy changes all at once or some items could get lost in the ordinance.

Grandi felt this item was long overdue to improve the aesthetics of the city, but questioned the \$50 fine for non-compliance. Walters responded that the draft ordinance was from 2010 and would need to be reviewed.

Johnson stated he doesn't care what someone does to their own lawn, but does not want it to affect the neighboring properties.

John Hansen, 424 Garfield Street, stated he attended the September 1, 2015 meeting requesting the City look into prohibiting parking in the front yard. He further stated his family has many drivers that have been compliant with parking ordinances and not parking in the yard. He requested the Council amend the ordinance and increase the fine amount as soon as possible.

Mayor Miller stated an amended ordinance will be brought back to the November 3, 2015 Committee of the Whole meeting. There were no further comments.

6. **Topic:** Resolution 4748(22) to consider authorizing permission to the RCEDC to submit a WI Economic Development Corporation (WEDC) Community Development Investment (CDI) grant application for the downtown redevelopment project being undertaken by WIN Properties, LLC at 425 N. Pine Street.

Mayor Miller introduced Resolution 4748(22) and then opened it up for discussion.

Alderman Schultz recused himself at 6:55 pm and joined the audience.

Tina Chitwood of Racine County Economic Development Corporation (RCEDC) stated Shad Branen of WIN Properties, LLC is requesting the City apply for a WEDC grant on behalf of him. She further explained that

the City has to be the applicant, but would only be a pass-through agent for the funds. The grant dollars would be used for construction costs and no City funds would be necessary.

There were no comments.

Schultz rejoined the meeting at 6:58 pm

7. **Topic:** Resolution 4749(23) to consider approving the purchase of a boiler system for the Police Department in the amount of \$36,580 and \$830 for the removal and demolition of the existing expansion tank for a total of \$37,680 from Just Service, Inc.

Mayor Miller introduced Resolution 4749(23) and then opened it up for discussion.

Preusker questioned if a higher efficiency unit costs more. Anderson responded that it does. Preusker further questioned that since the funds being used for the boiler were originally earmarked for a backup generator, will the generator last. Anderson stated the generator is not original to the building and was put in the Capital Improvement Plan by the former chief as a proactive measure.

Grandi questioned how the request for bids was advertised since many were not local. Walters responded that staff will typically put out a Request for Proposal (RFP) to various avenues such as the website and VendorNet, as well as send to local businesses as applicable.

There were no further comments.

8. Ordinance 1999(5) to consider amending the Official Zoning Map for property located at 457 Milwaukee Avenue to rezone from B-2, Central Business District to I-1, Institutional District. Mayor Miller introduced Ordinance 1999(5) and then opened it up for discussion.

John Thorngate on behalf of Life Bridge Church gave an overview of the project to be put in the former Bigelow Appliance building. He explained Life Bridge Church plans to be a vibrant part of the downtown and wants to put down roots in Burlington. He further stated they will be doing a complete renovation of the building and restore the façade to its original appearance. Eric Halbur of Abacus Architects stated they will be basing the façade on old pictures of the building and will be bringing the interior of the building up to code.

Schultz questioned what the plan was for parking. Mr. Thorngate responded that they have an agreement with Reineman's True Value to use their parking lot during times of service and meetings.

Grandi stated it is encouraging to see the youthful energy from the applicants, but questioned what would happen with the building if it is rezoned and they move out. Mayor Miller responded that the parcel can always be rezoned back to Commercial in the future and follow the same procedure as this.

Schultz questioned what the tax deficit would be if this parcel was zoned to Institutional. Walters stated the 2014 tax bill was approximately \$4,400. Schultz further stated he supports this project, likes that they will be upgrading the building and that he is excited that it will draw people downtown.

Keith Pollek, 353 Pickett Court, echoed Alderman Schultz and supports the project. He stated he is excited about youth having another positive environment to go to.

There were no further comments.

9. **Topic:** Ordinance 2000(6) to consider amending the Racine County Multi-Jurisdictional Comprehensive Plan for property located at 457 Milwaukee Avenue.

Mayor Miller introduced Ordinance 2000(6) and then opened it up for discussion. There were no comments.

10. **Adjourn**

A motion was made by Dawidziak with a second by Bauman to adjourn the meeting. With all in favor, the meeting adjourned at 7:13 p.m.

Minutes respectfully submitted by:


Megan E. Watkins
Director of Administrative Services



CITY OF BURLINGTON

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Committee of the Whole Item Number: 4	Date: November 3, 2015
Submitted By: Tina Chitwood, RCEDC	Subject: Discussion regarding the Semi-Annual Report for the 2015 economic and community development service contract with RCEDC.

Details:

A brief presentation is scheduled for the Committee of the Whole meeting to be given by Tina Chitwood of the Racine County Economic Development Corporation (RCEDC) regarding the 2015 Semi-Annual Report. RCEDC has been an important entity in the City's economic development, in particular by working closely with the City and the entities wishing to (re)locate to Burlington. RCEDC also works with the Community Development Authority and the Historic Preservation Committee and has been an active part of the most recent downtown strategic plan update.

Options & Alternatives:

For discussion only.

Financial Remarks:

For discussion only.

Executive Action:

This item is for discussion at the November 3, 2015 Committee of the Whole meeting.



2015 SEMI-ANNUAL REPORT

RCEDC MISSION

IS TO ENSURE THE ECONOMIC VITALITY OF RACINE COUNTY BY WORKING WITH OUR PARTNERS TO SUPPORT INNOVATION AND CREATIVITY THAT LEADS TO BUSINESS INVESTMENT

ASSISTANCE



INCENTIVES



WORKFORCE



LOCATIONS



About Us

The Racine County Economic Development Corporation (RCEDC) is a 501 c(3) Private Non-Profit Organization that promotes economic development throughout Racine County. RCEDC is governed by a 30 – Member board of directors, and 9 – Member Executive Committee with day-to-day management handled by a professional staff.

What we do

RCEDC along with our partners provide businesses with almost every service needed to complete an expansion, relocation, financing, or workforce development project. Our dedicated staff is committed to meeting the needs of Racine County, Wisconsin businesses and companies interested in expanding or locating in Chicago-Milwaukee Corridor.

Our Five Divisions



Divisional Work Plans

Annually each division develops a work plan that is measurable and consistent with the Racine County Economic Development Plan. This report provides an update activities through 8/31/2015.

Economic Development Plan

(Updated 2013 – Version 6.0)

The Economic Development Plan for Racine County is built around five challenges. These challenges represent the areas that most directly affect the economic vitality of the County. Each challenge has a lead partner responsible for implementation and each challenge includes multi-year metrics and measurements to track.



EDP Challenges

- To create an entrepreneurial culture in Racine County (UW Parkside Small Business Development Center lead partner);
- To focus on a proactive business recruitment and a business retention and expansion (BRE) program that will create and retain jobs, create additional tax base and increase personal income in Racine County (RCEDC lead partner);
- To utilize the existing natural and cultural resources, recreational opportunities and business location advantages to promote a positive image of Racine County (Real Racine lead partner);
- To take advantage of the development opportunities that exist as a result of the Chicago-Milwaukee Corridor and to properly link land use with future business development County-wide (Racine County Planning and Development lead partner);
- To link education and training in a manner that provides a competitive workforce to meet the present and future needs of local employers (Racine County Workforce Development Center lead partner).

Business Development

The Business Development Division undertakes business recruitment activities, assists growing Racine County companies with financial and technical assistance, completes research activities and markets Racine County for business investment opportunities.

2015 Recruitment Projects:

1. Pipes Down Under (Racine)
2. Unnamed Manufacturer (Burlington)
3. Stahlwille Tools (Yorkville)
4. Ashely Capital Spec Building (Sturtevant)



Ashely Capital, Sturtevant—375,000 sq ft

2015 Expansion Projects:

1. Vista Dental (Racine)
2. Beck Aluminum (Mount Pleasant)
3. Apak (Racine)
4. Delta Flexible Technologies (Racine)
5. Lemman USA (Sturtevant)
6. Seda North America (Mount Pleasant)



Beck Aluminum, Mt. Pleasant

2015 Research Projects (Found on RCEDC website):

1. Racine County At-A-Glance.
See: <http://tinyurl.com/p8yq229>
2. Racine County Monthly Snapshots.
See: <http://tinyurl.com/p6xc7g7>
3. Racine County Economic Indicator Dashboard.
See: <http://tinyurl.com/qfxelq3>
4. Racine County Business Park Story map.
See: <http://tinyurl.com/nt64upk>



Leman Groundbreaking, Sturtevant—
99,000 sq ft

Activity	2014 Results	2015 Goal	Results as of August 31
Companies Recruited	3	4	4
Retention/Expansion Projects	11	12	6
Business Call Visits	48	60	19
Technical Data Requests	119	100	75
Research Projects	4	5	4

Business Finance

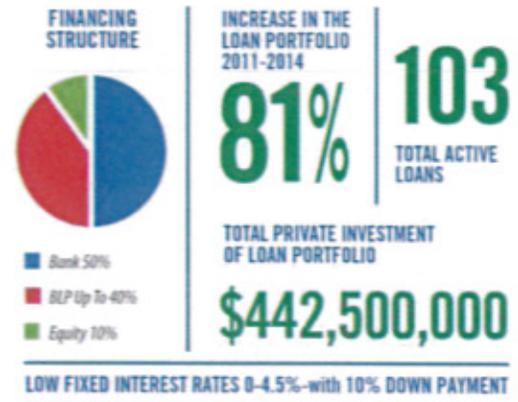
Business Lending Partners, a Division of RCEDC, provides financing options to Racine County businesses, as well as US Small Business Administration (SBA) 504 loans throughout the State. The benefits included low down payments, long-term fixed interest rates and 90% financing in partnership with a financial institution.

BLP Finance Projects 2015:

1. Hembrook Hydronic Heating (Racine)
2. Integrity Funeral Services (Rochester)
3. Dawley Manufacturing (Burlington)
4. Vista Dental Products (Racine)
5. Calouette Construction (Dover)
6. Seda North America (Mount Pleasant)
7. Apak (City of Racine)
8. Xcel Sports Complex (Wisconsin)
9. Casey Family Options (Wisconsin)
10. Aqua Salon & Spa (Wisconsin)

BUSINESS LENDING PARTNERS

Your Wisconsin SBA 504 Lender



Activity	2014 Results	2015 Goal	Results as of August 31
Loan Approvals	23	23	10
Loans Closed	\$6,572,611	\$8,944,312	\$1,754,412
Work with Prospects Seeking Financing Assis-	209	200	75

Community Development

The Community Development Division provides services and programs that bolster downtown development, expand infrastructure for businesses development and redevelopment and remediate brownfields.

Communities participating include:

- * Burlington
- * Racine
- * Union Grove
- * Waterford
- * Racine County



Brownfield Remediation Activities



Burlington's Façade Grant Program

Activity	2014 Results	2015 Goal	Results as of August 31
Wayfinding Signage: Waterford	-	Complete First Phase	Signs & Poles Ordered
Redevelopment Sites Management: Union Grove	-	1	RFQ Released
Project Management: Burlington, Racine, Waterford, Union Grove	6		Ongoing
Coordinate Brownfield Grants: Racine	11	16	16
Downtown Commercial Business Rent Assistance Grant Program: Union Grove	3	2	0 Approved; 1 in Process
Business Call Program: Burlington	N/A	25	11
Downtown Strategic Plan Update: Burlington	-	1	Delayed until 3rd Qtr

Workforce Development

The Workforce Development Division is a collaborative partnership between RCEDC, RAMAC and the Racine County Workforce Development Center to address the talent development needs of Racine County employers. Employer collaboration and engagement activities include employee recruitment and retention services, human resource assistance, training, and state and local grant assistance.



Activity	2014 Results	2015 Goal	Results as of August 31
Companies Assisted with Training Programs	10	12	1
CEO Call Program	N/A	100 (a)	15
On-Site Recruitments	63	20	35
Market and Coordinate Regional, Racine County & Youth Job Fairs	-	4	4
Facilitate Internships	-	90	19
Develop and Distribute Relevant Employment Data	-	12	0
Development and Coordinate Lunch & Learn Programs	-	6	5

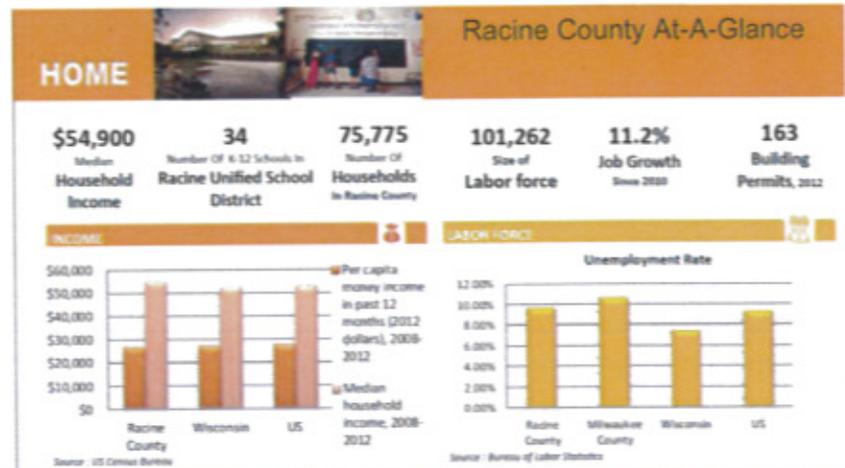
(a) The CEO Call Program is coordinated with RCEDC, RAMAC, Gateway and Workforce Development Staff

Administration and Marketing

The Administration and Marketing Division supports the Division Managers and staff and provides marketing and financial management services to RCEDC and Downtown Racine Corporation.



RCEDC Annual Meeting, May 2015



Activity	2014 Results	2015 Goal	Results as of August 31
Contributions			
Private Contributions	\$137,305	\$135,000	\$110,310
Net New Contributions	\$9,450	\$10,000	\$13,850
Hire New Brownfield Development Specialist	-	3/31/15	Complete
Engage Marketing & PR Consultant	-	3/31/15	Pending
Social Media Fans	317	350	382
Constant Contact Communications	23	24	17
Annual Meeting Attendance	350	350	324
Business Development Videos	-	6	Pending

Your One Stop Economic Development Resource

Administration & Marketing

Jenny Trick
262-898-7424
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jtrick@racinecountyedc.org

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Committee of the Whole Item Number: 5	Date: November 3, 2015
Submitted By: Carina Walters, City Administrator	Subject: Resolution 4750(24) to consider approving the 2016 contract with RCEDC in the amount of \$48,669.26

Details:

The Racine County Economic Development Corporation (RCEDC) has been an important entity in the City's economic development. In particular, the RCEDC works closely with staff and businesses wishing to locate to and/or expand in Burlington. Such initiatives have included federal and state funding.

As in previous years, the cost of the RCEDC assistance for 2016 is divided into two components. The first component is economic and community development assistance. This cost is \$42,436.00 which is also included in the 2016 budget and paid to the RCEDC in quarterly payments. This cost represents a 3% increase, which is the first increase to the contract amount in three years. The second component is the administration of the City's revolving loan fund to local businesses in the amount of \$6,233.26. This is based on twenty percent (a 5% increase from the previous year) of the incoming loan payments and may change should additional loans be approved throughout the year.

Options & Alternatives:

The Common Council could deny this renewal and conduct all Economic Development activities in-house. Additionally, the Council could seek a different Economic Development partner.

Financial Remarks:

Costs associated with this contract are within the 2016 annual budget.

Executive Action:

This item is for discussion at the November 3, 2015 Committee of the Whole meeting and is scheduled for the November 17, 2015 Common Council meeting for final consideration.

**A RESOLUTION APPROVING A LETTER OF AGREEMENT BETWEEN
THE CITY OF BURLINGTON AND THE RACINE COUNTY ECONOMIC
DEVELOPMENT CORPORATION (RCEDC) FOR 2016**

WHEREAS, the *Racine County Economic Development Corporation* provides economic development, community development, and related technical assistance to the City of Burlington; and,

WHEREAS, the *Racine County Economic Development Corporation* also coordinates this assistance on a day-to-day basis with the City Administration, as well as coordinating the discussion of policy-related issues with the City Administration, the Mayor and City Council; and,

WHEREAS, the City of Burlington believes that it is in the City's best interest to contract with the *Racine County Economic Development Corporation* for organizational development assistance, business retention assistance, business attraction activities, community development assistance, and business financing assistance; and,

WHEREAS, the *Racine County Economic Development Corporation* has been a qualified provider of such economic development related services for the City of Burlington in the past.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Burlington, Racine County, State of Wisconsin, that the City of Burlington shall enter into an agreement with the *Racine County Economic Development Corporation* for a period of one year, beginning January 1, 2016, as stated in the attached agreement (Exhibit "A"), dated October 20, 2015.

