



## CITY OF BURLINGTON

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

### AGENDA COMMITTEE OF THE WHOLE

Tuesday, December 5, 2017

6:30 p.m.

Common Council Chambers, 224 East Jefferson Street

Mayor Jeannie Hefty  
Susan Kott, Alderman, 1st District  
Edward Johnson, Alderman, 1st District  
Bob Grandi, Alderman, 2nd District  
Ruth Dawidziak, Alderman, 2nd District  
Tom Vos, Alderman, 3rd District  
Jon Schultz, Council President, Alderman, 3rd District  
Thomas Preusker, Alderman, 4th District  
Todd Bauman, Alderman, 4th District

**Student Representatives:**

Gabriel King, Burlington High School  
Jack Schoepke, Burlington High School

1. **Call to Order - Roll Call**
2. **Citizen Comments**
3. **Approval of Minutes** (*J. Schultz*)
  - A. **Approval of Committee of the Whole Minutes for November 21, 2017**
4. **PRESENTATIONS:**
5. **DISCUSSION:**
  - A. Racine County Executive Jonathan Delagrave to give update regarding Foxconn and to discuss the County's 2018 budget.
  - B. Discussion regarding an update on the Burlington Community Pool.
6. **RESOLUTIONS:**
  - A. **Resolution 4872(30)** - to consider adoption of the 2018 Annual Budget for the City of Burlington.
  - B. **Resolution 4873(31)** - to approve an agreement between the City of Burlington and the Southeastern Wisconsin Regional Planning Commission (SEWRPC) for a stormwater management study.

- C. **Resolution 4874(32)** - to consider approving a letter of agreement between the City of Burlington and the Racine County Economic Development Corporation (RCEDC) for 2018 economic development services in the amount of \$48,426.28.
7. **ORDINANCES:** There are none.
8. **MOTIONS:** There are none.
9. **ADJOURNMENT** (*T. Preusker*)

*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.*



**COMMITTEE OF THE WHOLE**

**ITEM NUMBER 3A**

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**DATE:** December 5, 2017

**SUBJECT:** Committee of the Whole Minutes for November 21, 2017

**SUBMITTED BY:** Diahnn Halbach, City Clerk

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**BACKGROUND/HISTORY:**

The attached minutes are from the November 21, 2017 Committee of the Whole meeting.

**BUDGET/FISCAL IMPACT:**

N/A

**RECOMMENDATION:**

Staff recommends approval of the attached minutes from the November 21, 2017 Committee of the Whole meeting.

**TIMING/IMPLEMENTATION:**

This item is scheduled for final consideration at the December 5, 2017 Common Council meeting.

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**Attachments**

COW Minutes

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## CITY OF BURLINGTON

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**CITY OF BURLINGTON**  
**Committee of the Whole Minutes**  
**Jeannie Hefty, Mayor**  
**Diahnn Halbach, City Clerk**  
**Tuesday, November 21, 2017**

1. *\*Prior to the Committee of the Whole meeting on Tuesday, November 21, 2017 at 6:20 p.m., Officers Richard Dimzoff, Samuel LaScola, and Anthony Romano were sworn in as Patrol Officers for City of Burlington.*

**Call to Order - Roll Call**

Mayor Jeannie Hefty called the meeting of the Common Council to Order on Tuesday, November 21, 2017 at 6:30 p.m. starting with Roll Call. Present: Kott, Johnson, Grandi, Dawidziak, Schultz, Preusker, Bauman. Excused: Vos.

Student Representatives Present: Gabriel King, Jack Schoepke. Excused: None.

Also present: City Administrator Carina Walters, City Attorney John Bjelajac, Director of Administrative Services Megan Watkins, Director of Finance Steve DeQuaker, Police Chief Mark Anderson, DPW Director Peter Riggs, and Library Director Joe Davies.

2. **Citizen Comments** - There were none.
3. **Approval of Minutes** (*T. Vos*)
  - A. Approval of the November 7, 2017 Committee of the Whole Meeting minutes.

4. **PRESENTATIONS:**

5. **DISCUSSION:**

- A. Discussion regarding an update on the Burlington Community Pool.

Mayor Hefty tabled this item until the December 5, 2017 Committee of the Whole meeting.

6. **RESOLUTIONS:**

- A. **Resolution 4869(27)** - A resolution Authorizing the Issuance and Sale of \$1,495,000 General Obligation Promissory Notes, Series 2017D.

Mayor Hefty introduced Resolution 4869(27). Jim Mann, from Ehlers, Inc., explained that this is the final step in authorizing the sale of the \$1,495,000 General Obligation Promissory Note for payment of the flood damaged infrastructure and then discussed the process of the bid opening, award and sale details. Mann further stated that six bids were received and Bank of Kansas was the lowest bidder.

Alderman Schultz asked how this would affect the MIL rate. Mann responded that the cost to taxpayers is estimated to be 13 cents per \$1000 on the MIL rate, over the 10-year amortization and that actual costs starts out higher, then reduces to the lower cost by paying off the principal sooner.

Steve DeQuaker stated that the City continues to maintain a AA- rating.

