



**AGENDA**  
**COMMITTEE OF THE WHOLE**

**Tuesday, July 17, 2018**

**6:30 p.m.**

**Common Council Chambers, 224 East Jefferson Street**

Mayor Jeannie Hefty  
Susan Kott, Alderman, 1st District  
Theresa Meyer, Alderman, 1st District  
Bob Grandi, Alderman, 2nd District  
Ryan Heft, Alderman, 2nd District  
Steve Rauch, 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** *(T. Preusker)*
  - A. Approval of the June 19, 2018 Committee of the Whole meeting minutes.
4. **DISCUSSION:**

Discussion regarding the Burlington Senior Center's budget and activities program.
5. **RESOLUTIONS:**
  - A. **Resolution 4910(12)** - to approve a contract with M.E. Simpson Company, Inc. for Hydrant Flow Testing for a not-to-exceed price of \$40,040.00
  - B. **Resolution 4911(13)** - granting an easement from the City of Burlington to WIN Properties, LLC for alley property located adjacent 413 and 425 N. Pine Street.
  - C. **Resolution 4912(14)** - to consider approving an Agreement between the City of Burlington and Racine County for the acquisition of property located at 617 N. Pine Street.
  - D. **Resolution 4913(15)** - to amend the City of Burlington Fee Schedule for Mobile Food Vendor Permits.

6. **ORDINANCES:**

- A. **Ordinance 2036(2)** - to create a new Section 254-2.1 of the Municipal Code regarding "Mobile Food Vendors".
- B. **Ordinance 2037(3)** - to consider a rezone for property at 169 Industrial Drive from M-2, General Manufacturing District to M-2 (PUD), General Manufacturing District with a Planned Unit Development Overlay.
- C. **Ordinance 2038(4)** - to amend the Official Zoning Map by rezoning 332 Milwaukee Avenue from B-2, Central Business District to Rd-2, Two-Family District.

7. **MOTIONS:**

- A. **Motion 18-903** - to approve Ansay & Associates, LLC as the City of Burlington's Workman's Compensation and General Liability Advisor and pay the remaining seven month balance for the City's insurance premium in the amount of \$299,567.
- B. **Motion 18-904** - to approve the 2017 Annual Audit completed by Sitzberger & Company, S.C.

8. **ADJOURNMENT** (*T. Bauman*)

*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:** July 17, 2018

**SUBJECT:** Committee of the Whole Minutes for June 19, 2018

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

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**BACKGROUND/HISTORY:**

The attached minutes are from the June 19, 2018 Committee of the Whole meeting.

**BUDGET/FISCAL IMPACT:**

N/A

**RECOMMENDATION:**

Staff recommends approval of the attached minutes from the June 19, 2018 Committee of the Whole meeting.

**TIMING/IMPLEMENTATION:**

This item is scheduled for final consideration at the July 17, 2018 Common Council meeting.

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**Attachments**

COW Minutes

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## CITY OF BURLINGTON

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

**CITY OF BURLINGTON**  
**Committee of the Whole Minutes**  
**Jeannie Hefty, Mayor**  
**Diahnn Halbach, City Clerk**  
**Tuesday, June 19, 2018**

1. **Call to Order - Roll Call**

Mayor Jeannie Hefty called the meeting of the Common Council to order at 6:30 p.m. starting with roll call. Present: Mayor Hefty, Susan Kott, Theresa Meyer, Bob Grandi, Ryan Heft, Steve Rauch, Jon Schultz, Todd Bauman. Excused: Tom Preusker.

Student Representatives Present: Jack Schoepke. Excused: Gabriel King

Also present: City Administrator Carina Walters, City Attorney John Bjelajac, Director of Administrative Services Megan Watkins, Finance Director Steve DeQuaker, Director of Public Works Peter Riggs, Building Inspector Gregory Guidry, Library Director Joe Davies.

2. **Citizen Comments** - There were none.

3. **Approval of the June 5, 2018 Committee of the Whole Meeting Minutes**

A motion was made by Alderman Bauman with a second by Alderman Heft. With all in favor, the motion carried.

4. **PRESENTATIONS:**

A. Presentation regarding the Central Racine County Health Department Annual Report.

Margaret Gesner of the Central Racine County Health Department presented the 2017 Year in Review and the 2018 initiatives for the City of Burlington.

5. **DISCUSSION:**

A. Status update of the 2016-2018 Strategic Plan Initiatives.

Administrator Walters reviewed the five strategic priorities set forth during the strategic planning process, a series of desired outcomes, key outcome indicators, and a set of performance targets. Walters further stated that staff is on track with the goals and dates at this time and that many initiatives are in progress.

6. **RESOLUTIONS:**

- A. **Resolution 4907(9)** - Approval of the 2017 Compliance Maintenance Annual Report (CMAR) for the Burlington Wastewater Utility.

DPW Director, Peter Riggs reported that the 2017 CMAR grade point average for the City of Burlington Waste Water Utility was a 4.0, which is the seventh time since 2007, and demonstrates a history of excellence and professionalism in wastewater treatment. Riggs further stated that the City's Wastewater treatment plant and collection system are in full compliance with the City's WPDES permit.