BE IT FURTHER RESOLVED that the City Administrator is hereby authorized and directed to execute this agreement on behalf of the City.

Introduced: November 3, 2015
Adopted: November 17, 2015

Robert Miller, Mayor

Attest:

Diahnn Halbach, City Clerk

Megan Watkins

From: Tina Chitwood [tchitwood@racinecountyedc.org]
Sent: Tuesday, October 13, 2015 10:16 PM
To: Carina Walters
Cc: Megan Watkins; Trick, Jenny; Nick Johnson; Carolyn Engel
Subject: RCEDC's Burlington 2016 Contract
Attachments: Burlington Contract Memo 10 20 15.docx; 2016 Burlington Contract DRAFT 10 20 15.docx; 2016 Burlington Contract DRAFT CLEAN 10 20 15.docx

Carina:

The 2016 RCEDC/BLP Contract and the memo to accompany the contract when they go to Council on Oct. 20th are attached. The memo includes a brief summary of the findings from the Business Analyst report being prepared for the City as this is the basis for the recommended changes to the contract in 2016. As you suggested I've attached a marked up version of the contract as well as a clean version.

Carolyn Engel with BLP will be calling you tomorrow morning to discuss the change in fee structure with the BLP portion of the contract from 15% to 20%. In order to implement this change a Policy Manual change will need to be approved by Council under a separate agenda item.

Please let me know if you want any changes made to this information before it goes to Council on the 20th.

Tina Chitwood

Community Development Manager

Racine County Economic Development Corporation

2320 Renaissance Blvd., Sturtevant, WI 53177

Office: [262-898-7422](tel:262-898-7422) Cell: [262-366-0774](tel:262-366-0774)

[linkedin.com/in/tinachitwood](https://www.linkedin.com/in/tinachitwood)

racinecountyedc.org



MEMORANDUM

TO: CITY OF BURLINGTON COMMON COUNCIL

FROM: JENNY TRICK, EXECUTIVE DIRECTOR
TINA CHITWOOD, COMMUNITY DEVELOPMENT MANAGER

RE: BURLINGTON RCEDC 2016 CONTRACT SUGGESTED MODIFICATIONS

DATE: OCTOBER 20, 2015

The purpose of this memorandum is to provide a status update year to date in 2015 and suggested modifications to the Racine County Economic Development Corporation (RCEDC) contract going into 2016.

In review of the business development goals included in City's 2015 contract and in light of the findings of the Business Analyst market analysis report we are preparing for the City we are suggesting that modifications be made to the 2016 contract to include more proactive business recruitment responsibilities. We've been asked by Carina Walters and the Mayor to prepare a memo to the Council outlining our suggestions.

A summary of the proposed 2016 RCEDC contract Community Development activities are listed below for your review. Please remember these activities are in addition to the base services provided under RCEDC's contract in the areas of industrial business development, business finance and workforce development.

1. Develop a Community Profile for Burlington. Utilizing the ESRI Business Analyst (BA) software, prepare a Community Profile for Burlington that is specific to business and developer audiences.
2. Develop recruitment Proposals for Priority Sites. Utilizing the ESRI software and with priority development and/or redevelopment sites identified by the City, prepare site specific proposals for development consideration. This information will be actively provided to developers, brokers, franchises and restaurants. This information can also be placed on the City's website. See the Attachment for a summary of the ESRI BA report being prepared for the City.

This activity is measureable in the number of brokers we outreach and the feedback we will share with the City and community partners such as the Chamber. RCEDC will define

the goals of the program based off of best practices and will use a model similar to our successful industrial recruitment program.

3. Existing business growth and support. Utilizing the ESRI software direct assistance to Burlington businesses can be provided. For example, generating direct mailing labels for specific customers to be sent promotional materials regarding the business. This activity is important to be coordinated in partnership with the area business development organizations such as the Chamber as these groups are often the first line to know which existing businesses need assistance. The BA tool can be coupled with technical assistance from resource providers such as WI Main Street for downtown businesses to learn who their customers are and to understand if they are meeting their clients' needs. Referrals will also be made by RCEDC to business resource providers such as GrowthWheel, WWBIC, SBDC and SCORE.
4. Provide suggested content and links for the Burlington website. Based on downtown retail recruitment programs best practices of other proactive, growing small communities, identify items and links to be added to the Burlington website. Includes: Quarterly update of the Available Land and Buildings Listing.
5. Downtown Strategic Plan Update. Coordinating partners such as the City, Chamber, downtown businesses and other key community stakeholders to revise and implement the Plan.

Below is a brief overview of the current RCEDC activities in the City and the 2015 YTD results.

1. Downtown Strategic Plan

- RCEDC Primary Responsibilities – (1) Coordinate the Plan update; (2) Implement all activities for which RCEDC is ID'd as either a lead or a support partner.
- Completed – Chamber survey results have been compiled and reviewed. 41 downtown business owner meetings have been conducted along with City Administrator. RCEDC's Business Analyst Market Analysis report with strategic implementation plan for retail recruitment has been developed.
- Pending – Plan update has been delayed by the Administrator until Q1 2016 to meet with more of the 100 business owners in downtown and business owners indicate overall best availability is after the holidays and during winter.

2. Recruit New Firms to Downtown

- RCEDC Primary Responsibilities – (1) Create a downtown recruitment guide; (2) Develop and implement a business recruitment program; (3) Apply for brownfield grants, when applicable; (4) Research, present, develop and implement ideas to fill vacant spaces in downtown; (5) Develop and conduct quarterly updates of the Available Land and Buildings Listing.
- Completed – (3) WI Economic Development Corp. – Community Development Investment Grant application prepared and to be submitted by 11/13/15 for Shad Brannen's co-working space build out project at 425 N. Pine St.; (5) 3 of 4 quarterly Available Land and Buildings Listing updates completed.
- In Process – (1) Recruitment guide format changed by RCEDC to Community Profile update to be done by 12/31/15; (2) Business recruitment program strategies have been identified in the Business Analyst report that was finalized on 10/8/15; implementation to

occur after Council's strategic planning session and after Council identifies priority development sites to target recruitment firms.

- (4) No ideas to fill vacant storefronts have been presented to the City.
- 3. Existing Downtown Business Growth and Expansion**
- RCEDC Primary Responsibilities – Coordinate meetings with downtown business owners.
 - Completed – 41 of 100 business meetings conducted along with Administrator. 37 referrals to business resource providers.
 - Goal– Meetings with 59 businesses before 12/31/15.
- 4. Information Sharing with the Chamber**
- RCEDC Primary Responsibilities – Annual updates on RCEDC activities in the City to the Chamber.
 - Completed – Rotary presentations scheduled for 10/26/15 and 11/23/15 in partnership with Administrator. Kiwanis presentation scheduled for 11/9/15.
- 5. Business Development**
- Prospect: Manufacturer to purchase a new building
 - Prospect: Manufacturer to construct a new building
 - Prospect: Build-to-suit 125-150k sq. ft. building
 - Prospect: Manufacturer seeking an existing building
- 6. Business Finance**
- Dawley Manufacturing: approved and closed
 - Bear Development: in the process of being closed
 - Prospect: Commercial business to construct a new building
 - Prospect: Retail business to purchase a new building
 - Prospect: Retail business to build-out/construct a new storefront space
 - Prospect: Building renovation

In closing, RCEDC has appreciated its partnership with Burlington and we are excited about the next stage of recruitment that we will undertake with the City.

**ATTACHMENT
SUMMARY OF KEY FINDINGS
CITY OF BURLINGTON ESRI BUSINESS ANALYST MARKET ANALYSIS REPORT**

The City of Burlington engaged RCEDC to conduct a retail market analysis that examines the existing conditions and major trends related to retail development within the City and two focus areas – Downtown and Milwaukee Avenue Corridor. The purpose of the study is to evaluate the retail potential within the City and develop an informed retail strategy to attract businesses into the City and the focus areas.

Overall, both the 0-5 and 5-15 minute drive time market areas have experienced slow growth since 2000. Median incomes for both market areas are moderate. Future population growth will rise slowly.

- Nearly 10,000 people live within the 0-5 minute market area or approximately 4,100 households earning a median annual household income of approximately \$54,292. The population consists of blue collar jobs, lower to moderate incomes and a mix of diverse mix of young families and an ageing/ retiring population. They spend less on goods and more on services and experiences.
- Nearly 35,000 people live within the 5-15 minute market area or approximately 14,000 households earning a median annual household income of approximately \$61,938. The population consists of a mix of moderate to high income residents who have grown up kids who have moved out and are at their retiring age. They tend to spend money on their homes, garden and leisure activities.

Undertaking a retail gap/leakage analysis significant retail growth attraction opportunities that should be further investigated include:

- To serve the 0-5 minute market area - specialty food stores, building materials and supply dealers, special food services restaurant, office supplies, stationary, and gift shops, books periodicals and music stores, clothing stores, shoe stores etc.
- To serve the 5-15 minute market area - clothing and clothing accessories stores, general merchandise stores, food services and drinking places, and electronics and appliance stores.

Key Take Aways

- Respond to consumer needs - providing more goods and services tailored to the daily needs of the residents and the population of surrounding communities.
- Encourage business development in selected industry subsectors - this study could be used to provide guidance to existing businesses to penetrate the existing market more effectively or to begin a proactive recruitment process.
- Retail agglomeration encouraged Downtown - the expansion or recruitment of businesses in the same or compatible category could strengthen downtown's appeal to the target consumer groups and others. Ex. restaurants/cafés, gift shops, and office supplies.
- In the Milwaukee Avenue Corridor – cluster big box, franchise and large retailers.

The next steps could include identifying and confirming the City's primary focus area – Downtown or Milwaukee Avenue Commercial Corridor for retail recruitment. A specific retail strategy could be developed to ensure a successful development and validation underpinning the data, discussion with potential retail businesses, commercial property brokers, managers and site selectors, trade organizations and quality tenants will be initiated for the selected focus area.



October 20, 2015

Robert Miller, Mayor
City of Burlington
300 North Pine St.
Burlington, WI 53105

Dear Mayor Miller:

This letter is intended to serve as a letter agreement between the City of Burlington, hereinafter referred to as "City," and the Racine County Economic Development Corporation (RCEDC). In accordance with this agreement, the RCEDC agrees to continue to provide economic and community development technical assistance to the City. Such assistance will be coordinated on a day-to-day basis with City Administration and, with regard to policy-related issues coordinated with City Administration, the Mayor and City Council.

Starting in 2002 this economic development services contract was combined with a second on-going contract, the administration of the City's Revolving Loan Funds (RLF), therefore, this contract represents those services as well.

AGREEMENT

The RCEDC agrees to provide direct economic development and community development technical assistance to the City in accordance with the objectives promulgated by the Mayor, City Council and City Administrator. The RCEDC will assign an economic development staff person to the City. This person will act as the City's economic development advocate and lead, together with other RCEDC staff members, expend his/her best efforts to promote business recruitment, business retention and expansion, community development and business finance.

The economic development services to be provided by the RCEDC will consist of the following:

Community Development Assistance

1. Develop a Community Profile for Burlington. Utilizing the ESRI Business Analyst (BA) software, prepare a Community Profile for Burlington that is specific to business and developer audiences.
2. Develop recruitment Proposals for Priority Sites. Utilizing the ESRI software and with priority development and/or redevelopment sites identified by the City, prepare site specific proposals for development consideration. This information will be actively provided to developers, brokers, franchises and restaurants. This information can also be placed on the City's website. See the

Attachment for a summary of the ESRI BA report being prepared for the City.

This activity is measureable in the number of brokers we outreach and the feedback we will share with the City and community partners such as the Chamber. RCEDC will define the goals of the program based off of best practices and will use a model similar to our successful industrial recruitment program.

3. Existing business growth and support. Utilizing the ESRI software direct assistance to Burlington businesses can be provided. For example, generating direct mailing labels for specific customers to be sent promotional materials regarding the business. This activity is important to be coordinated in partnership with the area business development organizations such as the Chamber as these groups are often the first line to know which existing businesses need assistance. The BA tool can be coupled with technical assistance from resource providers such as WI Main Street for downtown businesses to learn who their customers are and to understand if they are meeting their clients' needs. Referrals will also be made by RCEDC to business resource providers such as GrowthWheel, WWBIC, SBDC and SCORE.
4. Provide suggested content and links for the Burlington website. Based on downtown retail recruitment programs best practices of other proactive, growing small communities, identify items and links to be added to the Burlington website. Includes: Quarterly update of the Available Land and Buildings Listing.
5. Downtown Strategic Plan Update. Coordinating partners such as the City, Chamber, downtown businesses and other key community stakeholders to revise and implement the Plan.

Business Retention and Expansion (BRE) Assistance

6. Continue to conduct an on-going business expansion and retention program that consists of the following:
 - Provide a comprehensive business outreach program utilizing the Synchronist Business Retention Software System that will include a comprehensive interview with Racine County manufacturers and other prominent industries. Results will assist in providing direct assistance to these companies, as well as a guide in developing new, and refining existing, programs for all businesses. RCEDC will contact the City relative to any significant concerns.
 - Identify and work with 1st stage companies (companies with less than 20 employees) and 2nd stage companies (companies that include approximately 100 employees or less and no more than \$50 million in sales) through the CEO Roundtable program, as well as one-on-one technical assistance.
7. Assist existing businesses per direct contact or referral from the Mayor and Administrator and report findings and resolution to the respective party. When meeting with local companies, the RCEDC staff will provide information on existing State and federal economic development assistance programs that provide funding that help meet the need of local businesses. These programs include low-interest loans, tax credit programs and workforce development assistance.

Business Recruitment Activities

8. Continue the implementation of a targeted business recruitment program that includes emphasis on the following:

- The geographic target of the Chicago-Milwaukee Corridor, with emphasis on the industry targets of: machinery manufacturing; fabricated metal products manufacturing; food manufacturing; electrical equipment manufacturing; as well as, logistics and distribution.
 - Second stage companies or those companies that include approximately 100 employees or less and no more than \$50 million in sales, through the identification of these companies in the Chicago-Milwaukee Corridor and working to recruit the companies to Racine County.
 - The geographic target of foreign direct investment or companies locating North American headquarters in the Chicago-Milwaukee Corridor or establishing initial sales offices that will lead to distribution facilities and ultimately, manufacturing facilities.
 - Milwaukee 7 or regional industry targets to include: water industries, advanced manufacturing and food processing.
9. Provide assistance through the development of customized proposals to businesses interested in establishing a location within the City per direct contact or referral from the Mayor or members of the City's Staff, or other reliable sources. This activity includes providing copies of such proposals, when requested, to the City Administrator, as well as a status report on such businesses as part of this agreement's semi-annual reports, coordinating regular meetings with the City Administrator, and maintaining a periodic business follow-up procedure.

Marketing Activities

10. Continue to develop and implement the county-wide Jobs for Racine County (JRC) initiative. This program includes: a proactive business recruitment strategy, business retention and expansion (BRE) strategy, community engagement strategy and marketing activities to include the following:
- Represent the community through participation in:
 - Trade show events,
 - The 'Chicago Industrial Properties Summit' emphasizing newly constructed buildings and land opportunities,
 - In partnership with the Milwaukee 7 attend international tradeshow and events for the purpose of recruiting companies that are seeking a location within the Chicago/Milwaukee corridor,
 - Milwaukee 7 marketing activities, and,
 - Chicago's Area Industrial Real Estate (AIRE) professional networking functions.
 - Publish quarterly e-newsletter on economic development issues and local/regional training opportunities.
 - Host events including the RCEDC annual meeting.
 - Author Journal Times newspaper articles featuring economic/workforce development issues.
 - Update RCEDC website, blog, LinkedIn and Facebook page with postings on projects, local company news and national and international articles of business interest.
 - Feature local project successes on the RCEDC website.
 - Provide periodic economic development news/event highlights on WRJN radio.
11. Community Engagement – Work with the following partners to provide an infrastructure for economic development in the City of Burlington:
- Entrepreneurship: UW-Parkside SBDC, Wisconsin Women's Business Initiative Corporation, Gateway Technical College, and Launch Box;
 - Workforce Development: Racine County Workforce Development Board's strategic plan;
 - Appropriate Land Use: Racine County Planning and Development Department, and

- Image/Quality of Life: Promoting our quality of life through Real Racine.

Workforce Development Services

12. RCEDC will provide the services of our Workforce Development Center representatives to assist recipients of Racine County Revolving Loan Fund loans and related assistance to employ unemployed and underemployed Racine County residents.
13. RCEDC will continue to be an advocate for the City in working with the Racine County Workforce Development Center (WDC) to implement the WDC's workforce development plan "Higher Expectations/Strive Together". Specifically, the RCEDC Executive Director represents the City through:
 - Participation in the Center's Management Team, and
 - Participation on the Racine County and Tri-County Workforce Development Boards.