- B. **Resolution 4870(28)** - to approve wage increases for Chief Inspectors from \$8.75 to \$11.00 per hour and Election Inspectors from \$7.25 to \$9.00 per hour.

Mayor Hefty introduced Resolution 4870(28). City Clerk, Diahnn Halbach, explained that election inspectors have not had a wage increase since 2010. Halbach stated that in a survey from 108 Wisconsin municipalities, it was determined that the average pay for election inspectors was \$9.14 per hour and \$10.73 per hour for Chief Inspectors. Halbach further stated that the amounts being requested has been budgeted for in the 2018 annual budget. There was no further discussion.

- C. **Resolution 4871(29)** - to consider approving an Extraterritorial Zoning (ETZ) Certified Survey Map (CSM) application for property located at 34525 Walburg Lane in the Town of Burlington.

Mayor Hefty introduced Resolution 4871(29). There was no discussion.

7. **ORDINANCES:** There are none.

8. **MOTIONS:** There are none.

9. **ADJOURNMENT**

A motion was made by Alderman Schultz with a second by Alderman Grandi to adjourn the meeting. With all in favor, the meeting adjourned at 6:40 p.m.

Minutes respectfully submitted by:

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Diahnn C. Halbach  
City Clerk  
City of Burlington



## COMMITTEE OF THE WHOLE

## ITEM NUMBER 6A

**DATE:** December 5, 2017

**SUBJECT:** RESOLUTION 4872(30) - to consider adoption of the 2018 Annual Budget for the City of Burlington.

**SUBMITTED BY:** Steven DeQuaker, Finance Director

### **BACKGROUND/HISTORY:**

The 2018 Annual Budget workshops were held on October 11, October 18 and November 1. Part of the process included departments discussing current and future operations and capital budget needs. A Public Hearing on the Budget was held on November 21, 2017.

Overall Assessed Values in the City of Burlington, including TIF Districts increased about 2.2% to \$879,086,350. Equalized or "Market" Values rose to \$903,9995,500, giving an equalization factor of 97.2%. Less than 100% Equalized Value to Assessed Value indicates higher market values than assessed values. Net New Construction was 3.51% in 2017. Net New construction is one of the driving factors for the allowable City Levy. The City Budget funded by Taxes was increased by Net New Construction and total General Obligation Debt.

The attached budget encompasses all of the items as discussed with Council:

- Projected Fund Balance is \$2,111,138 or 24.5% of projected expenditures, meeting a Council fiscal policy.
- Water Rates will be increased by about 5% beginning in 2nd quarter 2018.
- Sewer Rates will remain unchanged for 2018.
- The Cost of Living Adjustment (COLA) applied to the Tiered Pay Scale is 1.5%
- All Non-Major funds are fully funded through grants, loans or general fund transfers, with the exception of the Capital Projects Infrastructure fund, which remains at a negative balance. This balance can be cleared after the close of TIF District 3 and the Environmental Remediation District 1 planned for 2018, which is a financial priority.
- Equipment Replacement Fund has been funded at \$300,000. Net change in the fund is (\$409,484).
- Library has been funded at \$405,500.
- Self Insurance fund continues as in the past with premiums covering claims and the fund ending 2018 with a positive fund balance.
- H.S.A. Premiums will increase overall by an average of 59% in 2018. Very high claims at the end of 2016 and all of 2017 are the main reason for the large increase. Premiums DID NOT increase in 2017 compared to 2016, so there has been a 2 year consistent rate, but claims history has been growing. The employee portion of the premium will increase to 4.8%, double the 2017 contribution. Additionally, Family and Single H.S.A. deductible contribution from the City has been reduced an additional \$400 and \$200 respectively as passed by resolution of Council in 2016. Family Deductible Contribution is \$1,200 and Single Deductible Contribution is \$600. The City will maintain a general stop loss coverage of \$50,000 per claim, with some specific stop loss coverages being higher for identified claims from the carrier.
- PPO Plan premiums are expected to increase 34% with the employees portion increasing to 10.8%, or .4% more than the 2017 contribution. Again, high claims in 2017 and no premium increase in 2017 over 2016 are the reason for the large increase.

### **BUDGET/FISCAL IMPACT:**

All funds have been discussed and funded per Council Direction at the 2018 Budget Workshops. The City is projected to qualify for the Expenditure Restraint portion of shared revenue in 2018. Fund Balance is projected to be 25.4%. Water, Sewer Utility and Municipal Airport are projected to have positive cash flow and cash balances as required in 2018. All other funds, except for the Capital Projects Infrastructure Fund as noted in the history are fully funded in 2018. Internal Service Funds are fully funded in 2018. The 2017 Flood damage is expected to be fully repaired by early 2018 with minimal additional expenditures in 2018.

Projected MIL rate for the City of Burlington is \$9.87 per 1,000 with approximately \$0.40 per 1,000 related to the Pool debt service. The City MIL rate is \$0.91 cents higher in 2017 than in 2016 or \$163 for an average household. Debt Services is about double compared to 2017 and is an additional driver for the higher MIL Rate. Overall, The MIL rate for all taxing jurisdictions is expected to be about 60 cents per 1,000 higher than in 2017.