- B. **Resolution 4908(10)** - Approval of Change Order Number One with All-Ways Contractors for the Lewis Street Wall Project for an increase of the contract in the amount of \$15,229.

DPW Director Peter Riggs explained the reason for the Change Order stating that a buried AT&T utility was discovered in the public right-of-way on the west side of the site for the Lewis Street wall project. Riggs stated that All-Ways provided a quote to complete the work and that AT&T would reimburse the City.

- C. **Resolution 4909(11)**- Approval of repairs to three (3) sanitary sewer lift stations in the amount of \$16,691.54.

DPW Director Peter Riggs reviewed the background history and explained that as part of routine operations, the Wastewater Utility performs maintenance on pumps and other lift station components and, as part of the 2018 lift station maintenance program, has identified a list of repairs. Riggs stated that the Wastewater Utility solicited quotes from four service providers and received two quotes to perform the repairs. Riggs further stated that LW Allen was the lowest bidder and is qualified to do the work and recommended approval of this service provider.

7. **ORDINANCES:**

- A. **Ordinance 2036(2)** - to create a new Section 254-2.1 of the Municipal Code regarding "Mobile Food Vendors".

Megan Watkins reviewed the background history and based on feedback from the May 15, 2018 Committee of the Whole meeting, presented three options for Council to consider. Option 1 was to approve or deny the ordinance as originally presented. Option 2 included set locations in which mobile food vendors would be allowed to park. Option 3 would allow Mobile Food Vendors only as part of a Special Event. Council asked if a combination of Option 2 and 3 was possible. Walters responded that a revised ordinance to include both Options 2 and 3 would be brought back to Council for review at the July 17 meeting.

8. **MOTIONS:**

- A. **Motion 18-902** - Approval of an Agreement with Northern Illinois University (NIU) for a student intern from August 2018 to May 2020.

Administrator Walters reviewed the background history of the Internship Program and stated that staff interviewed five Master of Public Administration (MPA) students enrolled in the Northern Illinois University (NIU) graduate program. As a result of the interviews and comparing staff rankings with student rankings, the City was matched with one of NIU's top three applicants. Walters further stated that in order to commence the internship, the City is required to approve an agreement with NIU and that the City Attorney and staff have reviewed the agreement and recommend approval for the student intern.

9. **ADJOURNMENT**

A motion was made by Alderman Bauman with a second by Alderman Grandi. With all in favor, the motion carried and the meeting was adjourned at 7:13 p.m.

Minutes respectfully submitted by:

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Diahm C. Halbach  
City Clerk  
City of Burlington



**DATE:** July 17, 2018

**SUBJECT:** RESOLUTION 4910(12) - to approve a contract with M.E. Simpson Company, Inc. for Hydrant Flow Testing for a not-to-exceed price of \$40,040.00

**SUBMITTED BY:** Peter Riggs, Director of Public Works

**BACKGROUND/HISTORY:**

Hydrant flow testing is a necessary maintenance task for all water systems. Hydrant flow testing provides important information about water system performance such as system pressure and fire flows. This information can be used to identify and correct deficiencies in the system, assist with development and system expansion, and assist fire department response. Additionally, hydrant flow testing results and frequency are part of the ISO rating criteria. Routine flow testing along with favorable results can positively impact a community's ISO rating, which can result in reduced property insurance premiums in the community. Flow testing also provides an efficient opportunity to perform other routine hydrant maintenance tasks and data collection.

The Wisconsin Department of Natural Resources requires that all water systems maintain records of flow testing. The National Fire Protection Association recommends performing hydrant flow testing every five years and the American Water Works Association recommends hydrant flow testing at least every ten years.

The City of Burlington last performed system wide hydrant flow testing in 2006. The city has since performed occasional partial system flow tests. The accuracy of flow testing is impacted if system elements like water towers, storage sites, and wells are off line. 2018 is an ideal time to perform hydrant flow testing as Well #11 is back in service along with all other system elements. Performing flow testing in 2019 would be problematic due to the anticipated standpipe and water tower painting projects.

**BUDGET/FISCAL IMPACT:**

Water Utility staff requested proposals to perform hydrant flow testing from three reputable and responsible firms. The cost of the proposals are as follows:

- M.E. Simpson Company Inc.: \$40,040.00
- Lynch & Associates: \$47,300.00
- KMP Hydrant Services: \$49,868.00

It is important to note that Lynch & Associates did provide two alternate proposals that were lower cost but required the use of City staff to assist with the field work. The first alternate proposal was for \$34,646.00 and required one utility employee to assist. This assistance is expected to amount to 230 hours of labor. At our full time labor rate this would equalize the cost of the proposal to approximately \$45,000.00 which would not be lower than the M.E. Simpson proposal. When using seasonal labor the cost of this proposal equalizes to approximately \$38,000. However, utility staff has concerns that the product quality would be diminished if unskilled, non-professional seasonal staff were used in the performance of this project.

The second alternative proposal from Lynch assumed utility staff would provide all field work after being trained and equipped by Lynch. The utility does not have the available labor to absorb this into operations without incurring substantial amounts of overtime.

The cost of this project will be charged to the Water Utility operating budget for 2018.