Organizational Development Assistance

14. Identification and implementation of appropriate strategies to address additional economic development issues and concerns that are identified throughout the contract period.
15. Provide written and/or verbal semi-annual reports to the Mayor, City Council and City Administrator. This activity will include a summary of the activities conducted during the reporting period.
16. Coordinate the City's economic development initiatives with, but not limited to, the following agencies:
 - Gateway Technical College
 - Milwaukee 7
 - Real Racine
 - Southeastern Wisconsin Regional Planning Commission
 - U.S. Economic Development Administration
 - U.S. Small Business Administration
 - UW-Parkside
 - UW-Parkside Small Business Development Center
 - Wisconsin Economic Development Corporation
 - Wisconsin Department of Administration
 - We Energies

Business Financing

17. The RCEDC has been designated as the Burlington Revolving Loan Fund (RLF) program administrator since August 19, 1992. The services being provided by the RCEDC, in accordance with the administration of the Community Development Block Grant (CDBG)-RLF and Tax Incremental District (TID)-RLF, include the following:
 - A. Review and, if necessary, revision of the RLF program on an annual basis.
 - B. Preparation of the appropriate marketing plan and marketing materials.

- C. Implementation of the marketing program, therefore re-lending the loan funds.
- D. Meetings with potential clients to inform them of the parameters of the RLF program.
- E. Screening of clients relative to their eligibility for the RLF program.
- F. Working with eligible businesses in the preparation of applications to the RLF program and the review of these application materials for any deficiencies.
- G. Recommendations to the Community Development Authority and Council of the Whole (City Council) relative to loans that qualify for the RLF program.
- H. Coordination of all loan closings.
- I. Collection of monthly payments and monitoring of the projects for compliance with Wisconsin Department of Administration regulations, and all other aspects of servicing the loans. Minor servicing actions will be considered by the RCEDC staff, together with the City Administrator and Mayor. These actions will include:
 - 1) Actions that do not significantly affect the interest of the City in an adverse manner.
 - 2) Subordination to a new senior lien holder (usually a bank) provided no new money is being lent.
 - 3) Other servicing actions that can be defined as minor.

Major servicing actions will be considered by the RCEDC and City of Burlington staff and a recommendation forwarded to the City Council for formal consideration.

- J. In performing the work for this contract the RCEDC agrees to adhere to the following:

Civil Rights Act of 1964. Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall, on the grounds of race, color, national origin, sex, age or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

- K. Coordinating the City's RLF program with other State and federal business loan programs in order to ensure the lowest cost business financing for the customer.

TIME PERIOD FOR THIS AGREEMENT AND COMPENSATION

The above-referenced assistance will be provided by the RCEDC staff during the time period beginning January 1, 2016 to December 31, 2016.

The cost of this assistance to the City of Burlington is divided into two components. First, for economic and community development assistance, the cost is \$42,436 (represents a 3% increase, the first increase in the contract amount in three years). Second, the cost of administration of the City's RLF's is \$6,233.26 and is based on 20 percent of the loan payments (see Attachment A). This cost may change during the year should additional loans be made. The RCEDC will notify the City if there are any new loans.

Payments will be made during the first week of each quarter, upon the receipt of an invoice from the RCEDC. The cost of developing any additional materials and significant printing and mailing of items necessary to implement these services are outside the scope of the Agreement and will be negotiated on an as necessary basis.

INDEPENDENT CONTRACTOR

RCEDC shall be an independent contractor of the City. Neither RCEDC nor any of its officers, employees, or agents shall be considered to be an employee of the City as a result of the obligations undertaken pursuant to this agreement. RCEDC's officers, employees and agents shall make no commitments or representations to third parties without prior approval of the City. In addition, RCEDC hereby holds harmless the City and its departments, officers, employees and agents from and against all claims, demands and liability for damages to third persons of any type whatever arising solely out of the actions of RCEDC under this agreement.

LIABILITY INSURANCE

The RCEDC is to carry liability insurance and list the City of Burlington as an additional insured on the policy.

TERMINATION

This agreement may be terminated by either party upon thirty (30) days written notice in the event of default by the other party of any material provision hereof which remains unremedied for thirty (30) days following written notice of such default.

NOTICES

Notices under this agreement shall be mailed by registered mail to the Mayor and City Administrator, 300 N. Pine Street, Burlington, WI 53108, for the City, and to Jenny Trick, Executive Director, 2320 Renaissance Blvd., Sturtevant, WI 53177, for RCEDC, or shall be personally served on either said person or the person in charge of either respective office.

ASSIGNMENT

RCEDC agrees that it will not assign this agreement or any portion thereof, or any of its responsibilities hereunder, to any other party without first obtaining the written permission of the City.

If the terms and conditions of this proposal are satisfactory, please sign the two original documents where indicated and return to the RCEDC for RCEDC final signature.

Sincerely,



Jenny Trick
Executive Director

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the ____ day of _____, 2015.

CITY OF BURLINGTON

By: _____

Robert Miller, Mayor

Witness: _____

Diahnn Halbach, City Clerk

**RACINE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

By: _____

Jenny Trick, Executive Director

Burlington Revolving Loan Fund 2016

	<u>Monthly</u>	<u>Annually</u>
Dawley Manufacturing	\$877.19 x 12 months	\$10,526.28
<u>Burlington Hotel Group</u>	<u>\$1,720.00 x 12 months</u>	<u>\$ 20,640.00</u>
Total		\$ 31,166.28

\$31,166.28 x 20% = **\$6,233.26**

\$6,233.26 / 4 = \$1,558.32 per quarter (to be invoiced)

Burlington TID Revolving Loan Fund 2016

	<u>Monthly</u>	<u>Annually</u>
Ketter's Flooring (1)	\$ 193.56 x 12 months	\$ 0.00
<u>Hampton Hometown (2)</u>	<u>\$ 8,993.47 x 12 months</u>	<u>\$ 0.00</u>
Total		\$ 0.00

- (1) Ketter's Flooring pays a 0.5% servicing fee directly to RCEDC each month with their monthly payments, thus, they do not factor in to the above calculation.
- (2) Hampton Hometown pays a 0.5% servicing fee directly to RCEDC each month with their monthly payments, thus, they do not factor in to the above calculation.



CITY OF BURLINGTON

Administration Department
300 N. Pine Street, Burlington, WI, 53105
(262) 342-1161 – (262) 763-3474 fax
www.burlington-wi.gov

Committee of the Whole Item Number: 6	Date: November 3, 2015
Submitted By: Carina Walters, City Administrator	Subject: Resolution 4751(25) to consider amending the Revolving Loan Fund Loan manual.

Details:

Please see the attached memorandum from Carolyn Engel, Business Finance Manager for the Racine County Economic Development Corporation regarding amending the Revolving Loan Fund Loan manual to increase its administrative fee from the current 15% of the program to the allowable 20% under state regulations. The 5% increase equates to approximately \$6,200.

Options & Alternatives:

The Common Council could accept all of the revisions keep the current document or accept only some of the revisions.

Financial Remarks:

N/A

Executive Action:

This item is for discussion at the November 3, 2015 Committee of the Whole meeting and is scheduled for the November 17, 2015 Common Council meeting for final consideration.

Resolution No. 4751(25)
Introduced by: Committee of the Whole

**RESOLUTION AMENDING THE CITY OF BURLINGTON REVOLVING LOAN FUND
POLICY AND PROCEDURES MANUAL**

WHEREAS, the Racine County Economic Development Corporation (RCEDC) provides economic development assistance to the City of Burlington; and

WHEREAS, the City of Burlington Revolving Loan Fund (RLF) encourages economic development and the creation and retention of employment in the City of Burlington; and

WHEREAS, RCEDC desires to amend the rules and regulations of the program's guidelines through the City of Burlington's *Community Development Block Grant - Revolving Loan Program - Policies and Procedures Manual*.

NOW, THEREFORE, BE IT RESOLVED, by the Common Council of the City of Burlington that an amendment to the *Community Development Block Grant - Revolving Loan Program Policies and Procedures Manual* as prepared by RCEDC for the City of Burlington is hereby approved.

Introduced: November 3, 2015
Adopted:

Robert Miller, Mayor

Attest:

Diahnn Halbach, City Clerk



TO: Burlington City Council

FROM: Janell Topczewski, Compliance/Closing Specialist

SUBJECT: Revisions to the Racine County Revolving Loan Fund Program Policies and Procedures Manual

DATE: October 20, 2015

THE REQUEST

The purpose of this memorandum is to request the City Council approve a change to the City Community Development Block Grant (CDBG) Revolving Loan Fund (RLF) Program Policies and Procedures manual. Specifically, RCEDC is requesting an increase to the amount allowed for administrative fees that can be drawn from the RLF from the current limit of 15% of program income to up to 20% of program income. Although an increase is being requested for the amount of funds that can be used for administrative fees the actual amount drawn will be limited to costs incurred to operate the program.

THE CDBG-RLF PROGRAM

The City CDBG RLF loan program is a State program which was designed to assist businesses that will invest private funds and retain or create jobs as they maintain operations, expand or relocate in Wisconsin. The State awards the funds to a general-purpose unit of government to benefit a local business. As those awards are made, the applicant business receives the funds in the form of a loan. As those loan dollars are repaid, they go into the local RLF account and are available for relending to another eligible business. RCEDC has been administering this RLF on behalf of the City since the inception in 1991.

RLF POLICIES AND PROCEDURES MANUAL

The Department of Administration (DOA) which regulates the RLF allows up to 20% of program income be taken to pay for administrative costs related to administering the program. DOA has determined that program income equals principal and interest payments from loans made and interest earned on the bank account.

The RCEDC does a calculation of staff time and expenses related to administering each loan fund, including the City RLF. Costs for administering the RLF have historically exceeded the amount allowed to be drawn from the RLF even when applying DOA's allowance of 20%; therefore, we are requesting the increase of up to 20%. RCEDC would invoice the RLF each

quarter based upon the lower of 20% of program income or calculated staff time and expenses related to administering the Burlington RLF. We are asking this change to the Policies and Procedures manual to be effective January 1, 2016.

The revisions to the Policies and Procedures Manual would be as follows:

Section 2.4 (page 8) Current:

Reasonable administrative funds may be withdrawn from the RLF to cover personnel costs and other administrative expenses. Local funds may be used in situations when loan repayments are insufficient to cover administrative costs. Administrative expenses up to fifteen (15) percent of program income may be used for direct loan administrative costs.

Section 2.4 (page 8) New:

Reasonable administrative funds may be withdrawn from the RLF to cover personnel costs and other administrative expenses. Local funds may be used in situations when loan repayments are insufficient to cover administrative costs. Administrative expenses up to twenty (20) percent of program income may be used for direct loan administrative costs.

Based upon DOA calculations of program income and the 20% allowed, the annual amount based upon the current portfolio would be approximately \$6,200. Based upon staff's calculation of time and expenses spent administering the loan fund this does not cover RCEDC's costs for administering the program. Administration of the loan fund includes marketing the program, assisting applicants in completing applications, processing applications and presenting RCEDC staff's analysis and recommendations to the appropriate Committees for approval, closing the loans and servicing the loans until they are paid in full. Servicing includes semi-annual collection of documentation from customers to update their files (i.e. insurance, tax payments, job compliance, etc.), annual site visits and handling all requests from customers which may include requests for changes in loan terms and conditions.

This section of the policy manual also removes the loan origination fee which is no longer charged to the customer and contemplates the legal fees being charged to the borrower.

STATUS OF THE RLF

Here are some current statistics on Burlington RLF:

- Currently available for lending: \$525,000
- Total active loans: 2
- Total loans made since inception: 10
- Project investments since inception of program: \$21.6 million
- RLF dollars lent since inception of program: \$2.57million
- Total Job creation/retention: 393.5

SUMMARY

RCEDC staff requests the City to approve the redlined changes reflected in the attached Policies and Procedures Manual.

**CITY OF BURLINGTON
STATE OF WISCONSIN**

REVOLVING LOAN FUND PROGRAM

POLICIES AND PROCEDURES MANUAL

Prepared by the:

Racine County Economic Development Corporation
2320 Renaissance Boulevard
Sturtevant, Wisconsin 53177
October 2015

Deleted: August 2014

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FOREWORD

In 1991, the Wisconsin Department of Development (DOD) f/k/a the Wisconsin Department of Commerce and n/k/a Wisconsin Economic Development Corporation) awarded the City of Burlington a \$307,000 Wisconsin Development Fund (WDF) grant, of which \$300,000 was loaned to American Bin & Conveyor, Inc. for a business development project in the City. Subsequently, the City and the Company, entered into an agreement on February 27, 1991 that provided for the repayment of the business loan over a term of 10 years with a deferral of principal and interest payments for the first two years of the loan term. The loan term began on March 15, 1991, and the first loan payment was due on March 15, 1993. Repayments on the WDF loan, as well as repayments of future WDF loans, will be used to establish a low-interest revolving loan fund (RLF) that will be available to local businesses. The purpose of this plan is to set forth the criteria for future loan from the RLF. It is noteworthy that the Community Development Block Grant (CDBG) RLF programs are now regulated by the State Department of Administration (DOA).

SECTION 1. GENERAL PROVISIONS

1.1 PURPOSE

The purpose of the policies and procedures contained within this manual, hereafter referred to as the RLF Manual, is to present the criteria which governs the economic development activities assisted with funds made available through the City of Burlington's Revolving Loan Fund (RLF) program.

1.2 OBJECTIVES

Economic development activities assisted with funds made available through the RLF Program are intended to meet the following objectives:

- (1) To encourage the creation and retention of permanent jobs which provide a wage, appropriate to the skills and experience of the local labor force and that is competitive. A minimum of 51% of the jobs created shall be made available to low and moderate income persons. See section 3.6 (3) for requirement and definitions.
- (2) To encourage the leveraging of new private investment into the City of Burlington in the form of fixed asset investment, particularly in land and buildings, and manufacturing equipment.
- (3) To perpetuate a positive and proactive business climate which encourages the retention and expansion of existing businesses and helps to attract desirable new businesses.
- (4) To implement the most recent Racine County Economic Development Plan goals and objectives.
- (5) To maintain and promote a diverse mix of employment opportunities and to minimize seasonal or cyclical employment fluctuations.
- (6) To encourage the development and use of modern technology and create safe work environments.
- (7) To encourage dairy producers to undertake capital improvement projects that will result in a significant increase in milk production.

1.3 AMENDMENTS and MODIFICATIONS

The City of Burlington may from time to time amend the provisions imposed by the policies and procedures contained within the RLF manual and such amendments are subject to prior written approval by the Department of Administration (DOA), administrator of Wisconsin Community Development Block Grant (CDBG) Program that provides the funds used to capitalize the RLF.

SECTION 2. ADMINISTRATION

2.1 LOAN COMMITTEE

- (1) The City of Burlington accepts full responsibility for the appropriate administration of the RLF program. Funding decisions relative to RLF loans will be made by the City of Burlington City Council based upon a recommendation by the Racine County Economic Development Corporation (RCEDC) Loan Committee.
- (2) The City of Burlington has entered into an agreement with the RCEDC whereby the City designates RCEDC as its agent for the administration of the RLF program (RLF Administrator).
- (3) The RLF Administrator shall explain the RLF Program to prospective applicants, provide written information, assist applicants in completing applications, and process requests for financing. The Administrator, where necessary and appropriate, shall counsel or guide loan applicants to other more appropriate technical and financial resources when the loan applicant has needs beyond those available from the RLF program.
- (4) The Administrator shall periodically review all financial statements and loan amortization schedules of RLF loan recipients, review and approve documentation of business expenditures financed with RLF proceeds, record RLF security instruments, maintain the RLF accounting records which shall be segregated from other community accounts, and report semi-annually on such forms at such times as required by DOA regarding the use of the RLF funds.
- (5) The RCEDC Loan Committee shall function as the RLF Loan Review Committee which will consist of individual's representative of broad community interests, and having special expertise and knowledge of commercial lending and economic development processes. The Loan Review Committee shall have the authority to review, select and recommend loan applications to the City of Burlington governing body for final approval. The RCEDC Loan Committee shall also have the authority to make policy recommendations for the administration of the program. Periodic activity reports prepared by the RLF Administrator shall be provided to members of the City of Burlington's governing body.
- (6) The RCEDC attorney shall prepare all loan agreements, all promissory notes mortgage and other lien instruments, and counsel the City of Burlington on default matters. All attorney fees incurred shall be charged to the borrower. (See Section 2.4 Administration)
- (7) The RLF Administrator shall be responsible for the maintenance of all other records for the RLF, particularly those related to the expenditures of the RLF moneys for the program administration purposes.

2.2 MEETINGS

The RCEDC Loan Committee and Burlington's City Council meetings shall be held on an as-needed basis. Pursuant to Section 19.84, Wisconsin Statutes, all Burlington City Council members and the general public shall be given prior notice of each City Council meeting. A majority of the Committee in attendance at a meeting constituting a quorum shall be required for official Committee action. Official actions must have the support of the majority of the total Committee. Vacant positions on the Committee shall be counted in determining the total number of Committee members.