MIL rates are subject to change based on rounding and any changes to the budget prior to adoption and tax bill generation.

**RECOMMENDATION:**

Staff recommends adopting the 2018 Annual Budget.

**TIMING/IMPLEMENTATION:**

Due to the timeliness and generation of Tax bills for the City of Burlington related to this item, it is on the Council agenda the same night for final discussion.

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**Attachments**

Res 4872(30) 2018 Budget

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**A RESOLUTION ADOPTING THE 2018 BUDGET, 2018 FUND BALANCE,  
GENERAL OBLIGATION DEBT LIMITATION AND UTILITY RATES**

**WHEREAS**, the draft 2018 Budget for the City of Burlington has been prepared by City staff and presented to the Committee of the Whole for their consideration, review and revision; and,

**WHEREAS**, the draft 2018 Budget reflects the changes as directed by the Committee of the Whole; and,

**WHEREAS**, the proper notices for adoption of said budget have been published in the official newspaper for the City of Burlington; and,

**WHEREAS**, the budget was made available for inspection and review by the public at the Office of the City Clerk of the City of Burlington for the necessary time as required by law, at the Burlington Public Library and online at the City of Burlington Website; and,

**WHEREAS**, a public hearing has been conducted by the Common Council of the City of Burlington and comments of all citizens and other interested parties received, and the budget has been duly and completely reviewed by the Common Council with regards to appropriation and expenditures.

**NOW THEREFORE, BE IT RESOLVED** that the Common Council adopts as policy for the 2018 budget year a fund balance of 18% to 25% of operating expenditures, with any excess fund balance over 25% to be applied to a Capital Project Fund; and

**BE IT FURTHER RESOLVED** that the Common Council adopts as policy for the 2018 budget year a limit on General Obligation Debt to not greater than 75% of the borrowing authority as defined by the State of Wisconsin, except by Super Majority vote of the Common Council or by authorization through binding or advisory referenda; and,

**BE IT FURTHER RESOLVED** that the 2018 City of Burlington Budget in the amounts shown in the attached Budget Summary as part of this resolution is hereby approved; and,

**BE IT FURTHER RESOLVED** that the Common Council of the City of Burlington does authorize the City Finance Director Treasurer to levy a total tax of \$6,766,600 for the General Fund in the following amounts: \$6,765,180.18 including debt for Racine County property in the City of Burlington; to levy tax for the General Fund in the amount of \$1,419.82 including debt for Walworth County property in the City of Burlington. The City Treasurer is also directed to levy TIF District taxes as prescribed by statute in the amount of \$4,617,047.09 For TID 3 and ER TID 1 in Racine County and \$378,913.28 for TID 5 in Walworth County, plus or minus rounding; and to collect these taxes to meet and operate, pursuant to said budget, the fiscal and calendar year of 2018.

Introduced: December 5, 2017  
Adopted: December 5, 2017

\_\_\_\_\_  
Jeannie Hefty, Mayor

Attest: \_\_\_\_\_  
Diahnn Halbach, City Clerk





## COMMITTEE OF THE WHOLE

ITEM NUMBER 6B

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**DATE:** December 5, 2017

**SUBJECT:** **RESOLUTION 4873(31)** - to approve an agreement between the City of Burlington and the Southeastern Wisconsin Regional Planning Commission (SEWRPC) for a stormwater management study.

**SUBMITTED BY:** Carina Walters, City Administrator

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### **BACKGROUND/HISTORY:**

On September 7, 2017, in a meeting with the Southeastern Wisconsin Regional Planning Commission (SEWRPC), City staff requested that SEWRPC prepare a stormwater management analysis for a portion of the City's storm sewer system. The area of interest is on the southern side of the City, along McHenry Street, serving an industrial area that includes the Ardagh Group, Lavelle Industries, KW Precasting, and Cretex Materials properties. To support this effort it has been proposed that the SEWRPC staff develop an existing conditions storm sewer model for this area and evaluate alternatives to reduce surface flooding.

This attached letter of agreement and corresponding memorandum is in response to this request for a scope of work, cost, and schedule to perform a storm sewer analysis for the subject area.

### **Project Objective**

The main objective of the analysis for the City of Burlington is to create a reasonable representation of the existing system, and then evaluate alternatives to reduce surface flooding in this portion of the City.

### **System to be Studied**

The proposed study will address a portion of the City's storm sewer system. The area around Lavelle Industries at the corner of McHenry Street and the Canadian National railroad tracks floods frequently. This study will evaluate alternatives to reduce surface ponding in the storm sewer system near the Lavelle Industries site.

### **Data Compilation**

Storm sewer system data in GIS format is being provided by Kapur & Associates. SEWRPC staff will evaluate the GIS data for completeness and work with Kapur and City staff as needed to receive complete information for the study storm sewer network. SEWRPC staff will also perform one site visit to the project area to confirm subbasin divides and the drainage system configuration. SEWRPC staff will compile local data on the September 2016 and July 2017 flood events for use in confirming the existing conditions model.