**RECOMMENDATION:**

M.E. Simpson Company Inc. has provided the lowest cost proposal and has performed this work for the City of Burlington in the past. Their proposal has been reviewed by utility staff and is acceptable. Staff recommends the Common Council approve the resolution to proceed with a contract with M.E. Simpson Company Inc. for hydrant flow testing services.

**TIMING/IMPLEMENTATION:**

This item is scheduled for discussion at the July 17, 2018 Committee of the Whole meeting. This item is scheduled for final consideration at the August 7, 2018 meeting of the Common Council.

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**Attachments**

Res 4910(12) Hydrant Testing

Proposal - ME Simpson

Proposal - Lynch

Proposal - KMP

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**A RESOLUTION APPROVING A CONTRACT WITH M.E. SIMPSON COMPANY, INC. FOR HYDRANT FLOW TESTING FOR A NOT-TO-EXCEED PRICE OF \$40,040.00**

**WHEREAS**, on June 1, 2004 the Common Council did approve Resolution 3812(18), a Resolution Adopting a Purchasing Policy for the City of Burlington and on May 16, 2006 approved Resolution 4015(3), updating such Purchase Policy; and,

**WHEREAS**, the Purchasing Policy requires that all non-construction related Budget Items requiring expenditures of \$15,000 or more be reviewed and pre-approved by the Common Council; and,

**WHEREAS**, the Council may direct, at its discretion, that the item is to be bid in the same manner as construction contracts, or that it is to be combined with or included in another governmental bid, but shall not be required to do so; and,

**WHEREAS**, the Wisconsin Department of Natural Resources requires that water utilities maintain current hydrant flow records; and,

**WHEREAS**, the National Fire Protection Association recommends water utilities perform hydrant flow testing every five (5) years, and the American Water Works Association recommends water utilities perform hydrant flow testing every ten (10) years; and,

**WHEREAS**, the last full system hydrant flow testing was performed in 2006 by M.E. Simpson Company, Inc.; and,

**WHEREAS**, Well #11 is back in service and the results of hydrant flow testing are more accurate while all system wells, storage, and pumps are in service; and,

**WHEREAS**, the Department of Public Works requested proposals from three (3) responsible providers for the flow testing of the hydrants in the City of Burlington; and,

**WHEREAS**, the lowest cost proposal for hydrant flow testing services was submitted by M.E. Simpson Company, Inc. for the not-to-exceed amount of \$40,040.00; and,

**WHEREAS**, the proposal from M.E. Simpson Company, Inc. has been reviewed and recommended by the Water Utility Foreman and Director of Public Works.

**NOW, THEREFORE, BE IT RESOLVED** that the Common Council of the City of Burlington hereby approve hydrant flow testing performed by M.E. Simpson Company, Inc. for the total amount of \$40,040.00.

Introduced: July 17, 2018  
Adopted:

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

Attest:

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



July 10, 2018

Mr. Peter Riggs  
Director of Public Works  
City of Burlington, WI  
2200 S. Pine Street  
Burlington, WI 53105

**RE: PROPOSAL FOR FIRE HYDRANT FLOW/WATERMAIN CAPACITY TESTING**

Dear Mr. Riggs,

M.E. Simpson Co., Inc. is pleased to present the City of Burlington, WI our proposal for its Fire Hydrant Flow/Watermain Capacity Testing Program. We are honored to be considered for this work and are confident our team will help make the project a success.

M.E. Simpson Co., Inc. is a Professional Services Firm dedicated to developing and providing programs and services designed to maximize peak performance for our clients' water distribution systems. Many of these programs are universally recognized as a part of "Best Management Practices" (BMPs) for utilities. We pride ourselves on delivering solid solutions using the highest quality technical and professional services by way of state-of-the-art technology and a skilled and well-trained staff of professionals. Our highly educated engineers and technical team are committed to the success of this project. They will be ready at a moment's notice to relieve your staff's burden and ensure a seamless continuation of your services.

Our services were developed and refined to provide utilities with programs that can be customized to meet their needs. From complete "Turn-Key" services to assisting with the development of "in-house" programs for utilities, M.E. Simpson Co., Inc. serves our clients with this ultimate goal: to deliver to the public the implicit faith that **"the water is always safe to drink"**.

Thank you for your consideration and this opportunity to acquaint you with our services and offer this response. We are committed to exceeding your expectations.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Carlos Covarrubias", written in a cursive style.