2.3 RECORDS

Written records of all program activities, including program meetings, loan applications, and related documents, shall be maintained in appropriate files. All files shall be maintained in a secure place with limited access by authorized personnel. The City of Burlington's legal counsel shall be consulted in regard to compliance with state and municipal open records laws.

The following files shall be established and maintained for each loan recipient:

- (1) Loan Application and Recommendation File: This file contains all application, business financial statements, personal financial statements, credit reports, business plan documents, a summary of the credit analysis, recommended actions for the application, and other supporting loan information submitted to the RCEDC, including all applicable correspondence, shall be placed in a permanent file. The minutes of the RCEDC Loan Committee summarizing the action taken on the loan request shall be maintained separately in the RCEDC archives.
- (2) Loan Closing File: Contains copies of all loan closing documents. All legal documents from the loan closing, including security instruments, the note and other applicable correspondence shall be placed in a locked, fireproof filing cabinet and located in the offices of RCEDC. Copies of the loan closing documents and an amortization schedule will be provided to the loan recipient, along with an invoice, if applicable, for loan closing and servicing fees.
- (3) Loan Servicing File: Contains all records of subsequent activity related to the supervision and monitoring of the loan. This file will include:
 - 1) List of applicable loan covenants;
 - 2) Records of site visits conducted periodically to each loan recipient, the scheduling of which depends on the nature of the project, highlighting any information that can help in rating the overall condition/risk of the loan;
 - 3) Certificates of insurance for builders risk, property-casualty, and life insurance, as applicable;
 - 4) Evidence of payment of real estate taxes, if applicable;
 - 5) Borrower financial statements as required by the loan covenants and annual grade comment sheet by the RLF Administrator;
 - 6) Documentation for job creation and retention;
 - 7) All written correspondence;
 - 8) Record of important telephone conversations; and
 - 9) Any other documents received that are deemed important in servicing the loan.
- (4) "Tickler" System: To ensure that loan repayments, financial information, the loan agreement, UCC updates, and other time sensitive documentation requirements are tracked and obtained as

required, the following information will be maintained in the Loan Servicing File, the Portfolio Status Report, and on the Servicing Spreadsheet.

- 1) Expiration dates for property, casualty and life insurance policies;
 - 2) Due dates for all financial statements;
 - 3) Expiration dates for UCC financing statements, the reminder to update being at least 45 days prior to the expiration of the UCC filing on hand;
 - 4) Scheduled dates of annual loan performance and covenant reviews;
 - 5) Dates for site visits;
 - 6) Due dates for property tax payments and dates by which the City of Burlington expects to hear from the borrower regarding confirmation of payment of taxes;
 - 7) Review dates for job monitoring, and
 - 8) Dates on which loans will be notified of scheduled changes in the loan repayment schedule per loan agreements.
- (5) Repayment Monitoring File: This file includes the loan amortization schedule, status of payments, and the outstanding balance of the loan. Observations suggesting concerns or problems shall be reported to the RCEDC Loan Committee and notations shall be placed in the tickler file to remind the RLF Administrator of the need to provide continued monitoring. Payments will be tracked via computer program.

The RCEDC will notify the loan recipient in writing of any payment deficiencies of the action that will be taken should the payment not be made. Should there be a late payment; the RCEDC will contact the loan recipient to determine the reason for the delayed payment. Contact may need to be made with other participating lender(s) to determine if their loans are current and to alert the lender(s) of a potential problem. All payments shall be applied first to accrued late payment penalties, then to collection costs, then to interest accrued, and then to principal.

- (6) Loan Review: All loans are to be reviewed on an annual basis, and at such other times as may be deemed necessary by the RLF Administrator or the City of Burlington. The review shall follow receipt of the fiscal year-end financial statements, the year-end progress reports, and site visits. A report on the loan review shall be in the file and address the following: timeliness of monthly payments; condition of collateral securing the loan and status of security documents (i.e. mortgages, UCC filings); overall financial condition of the business; the presence of material liens or lawsuits; and violations of loan covenants and suggested corrective actions.

If the business is experiencing problems with any of the above criteria, the RLF Administrator is to work with the loan recipient to identify actions that are needed to correct the identified deficiencies, including possible restructuring of the loan to protect the City of Burlington's interest and meet the needs of the business. If appropriate, the Administrator will arrange for business assistance, including services available through the University of Wisconsin-Extension, Small Business Development Center (SBDC), the Service Corp of Retired Executives (SCORE), and other entities having an interest in serving the needs of businesses.

In the event the findings of the loan review suggest serious problems, particularly if the loan is at risk for default, RCEDC will work with the RCEDC attorney and the City of Burlington attorney in order to initiate steps necessary to protect the loan and to insure the maximum repayment of the balance due. Corrective actions may be achieved through restructuring or if necessary, foreclosure.

2.4 ADMINISTRATION

Reasonable administrative funds may be withdrawn from the RLF to cover personnel costs and other administrative expenses. Local funds may be used in situations when loan repayments are insufficient to cover administrative costs. Administrative expenses up to ~~twenty (20)~~ percent of program income may be used for direct loan administrative costs. In addition to paying costs for RLF administration, these funds may be used for the following:

- (a) Legal costs.
- (b) Consulting fees for credit analysis, business plan reviews and technical assistance.
- (c) Office supplies, copying, typing, mailing, and related expense.
- (d) Training costs.

The City of Burlington may also require the following fees:

- (a) Loan Processing Fee: An amount equal to 1.5% of the loan amount. The loan processing fee will be waived on loans of \$5,000 or less.
- (b) Out-of-Pocket Fees: All out-of-pocket expenses related to determining the value of collateral and perfecting security interest of the City of Burlington's and other fees to cover charges directly related to either processing an application or servicing a loan, including but not limited to, appraisals, title reports, lien searches, credit reports, UCC filing fees and Register of Deeds fees. All fees collected go to the RLF. The accounting of the fee revenue placed in the RLF will include separate line items to track administrative expenses recovered.
- (c) Legal Fees: A fee for the preparation of the loan agreement, the note, all security agreements, and related documents as required by the loan commitment. Legal fees may be invoiced to the customer.

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SECTION 3. ELIGIBILITY CONSIDERATIONS

3.1 ELIGIBLE AREA

The area served by the RLF program shall be the City of Burlington and its environs which shall include any area where economic activity shall directly impact the City and its residents.

3.2 ELIGIBLE APPLICANTS

- (1) Applicants shall be any business wishing to establish a new operation, expand an existing operation or construct a facility for lease to business(s) located in the Eligible Area and which will comply with the Program Requirements. (Section 3.6)
- (2) Applications may be submitted by the sole proprietor, managing member, managing partners, or Chief Executive Officer of any business wishing to establish a new operation or expand an existing operation within the Eligible Area.
- (3) No member of the Burlington City Council, the RCEDC Loan Committee, or any other official, employee, or agent of the City of Burlington who exercises decision-making functions or responsibilities in connection with the implementation of this program is eligible for financial assistance under this program. Former Burlington City Council members and RCEDC Loan Committee members are ineligible to apply for or receive loan or grant funds for a period of one year from the date of his/her services.
- (4) No program loans will be made which are in conflict with Section 946.13 of the Wisconsin Statutes (Private Interest in Public Contract Prohibited).
- (5) Applicants shall not be disqualified based age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.01(5), sexual orientation or national origin. In any employment or construction activity related to the use of business proceeds.
- (6) To abide by all federal laws, when applicable. These include, but may not be limited to: The Civil Rights Act of 1964; the Age Discrimination Act of 1975; the Davis-Bacon Act, as amended; the Contract Work Hours and Safety Standards Act; the Copeland "Anti-Kickback" Act; and, all regulations pursuant to these Acts.

3.3 ELIGIBLE ACTIVITIES

Program loans shall be available to eligible applicants for the following activities:

- (1) The acquisition of land and buildings.
- (2) Machinery and equipment acquisition, furniture and fixtures.
- (3) Site preparation and the construction or reconstruction of buildings or the installation of fixed equipment.
- (4) Clearance, demolition, or the removal of structures or the rehabilitation and renovation of buildings, façade renovations and other such improvements.

- (5) Leasehold improvements, where the term of the RLF loan is equal to the lease period or five years, whichever is less.
- (6) Business acquisition through purchase of assets or stock, or rolling stock.
- (7) The payment of assessments for sewer, water, street, and other public utilities if the provision of the facilities will directly create or retain jobs.
- (8) Working capital.
- (9) Purchase of dairy cows resulting in significant long-term increases in capacity to produce milk.
- (10) Training costs which are incurred to create or retain the jobs resulting from the RLF loan or which will create or retain jobs as a result of maintaining the competitiveness of the borrower.

3.4 INELIGIBLE ACTIVITIES

Program loans shall not be available for the following activities:

- (1) Refinancing or consolidating of existing debt.
- (2) Reimbursement for expenditures prior to loan approval. Loan Applicants with reasonable justification for urgent expenditures may provide a Letter of Intent to the RLF Administrator to apply for RLF financing. Subsequent to the receipt of the letter of Intent, the loan applicant may make project expenditures. To remain eligible for RLF financing, the applicant must provide a complete loan application to the RLF Administrator within thirty (30) days of the Letter of Intent.
- (3) Specialized equipment that is not essential to the business operation.
- (4) Residential building construction or reconstruction (unless such reconstruction is intended to convert the building to a business or industrial operation).
- (5) Routine maintenance.
- (6) Professional services such as feasibility and marketing studies, accounting, management services, and other similar services. Legal services incurred in the closing of a RLF loan are eligible.
- (7) Other activities that the RCEDC Loan Committee may identify during the administration of the program.

3.5 INELIGIBLE BUSINESSES

Program loans shall not be available for the following businesses:

- (1) Speculative investment companies.

- (2) Real estate investment companies.
- (3) Lending institutions.
- (4) Gambling operations.
- (5) Non-public recreation facilities.
- (6) Other businesses not serving the interests of the City of Burlington.

3.6 PROGRAM REQUIREMENTS

To be eligible for funding, a proposed project must meet all of the following minimum requirements:

- (1) Private Funds Leveraged. The applicant must leverage a minimum of one dollar (\$1.00) of private funds for every one dollar (\$1.00) of loan funds requested. Higher leverage may be required at the discretion of the Loan Review Committee.
- (2) Cost Per Job Created. At least one (1) full-time permanent position or full-time equivalent must be created or retained for every \$35,000 of program funds requested. For loans less than \$35,000, at least one (1) full-time permanent position or full-time equivalent (FTE) must be created/retained. The jobs shall be created or retained within a period of 24 months following the commitment of the loan and shall be maintained for a minimum of 12 months.
- (3) Low and Moderate Income (LMI) Benefits. Each project must demonstrate that it meets the CDBG-ED national objective of benefiting low to moderate income persons as defined by CDBG regulations.

The project shall create jobs, at least 51% of the jobs will be held by or Made Available to LMI Persons.

“LMI Persons” means persons with household income less than eighty (80) percent of the median household income by family size in the County where the Project is located.

“Made Available to LMI Persons” means the Borrower will document that at least 51% LMI Persons were hired or Received First Consideration by interviewing at least 51% LMI Persons for created positions that do not require special skills or education beyond high school.

“Received First Consideration” means the Borrower must document and use a hiring practice that results in at least 51% LMI Persons interviewed for created positions and demonstrate that under usual circumstances this hiring practice will result in at least 51% LMI persons being hired. Part of the Borrower’s hiring practice must include the posting of available positions with the local Job Service Office or Workforce Development Boards.

The following documentation evidencing compliance must be collected: A listing of all job titles which were planned to be held by or made available to low to moderate income persons, a commitment to hire or make at least 51% of jobs available to low to moderate income persons, a written plan for how such persons were given first consideration for jobs including what hiring process was used, a list of the low to moderate income persons interviewed for particular positions, including the size and annual income of the person’s family prior to interviewing for the position.

- (4) Penalty for the Failure to Create or Retain Jobs. For each job that is not created during the specified time period as described above and for each position that is not made available to LMI individuals, the borrower will be charged a \$500 penalty unless otherwise waived by the RCEDC Loan Committee.
- (5) Financial Feasibility and Business Viability. The applicant must demonstrate that the proposed project is viable and the business will have the economic ability to repay the funds.
- (6) Project Completion. Projects shall be completed within 24 months from the date of the loan approval. Applicants shall provide the City of Burlington a project implementation schedule not exceeding 24 months for project completion and job creation, and maintain the positions created for 12 months.
- (7) Records. Loan recipients will maintain those records that are necessary for the City or its designated agent to determine if the performance of the business complies with the terms of the loan agreement. The records will include, but may not be limited to, purchase orders, invoices, records of the payments, canceled checks, and payroll records for new or retained employees that are a part of the Project. The City or its designated agent will have access to all records pertinent to the Project for the purposes of examination and transcription.
- (8) Compliance with Applicable Laws. Applicants shall comply with all applicable local, state, and federal laws and codes.
- (9) Nondiscrimination. Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.01(5), sexual orientation or national origin in any employment or construction activity related to the use of the business loan funds. The recipient business will abide by all federal laws, when applicable. These include, but may not be limited to: The Civil Rights Act of 1964; the Age Discrimination Act of 1975; the Davis-Bacon Act, as amended; the Contract Work Hours and Safety Standards Act; the Copeland "Anti-Kickback" Act; and, all regulations pursuant to these Acts.
- (10) Environmental Review. Recipient businesses will comply with all state and federal environmental regulations regarding the use of RLF loan funds, and the City will, when necessary, conduct an environmental review of the proposed project to determine compliance with these regulations.
- (11) Penalty for the Failure to Comply with reporting requirements or any other condition of the Loan Agreement. The RCEDC Loan Committee shall have the option to increase the interest rate on loans to Borrowers who do not comply with reporting requirements under the RLF loan program or any other condition of their loan agreement. Interest rates will be set at rates determined by the RCEDC Loan Committee, but generally Prime + 2%.
- (12) Federal Anti-Piracy. The borrower must certify that it does not have immediate plans to relocate jobs in violation of CDBG Anti-Piracy regulations. The following language will be included in all agreements with the borrower. "The Borrower certifies it is and will maintain compliance with CDBG Anti-Piracy regulations as stated in 24 CFR 570.482(h). Violation of this regulation will constitute an Event of Default."

SECTION 4. TERMS AND CONDITIONS

4.1 TERMS AND CONDITIONS

Loan terms and conditions shall be structured on need and ability to repay. Minimum standards shall include the following:

- (1) Loan Amount. Loan amounts are subject to the availability of program funds and to be determined by RCEDC Loan Committee.
- (2) Interest Rate. Interest rates shall be determined by the RCEDC Loan Committee and may be fixed or variable.
- (3) Terms for Loans. Loan terms should not exceed the useful life of the collateral.
 - (a) Working capital loans shall have a maximum term of seven years.
 - (b) Loans for machinery, equipment and fixtures shall have a maximum term of ten years.
 - (c) Real estate loans shall have a maximum term of 12 years which can be amortized on a 20-yr basis with the option of refinancing for an additional eight years.
- (4) Period of Payment. Terms may include longer amortization schedules with balloon payments. Amortization schedules shall be set up for monthly payments. At the option of the RCEDC Loan Committee, the RLF have a longer term than the term of the other private financing in the project, or longer than the life of the asset being financed.
- (5) Deferral of Payments. Payment of interest and/or principal may be deferred for up to one (1) year if merited in the loan application. Interest shall accrue during the deferment period and may be paid in full or added to the principal amount of the loan. Following the deferral period, interest and principal shall be paid for the remaining term of the loan.
- (6) Prepayment. Borrower may prepay the loan in full or in part at any time without a penalty.
- (7) Collateral. The City of Burlington will seek to have the best collateral position possible to ensure that RLF loans are adequately secured. The collateral requirements will be determined on an individual basis by the RCEDC Loan Committee and may include: mortgages and/or liens on land, buildings, machinery, equipment, accounts receivable, inventory or other assets of value owned by the borrower, principal owners, other co-borrowers or guarantors. The collateral position of the RLF may be subordinated to private sector financial institutions participating in the project, if approved by the Loan Committee and/or staff. Personal guarantees from the principals of the business may be required. In addition, life insurance coverage on the principal owner naming the City as an assignee, with a declining balance equal to the outstanding loan balance may be

required.

- (8) Hazard Insurance. Business receiving loans secured by real estate and fixed assets will be required to obtain property-casualty insurance and have the City of Burlington listed as on the insurance policy. Proof of insurance with appropriate endorsement or coverage documents will be requested by the City prior to the closing of the loan.

SECTION 5. APPLICATION PROCEDURES

5.1 DISCUSSION OF REQUIREMENTS

Prior to submitting an application, the applicant shall discuss the program with the RLF Administrator. The Administrator shall assist the applicant, as is reasonably necessary, in completing the application. All financial information shall be kept in a secured place with limited access by authorized personnel only.