### **BUDGET/FISCAL IMPACT:**

SEWRPC staff will perform the floodplain analysis for a not-to-exceed cost of \$50,000 to be paid through the Wisconsin Department of Natural Resources grant under a separate agreement.

### **RECOMMENDATION:**

Staff recommends approval of this agreement.

### **TIMING/IMPLEMENTATION:**

This item is for discussion at tonight's Committee of the Whole meeting and is scheduled for final consideration at the December 19, 2017 Common Council meeting.

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### **Attachments**

Res 4873(31) SEWRPC Agreement\_Stormwater Study

Attachment A  
Attachment B and C

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**A RESOLUTION APPROVING AN AGREEMENT BETWEEN THE CITY OF BURLINGTON AND THE  
SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION (SEWRPC) FOR A  
STORMWATER MANAGEMENT STUDY TO BE PERFORMED BY SEWRPC FOR A PORTION OF  
THE CITY**

**WHEREAS**, in a meeting with the Southeastern Wisconsin Regional Planning Commission (SEWRPC) staff on September 7, 2017, City staff requested that SEWRPC prepare a stormwater management analysis for a portion of the City's storm sewer system. The area of interest is on the southern side of the City serving an industrial area that includes the Ardagh Group, Lavelle Industries, KW Precasting, and Cretex Materials properties, as shown in "Attachment C". To support that effort it is proposed that the SEWRPC staff develop an existing conditions storm sewer model for this area and evaluate alternatives to reduce surface flooding; and,

**WHEREAS**, the main objective of the analysis for the City of Burlington is to create a reasonable representation of the existing system, and then evaluate alternatives to reduce surface flooding in this portion of the City; and,

**WHEREAS**, this letter of Agreement between SEWRPC and the City of Burlington and corresponding memorandum is provided in response to the request from the City of Burlington for a scope of work, cost, and schedule to perform a storm sewer analysis for the subject area; and,

**WHEREAS**, upon execution of the resolution, this letter of agreement shall constitute as an agreement between the City of Burlington and SEWRPC for a stormwater management study to be performed by SEWRPC for a portion of the City including the attached scope of work, which is made a part hereof by reference as "Attachment B" detailing SEWRPC's efforts for this evaluation; and,

**WHEREAS**, the City Council has determined that entering into an agreement with the SEWRPC to conduct the hydraulic study described herein from September 25, 2017 through December 31, 2018 as described in "Attachment A" is in the best interest of the city; and,

**WHEREAS**, SEWRPC shall be compensated for this effort from a \$50,000 grant under a separate agreement with the Wisconsin Department of Natural Resources; and,

**WHEREAS**, the City Administrator has reviewed the proposed agreement, attached hereto and made a part hereof, and recommends its approval;

**NOW, THEREFORE, BE IT RESOLVED** by the Common Council of the City of Burlington that the agreement with SEWRPC is hereby approved and the City Administrator is authorized to execute said agreement on behalf of the City.

Introduced: December 5, 2017  
Adopted:

\_\_\_\_\_  
Jeannie Hefty, Mayor

Attest:

\_\_\_\_\_  
Diahn Halbach, City Clerk

**“ATTACHMENT A”**

November 28, 2017

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

Dear Ms. Walters:

Upon execution, this letter will constitute an agreement between the City of Burlington and the Southeastern Wisconsin Regional Planning Commission (SEWRPC) for a stormwater management study to be performed by SEWRPC for a portion of the City. The attached scope of work, which is made a part hereof by reference to the same force and effect as if set forth at length herein, details the SEWRPC efforts for this evaluation.

SEWRPC shall be compensated for this effort from a \$50,000 grant under a separate agreement with the Wisconsin Department of Natural Resources.

Please sign as indicated at the bottom of each of the two copies of this letter agreement and return one of the signed copies to us.

We look forward to working with you in carrying out this important project. Should you have any questions or comments concerning this matter, please do not hesitate to contact Laura Herrick directly at 262-953-3224 or [lherrick@sewrpc.org](mailto:lherrick@sewrpc.org).

Sincerely,

Michael G. Hahn, P.E., P.H.  
Executive Director

MGH/LKH/md

#239327 V1 - BURLINGTON STORMWATER ANALYSIS LETTER

Enclosure (#239276)

bcc: Elizabeth A. Larsen

Ms. Carina Walters  
November 28, 2017  
Page 2

ACCEPTED ON BEHALF OF  
THE CITY OF BURLINGTON

\_\_\_\_\_  
Carina Walters, Administrator

Date \_\_\_\_\_

## “ATTACHMENT B”

MGH/LKH/KMH  
#00239276  
11/27/17

### SEWRPC Staff Memorandum

#### SCOPE OF WORK FOR STORMWATER MANAGEMENT EVALUATION ON THE SOUTH SIDE OF THE CITY OF BURLINGTON

#### INTRODUCTION

In a meeting with the Southeastern Wisconsin Regional Planning Commission (SEWRPC) staff on September 7, 2017, the Burlington City Administrator requested that SEWRPC prepare a stormwater management analysis for a portion of the City’s storm sewer system. The area of interest is on the southern side of the City serving an industrial area that includes the Ardagh Group, Lavelle Industries, KW Precasting, and Cretex Materials properties. To support that effort it is proposed that the SEWRPC staff develop an existing conditions storm sewer model for this area and evaluate alternatives to reduce surface flooding.