Carlos Covarrubias  
Regional Manager

**Carlos Covarrubias**  
Regional Manager

3406 Enterprise Avenue  
Valparaiso, IN 46383

800.255.1521 T  
888.531.2444 F

# SCOPE OF WORK

## Fire Hydrant Flow/Watermain Capacity Testing Program

The Field Scope of Service for the Fire Hydrant Flow/Watermain Capacity Testing Program is understood to be the following:

M.E. Simpson Co., Inc. will furnish all labor, material, transportation, tools, and equipment necessary to flow test hydrants in the water distribution system selected by the Utility. M.E. Simpson Co., Inc. shall be required to provide such skilled and trained personnel and equipment necessary to complete the work herein specified. **There will be a minimum of Two Persons per team working on the Fire Hydrant Flow/Watermain Capacity Testing program at all times.**

- ◆ Work in an orderly and safe manner to insure protection of the local residents, Utility employees, and the Field Staff so that no avoidable accidents occur.
- ◆ All Field Staff will have readily observable identification badges worn while in the field. All vehicles used in the field will have company signs attached.
- ◆ The flow testing equipment to be used will be that which was described in the “Equipment to be used” section.
- ◆ M.E. Simpson Co., Inc. Personnel will meet with the Utility to review the project guidelines and answer any questions on procedures.
- ◆ The initial layout of the project will need to involve distribution Utility staff to help identify the flow patterns in the distribution system, flow testing from larger mains into smaller mains, from the water sources (pump stations and water storage structures), out into the system loops and dead ends.
- ◆ Any pressure zones in the distribution system will be identified on the water atlas prior to developing the fire hydrant flow-testing program. This will need to be done with distribution personnel prior to the start of the program.
- ◆ As a part of the Fire Hydrant Flow/Watermain Capacity Testing program, mapping discrepancies found on the current water atlas will be noted and included as a part of the final report so the Utility can make needed corrections. This will be included as a part of the periodic reporting to the Utility, thus enabling the Utility to keep up with mapping corrections.
- ◆ A progression map shall be maintained for each section under study indicating hydrants assessed on the map. This will be especially helpful in quickly determining the work progress of the crews in the field.
- ◆ It may be necessary to conduct parts of the Fire Hydrant Flow/Watermain Capacity Testing during “off hours” such as at night. This may be required in areas of high traffic volume where traffic may affect the ability to conduct safe flow testing, and traffic volume may affect the ability of the Project Team to be able to safely access hydrants on busy streets. The Project Team will give 24-hour advanced notice of intent to flow test hydrants in a particular area that may require after hours work or nighttime work. This is so the Utility can plan for the area to be worked in, give notification to the Police department, as well as other Public Works Divisions as to the activity that will take place.
- ◆ M.E. Simpson Co., Inc. will use large flow testing signs in designated areas to notify areas to be tested and inspected.
- ◆ M.E. Simpson Co., Inc. can provide the Utility an informational letter briefly explaining the fire hydrant flow-testing program to include with the customer’s normal water bill. Frequently, special mailings are used for customer notification. If you choose a special mailing, the Village will be responsible for the postage and printing costs.

- ◆ M.E. Simpson Co., Inc. can issue a press release to briefly explain the fire hydrant flow-testing program and the areas affected. The press releases can be sent to; local newspapers, local radio stations and the Cable Company. This type of customer notification can greatly reduce the number of customer complaints about dirty water.
- ◆ All of the fire hydrants will be recorded on the water atlas and assigned numbers, using your existing numbering system or by creating a numbering system for you, prior to the development of the fire hydrant flow-testing program. This data is critical to establishing an effective and water conserving fire hydrant flow-testing program.
- ◆ All of the pertinent information for each fire hydrant that is flow-tested will be documented. This data is critical to establishing an ongoing flow-testing and maintenance program. The following is a list of the information gathered.
  - If requested, all Fire Hydrant caps will be greased for ease of operation
  - Fire Hydrant nozzle size used for each test will be recorded
  - Residual Pressure will be recorded for each Fire Hydrant tested
  - Static Pressure will be recorded for each Fire Hydrant
  - Flow, GPM (Gallons Per Minute), will be recorded for each Fire Hydrant flowed
  - The amount of time it takes to flush each Fire Hydrant will be recorded. An estimate will be made of the amount of water used during the operation of each Fire Hydrant test
  - Fire Hydrants that are in need of repair, painting, color coding, or have operation defects will be noted with an estimate of repairs needed to make the hydrant operational.
  - The date tested and technicians operating the Fire Hydrant will be recorded.
  - The Fire Hydrant address or location will be recorded.
- ◆ The Project team will set up the flow testing program in such a way that hydrants are operated near the water source first, then the team will move away from the water source in an organized manner to keep water discoloration and distribution disturbances to a minimum. The “flow” hydrant shall be downstream of the “residual” hydrant, thus insuring proper residual readings for full potential fire flow (re: AWWA M-17 manual, page 41).
- ◆ Fire hose and deflection tubes will be utilized, as required, to direct flushing water away from traffic, pedestrians, underground Utility vaults, and private property.
- ◆ Pressure gauges are used to determine the residual pressure during the flow-testing process while insuring that the distribution system pressure remains above 20 psi. Any incidents of the distribution system being unable to supply a residual of 20 psi in the surrounding area will be brought to the immediate attention of the Utility Superintendent.
- ◆ After the Fire Hydrant has been flushed, M.E. Simpson Co., Inc. will verify that the hydrant is seated and is draining properly. We will also check the Fire Hydrant with a FCS S30 or Gutermann AquaScope electronic listening device to ensure that the hydrant is not leaking. A majority of fire hydrant leaks go un-noticed because they are small leaks draining out through the drain holes at the base of the hydrant. Using the S30 or Gutermann AquaScope will help eliminate this type of leakage.
- ◆ All pressure gauges used in the field will undergo **daily testing** against a “standard” gauge to insure the field gauges are accurate during the flow-testing project. Any gauges that are found to not be within acceptable limits will be replaced with gauges that are within accepted standards. This will insure the observed static and residual pressures are accurate and reliable.