5.2 TIMING

Applications may be submitted at any time during the calendar year.

5.3 PRIORITY

Applications shall be reviewed in the order received and based on readiness for the proposed project to proceed. The Mayor and Administrator of the City of Burlington and the staff of the RCEDC will, on a semi-annual basis determine whether sufficient funds are available in the RLF to accept applications for new business loans. A minimum of \$50,000 must be available in the RLF in order for the City to accept new applications. Following a determination on the availability of funds, the City will determine the best methods for advertising the availability of the funds to the business community.

In the event that loan funds requested exceed available funds, the following criteria will be used to determine which businesses will be awarded the loan(s):

- (1) Eligibility of the applicants.
- (2) Eligibility of the project to be undertaken.
- (3) The extent to which private funds are to be leveraged.
- (4) The extent to which jobs are to be created, and the type jobs and wages.
- (5) The extent to which the loan can be secured.
- (6) Evidence of ability to repay the loan.
- (7) Size of the loan requested.
- (8) Timing of the proposed expenditures.
- (9) Completeness of application.

- (10) Other factors as deemed appropriate.

5.4 LOAN APPLICATION

Applicants shall submit an application using the form available from the RLF Program and that includes the following:

- (1) Project description of how the business plans to use the requested funds.
- (2) A business plan, if appropriate, that includes the history and description of the business and analysis of management ability.
- (3) Personal Financial Statement current within 90 days for each proprietor, partner member or stockholder with 20% or more ownership of the business, and, if different, each owner with 20% or more ownership of theater-ego.
- (4) Resumes of the principals and any key personnel involved in the day-to-day management.
- (5) Balance sheet and income statement for the previous three years for the business. The RCEDC Loan Committee, on a case by case basis, may require that these be accountant prepared or may accept tax returns in lieu of financial statements.
- (6) A balance sheet and income statement dated within 90 days of the application The RCEDC may also require an aging of the accounts receivable and accounts payable report.
- (7) Annualized projections, if appropriate, including both balance sheet and income statement for the first two years with a description of the assumptions attached. The RCEDC may require these statements be accountant prepared.
- (8) For a new business, a monthly cash flow analysis for the first 12 months of operation or three months beyond break even, (whichever is longer) together with a description of assumptions attached.
- (9) A schedule of debts which includes the original amount, date, monthly payment, interest rate, present balance, maturity, to whom payable and collateral.
- (10) The names of affiliated (through management control) or subsidiary businesses as well as the last two fiscal year-end financial statements and a current financial statement for each of these firms.
- (11) A copy of key cost documents related to the project such as real estate purchase agreements, contractor cost estimates, equipment costs, etc.
- (12) An accepted offer to purchase land and/or buildings or a pre-lease agreement.
- (13) If applicable, a copy of the existing or proposed lease agreement.*
- (14) An independent appraisal for construction projects on an "as completed basis" and otherwise as required.*

- (15) Environmental analysis, if applicable.*
- (16) A letter from the participating lender stating the terms and conditions of its participation and the reason why it will not finance the entire project.
- (17) A resolution from the Board of Directors of the borrower authorizing it to borrow or (if applicable) a Partnership Borrowing Agreement.*
- (18) If applicable, corporate documents, including but not limited to Articles of Incorporation, Corporate By-laws, etc.*

*These items may be provided following loan approval, but must be provided prior to loan closing. Loan Committee, at its discretion may waive any of the above requirements.

5.5 REVIEW PROCESS

Specific steps in the review process include the following:

- (1) Preliminary Review. The RLF Administrator will review the application for completeness and verify that the proposed project meets the minimum requirements provided in Section 3.6. If the application is not complete, the RLF Administrator will inform the applicant of the deficiencies.
- (2) Formal Review. The RCEDC Loan Committee will meet to review an application within 30 days of the receipt of a completed application or at some other predetermined schedule. Once the review is completed and the proposal is acceptable for funding, the RCEDC Loan Committee will forward the proposal to the City of Burlington City Council for final approval.
- (3) Negotiation of Terms. Upon the acceptance by the City of Burlington City Council, the Administrator will contact the business in writing to review and explain the terms of the loan.
- (4) Notice of Award. If the application is approved, a closing will be scheduled to execute the necessary loan documents.
- (5) Rejection of Award. If the application is not approved, the Administrator will send a letter to the applicant stating the reasons for rejection and offer to meet with the applicant to explore ways to strengthen the loan request or to identify alternative funding sources.

SECTION 6. DISTRIBUTION OF FUNDS

6.1 LOAN PROCEDURES

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time during the term of the loan.

- (1) Notice of Award. The Loan Review Committee must have reviewed and approved a complete application for an eligible applicant.
- (2) Loan Agreement. The RCEDC attorney or designee, shall prepare a loan agreement which

shall be executed by the Mayor of the City of Burlington and the Chief Executive Officer of the business.

- (3) Promissory Note. A promissory note shall be prepared by RCEDC attorney and signed by the Borrower at the time of loan closing. The note must be dated; it must reference the agreement between the City of Burlington and the business; and it must specify the amount and terms of the loan funds delivered.
- (4) Security. Mortgage or lien instruments or personal guarantees provided as security for all loans shall be prepared by The RCEDC attorney and executed at the time of the loan closing. The RCEDC attorney, or Administrator shall record the instrument and place a copy in the project file to include:
 - (a) Mortgage and/or security agreement.
 - (b) UCC searches and filing.
 - (c) Guarantee agreement.
 - (d) Title insurance or Abstract.
 - (e) Assignment of Life Insurance.
 - (f) Casualty Insurance binder.
 - (g) Personal guarantee.
 - (h) Other documentation as may be appropriate.
- (5) Repayment Schedule. A loan repayment or amortization schedule shall be prepared by the Administrator after the loan proceeds are fully disbursed. At that time, the repayment schedule shall be attached to both parties' copies of the agreement.
- (6) Evidence of Permits. Documentation must be provided by the applicant that all necessary permits, licenses, and any other registrations required have been obtained by the applicant prior to the release of program funds.
- (7) Evidence of Program Expenditures. Documentation must be provided by the business to evidence program expenditures prior to the release of funds. Documentation shall include bills and invoices or receipts for materials, final bills of sale or canceled checks. All documentation shall be reviewed and approved by the Administrator. The RLF Administrator may opt to use a title company for disbursement of the loan funds.
- (8) Fixed Equipment. Equipment financed with program funds must have been purchased, delivered, and installed; the Administrator shall verify the installation of equipment. Disbursing RLF funds in installments may also be an option for equipment purchases where the vendor has down payment requirements.
- (9) Other Documentation. As appropriate or necessary, the borrower may be asked to provide the following:

- (a) A Certificate of Status from the Department of Financial Institutions.
- (b) The Articles of Incorporation and By-Laws.
- (c) A Board Resolution to borrow funds and Secretary's certificate.
- (d) Current financial statements.
- (e) Evidence of having secured other funds necessary for the project.
- (f) An Environmental Assessment for real estate loans which may either be a Phase I, II, or III analysis, depending on the environmental condition of the site.

With the above documentation in place, the Administrator will schedule a loan closing. All documents will be executed before funds are disbursed and mortgages and UCC Statements shall be recorded with the Register of Deeds and/or Department of Financial Institutions.

SECTION 7. POST APPROVAL REQUIREMENTS

7.1 OBLIGATION OF LOAN RECIPIENT

In addition to the terms and conditions of the loan, all borrowers shall agree to comply with the following:

- (1) The creation or retention of the agreed upon number of jobs within 24 months of the date of the Commitment Letter issued by the City of Burlington, with the jobs maintained for at least 12 months.
- (2) Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.01(5), sexual orientation or national origin in any employment or construction activity related to the use of the business loan funds. The loan recipient will abide by all federal laws, when applicable. These include, but may not be limited to: The Civil Rights Act of 1964; the Age Discrimination Act of 1975; the Davis-Bacon Act, as amended; the Contract Work Hours and Safety Standards Act; the Copeland "Anti- Kickback" Act; and, all regulations pursuant to these Acts.
- (3) To use the loan money only to pay the cost of services and materials necessary to complete the project or activity for which the loan funds were awarded.
- (4) To permit inspections by persons authorized by the City of Burlington of all projects and properties assisted with loan funds. Related project materials shall also be open to inspections, which include, but may not be limited to, contracts, materials, equipment, payrolls, and conditions of employment. Requests for inspection shall be complied with by the borrower.
- (5) To maintain records on the project as may be requested by the City of Burlington or the RLF Administration. These files shall be maintained as long as the loan is active or for at least three (3) years after completion of the work for which the loan has been obtained, whichever is longer.
- (6) To submit periodic progress reports to the Administrator in accordance with the schedule in the loan agreement. These reports shall report on project progress including number of jobs created or retained.
- (7) To maintain fire and extended coverage insurance on the project property required during the term of the loan. The City of Burlington shall be listed as Loss Payee, Mortgagee, or "additional" insured on the policy. Term life insurance may be required of the applicant to cover the loan balance through the life of the loan.
- (8) To collect the attached self-certification forms from every applicant for each job created by CDBG funds or similar form deemed acceptable by the DOA.

SECTION 8. PERFORMANCE MONITORING

8.1 PRIVATE LEVERAGE COMMITMENTS

The Administrator shall monitor the use of the funds and expenditure of private leverage commitments. Documentation may include invoices or receipts for materials and supplies, letters from lenders, final bills of sale, and canceled checks.

8.2 HIRING OF NEW EMPLOYEES

The Administrator shall monitor the borrower's progress in meeting job creation or retention goals (Section 3.6(3)). Job creation must be documented using payroll records. Before and after-project payroll records will be provided by the borrower to document job creation. Failure of the business to provide the targeted number of jobs may be a condition for default or result in penalties (Section 3.6(4)), unless the business can show it made a good faith effort to create the targeted number of jobs but did not succeed due to reasons beyond its control. In addition, to ensure compliance with the LMI requirements, employers must collect the attached self-certification forms from every applicant for each job created by CDBG funds.

8.3 DEFAULT

- 1) In addition to the grounds specified in the loan agreement, the following shall be considered default:
 - (a) Defaulting on other loans with private lenders.
 - (b) Cessation of operations or relocation of operations from the environs of the City of Burlington.
 - (c) Sale of the Business.
- 2) In the event the business is in default on any of the terms and conditions of the loan agreement, all sums due and owing, including penalties, shall, at City of Burlington's option, become immediately due and payable. To exercise this option, The City of Burlington or RCEDC's attorney shall prepare a written notice to the business. The notice shall specify the following.
 - (a) The default.
 - (b) The action required to cure the default.
 - (c) A date, not less than thirty (30) days from the date of the notice, by which the default must be cured to avoid foreclosure or other collective action.
 - (d) Any penalties incurred as a result of the default.

SECTION 9. USE OF LOAN REPAYMENTS AND REPORTING

9.1 RLF ACCOUNT

Repaid RLF loan funds shall be deposited into an interest bearing account at a financial institution insured by the Federal Deposit Insurance Corporation (FDIC) and may be re-loaned in a manner consistent with the policies of the RLF Manual. A separate accounting record for each loan shall be kept to account for all funds loaned (Section 10.2(b)). The RLF account shall be audited on an annual basis and the RLF Administrator shall report on such formats at such times as required by the DOA regarding the use of program income

SECTION 10. LOAN SERVICING

10.1 MONITORING

The Administrator shall monitor each loan to ensure compliance with the loan terms and conditions and the financial health of the business to ensure continued repayment of the loan. The monitoring will also ensure that all recordkeeping requirements are met, particularly in regard to job creation and expenditures of matching funds.

The Administrator will notify the loan recipient in writing of any payment deficiency and the action that will be taken should the payment not be made. Should there be a late payment; the Administrator will contact the loan recipient to determine the reason for the delayed payment. Contact may need to be made with other participating lender(s) to determine if their loans are current and to alert the lender of a potential problem. All payments shall be applied first to accrued late payment penalties, then to interest accrued, and then to principal.

A loan servicing file, repayment monitoring file and "tickler" file shall be established and maintained for each loan recipient to insure complete, accurate and timely information on the status of the loan. The files will include records of all payments, observations and comments of the RLF Administrator, all written correspondence, a record of important telephone conversations, a list of applicable loan covenants, certificates of insurance for builders risk, property-casualty, and life insurance, as applicable; and job creation and retention documentation including low and moderate income certifications forms. (Section 2.3)

10.2 RECORDKEEPING

In addition to the above, the RLF financial management records must be comprehensive and designed to provide the following information:

- (a) Revolving Loan Fund Obligation Journal: Records all deposits and disbursements to and from the RLF, including funds used for RLF administration.
- (b) RLF Loan Repayment Register: Records repayments made by each business which has received a loan from the RLF. It also tracks the balance of repayments from all loans from the RLF. Each register contains the business name, loan date, loan amount, terms, and date repayment begins. Payments are divided into principal and interest payments with a declining principal balance.
- (c) Revolving Loan Fund Status Report: Contains the business name, loan date, loan amount, terms, and date repayment begins.

**STATE OF WISCONSIN
COMMUNITY DEVELOPMENT BLOCK GRANT
EMPLOYEE SELF CERTIFICATION**

FOR DOA USE
Employer: <i>Enter Employer Name</i>
Project Site: <i>Enter Municipality</i>
Contract ID: <i>Enter Contract ID</i>

Dear Employee:

The Village of Union Grove is collecting the following information as a result of participating in the U.S. Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program. To meet federal regulations, The Village of Union Grove is required to collect statistical data on your family income, race/ethnicity, and employment status. This information is reported to HUD and eventually used by the U.S. Congress to measure the effectiveness of the CDBG program. Your name and personal information will be kept private, and your income, race and unemployment status information only shared with the federal government anonymously. ***It is only through your cooperation that your community can benefit from this federal program.***

INSTRUCTIONS:

Please answer questions 1, 2, and 3, then sign and date the form certifying the information is correct. Your information can only be accepted if the form is completed in full.

1.) Please indicate your current family income in the following table. "Family" means all related persons in your household.

Please Circle # of Persons in your Family	FAMILY INCOME CATEGORY			
	Please check your family income in the same row as the number of persons in your family.			
1	___ \$0 - \$14,450	___ \$14,451 - \$24,050	___ \$24,051 - \$38,449	___ Greater than \$38,450
2	___ \$0 - \$16,500	___ \$16,501 - \$27,450	___ \$27,451 - \$43,949	___ Greater than \$43,950
3	___ \$0 - \$18,550	___ \$18,551 - \$30,900	___ \$30,901 - \$49,449	___ Greater than \$49,450
4	___ \$0 - \$20,600	___ \$20,601 - \$34,300	___ \$34,301 - \$54,899	___ Greater than \$54,900
5	___ \$0 - \$22,250	___ \$22,251 - \$37,050	___ \$37,051 - \$59,299	___ Greater than \$59,300
6	___ \$0 - \$23,900	___ \$23,901 - \$39,800	___ \$39,801 - \$63,699	___ Greater than \$63,700
7	___ \$0 - \$25,550	___ \$25,551 - \$42,550	___ \$42,551 - \$68,099	___ Greater than \$68,100
8 or more	___ \$0 - \$27,200	___ \$27,201 - \$45,300	___ \$45,301 - \$72,499	___ Greater than \$72,500

Source: 2013 HUD low-moderate income level limits for (Enter County that Business is located), WI

2.) Please check the box(es) that identify your race.

Single Race:

- White
- Black/African American
- Asian
- American Indian/Alaskan Native
- Native Hawaiian/Other Pacific Islander
- Other

Multi-Racial Identifiers:

- American Indian/Alaskan Native and White
- Asian and White
- Black/African American and White
- American Indian/Alaskan Native and African/American
- Other Multi-Racial

3.) Please answer these questions:

- Do you consider yourself as being of Hispanic ethnicity? Yes No
- Are you currently unemployed or were you unemployed prior to employment with this company? Yes No
- Are you a female head of household? Yes No

Do you have a disability that is a substantial handicap?
Are you legally eligible to work in the United States?