This memorandum is provided in response to the request from the City of Burlington for a scope of work, cost, and schedule to perform a storm sewer analysis for the subject area.

#### PROJECT OBJECTIVE

The main objective of the analysis for the City of Burlington is to create a reasonable representation of the existing system, and then evaluate alternatives to reduce surface flooding in this portion of the City.

#### STORMWATER MANAGEMENT EVALUATION

##### System to be Studied

The proposed study will address a portion of the City of Burlington’s storm sewer system (Map 1). The area around Lavelle Industries at the corner of McHenry Street and the Canadian National railroad tracks floods frequently. This study will evaluate alternatives to reduce surface ponding in the storm sewer system near the Lavelle Industries site.

##### Data Compilation

Storm sewer system data in GIS format will be provided by Kapur & Associates, which serves as the Engineer for the City of Burlington. SEWRPC staff will evaluate the GIS data for completeness and work with Kapur and City staff as needed to receive complete information for the study storm sewer network (Map 1).

SEWRPC staff will also perform one site visit to the project area to confirm subbasin divides and the drainage system configuration.

SEWRPC staff will compile local data on the September 2016 and July 2017 flood events for use in confirming the existing conditions model.

##### Hydrologic Analysis

The hydrologic and hydraulic analyses for the storm sewer system to be studied will be completed using the USEPA Storm Water Management Model (SWMM) version 5.1.011. This model is freeware, thus it can be used by others for future analyses.

SEWRPC staff will delineate the contributing drainage area for the study storm sewer (Map 1). The 2010 land use data, Natural Resource Conservation Service soil data, and available topography will be used to characterize the subbasins contributing to the study storm sewer for the SWMM analysis. The study will use the most recent 2010 two-foot contour interval ground elevation data for the City, which was obtained by Racine County in collaboration with SEWRPC.

SEWRPC staff will develop model input data for the September 2016 and July 2017 storms as well as for design storms developed using rainfall depth-duration data from the National Oceanic and Atmospheric Administration (NOAA) *Atlas 14 Volume 8, Precipitation-Frequency Atlas of the United States, Midwestern States (Colorado, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Wisconsin)*, along with the SEWRPC 2006 rainfall distribution for the Southeastern Wisconsin Region. Design storm rainfall depths will include the 50-, 10-, 4-, 2-, and 1-percent-annual probability (2-, 10-, 25-, 50-, and 100-year return interval) rainfall events. SEWRPC staff will perform a critical duration analysis to determine which design storm produces the highest peak flow or worst surface ponding for the subject storm sewer. This critical duration storm will be used to evaluate alternatives.

#### Hydraulic Analyses

Hydraulic analyses will be performed using the USEPA SWMM version 5.1.011. The study storm sewer network will be represented in the model, with elevations, pipe sizes, and pipe lengths matching the GIS data received. Where appropriate, existing detention storage will also be represented in the SWMM model. The flows developed as part of the hydrologic analysis will be used to evaluate the hydraulics of the study storm sewer system.

The outlet of the subject storm sewer system at the Fox River will be evaluated under both normal and flood level conditions. It is anticipated that the subject storm sewer network will only function under normal to low flood level conditions. Once the appropriate Fox River stage condition is determined, that condition will be used to evaluate alternatives.

#### Alternative Evaluation

Once the existing conditions SWMM model is complete, SEWRPC staff will evaluate up to five alternatives to reduce surface flooding. These alternatives may include storm sewer improvements or alterations, above or below ground detention, modifications to the storm sewer outlet at the Fox River, or a combination of these. Alternatives will be evaluated using the SWMM model to reduce or eliminate surface flooding for events up to a storm return interval agreed to by the City.

Planning level cost estimates will be completed for up to five viable hydraulic alternatives.

#### Deliverable

SEWRPC staff will summarize the study in a SEWRPC Staff Memorandum. The memorandum will include a summary of the hydrologic and hydraulic analysis as well as the alternatives evaluation and planning level cost estimates.