## Fire Hydrant Operation, Flow-Testing

M.E. Simpson Co., Inc. takes great care when operating, flow-testing the customer’s fire hydrants in their water distribution system. Even with our years of proven experience in water system operations problems occasionally occur.

Any valves or fire hydrants that break or fail during the flow-testing program will be repaired or replaced at the expense of the water Utility. M.E. Simpson Co., Inc. cannot be held responsible for possible valve or hydrant failures during their operation. M.E. Simpson Co., Inc. cannot be held responsible for damage done to the water system during fire hydrant flow testing, such as water leaks, discolored water and turbidity that can possibly occur during the flow testing process. M.E. Simpson Co., Inc. cannot be held responsible for possible damage to the water utilities’ individual water customer.

## NFPA Color Coding Standards

Municipal, Private, and Non-Potable fire-hydrants should not be painted the same color (the body of the hydrant) according to the NFPA. Each of the three types should follow the color code listed below. The bonnet and nozzle/pumper caps are also to be color-coded according to the hydrants’ rated flow rate at 20 psi (see below).

The NFPA has published standards regarding the maintenance and color coding of fire hydrants (NFPA 291). The scheme is as follows:



<u>Supply</u>	<u>Body Color</u>
Municipal System:	<b>Chrome Yellow</b>
Private System:	<b>Red</b>
Non-Potable System:	<b>Violet (Light Purple)</b>

### Hydrant ratings at 20 psi.

<b>Class C</b>	Less than 500 GPM	<b>Red</b>
<b>Class B</b>	500-999 GPM	<b>Orange</b>
<b>Class A</b>	1000-1499 GPM	<b>Green</b>
<b>Class AA</b>	1500 GPM & above	<b>Light Blue</b>

## Utility Observations

The M.E. Simpson Co., Inc. Project Team will welcome having staff of the Utility observe field procedures while the flushing program is in progress. They will be happy to explain and demonstrate the equipment and techniques that are employed by M.E. Simpson Co., Inc. for calculations of fire flows. This may be useful for the staff of the Utility in understanding the parameters of hydrant flow testing, especially during an emergency such as a fire where proper flow is needed for the fire department.

## Final Reports, Documentation & Communications

*M.E. Simpson Co., Inc. will perform the following:*

- ◆ Project Team will **meet daily** with assigned Utility personnel to go over areas of flow testing for prior workdays and plan current day and next two days' areas to flow test.
- ◆ At the end of each day, or as requested, a list of any broken or inoperable valves or hydrants will be turned in.
- ◆ Each step of the fire hydrant flow-testing program will be identified and the hydrants used for each flow-test will be documented in a fire hydrant flow-testing report.
- ◆ Maintain a progression map to be included with the final report of the project indicating areas flow tested and areas that have been tagged for flow testing.
- ◆ The Utility will be provided with flow information in **Pro-Maps™/Pro-Hydrant®** an electronic fire hydrant database. This documentation allows for the flow-testing program to be repeated at a later date. This electronic program is designed to be a complete system for your Utility to establish an effective fire hydrant flow testing, flushing and maintenance program. The electronic database provides an inventory record system, hydrant maintenance and scheduling. The database includes a complete hydrant flow-testing program for calculating flow test results. **Pro-Maps™/Pro-Hydrant®** is a hydrant record database (ODBC). This data will be available in an electronic format to the Utility with the appropriate access. The data will be maintained offsite at a secure location.
- ◆ M.E. Simpson Co., Inc. can also provide the **Pro-Maps™/Pro-Hydrant®**, electronic database, that has the abilities to access and reproduce and edit all aforementioned hydrant location and flow testing information. This program will have the capability to generate upon demand:
- ◆ The individual Hydrant Flow Test reports that includes the flow test data, static pressure and residual pressure, and potential flow at 20psi.
- ◆ A summary listing of all Hydrants with identified defects.
- ◆ A complete listing of all Hydrants by numerical or indexed order.
- ◆ A complete listing of all Hydrants by alphabetically reference to street and cross street names.
- ◆ All pertinent information such as port size, number of ports, flow test results, general condition of the hydrant, and color coding for the **NFPA rating**.
- ◆ Hydrant location will be documented from existing landmarks and will be a part of each Hydrant record.

- ◆ Information collected by M.E. Simpson Co., Inc. during the program and any other information provided by the Utility shall be regarded as CONFIDENTIAL and will not be shared without permission from the Utility or unless required by law.
- ◆ Develop a Flow Testing log of activity to be included with the final report that will include the following;
  1. Type of problems observed
  2. Location of same for problems discovered
  3. Total estimated water used (to be included on each flow test result)
  4. Mapping errors on the water atlas
- ◆ **Prepare the final report** at the completion of the project which will include all Fire Hydrant Flow/Watermain Capacity Testing reports, other problems found in the system during the course of flow testing that need the attention of the Water Utility. **This final report shall be made available for submission to the Water Department within thirty (30) work days of the completion of the fieldwork.**

## Assumptions & Services Provided by the Utility

- ◆ The Utility will furnish, in an electronic format, all maps, atlases, (two copies) and records necessary to properly conduct the flow testing program.
- ◆ The Utility will make available, on a reasonable but periodic basis, certain personnel with a working knowledge of the water system who may be helpful with general information about the water system. *This person will not need to assist the Project Team on a full-time basis, but only on an “as needed” basis.*
- ◆ The Utility will supply information regarding pressure zone boundary valves, and any other information that may make the job of flow testing easier to perform.
- ◆ The Utility will assist, if needed, to help gain entry into sites that may be difficult to enter due to security issues or other concerns.