Yes No
 Yes No

I certify that the information provided above is correct to the best of my knowledge

Printed Name

Signature

Date

EMPLOYER/LOCAL GOVERNMENT USE ONLY (ALL SECTIONS ARE MANDATORY)

Position Details

Full Time Part Time (FTE: _____) Employer-Sponsored Healthcare Plan Offered

Position Class

<input type="checkbox"/> Official/Manager	<input type="checkbox"/> Professional	<input type="checkbox"/> Office/Clerical
<input type="checkbox"/> Sales	<input type="checkbox"/> Technician	<input type="checkbox"/> Craft Worker/Skilled
<input type="checkbox"/> Operative/Semiskilled	<input type="checkbox"/> Laborer/Unskilled	<input type="checkbox"/> Service Worker

Job Category Definitions

1. **Officials or Managers** - Occupants requiring administrative personnel who set broad policies, exercise overall responsibility of execution of these policies, and individual departments or special phases of a firm's operations. This includes: Officials, Executives, middle management, plant managers and superintendents, salaried supervisors who are members of management, purchasing agents and buyers, and kindred workers.
2. **Professional** - Occupants requiring either college graduation or experience of such kind and amount as to provide a comparable background includes: accountants and auditors, airplane pilots and navigators, architects, artists chemists, designers, dietitians, editors, engineers, lawyers, librarians, mathematicians, natural scientists, registered professional nurses, professional and labor relations workers, physical scientists, physicians, social scientists, teachers, and kindred workers.
3. **Technicians** - Occupants requiring a combination of basic scientific knowledge and manual skill which can be obtained through about 2 years of post-high school education such as is offered in many technical institutions and junior colleges, or through equivalent on the job training. This includes: computer programmers and operators, drafters, engineering aides, junior engineers, mathematic aides, licensed practical or vocational nurses, photographers, radio operators, scientific assistants, surveyors, technical illustrators, technicians (medical, dental, electronic, physical science) and kindred workers.
4. **Sales** - Occupants engaging wholly or primarily in direct selling. This includes: advertising agenda and sales workers; insurance agents and brokers; real estate agents and brokers; sales workers; demonstrators and retail sales workers; and sales clerks, grocery clerks and cashiers; and kindred workers.
5. **Office or Clerical** - Includes all clerical-type work regardless of level of difficulty, where the activities are predominantly non-manual though some manual work not directly involved with altering or transporting the products is included. This includes: bookkeepers, cashiers, collectors (bills and accounts), messengers and office helpers, office machine operators, shipping and receiving clerks, stenographers, typists, and secretaries, telegraph and telephone operators, and kindred workers.
6. **Craft Worker (skilled)** - Manual workers of relatively high level having a thorough and comprehensive knowledge of the processes involved in their work. Exercise considerable independent judgment and usually receive an extensive period of training. This includes: the building trades, hourly paid supervisors and lead operators (who are not members of management), mechanic and repairers, skilled machining occupations, compositors and typesetters, electricians, engravers, job setters (metal), motion picture projectionists, pattern and model makers, stationary engineers, tailors, and kindred workers.
7. **Operatives (semi-skilled)** - Workers who operate machines or other equipment or perform other factory-type duties of intermediate skill level which can be mastered in a few weeks and require only limited training. This includes: apprentices (auto mechanics, plumbers, electricians, machinists, mechanics, building trades, metal working trades, printing trades, etc.), operatives, attendants (auto service and parking), blasters, chauffeurs, delivery workers, dress makers and sewers (except factory), dryer's furnaces workers, heaters (metal), laundry and dry cleaning, operatives, milliners, mine operatives and laborers, motor operators, oilers and greasers (except auto), painters (except construction and maintenance), photographic process workers, boiler tenders, truck and tractor drivers, weavers (textile), welders and flame metals workers, and kindred workers.

8. Laborers (unskilled) - Workers in manual occupations which generally require no special training perform elementary duties that may be learned in a few days and require the application of little or no independent judgment. This includes: garage laborers; car washers and greasers; gardeners (except farm) and ground keepers; stevedores; wood choppers; laborers performing lifting, digging, mixing loading, and pulling operations; and kindred workers.

9. Service Workers - Workers in both protective and non-protective service occupations. This includes attendants (hospital and other institutions, professional and personal service, including nurses aides and orderlies), barbers, chairworkers and cleaners, cooks (except household), counter and fountain workers, elevator operators, firefighters and fire protection guards, door keepers, stewards, janitors, police officers and detectives, porters, waiters and waitresses, and kindred workers.



CITY OF BURLINGTON

Administration Department
300 N. Pine Street, Burlington, WI, 53105
(262) 342-1161 – (262) 763-3474 fax
www.burlington-wi.gov

Committee of the Whole Item Number: 7	Date: November 3, 2015
Submitted By: Alderman Jon Schultz, II	Subject: Discussion regarding the possibility of creating an At-Large Council Seats.

Details:

Burlington currently has four Aldermanic Districts with two Alderman per district. It has been requested by an alderman to conduct a discussion on the desire and option of having at-large aldermanic seats.

The form of municipal elections varies from city to city, with three common variations: some cities elect their local representatives by at-large elections, some by district and some have both, called a mixed system. All at-large members are elected to serve the same constituency, which is the population of the city as a whole. At-large election proponents favor having council members elected by the entire city because:

- Council members in an at-large system can be more impartial, rise above the limited perspective of a single district and concern themselves with the problems of the whole community.
- Vote trading between councilmembers is minimized.
- Better-qualified individuals are elected to the council because the candidate pool is larger.

Nearly two-thirds (64 percent) of all municipalities in the country use at-large elections in some way. At-large elections tend to be more popular in small cities and more affluent areas. Below is a list of some Wisconsin communities that have at-large members:

- Buffalo City - 0 Districts / 4 At-Large members
- Eau Claire - 5 Districts / 6 At-Large members
- Janesville - 0 Districts / 7 At-Large members
- Monona - 0 Districts / 6 At-Large members
- River Falls - 4 Districts / 3 At-Large members
- Whitewater - 5 Districts / 2 At-Large members

Options & Alternatives:

Financial Remarks:

For discussion only.

Executive Action:

This item is for discussion at the November 3, 2015 Committee of the Whole meeting.



City Clerk

300 N. Pine Street, Burlington, WI, 53105
(262) 342-1161 – (262) 763-3474 fax
www.burlington-wi.gov

Committee of the Whole Agenda Item Number: 8	Date: November 3, 2015
Submitted By: Diahnn Halbach, City Clerk	Subject: Res. 4752(26) Change of polling location from United Methodist Church to Department of Public Works, 2200 South Pine Street

Details:

In December 2007, Burlington United Methodist Church (UMC), 857 West State Street, was designated as the polling location for Wards 5-10 (Districts 3 and 4), due to the planned expansion of the Veteran’s Memorial Building.

At the time of this agreement, UMC allowed the elections to be held within their temporary worship area. It was their vision that they would eventually build an addition that would permanently house UMC’s main sanctuary and the temporary worship area would become their gathering room, in which hosting elections would be of no issue.

Due to the economic downturn and lack of funds, building this edition was no longer feasible. In 2013, the church board determined that the temporary worship area would now be the permanent worship area. Upon further discussions, it was also determined that elections would no longer be allowed in the actual worship area of the church. UMC made every effort possible to provide space for the election elsewhere throughout the building; however, the available space and traffic flow has proven to be extremely congested during the larger elections and valid concern of voter privacy has been brought to the clerk’s attention by both constituents and election workers.

An extensive search to locate a new polling location began in the fall of 2014; however, thirteen of the facilities interviewed were either not willing to make long term commitments, did not meet GAB standards, or required conditions that would cost the city additional money in order to procure (A copy of the results is attached). Our search has concluded that the Public Works facility meets all the necessary criteria and have found it satisfactory to serve as a polling location.

State law requires that a polling location be relocated at least thirty days prior to the February Primary, which will be Tuesday, February 16, 2016. Notification to the registered voters affected would be by postcard several weeks prior to the election as well as media coverage and posting on the city website.

There will be four elections in 2016 and for consistency, it is staff’s recommendation to relocate District 3 and District 4 to the Department of Public Works beginning with the first election in 2016.

Financial Remarks:

There are currently 3,067 registered voters in District 3 and 4. The cost to publish and mail notifications would be approximately \$1150. However, UMC would have received \$100 per election in 2016 for rental fees. If moved to the DPW, this would save the City \$400 in rental fees for 2016 as there would be no rental fees associated with the DPW (there are typically 2-4 elections per year depending on offices being filled). In addition, there is long term stability at this location as we foresee no reason to have to relocate polling locations again.

Options and Alternatives:

Council could choose to decline this proposal and remain at United Methodist Church.

Executive Action:

This item is for discussion at the November 3, 2015 Committee of the Whole meeting and scheduled for the November 17, 2016 Common Council meeting for final consideration.

Resolution No. 4752(26)
Introduced by: Committee of the Whole

**A RESOLUTION ESTABLISHING A POLLING PLACE
FOR THE CITY OF BURLINGTON**

WHEREAS, Section 5.25(3) of the Wisconsin State Statutes sets the criteria of establishing a change to a polling place; and,

WHEREAS, Voters of District Three (Wards 5, 6, 10) and District Four (Wards 7, 8, 9) have been voting at the United Methodist Church, 857 West State Street, since the Spring Primary held on February 19, 2008; and,

WHEREAS, due to a reduction of available space and layout changes within the polling location, it has become necessary to relocate this polling place.

BE IT FURTHER RESOLVED THAT District Three and District Four polling location be changed to the Department of Public Works, located at 2200 South Pine Street, commencing with the Spring Primary to be held on February 16, 2016.

Introduced: November 3, 2015
Adopted:

Robert Miller, Mayor

Attest:

Diahnn C. Halbach, City Clerk

RESULTS OF RESEARCHED FACILITIES FOR POTENTIAL POLLING LOCATIONS:

- **Veteran's Terrace** – the decision not to host elections is based strictly from a business standpoint due to the potential of thousands of dollars of lost revenue if used as a polling location versus hosting a large event/dinner/function, etc.
- **Knights of Columbus** – unable to commit to a long term contract due to pending dissolution / inconvenient access / very close to other polling location
- **National Guard Armory** – troops will be moving out of the facility as of June 2015 / future of building is uncertain and was advised this would not be a good option for us to pursue
- **St. Johns (and other school/church buildings)** – concern about the safety of the kids / too much risk
- **High School** – parking lot is already filled with student/teacher parking – interferes too much with daily activities and afterschool activities
- **Traxside Roller Rink** – potential loss of revenue / can't commit to long term contract
- **Cross Lutheran Church (combine polling locations)** – we would still need to have 2 reporting units, which could be a logistic nightmare and cause a lot of confusion and would require dividing the room in half, which means smaller space. This COULD be done, but it is not the best solution
- **Wellness Center** – parking issues / rental fees / not thrilled about location for residents to get to / serious traffic congestion during school hours, school activities, and AWC members
- **Fire Station** – not enough parking / issues if bells go off and emergency vehicles need to leave/comeback
- **CATHE Center** – no parking / not enough space
- **Assembly of God Church (located behind Echo Foods plant)** – plans to relocate; unable to commit long term
- **Masonic Temple** – no parking, not ADA compliant, poor lighting
- **Peace Lutheran** – conditions of proposed contract too costly; site does not have an accessible modem line; potential traffic issues on Milwaukee Avenue

NECESSARY REQUIREMENTS:

- Ample parking
- Ample space inside
- Convenient room layout
- Good lighting
- WiFi and/or accessible modem
- Handicap accessible and compliant
- Convenient location
- Provides own snow removal
- Can commit to long term contract
- \$100 rental fee or less
- Safety for others

Food for thought: The November election voter turnout for Wards 5-8 was 2276. The 2012 Presidential election was 2875. A 599 difference. Voter turnout for the last 5 elections, averages to 875.



Committee of the Whole Item Number: 9	Date: November 3, 2015
Submitted By: Carina Walters, City Administrator Steve DeQuaker, Treasurer	Subject: Resolution 4753(27) to consider approving an Engagement Letter with Ehlers Inc. to develop a 5 Year Financial Plan for the not to exceed amount of \$21,000.

Details:

During the 2016 Budget workshops regarding General Fund and Utility Expenditures, discussion was focused on the need for the City to properly plan the financing of current and future capital and other project needs.

Additionally, Federal and State mandates in the Utilities also need to be considered for financing via Revenue Bonds rather than General Fund dollars.

With the closure of TID 3 and ERTID 1 in 2017 or 2018, the City has an opportunity to revamp its system and practices for use of these incoming Levy Changes including but not limited to full Debt Service Levies in the future.

A financial plan has been proposed by Jim Mann and Dave Wagner of Ehlers, Inc. to address the issues and provide a scope of services in a 5 year Financial Plan as outlined in the Engagement Letter.

Staff is recommending ongoing annual updates and data with 7 to 10 years in the future as part of this proposal, with those costs for the ongoing updates by Ehlers to be reserved in future budget years.

Additional costs for extra time for more workshops is noted at \$2,250 per workshop. This engagement letter includes 4 workshops.

Options & Alternatives:

The Council could choose to amend or change the scope of services, which may generate a different cost. Council could also choose to go to RFP for these services.

Financial Remarks:

\$21,000 will be split into the General Fund, Water & Sewer Utilities in the 2016 Budget. The cost of Annual Updates will be determined in later budget years. This is a proposal for a 5 Year plan.

Executive Action:

This item is for discussion at the November 3, 2015 Committee of the Whole meeting. Due to the timeliness of this issue, it is placed on the Common Council agenda the same night for consideration.

**A RESOLUTION APPROVING A LETTER OF ENGAGEMENT
WITH EHLERS, INC. TO COMPLETE A 5 YEAR FINANCIAL PLAN
FOR THE NOT-TO-EXCEED AMOUNT OF \$21,000**

WHEREAS, the City of Burlington will close Tax Increment Finance District Number Three and Environmental Remediation District Number One by 2018; and,

WHEREAS, Federal and State mandates are causes for financial concern in the current and future budgets; and,

WHEREAS, the financing of equipment, building and infrastructure now and in the future are causes for concern; and,

WHEREAS, the City of Burlington desires to have a 7-10 year financial plan with ongoing annual updates to address financial issues; and,

WHEREAS, the City of Burlington has a working relationship with its Municipal Advisors, Ehlers, Inc.; and,

WHEREAS, Ehlers, Inc. has the ability to provide a financial plan to address the issues; and,

WHEREAS, a letter of engagement has been received by Ehlers, Inc. to complete a Five Year Financial Plan to include General Fund, Utility and TIF to address the concerns.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Burlington, Racine County and Walworth County, State of Wisconsin approves acceptance of the Engagement Letter from Ehlers, Inc. for completion of a Five Year Financial Plan as outlined in the attached October 13, 2015 Letter of Engagement in the not to exceed amount of \$21,000.

BE IT FURTHER RESOLVED that the City Administrator is hereby authorized and directed to execute this agreement on behalf of the City.

Introduced: November 3, 2015
Adopted: November 3, 2015

Robert Miller, Mayor

Attest:

Diahnn Halbach, City Clerk



October 13, 2015

Carina Walters, City Administrator
City of Burlington
300 N. Pine Street
Burlington, WI 53105

Re: Proposal to Complete Financial Management Plan

Dear Ms. Walters:

We are pleased to submit this proposal to complete a Financial Management Plan for the City. The typical Ehlers Financial Management Plan will provide the City with a general roadmap to the future that will project out the operating revenues and expenditures, capital borrowing plan and impacts, utility cash flow and rate projections and develop financial management policies for the City to use in guiding future financial decisions.

The following is a summary of the scope of services to be provided, fees and timeline.

Scope of Services

1. Analyze the base line status of the City's financial situation relative to debt margins, fund balance, apparent trends, and comparisons to other communities in the area and region of similar size. Ehlers will rely on financial information as is available from the City staff and audits, and will gather similar data from other communities.
2. Analyze the City's current Capital Improvement Plan to identify financing options with respect to type (cash and debt), term and structure to assess the impact of the City's capital financing needs on tax rate, debt limits and other financial indicators.
3. Prepare draft operating, capital and debt budget projections based upon current spending patterns to identify the impact on the City's tax rate, taking into account applicable levy limits.
4. Prepare utility cash flow analysis and projection taking into account current rates, future expenditures and projected required rate adjustments.



5. Conduct a series of workshop (not more than four) meetings with the Common Council to present the "base line" report and begin the process of identifying the City's philosophy as to the use of debt financing vs. cash financing for the capital improvement program.
6. Submit a final report for approval by the Common Council. Following approval, we will provide sufficient bound copies for each Common Council member and key staff.

As the process progresses, we often find that a community may identify certain issues that are more important or less important than others. To that end, the foregoing is a basic template for the process, however, we will make adjustments as needed based on the issues and concerns that you identify to ensure the final outcome is consistent with your expectations. Any initial guidance from the Common Council, as well as active participation throughout the process, is welcomed and encouraged. While we serve as the facilitators, and prepare the analytical data, it is the participation of the Common Council and staff that provides the foundation of the plan.

Compensation

Upon completion of the work, we will bill a flat fee of \$21,000 for the professional services provided in conjunction with the development of the plan, and as outlined in the scope of services above.

In the event that the City requests additional workshop sessions in order to complete the five year plan, Ehlers will charge \$2,250 for each additional session.

Timing

If the City desires to proceed with this process, we would need a commitment of time from the Common Council of approximately one hour to one and a half hours for each of the workshop sessions. It is best when all Common Council members can be present, and when held separately from a Common Council or other committee meeting. The four workshops would be spaced about a month apart, and we would be prepared to hold the first workshop in roughly 30 days of notice to proceed.