### **SCHEDULE AND COST**

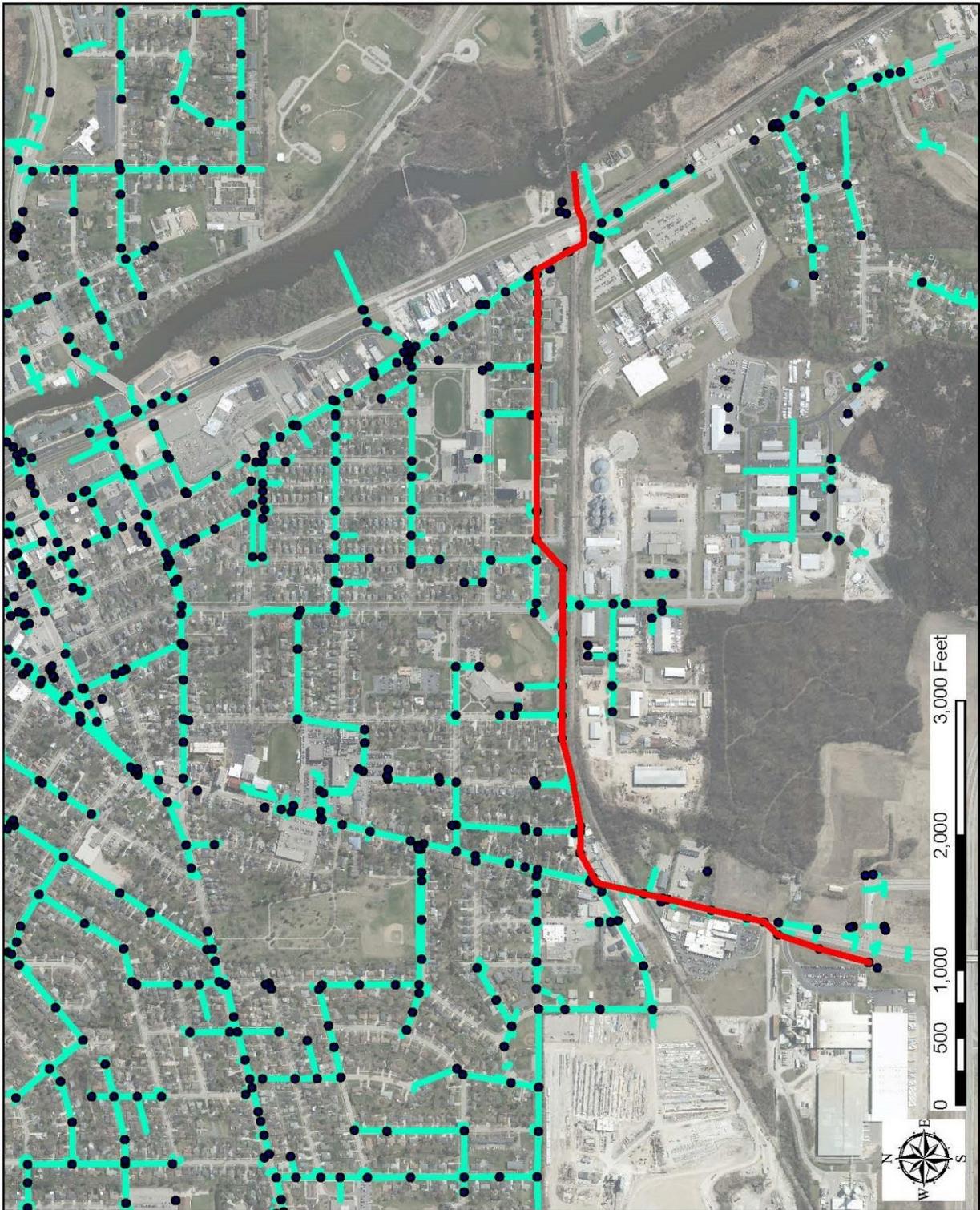
It is proposed that SEWRPC staff will conduct the hydraulic study described herein from September 25, 2017 through December 31, 2018. Note that questions regarding the storm sewer system data in GIS will need to be answered promptly by the City for this project to maintain the schedule.

SEWRPC staff will perform the floodplain analysis described herein at a not-to-exceed cost of \$50,000 to be paid through a Wisconsin Department of Natural Resources grant.

“ATTACHMENT C”

MAP 1

STUDY STORM SEWER TO BE EVALUATED (Highlighted red)





**COMMITTEE OF THE WHOLE**

**ITEM NUMBER 6C**

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**DATE:** December 5, 2017

**SUBJECT:** RESOLUTION 4874(32) - to consider approving a letter of agreement between the City of Burlington and the Racine County Economic Development Corporation (RCEDC) for 2018 economic development services in the amount of \$48,426.28.

**SUBMITTED BY:** Carina Walters, City Administrator

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**BACKGROUND/HISTORY:**

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 both federal and state funding. Further, RCEDC has been an essential resource during the 2016 Downtown Strategic Plan sessions, as well as the continual monthly meetings with downtown business owners to facilitate the initiatives from the plan.

As in previous years, the cost of the RCEDC assistance for 2018 is divided into two components. The first component is economic and community development assistance. This cost is \$42,400, which is the same as it has been since 2016, and is included within the 2018 budget, paid to the RCEDC in quarterly payments. The second component is the administration of the City's revolving loan fund to local businesses in the amount of \$6,026.28. This is based on twenty percent (20%) of the incoming loan payments and may change should additional loans be approved throughout the year.

**BUDGET/FISCAL IMPACT:**

Costs associated with this contract are within the 2018 annual budget.

**RECOMMENDATION:**

Staff recommends approval of this annual renewal to retain valuable services and resources with RCEDC.

**TIMING/IMPLEMENTATION:**

This item is for discussion at the December 5, 2017 Committee of the Whole meeting and is scheduled for final consideration at the December 19, 2017 Common Council meeting.