## Equipment to be Used

The following equipment will be used for fire hydrant operation and maintenance work during the unidirectional flushing program for the Utility. All materials listed will be on the job site at all times.

- ◆ Pumper Port Diffuser, Hose Monster
- ◆ 2.5” Port diffusers, Hose Monster / Pollards
- ◆ Certified and field tested flow gauges
- ◆ Valve keys
- ◆ FCS S30 or Gutermann AquaScope listening device to ensure the hydrant isn’t leaking
- ◆ All necessary hand tools
- ◆ Truck mounted Arrow Board/Signage, and warning lights on trucks
- ◆ Traffic control equipment, including properly sized traffic cones with reflective stripes, when needed or required
- ◆ A “Schonstedt”/“Chicago Tape”/“Fisher” magnetic locators
- ◆ A “Radio Detection line locators

## PROJECT SAFETY PLAN

M.E. Simpson Co., Inc.'s Safety Programs cover all aspects of the work performed by M.E. Simpson Co., Inc. We take great pride in our safety plan/policy/program and that is evident in our EMR scores over the last five years. The safety of our employees, the utilities employees and that of the general public is our #1 priority.

Our Safety Plan/Policy/Program, with all of its parts, is 60 pages in length. In an effort to be more efficient and less wasteful we do not print copies of the safety program for RFPs. There is nothing secretive or proprietary contained within our plan/policy/program and we are happy to share its contents. If you would like a PDF copy of our plan/policy/program please contact Alex Hood, Operations Manager, at 800.255.1521 and a copy of our program will be sent via email to you.

Below is an overview of our plan/policy/program:



**Safety** is a major part of any project. M.E. Simpson Co., Inc. always provides a safe work environment for its employees. **Our staff is trained in General Industry OSHA rules, Confined Space Entry & Self-Rescue, First Responder First Aid, CPR, and Traffic Control.** While in the field on your project, M.E. Simpson Co., Inc. and its employees will follow all of the necessary safety procedures to protect themselves, your staff and the general public.

### **M.E. Simpson Co., Inc. uses Two-Man Teams for Safety and Quality Assurance.**

The use of a "one-person" leak detection team is dangerous and impractical where water mains run under roadways. It would be a dangerous precedent to allow a "one-person" team to access main line valves located in the roadway, attempt to listen to the valve with headphones on, and at the same time try to control traffic flow at that person's location in the street.

Therefore M.E. Simpson Co., Inc. adheres to the following:

- ◆ The Project Manager and the Field Manager will be trained in accordance with OSHA Standard 1910 (General Industry) and be in possession of an OSHA 10 Hour or 30 Hour Card.
- ◆ Any listening points located in a "confined space" such as pit and vault installations that **require entry** will be treated in accordance with the safety rules regarding **Confined Space Entry, designated by the Utility, The Department of Labor and OSHA.**
  - All personnel are **trained and certified** in Confined Space Entry & Self-Rescue.
- ◆ We will follow all safety rules regarding **First Responder First Aid & CPR, designated by the Utility, The Department of Labor and OSHA.**
  - All personnel are **trained and certified** in First Responder First Aid & CPR.
- ◆ We will follow all **traffic safety rules, designated by the Utility, The Department of Labor, OSHA, and the Illinois Department of Transportation (per MUTCD).**
  - All personnel are **trained and certified**, by the **AMERICAN TRAFFIC SAFETY SERVICES ASSOCIATION (ATSSA)** in Traffic Control and Safety.

Current documentations of safety training and certifications can be provided for all project personnel for the Utility. These certifications are current and up to date (for 2016) for all project personnel.

## HYDRANTS TO BE FLOW TESTED

The total number of hydrants to be flow tested for the Utility is approximately **720**. The number of hydrants tested may vary from the estimated number above. Any additional hydrants shall be charged a per unit price.

## PROPOSED PROJECT SCHEDULE

**Project Start Date:** TBD

**Hold Kick-off meeting:** TBD, to cover goals and objectives of Project.

**Fieldwork to be completed and documented:** TBD days depending on number of hydrants to be flow tested.

**Hydrant Reports:** Twenty (20) working days after fieldwork is completed for the project.

# INVESTMENT

A commitment to improving and maximizing the City of Burlington, Wisconsin’s water system for future generations.

M.E. Simpson Co., Inc. is pleased to offer the City of Burlington, WI our proposal for a Fire Hydrant Flow/Watermain Capacity Testing program. This program is based on locating, documenting, and flow testing **728** fire hydrants in the City of Burlington’s water distribution system. All procedures and practices will be done in accordance with the above Scope of Services. The flow testing and documentation will be done by one of our two-man team’s with all necessary equipment furnished by M.E. Simpson Co., Inc. as described within this document.