Summary

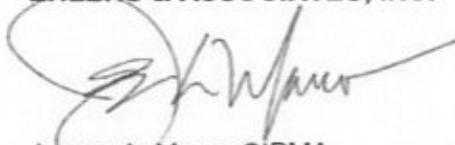
Clients that have taken advantage of this service have found it to be extremely helpful in several ways. First, it has resulted in a consensus among elected officials regarding the method by which they will finance their capital needs, be it through debt or cash financing in future years. Second, this has made annual budgeting significantly easier in as much as this plan is then used as a guide during the budgeting process. Third, the development and maintenance of the plan is typically viewed favorably by the ratings agencies. Finally, it has also proven to be extremely helpful in enabling us to provide the community with annual updates, at the community's request, when considering new projects or revising the capital improvements program.



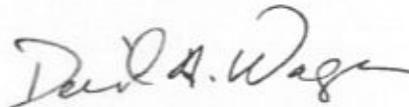
We look forward to the opportunity to work with the City on this exciting project.

Sincerely,

EHLERS & ASSOCIATES, INC.



James A. Mann, CIPMA
Senior Financial Advisor – Director



David A. Wagner, CIPMA
Senior Municipal Advisor

Jonathan Cameron
Municipal Advisor

Cc: Steve Dequaker, Finance Director

The foregoing proposal is hereby accepted by the City of Burlington, Wisconsin by its

authorized Officers this _____ day of _____, 20__.

Signature

Title





Finance Department
300 N. Pine Street, Burlington, WI 53105
(262) 342-1170 – (262) 342-1178 fax
www.burlington-wi.gov

Committee of the Whole Item Number: 10	Date: November 3, 2015
Submitted By: Steve DeQuaker, Treasurer	Subject: Resolution 4754(28) to consider approving an Engagement Letter with Patrick Romenesko, SC for the 2015 Annual Audit and a 2015 TIF 3/ERTIF 1 Audit not to exceed \$36,500.

Details:

Patrick Romenesko, S.C. has prepared a letter of engagement for the 2015 Audit.

The letter outlines the steps he will perform in the audit which also includes filing of required annual Form C and our PSC filing. Cost for the 2015 Audit is a not to exceed amount of \$33,000, which is up \$1,200 from the 2014 Audit or 3.8%.

In 2014 we also engaged Pat to perform a single audit on the Clean Water Fund loan. This audit was not needed as the expenditure of loan proceeds did not pass the IRS guidelines of \$500,000. This saved the City \$3,500 in the 2015 budget.

This year, staff has requested Pat complete an audit of TIF District 3 and the Environmental Remediation TIF District #1 in preparation for the closure of both TIDS in 2017. Staff feels it is necessary to make sure our future TID Increments and Expenditures will indeed allow us to close the TID's in 2017. It will be requires again at TIF close.

In 2013 an informal audit cost survey was conducted and Pat Romenesko was on the lower end of costs for the services provided. Most services were similar, but Pat includes required Form C and PSC reporting for the City in his pricing. Most costs then were in the upper \$30K to lower \$40K range.

Total cost of the 2015 Annual Audit and TIF 3/ERTIF 1 Audit is a not to exceed amount of \$36,500.

Options & Alternatives:

The TIF audit is not a requirement, but staff believes it to be necessary to be able to verify all expenditures and future increment is sufficient to close TID 3 and ERTID 1 in 2017. Council could choose to not have the TIF audit performed. Council could also choose to go to RFP for Audit services. Pat Romenesko has serviced the City of Burlington since 1985.

Financial Remarks:

The Not to exceed cost of \$36,500 for the TIF 3/ER TIF 1 Audit and 2015 Annual Audit will come from Accounting & Auditing in the Finance department budget and Water / Sewer / Airport Utility contract services. Also, from each TIF district. This expenditure was included in the 2016 Budget.

Executive Action:

This item is for discussion at the November 3, 2015 Committee of the Whole meeting and is scheduled on the November 17, 2015 Common Council meeting for consideration.

**A RESOLUTION APPROVING A LETTER OF ENGAGEMENT WITH
PATRICK ROMENESKO, SC, C.P.A. FOR AN AUDIT OF TIF 3, ERTIF 1 AND FOR
THE 2015 ANNUAL AUDIT FOR THE NOT-TO-EXCEED AMOUNT OF \$36,500**

WHEREAS, the City of Burlington is required by law to participate in an annual audit of its accounts; and,

WHEREAS, Patrick W. Romenesko, CPA, is a licensed and fully qualified Certified Public Accountant in the State of Wisconsin; and,

WHEREAS, Patrick Romenesko has previously performed these auditing services for the City of Burlington in a satisfactory and timely manner; and,

WHEREAS, the Tax Increment Finance District 3 and Environmental Remediation Tax Increment Finance District 1 are nearing the end of their life due to expenditures being paid off; and

WHEREAS, a letter of engagement has been received by Patrick W. Romenesko to conduct a TIF 3/ER TIF 1 audit as an intermediary step to final close of those TIF Districts expected in 2017.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Burlington, Racine County and Walworth County, State of Wisconsin approves acceptance of auditing services from Patrick W. Romenesko, S.C. for the annual audit of the City's accounts for fiscal year 2015 and an audit of TIF 3 and ER TIF 1 as outlined in the attached October 9, 2015 Letter of Engagement in the not to exceed amount of \$36,500.

BE IT FURTHER RESOLVED that the City Administrator is hereby authorized and directed to execute this agreement on behalf of the City.

Introduced: November 3, 2015
Adopted:

Robert Miller, Mayor

Attest:

Diahnn Halbach, City Clerk



Patrick W. Romenesko, S.C.
CERTIFIED PUBLIC ACCOUNTANT

1001 Host Drive • P.O. Box 508 • Lake Geneva, Wisconsin 53147
Telephone 262/248-0220 • Facsimile 262/248-8429

October 9, 2015

The City Council and Administration
City of Burlington
300 N. Pine Street
Burlington, Wisconsin 53105

CLIENT'S COPY

Ladies and Gentlemen:

I am pleased to confirm my understanding of the services I am to provide the City of Burlington for the year ended December 31, 2015. I will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Burlington as of and for the year ended December 31, 2015.

I have also been engaged to report on supplementary information that accompanies the financial statements consisting of combining fund statements and detailed budget to actual statements. I will subject this supplementary information to the auditing procedures applied in my audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

Audit Objective

The objective of my audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures I consider necessary to enable me to express such opinions. I will issue a written report upon completion of my audit of City of Burlington's financial statements. My report will be addressed to the city council of the City of Burlington. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for me to modify my opinions or add emphasis-of-matter or other-matter paragraphs. If my opinions on the financial statements are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or are unable to form or have not formed opinions, I may decline to express opinions or may withdraw from this engagement.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the city or to acts by management or employees acting on behalf of the city.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

My audit will include obtaining an understanding of the city and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of the City of Burlington's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion.

Other Services

As part of my engagement, I will also prepare the annual financial reports to the Wisconsin Department of Revenue and the Public Service Commission.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the written representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent, and detect fraud, and for informing me about all known or suspected fraud affecting the city involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the city received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the city complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to me in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period; and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services I provide; oversee the services by designating an individual, preferably from senior management with suitable skill, knowledge or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Audit Fees and Other

My fees for these services will be based on the actual time spent at my standard hourly rates, plus travel and other out-of-pocket costs such as report reproduction, typing, postage, etc. The hourly rates of personnel assigned to your audit vary according to the degree of responsibility involved and their experience level. Invoices for these fees will be rendered each month as work progresses and are payable on presentation. My fee for the audit is not to exceed \$33,000.00. If the actual time on the engagement should be less than anticipated, you will be billed for that lesser amount.

I appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to me. I look forward to the continued opportunity to serve you.

Sincerely,



Patrick W. Romenesko
Certified Public Accountant

ACKNOWLEDGMENT:

This letter correctly sets forth the understanding of the City of Burlington.

By: _____

Title: _____ Date: _____



Patrick W. Romenesko, S.C.

CERTIFIED PUBLIC ACCOUNTANT

1001 Host Drive • P.O. Box 508 • Lake Geneva, Wisconsin 53147
Telephone 262/248-0220 • Facsimile 262/248-8429

October 9, 2015

The City Council and Administration
City of Burlington
300 N. Pine Street
Burlington, Wisconsin 53105

CLIENT'S COPY

Ladies and Gentlemen:

The American Institute of Certified Public Accountants has issued Interpretation 101-3, *Performance of Nonattest Services*, which requires an auditor to document the understanding of nonattest services to be performed to an audit client. In order to fulfill the requirements of the interpretation, I am providing you the following information concerning objectives of the engagement and services to be performed; your responsibilities in the engagement; and my responsibilities and limitations of the engagement.

Objectives of the Engagement and Services to be Performed

I will provide services in addition to auditing your 2015 financial statements consisting of the following:

Preparation of your annual Financial Report Form (Form C).

Preparation of your annual report to the Public Service Commission.

Assistance with the preparation of your annual financial statements.

I will not perform management functions or make management decisions on behalf of the City of Burlington. However, I will provide advice and recommendations to assist the management of City of Burlington in performing its functions and making decisions.

City of Burlington Responsibilities

City of Burlington agrees to perform the following functions in connection with my firm's provision of the aforementioned services:

- Make all management decisions and perform all management functions, including determining account codings and approving all proposed journal entries;
- Assign Mr. Steve DeQuaker to oversee these services and evaluate the adequacy and results of the services;
- Accept responsibility for the results of these services; and
- Establish and maintain internal controls over the preparation of the annual Financial Report Form (Form C), annual report to the Public Service Commission, and assistance with the preparation of your annual financial statements.

My Responsibilities and Limitations of the Engagement

I will perform the services in accordance with applicable professional standards.

This engagement is limited to the services outlined above. Patrick W. Romenesko, S.C., in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or performing management functions, including determining account codings and approving journal entries. I will advise you with regard to positions taken in the preparation of the following documents, but you must make all decisions with regard to those matters.

Please call me if you have any questions regarding this information. If you are in agreement with the contents of this letter, please sign in the space provided below and return one copy of it to me.

Thank you for your attention to this letter of understanding I am required to provide to you.

Sincerely,



Patrick W. Romenesko
Certified Public Accountant

ACKNOWLEDGMENT:

This letter correctly sets forth the understanding for the performance of nonattest services for the City of Burlington.

By: _____

Title: _____ Date: _____



Patrick W. Romenesko, S.C.
CERTIFIED PUBLIC ACCOUNTANT

1001 Host Drive • P.O. Box 508 • Lake Geneva, Wisconsin 53147
Telephone 262/248-0220 • Facsimile 262/248-8429

October 9, 2015

The City Council and Administration
City of Burlington
300 N. Pine Street
Burlington, Wisconsin 53105

CLIENT'S COPY

Ladies and Gentlemen:

I am pleased to confirm our understanding of the services I am to provide for the City of Burlington regarding the near-closure audit of its Tax Incremental District No. 3 and Environmental Remediation TIF. I will audit the financial statements of the City of Burlington's Tax Incremental District No. 3 and Environmental Remediation TIF from their dates of inception to a date in 2016 to be determined. My audit will be made in accordance with generally accepted auditing standards and will include tests of your accounting records and other procedures I consider necessary to enable me to express an unqualified opinion that your financial statements are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. If my opinion is other than unqualified, I will fully discuss the reasons with you in advance.

The audit report of the district will follow the recommended format of the Wisconsin Department of Revenue. The districts' report will include a summary of the revenues and expenditures of the districts from their inception to termination, along with a calculation of increments recovered. The report will also summarize the outstanding debt service for the debt of the districts.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, I will plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. However, because of the concept of reasonable assurance and because I will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by me. I will advise you, however, of any matters of that nature that come to my attention.

My fees for these services will be based on the actual time spent at my standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. The hourly rates of personnel assigned to your audit vary according to the degree of responsibility involved and their experience level. My fee for the audit is not to exceed \$3,500.00. If the actual time on the engagement should be less than anticipated, you will be billed for that lesser amount.

I appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to me. I look forward to the continued opportunity to serve you.

Sincerely,



Patrick W. Romenesko
Certified Public Accountant

ACKNOWLEDGMENT;

This letter correctly sets forth the understanding of City of Burlington.

By: _____

Title: _____ Date: _____



CITY OF BURLINGTON

Administration Department
300 N. Pine Street, Burlington, WI, 53105
(262) 342-1161 – (262) 763-3474 fax
www.burlington-wi.gov

Committee of the Whole Item Number: 11	Date: November 3, 2015
Submitted By: Carina Walters, City Administrator	Subject: Ordinance 2001(7) to consider prohibiting parking in the front, side and street yards.

Details: In 2010 Megan Watkins, presented an amendment to the Municipal Code prohibiting parking in the front, side and street yards of homes. The ordinance was drafted in response to requests of citizens, elected officials and city staff, to eliminate an ongoing issue of parking in the front, side and street yards of residential and business properties. It was a collaborated effort with the then City Administrator, Police Chief, Zoning Administrator, City Attorney, City Planner and the Engineering Technician to ensure proper procedures compliant with current practices and laws. In September 2015 residents and elected officials asked for this item to come forward for future discussion.

At the direction of the Mayor, staff has worked with City Attorney John Bjelajac to revise the 2010 ordinance with suggested amendments from aldermen during the October 20, 2015 Committee of the Whole meeting.

In summary, the then proposed ordinance prohibited parking of vehicles, including recreational vehicles and trailers, on unimproved surfaces in the front, side and street yards. Parking would be allowed in the front and side yards only if it is on an improved surface. The improved surface must connect with the driveway and be a material such as concrete, asphalt, stone, brick, etc. that matches the existing driveway or such other surface as may be approved in writing by the Building Inspector. Parking will continue to be allowed in the rear yard on unimproved surfaces.

Provisions contained in Parts II and III of the ordinance repeat existing language contained in those ordinances, but with added language pertaining to Section 293-3(G) the confirm the ability to enforce that section under its own terms, especially Section 293-3(G)5.

Options & Alternatives:

Council may choose to not proceed with this ordinance and allow parking in the front, side and rear yards. The challenges with allowing parking on grass and other unimproved surfaces is not only aesthetics, it creates land erosion, contamination of soil and ground water, breeding grounds for mosquitoes, visual obstructions for drivers and can reduce market values of neighboring properties.

Financial Remarks: Penalties and violations shall follow Ch. 1-4 of the Municipal Code where the first offense shall not be less than \$5 nor more than \$500, or the maximum amount allowable by corresponding statute, whichever is greater, together with the costs of prosecution and, in default of payment of such forfeiture and costs of prosecution, shall be imprisoned in the county jail until such forfeiture and costs are paid, but not exceeding 90 days.

Executive Action:

This item is for discussion at the November 3, 2015 Committee of the Whole meeting and is scheduled for final consideration at the November 17, 2015 Common Council meeting.

AN ORDINANCE CREATING SECTION 293-3(G) TITLED PARKING ON FRONT YARDS, STREET YARDS AND SIDE YARDS OF THE CITY OF BURLINGTON MUNICIPAL CODE

WHEREAS, the City of Burlington has adopted Chapter 293 Vehicles and Traffic of the City of Burlington Municipal Code to regulate traffic and parking within the City; and

WHEREAS, the Common Council seeks to create Section 293-3(G) of the Municipal Code to regulate parking on front yards, street yards and side yards in all Zoning Districts of the City; and

WHEREAS, the Common Council has determined that the provisions of this amendment to Section 293-3 is necessary in order to protect the health, safety, welfare, and convenience of the public:

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Burlington, Wisconsin, as follows:

Part I. Chapter 293 of the Code of Burlington, Racine, and Walworth Counties, Wisconsin, entitled Vehicles and Traffic, Section 293-3, Parking Restrictions^a, Subsection G, Parking on Front and Side Yards" is hereby created as follows:

G. Parking on Front, Street and Side Yards.

- (1) Purpose. The purpose of this section is to define acceptable areas for parking vehicles within the front yard, street yard and side yard of private properties in order to address off-street parking issues and maintain the acceptable appearance of City neighborhoods.
- (2) Restrictions.
 - (a) This ordinance applies to both (i) the owner of the hereinafter described Vehicle and (ii) the owner of the private real property on which the Vehicle is located.
 - (b) No person shall park or store, or allow the parking or storage, of any motor vehicle, boat, watercraft, trailer, camper, recreation vehicle, or off-road vehicle (each hereinafter referred to as a Vehicle) in the front yard and/or street yard and/or side yard, as defined in Section 315-140, of any private parcel of real property in any residential district or commercial district in the City of Burlington, except upon:
 - (1) A parking area approved by the Plan Commission as a part of an approved Site Plan, Conditional Use Permit, or other similar permit; or
 - (2) A driveway which shall be delineated by the area (i) leading directly from the street to a garage, carport, or

rear yard parking area, and/or (ii) a circular driveway.