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**Attachments**

Res 4874(32) 2018 RCEDC Contract  
RCEDC Agreement

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**A RESOLUTION APPROVING A LETTER OF AGREEMENT BETWEEN  
THE CITY OF BURLINGTON AND THE RACINE COUNTY ECONOMIC  
DEVELOPMENT CORPORATION (RCEDC) FOR 2018**

**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; and,

**WHEREAS**, the cost of this assistance shall cost \$48,426.28 with payments being made during the first week of each quarter, upon the receipt of an invoice from the RCEDC.

**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, 2018, as stated in the attached agreement (Exhibit "A"), dated November 1, 2017.

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

Introduced: December 5, 2017

Adopted:

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Jeannie Hefty, Mayor

Attest:

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Diahnn Halbach, City Clerk

November 29, 2017

Jeannie Hefty, Mayor  
City of Burlington  
300 North Pine St.  
Burlington, WI 53105

Dear Mayor Hefty:

This letter is intended to serve as a letter agreement between the City of Burlington, hereinafter referred to as "Burlington" 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 Burlington. Such assistance will be coordinated on a day-to-day basis with the Administration and, with regard to policy-related issues coordinated with City Administration, the Mayor and City Council.

As in years past, this letter agreement combines the economic development services contract with the administration of Burlington's Revolving Loan Fund (RLF).

## **PURPOSE**

The purpose of the agreement is to further the overall goals of community and economic development by facilitating job growth and investment, resulting in new tax base for Burlington, through interagency cooperation and services provided by the RCEDC. In particular, this Agreement will result in the provision of technical assistance relative to Burlington's initiative to conduct various development and redevelopment projects in the central business district and its environs.

## **AGREEMENT**

The RCEDC agrees to provide direct economic and community development assistance to Burlington in accordance with the objectives promulgated by the Mayor, City Council and City Administrator. The RCEDC has assigned Jenny Trick, Executive Director as the economic development staff person to Burlington who will act as the City's economic development advocate, in partnership with other RCEDC staff, and will expend best efforts to promote business recruitment, business retention and expansion, community development and business finance resources to support Burlington and its companies.

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

### **Community Development Assistance**

1. Downtown Strategic Plan Implementation. In support of the adopted Downtown Strategic Plan (2016), Staff will continue to provide guidance and support to the Team Leaders to ensure progress is realized. Particular emphasis to be provided to the Economic Vitality and Planning & Organization committees. It is important to note that during 2017 and into 2018, RCEDC assistance will be offered specific to the following:
  - a. Planning and Organization Committee – investigation of a Business Improvement District,

- including researching other Wisconsin BIDs, compiling data and presenting it to the committee, assistance in preparing for community meetings, UW Extension's First Impressions and WEDC's Community Connect program.
- b. Economic Vitality Committee – participation in walking tour of B-2 district, authoring a findings memorandum to the City, seeking financial resources for downtown building owners and businesses, and preparing communications about current financial programs to support downtown building owners other related resources.
2. Update the Community Profile for Burlington. Utilizing the ESRI Business Analyst (BA) software, update the Community Profile for Burlington. This activity is in support of one of the four Downtown Committees, the Design Committee.
  3. Develop Recruitment Proposals for Priority Sites. Once priority sites are identified by the Burlington Downtown Volunteer Committee, utilizing the ESRI software, prepare site specific proposals for business recruitment and/or development consideration. This information will be provided to developers, site selectors, brokers and identified targeted industries (as per the ESRI report). Additionally this information will be added to other Partner Organization websites including, but not limited to, the City of Burlington, RCEDC, Burlington Chamber and others. This activity is in support of one of the Burlington Downtown Volunteer Committees.
  4. Existing Business Growth and Support. A variety of resources, both through RCEDC and its Partners, will be made available to Burlington's commercial businesses. Resources including access via RCEDC to ArcGIS resources including ESRI Business Analyst, Location Analytics, Tapestry data and Story Maps. In addition, small business resources through UW Extension, Small Business Development Center, Wisconsin Women's Business Initiative, SCORE, Gateway Technical College's Launch Box and GrowthWheel will be made available. Financial resources through RCEDC, Racine County, and Burlington will be marketed and direct assistance will be provided to businesses interested in applying for funding.
  5. Provide Suggested Content and Links for the Burlington Website. Based on downtown retail recruitment programs and best practices of other proactive and growing small communities, RCEDC will continue to identify items and links to be added to the Burlington website. This activity is in support of one of the Burlington Downtown Volunteer Committees.
  6. Business Friendly Evaluation. Working in partnership with the Design Committee, provide support in the review of the local review processes that businesses and developers undergo to obtain approval of occupancy with the goal to reduce steps, time and cost for said approvals.

#### **Business Retention and Expansion (BRE) Assistance**

7. Continue to conduct an on-going business expansion and retention program that consists of the following:
  - Continue to implement the RCEDC CEO Call Program via the Synchronist interview software which includes comprehensive interviews with Racine County businesses with a goal to provide assistance to these businesses. Results from the interviews will assist RCEDC in identifying gaps in programs needed to support local companies.
  - Market and support peer learning and leadership programs such as the RCEDC CEO Roundtable, Living as a Leader program and others.