---

**Fire Hydrant Flow/Watermain Capacity Testing Fee:**

2018 Fire Hydrant Flow Tests at **\$48.00** each (Approx. 728) **\$34,944.00**

**Additional Service Options:**

Map Grade GPS Coordinates **\$7.00** each (Approx. 728) **\$5,096.00**

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These fees are all based on **approximate** numbers of fire hydrants to be flow tested. **The total price will change according to the actual number of fire hydrants completed.** All procedures will be followed according to the above scope of services. This will include the **Pro-Maps™/Pro-Hydrant®** electronic database loaded with the fire hydrant database and flow testing information for all fire hydrants completed.

We thank you for this opportunity to acquaint you with our Fire Hydrant Flow/Watermain Capacity Testing services and present you with this proposal. If you have further inquiries or you wish to discuss our service in more detail, do not hesitate to call us.



April 5, 2018

Mr. Peter Riggs  
Director of Public Works  
City of Burlington  
2200 S. Pine Street  
Burlington, WI 53105

Re: Proposal for Hydrant Flow Testing

Dear Peter,

Lynch & Associates – Engineering Services, LLC is pleased to present you with a proposal for hydrant flow testing services in the City of Burlington. We appreciate the opportunity and know that you will find value and quality in our services.

**Firm Experience:**

To summarize Lynch & Associates, one simply needs to understand where we started. Lynch and Associates was founded in 2010 during an economic downturn. We acquired the civil engineering assets of RSV Engineering to start our service line. Producing a successful small business startup during this time was a challenge due to the economy and its dramatic effect on the engineering client base in Wisconsin. Lynch & Associates understands the only way to grow a sustainable business in a down market is through exemplary service, involvement in the community, and treating clients with the same level of care we expect for our own business. Through the years, Lynch & Associates has grown at a rapid pace and still holds the same values. We are continually adding key staff and support services to our company to further our own expertise and provide our clients with the best possible service.

At Lynch & Associates, we stress Innovative Impact on Everyday Lives. This philosophy applies to our clients as well as the engineering community. Our goal is to provide the highest level of service by focusing on our clients' needs while strengthening our community with best practices. It's not just about our firm; it's about providing our clients with the best team to have the most successful project. Our team foundation starts internally with leadership and support from a group of industry leading professionals. Our leaders commit to the team concept of project management, meaning that for each service or work item Lynch performs for the City, you will be working with a knowledgeable project manager and team.

Tim Lynch will be the firm Principle and client contact for your project. Mr. Lynch is a leading professional in the engineering field with specialties in the municipal, industrial and development areas. He has over 20 years of consulting experience in southeast Wisconsin and serves a number of communities as their engineer of record.

Ms. Sarah Nunn, PE will assist with oversight of field staff and data integrity. Ms. Nunn specializes in drinking water-related engineering projects including treatment systems for arsenic, iron, TCE, nitrates,

and radium; water modeling; water distribution; water tower and ground storage reservoirs; and public and private wells. Sarah has been a lead technical presenter Rural Water Association (WRWA), Wisconsin Water Association (WWA), and American Water Works Association (AWWA) national conference.

## **Project Approach:**

### **Phase 1 – Mobile GIS Setup**

Lynch will integrate the existing CAD based system maps into the GIS system. The data will be utilized in the field with mobile devices (Phone and/or Microsoft Surface) on the Bison Construction Solution System. The Bison system provides real time data tracking from the field and is accessible from any internet connection. The City will be provided with a unique log in to view progress and results as they are recorded. Custom data fields will be provided to include static pressure at residual hydrant and static and flowing pressures at tested hydrant, valve and hydrant maintenance, and others as requested by the City.

### **Phase 2 – Hydrant Flow Testing**

Lynch believes in providing options and value for our clients. It is most efficient to complete hydrant flow testing with a 2 – person crew. Our team is well versed in this work and can offer the option to train City staff as a cost saving measure. The costs are broken down into Lynch and City staff options. This proposal is based on providing fire flow testing on 715 hydrants (reported in 2016 PSC Annual Report). Testing can be completed entirely in 2018 or split equally between 2018 and 2019 for the fees described within this proposal.

#### ***2-Person Crew Option***

Lynch & Associates will provide two field staff to perform the hydrant fire flow testing. Work will include:

- Attend a project kickoff meeting to coordinate activities with the City including:
  - Time of day when testing will be completed
  - Adjustment to operations required
  - Discussion on recording water utilized for testing
  - Coordination of notification of businesses and property owners. Notifications to be completed by the City or for an additional fee by Lynch & Associates
  - Coordination of amount of water to be tested- Whether just enough to take accurate readings or whether it will be done in conjunction with annual water flushing. If annual flushing is completed in conjunction with fire flow testing, discussion will need to be had if average flushing time exceeds 10 minutes per hydrant.
- Provide fire flow equipment for use during testing
- Perform fire flow testing of hydrants including items described below. It is assumed that 4 hydrants will be tested per hour and that the residual hydrant will be one hydrant immediately upstream/downstream of the flowing hydrant
  - Measuring static pressure and residual pressure on residual hydrant
  - Measuring static and residual pressure and flow on flowing hydrant (utilizing 2 ½" nozzle)
  - Record date and time of testing completed
- Replace hydrant caps after completion of testing. Work does not include pumping down hydrants that do not have drain ports.