- (c) With respect to the parking and/or storage of a Vehicle on a driveway as allowed in above subsection (2)(b)(2), any such Vehicle shall be located totally within the driveway area, and shall neither intrude into the sidewalk area nor onto any portion of the driveway located within the public right-of-way.
- (d) Extensions to the driveway surface, beyond the area described in above subsections (2)(b)(2) and (2)(c), are permissible provided all of the following apply:
 - (1) Both the extension and driveway are paved with the same surface as the existing driveway, or such other surface as may be approved in writing by the Building Inspector; and
 - (2) The extension is at least three feet from the property's boundary line; and
 - (3) The paved area is no longer than the length of the driveway, extending from the edge of the public right-of-way to a garage, carport, or rear yard parking area; and
 - (4) Whenever practicable, the extension shall be located on the side of the driveway such that it extends toward the nearest side lot line. When such a configuration is not possible, the property owner may seek approval from the Plan Commission to add an extension into the greater front yard of the property.
 - (5) The driveway extension and/or the construction of the same shall meet any other requirements of the Municipal Code including, but not limited to, zoning requirements and building permit requirements. In the event of a conflict between the provisions of this Section 293-3 and any other requirements of the Municipal Code, the provisions of this Section 293-3 shall control.
- (3) Exceptions. Appeals to the requirements of this ordinance shall be filed with the Building Inspector and heard by the Plan Commission. In hearing and deciding appeals, the Plan Commission shall have the power to grant relief from the terms of this section only where there are unusual and practical difficulties or undue hardships due to an irregular shape of the lot, topographical, or other conditions or circumstances present, as contrasted with merely granting an advantage or convenience. Decisions of the Commission shall be consistent with the purpose and intent of this section.

- (4) Enforcement.
- (a) Notification of a violation hereunder and order for removal of the Vehicle may be accomplished by the Police Department or Building Inspector by written notice of such violation and order for removal delivered to the Vehicle owner's last known address, or in the event said vehicle is located on private property, to the owner of the property on which the Vehicle is located.
 - (b) The written notice of violation and order for removal described in above subsection (4)(a) shall be delivered either by personal delivery or by certified mail, return receipt requested. Delivery shall be deemed completed upon the date of such personal service and/or the date of the receipt of the certified mail. The Vehicle owner and/or property owner shall then have a Seventy-two (72) Hour time period after the date of delivery to remove the Vehicle. Both the Vehicle owner and the owner of the private property on which the Vehicle is located shall be subject to the enforcement and penalty provisions of this ordinance.
- (5) Penalties.
- (a) Any person who shall violate any provision of this Section 293-3(G) shall be subject to a penalty as provided for in Section 1-4 (Penalties) of this Municipal Code.
 - (b) In addition to any other penalty provided for in above Section 293-3(G)(5)(a), the City may also pursue any and all other remedies, both in equity and at law, that may be available to the City with respect to any violations of this Section 293-3(G). Such additional legal proceedings may be pursued by the City whether or not the City also proceeds at the same time with an enforcement action in municipal court under above Section 293-3(G)(5)(a). With respect to any enforcement action brought by the City under this Section 293-3(G)(5)(b), the City shall be entitled to recover its reasonable actual attorney fees incurred in the said action, plus all other court costs allowed by law.

Part II. Section 293-15(C) (Parking Regulations) is hereby amended to read as follows:

C. Parking Regulations. Except as provided for in Section 293-15(G), which has its own separate penalty provision (described in Section 293-15(G)(5)), the penalty for a violation of a parking regulation or restriction shall be (i) as set forth in Chapter 1, § 1-4, of this Municipal Code, and (ii) if the forfeiture is paid within 28 days of the violation upon a stipulation of guilt and a waiver of hearing, without utilization of the municipal court system, no court costs shall be applicable. If payment is not made, violators will be subject to prosecution and/or other collection procedures as set forth

in this Section 293 and/or Chapter 1 of this Municipal Code.

Part III. Section 293-16(A) (Enforcement Procedure) is hereby amended to read as follows:

A. Enforcement Procedure. This chapter shall be enforced according to §§ 23.33, 66.0114, 345.11 to 345.61 and 350.17, and Ch. 800, Wis. Stats. The provisions of Section 293-3(G) may also be enforced by the provisions of Section 293-3(G)(5).

Part IV. Common Council Approval. The Common Council of the City of Burlington proceeded to adopt these proposed amendments and additions to the Code of the City of Burlington at its meeting held on _____.

Part V. Severability. If any provision of this Ordinance is found invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions of this Ordinance.

Part VI. Effective Date. This ordinance shall take effect upon passage and adoption by the Common Council and the filing of proof of posting or publication in the Office of the City Clerk. Approved by the Common Council of the City of Burlington this _____ day of _____, 2015.

Introduced: November 3, 2015
Adopted:

Robert Miller, Mayor

Attest:

Diahnn Halbach, City Clerk

(JMB Draft: 10/26/15)

Ordinance No.
Introduced by: Committee of the Whole

AN ORDINANCE CREATING SECTION 293-3(G) TITLED *PARKING ON FRONT AND SIDE YARDS* OF THE CITY OF BURLINGTON MUNICIPAL CODE

WHEREAS, the City of Burlington has adopted Chapter 293 "Vehicles and Traffic" of the City of Burlington Municipal Code to regulate traffic and parking within the City; and

WHEREAS, the Common Council seeks to create Section 293-3(G) of the Municipal Code to regulate parking on front and side yards in all Zoning Districts of the City; and

WHEREAS, the Common Council has determined that the provisions of this amendment to Section 293-3 is necessary in order to protect the health, safety, welfare, and convenience of the public:

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Burlington, Wisconsin, as follows:

Part I. Chapter 293 of the Code of Burlington, Racine, and Walworth Counties, Wisconsin, entitled "Vehicles and Traffic", Section 293-3, "Parking Restrictions", Subsection G, "Parking on Front and Side Yards" is hereby created as follows:

G. Parking on Front and Side Yards.

- (1) Purpose. The purpose of this section is to define acceptable areas for parking vehicles within the front yard and side yard of private properties in order to address off-street parking issues and maintain the acceptable appearance of City neighborhoods.
- (2) Restrictions.
 - (a) This ordinance applies to both (i) the owner of the hereinafter described Vehicle and (ii) the owner of the private real property on which the Vehicle is located.
 - (b) No person shall park or store, or allow the parking or storage, of any motor vehicle, boat, watercraft, trailer, camper, recreation vehicle, or off-road vehicle (each hereinafter referred to as a "Vehicle") in the front yard and/or side yard, as defined in Section 315-140, of any

private parcel of real property in any residential district or commercial district in the City of Burlington, except upon:

- (1) A parking area approved by the Plan Commission as a part of an approved Site Plan, Conditional Use Permit, or other similar permit; or
 - (2) A driveway which shall be delineated by the area (i) leading directly from the street to a garage, carport, or rear yard parking area, and/or (ii) a circular driveway.
- (c) With respect to the parking and/or storage of a Vehicle on a driveway as allowed in above subsection (2)(b)(2), any such Vehicle shall be located totally within the driveway area, and shall neither intrude into the sidewalk area nor onto any portion of the driveway located within the public right-of-way.
- (d) Extensions to the driveway surface, beyond the area described in above subsections (2)(b)(2) and (2)(c), are permissible provided all of the following apply:
- (1) Both the extension and driveway are paved with the same surface as the existing driveway, or such other surface as may be approved in writing by the Building Inspector; and
 - (2) The extension is at least three feet from the side lot line; and
 - (3) The paved area is no longer than the length of the driveway, extending from the edge of the public right-of-way to a garage, carport, or rear yard parking area; and
 - (4) Whenever practicable, the extension shall be located on the side of the driveway such that it extends toward the nearest side lot line. When such a configuration is not possible, the property owner may seek approval from the Plan Commission to add an extension into the greater front yard of the property.

- (5) The driveway extension and/or the construction of the same shall meet any other requirements of the Municipal Code including, but not limited to, zoning requirements and building permit requirements. In the event of a conflict between the provisions of this Section 293-3 and any other requirements of the Municipal Code, the provisions of this Section 293-3 shall control.

Deleted: paved area

- (3) Exceptions. Appeals to the requirements of this ordinance shall be filed with the Building Inspector and heard by the Plan Commission. In hearing and deciding appeals, the Plan Commission shall have the power to grant relief from the terms of this section only where there are unusual and practical difficulties or undue hardships due to an irregular shape of the lot, topographical, or other conditions or circumstances present, as contrasted with merely granting an advantage or convenience. Decisions of the Commission shall be consistent with the purpose and intent of this section.
- (4) Enforcement.
- (a) Notification of a violation hereunder and order for removal of the Vehicle may be accomplished by the Police Department or Building Inspector by written notice of such violation and order for removal delivered to the Vehicle owner's last known address, or in the event said vehicle is located on private property, to the owner of the property on which the Vehicle is located.
- (b) The written notice of violation and order for removal described in above subsection (4)(a) shall be delivered either by personal delivery or by certified mail, return receipt requested. Delivery shall be deemed completed upon the date of such personal service and/or the date of the receipt of the certified mail. The Vehicle owner and/or property owner shall then have a Seventy-two (72) Hour time period after the date of delivery to remove the Vehicle. Both the Vehicle owner and the owner of the private property on which the Vehicle is located shall be subject to the enforcement and penalty provisions of this ordinance.

(5) Penalties.

- (a) Any person who shall violate any provision of this

Section 293-3(G) shall be subject to a penalty as provided for in Section 1-4 (Penalties) of this Municipal Code.

(b) In addition to any other penalty provided for in above Section 293-3(G)(5)(a), the City may also pursue any and all other remedies, both in equity and at law, that may be available to the City with respect to any violations of this Section 293-3(G). Such additional legal proceedings may be pursued by the City whether or not the City also proceeds at the same time with an enforcement action in municipal court under above Section 293-3(G)(5)(a). With respect to any enforcement action brought by the City under this Section 293-3(G)(5)(b), the City shall be entitled to recover its reasonable actual attorney fees incurred in the said action, plus all other court costs allowed by law.

Part II. Section 293-15(C) (Parking Regulations) is hereby amended to read as follows:

C. Parking Regulations. Except as provided for in Section 293-15(G), which has its own separate penalty provision (described in Section 293-15(G)(5)), the penalty for a violation of a parking regulation or restriction shall be (i) as set forth in Chapter 1, § 1-4, of this Municipal Code, and (ii) if the forfeiture is paid within 28 days of the violation upon a stipulation of guilt and a waiver of hearing, without utilization of the municipal court system, no court costs shall be applicable. If payment is not made, violators will be subject to prosecution and/or other collection procedures as set forth in this Section 293 and/or Chapter 1 of this Municipal Code.

Part III. Section 293-16(A) (Enforcement Procedure) is hereby amended to read as follows:

A. Enforcement Procedure. This chapter shall be enforced according to §§ 23.33, 66.0114, 345.11 to 345.61 and 350.17, and Ch. 800, Wis. Stats. The provisions of Section 239-3(G) may also be enforced by the provisions of Section 293-3(G)(5).

Part IV. Common Council Approval. The Common Council of the City of Burlington proceeded to adopt these proposed amendments and additions to the Code of the City of Burlington at its meeting held on _____.

Deleted: (c). Any person who shall violate any provision of this chapter shall be subject to a penalty as provided in §293-15 of the Municipal Code.¶

Deleted: II

Part V. Severability. If any provision of this Ordinance is found invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions of this Ordinance.

Deleted:

Deleted: III

Part VI. Effective Date. This ordinance shall take effect upon passage and adoption by the Common Council and the filing of proof of posting or publication in the Office of the City Clerk. Approved by the Common Council of the City of Burlington this _____ day of _____, 2015.

Deleted: IV

Deleted: 2010

Introduced: _____, 2015
Adopted: _____, 2015

Deleted: 2010

Deleted: 2010

Robert Miller, Mayor

Attest:

Diahnn Halbach, City Clerk

Deleted: Beverly R. Gill

Chapter 1. General Provisions

Article I. Use and Construction

§ 1-4. Penalties.

- A. General penalty. Where no other penalty is provided, any person who shall violate any of the provisions of this Code shall, upon conviction of such violation, be subject to a penalty, which shall be as follows:
[Amended 11-18-2003 by Ord. No. 1740(20); 8-19-2008 by Ord. No. 1868(10)]
- (1) First offense. Any person who shall violate any provision of this Code shall, upon conviction thereof, forfeit not less than \$5 nor more than \$500, or the maximum amount allowable by corresponding statute, whichever is greater, together with the costs of prosecution and, in default of payment of such forfeiture and costs of prosecution, shall be imprisoned in the county jail until such forfeiture and costs are paid, but not exceeding 90 days.
 - (2) Second offense. Any person found guilty of violating any provision of this Code who shall previously have been convicted of a violation of the same provision within one year shall, upon conviction thereof, forfeit not less than \$10 nor more than \$1,000 for each such offense, or the maximum amount allowable by corresponding statute, whichever is greater, together with costs of prosecution and, in default of payment of such forfeiture and costs, shall be imprisoned in the county jail until such forfeiture and costs of prosecution are paid, but not exceeding 90 days.
- B. Continued violations. Each violation and each day a violation continues or occurs shall constitute a separate offense. Nothing in this Code shall preclude the City from maintaining any appropriate action to prevent or remove a violation of any provision of this Code.
- C. Execution against defendant's property. Whenever any person fails to pay any forfeiture and costs of prosecution upon the order of any court for violation of any ordinance of the City, the court may, in lieu of ordering imprisonment of the defendant, or after the defendant has been released from custody, issue an execution against the property of the defendant for said forfeiture and costs.
- D. Juvenile penalties.
[Added 8-6-1996 by Ord. No. 1534(10); amended 11-18-2003 by Ord. No. 1740(20)]
- (1) Court authority to impose alternative juvenile dispositions and sanctions. For a juvenile adjudged to have violated an ordinance, a court is authorized to impose any of the dispositions listed in §§ 938.342, 938.343 and 938.344, Wis. Stats., in accordance with the provisions of those statutes.
 - (2) For a juvenile adjudged to have violated an ordinance who violates a condition of a dispositional order of the court under § 938.342, 938.343 or 938.344, Wis. Stats., the Municipal Court is authorized to impose any of the sanctions listed in § 938.355(6)(d), Wis. Stats., in accordance with the provisions of those statutes.
 - (3) This Subsection D is enacted under the authority of § 938.17(2), Wis. Stats.

Acceptable Parking Practices if Ordinance is Approved



Parked in the Rear Yard

Subject: FW: Nov. council discussion on vehicles in yards

From: [Shirley Baumeister](#)

Sent: Monday, October 26, 2015 9:18 AM

To: [Ed Johnson](#) ; [John Ekes](#)

Subject: Nov. council discussion on vehicles in yards

I read the article in paper concerning an upcoming council discussion on parked vehicles in yards. I believe this discussion should cover MORE than just vehicles. I am referring to 2673 Timber Lane' across from Americinn. This property is the smallest in the subdivision, last year the owner cut down all trees in back. Last month he hauled in the second shed. He placed this shed in the back , along with a Van with a large trailer, a ski boat, a skidster & this second shed. Along side the garage on the grass, is a pile of lumber, ladders & scaffolding, with another flat trailer , in front of that is a white enclosed trailer and a camper. Also on that side yard is 2 cement mixers & generator. On the other side yard is a shed and another cement mixer. There are normally 3 vehicles there daily, and when sons come home another 2 vehicles which are parked on yard or on street.

If you could please take a look at this property & give me a call ... Thank you Shirley Baumeister



CITY OF BURLINGTON

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Committee of the Whole Item Number: 12	Date: November 3, 2015
Submitted By: Robert Miller	Subject: Motion 15-820 to consider approving a salary increase of five percent for City Administrator Carina Walters.

Details:

As part of the contract for City Administrator Carina Walters, after a six-month performance evaluation, Ms. Walters is eligible for an increase of three to five percent added to her base salary of \$110,000 at the discretion of the Council. For clarification purposes, below are salary comparisons between the three and five percent thresholds:

- Base Salary: \$110,000
- Three Percent: $\$3,300 + \$110,000 = \$113,300$ annually
- Four Percent: $\$4,400 + \$110,000 = \$114,400$ annually
- Five Percent: $\$5,500 + \$110,000 = \$115,500$ annually

At their October 20, 2015 Closed Session meeting, the Council reviewed the six-month performance evaluation and agreed a 5% increase to Carina Walter's annual salary was fair and warranted.

Financial Remarks:

A five percent increase will equal approximately \$5,500 additional funds added to the \$110,000 base salary that will come out of the Administration fund.

Executive Action:

This item is for discussion at the November 3, 2015 Committee of the Whole meeting. Due to the timeliness of this issue, it is placed on the Common Council agenda the same night for consideration.