8. Assist Burlington businesses per direct contact or referral from the Mayor and Administrator and report findings to Burlington leadership. When meeting with local companies, RCEDC staff will provide information on existing State, federal and local economic development assistance programs that may assist the needs of local businesses. These programs include low-interest loans, tax credit programs, grants and workforce development training assistance.

### **Business Recruitment Activities**

9. Continue the implementation of a targeted business recruitment program that includes emphasis on the following:
  - Businesses seeking a location in the Chicago-Milwaukee corridor to grow their market and access Racine County prominent employers that include machinery manufacturing, fabricated metal products manufacturing, food manufacturing, electrical equipment manufacturing, chemical manufacturing, logistics and distribution and healthcare services.
  - International businesses that are seeking an upper Midwest location to establish a sales office, distribution facility and/or manufacturing facility. This effort will be undertaken independent of or in partnership with the Wisconsin Economic Development Corporation, Milwaukee 7, international chambers, referrals from other intermediaries and more.
10. Provide assistance through the development of customized proposals to businesses interested in establishing a location within Burlington 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 to the City Administrator, as well as a status report on such businesses as part of this agreement's semi-annual reports, monthly meetings with the City Administrator, and maintaining a periodic business follow-up procedures.

### **Marketing Activities**

11. Continue to implement a proactive Business Development initiative that includes business recruitment and business retention and expansion strategies by undertaking the following:
  - Independent or in partnership with Wisconsin Economic Development Corporation and/or the Milwaukee 7, attend domestic and international tradeshows and events for the purpose of recruiting new investment and businesses to Racine County;
  - Maintain membership and regularly attend Chicago Area Industrial Real Estate (AIRE) networking functions;
  - Maintain membership and regularly attend Milwaukee's NAIOP and CARW networking functions;
  - Publish quarterly e-newsletter on economic development activities and events;
  - Host events including the RCEDC annual meeting;
  - Author local newspaper articles featuring economic development issues;
  - Update RCEDC website, marketing materials and social media platforms with projects, local company news and national and international articles of business interest; and
  - Feature local project successes on the RCEDC website.

### **Workforce Development Services**

12. RCEDC will provide the services of the Workforce Development Solutions staff to support the talent recruitment and workforce training needs of Burlington businesses. To assist the unemployed and underemployed Burlington residents, the Workforce Development Solutions staff will develop and host

job fairs, on-site company recruitment events and implement other employment enhancement programs including the GED Outreach initiative and Workplace Excellence Series program.

13. RCEDC will continue to be an advocate for Burlington in working with the Racine County Workforce Solutions Leadership to implement the workforce development plan "Higher Expectations/Strive Together".

#### **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 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 Burlington'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. 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. 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:

- Actions that do not significantly affect the interest of the City in an adverse manner.
- Subordination to a new senior lien holder (usually a bank) provided no new money is being lent.
- Other servicing actions that can be defined as minor.

K. 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.

L. Coordinate 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, 2018 to December 31, 2018.

The cost of this assistance to Burlington is divided into two components. First, for economic and community development assistance, the cost is \$42,400 and is the same as it has been since 2016. Second, the annual cost of administration of Burlington's RLF's is \$6,026.28, is based on 20 percent of the loan payments (see Attachment A) and is an expense charged to the Burlington RLF loan fund (originally sourced with Wisconsin CDBG program). This cost may change should additional loans be made. The RCEDC will notify Burlington 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 Burlington. Neither RCEDC nor any of its officers, employees, or agents shall be considered to be an employee of Burlington 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 Burlington. In addition, RCEDC hereby holds harmless Burlington 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 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 \_\_\_\_\_, 2017.

**CITY OF BURLINGTON**

By: \_\_\_\_\_  
Jeannie Hefty, Mayor

Witness: \_\_\_\_\_  
Diahn Halbach, City Clerk

**RACINE COUNTY ECONOMIC  
DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
Jenny Trick, Executive Director

Burlington Revolving Loan Fund 2018

	<u>Monthly</u>	<u>Annually</u>
Dawley Manufacturing	\$789.17 x 7 months	\$ 5,524.19
Dawley Manufacturing (Rate Change)	\$793.44 x 5 months	\$ 3,967.20
<u>Burlington Hotel Group</u>	<u>\$1,720.00 x 12 months</u>	<u>\$ 20,640.00</u>
<b>Total</b>		\$ 30,131.39

\$30,131.39 x 20% = **\$6,026.28** Annually

\$6,026.28/4 = **\$1,506.57 per quarter (to be invoiced)**

Burlington TID Revolving Loan Fund 2018

	<u>Monthly</u>	<u>Annually</u>
Fox Crossing Burlington, LLC (1)	\$468.52 x 12 months	\$ 0.00
Fox Crossing Phase II (1)	\$41.67 x 12 months	\$ 0.00
Musicology, LLC (2)	\$ 1,219.30 x 11 months	\$ 0.00
<u>Hampton Hometown (3)</u>	<u>\$ 6,407.68 x 12 months</u>	<u>\$ 0.00</u>
<b>Total</b>		\$ 0.00

- (1) Fox Crossing Burlington, LLC 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) Musicology, LLC 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.
- (3) 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.