### ***1-Person Crew Option***

Lynch & Associates will provide one field staff to perform the hydrant fire flow testing to work in conjunction with one staff person from the City. Lynch & Associates will provide 2-way radios for communication between field staff. Work will include:

- Attend a project kickoff meeting to coordinate activities with the City including:
  - Time of day when testing will be completed
  - Adjustment to operations required
  - Discussion on recording water utilized for testing
  - Coordination of notification of businesses and property owners. Notifications to be completed by the City or for an additional fee by Lynch & Associates
  - Coordination of amount of water to be tested- Whether just enough to take accurate readings or whether it will be done in conjunction with annual water flushing. If annual flushing is completed in conjunction with fire flow testing, discussion will need to be had if average flushing time exceeds 10 minutes per hydrant.
- Provide fire flow testing equipment
- Provide a field person (in addition to the full time person assigned to the project) for one day to work directly with City staff person to train them on fire flow operations.
- Perform fire flow testing of hydrants including items described below. It is assumed that 4 hydrants will be tested per hour and that the residual hydrant will be one hydrant immediately upstream/downstream of the flowing hydrant
  - Measuring static pressure and residual pressure on residual hydrant
  - Measuring static and residual pressure and flow on flowing hydrant (utilizing 2 ½" nozzle)
  - Record date and time of testing completed
- Replace hydrant caps after completion of testing. Work does not include pumping down hydrants that do not have drain ports.

### ***City Staff with Training and Oversight***

- Attending a project kickoff meeting to coordinate activities with the City including:
  - Time of day when testing will be completed
  - Adjustment to operations required
  - Discussion on recording water utilized for testing
  - Coordination of notification of businesses and property owners. Notifications to be completed by the City or for an additional fee by Lynch & Associates
- Provide two field staff for up to 16 hours to train City staff on fire flow operations and record keeping.
- Provide up to 10 hours of on-call assistance for City staff to address questions or concerns on testing
- Provide up to 2 days of on-site assistance for City staff after initial training is completed
- This option assumes that the City will purchase or has access to fire flow testing equipment. If the City is a member of WRWA, they have loaner equipment that potentially could be utilized.

### **Phase 3 – GIS location of hydrants and Valves (optional)**

Lynch will locate hydrants and valves utilizing GPS to within 3" horizontal and vertical datum while onsite and conducting flow testing. There is a certain amount of time during the flow testing that could be utilized for this location work.

### **Estimated Fees**

The attached tables depict the detailed summary of the time and material estimates for the 2-person, 1-person and training and oversight options for the City.

Lynch & Associates will take care to open and close fire hydrants slowly during testing. However, we take no responsibility for main breaks or other complications that arise from the testing.

Thank you for the opportunity to provide you with this proposal. We look forward to working with you and all parties involved within this project to help find a solution that all parties can support. Please contact me with any questions. We look forward to a very successful conclusion to this project!

Sincerely,

LYNCH & ASSOCIATES – ENGINEERING CONSULTANTS, LLC

A handwritten signature in blue ink, appearing to read "Timothy C. Lynch".

Timothy C. Lynch, P.E.  
Director of Engineering

## City of Burlington - Hydrant Flow Testing Estimated Hours and Fee



**LYNCH & ASSOCIATES**  
ENGINEERING CONSULTANTS, LLC

### 2-Person Crew Option

	Principal	Manager	Engineer I/II	Intern	Expenses	Cost of Services to Be Performed
	Tim Lynch \$145.00	Sarah Nunn \$127.00	Brian Sippel \$80.00	Ryan Dalton \$55.00		
<b>Mobile GIS Setup and File Conversion</b>						<b>\$4,492</b>
Project Kickoff Meeting	4	4	4	4		\$1,412.00
Project Oversight	4					\$580.00
GIS Setup and File Conversion					\$2,500.00	\$2,500.00
<b>Total Task Hours</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>4</b>		
<b>Hydrant Flow Testing (2 man crew)</b>						<b>\$31,160</b>
Project Oversight	4	40				\$5,660.00
Hydrant Flow Testing/ Data Collection			180	180	\$1,200.00	\$25,500.00
<b>Total Task Hours</b>	<b>4</b>	<b>40</b>	<b>180</b>	<b>180</b>		
<b>GIS Location of Hydrants and Valves (Optional)</b>						<b>\$11,648</b>
Project Oversight	2	4				\$798.00
GIS Location of Hydrants and Valves			50	50		\$6,750.00
Datum Conversion and Equipment			20		\$2,500.00	\$4,100.00
<b>Total Task Hours</b>	<b>2</b>	<b>4</b>	<b>70</b>	<b>50</b>		
<b>Total Hours</b>	<b>12</b>	<b>44</b>	<b>184</b>	<b>184</b>		<b>\$47,300.00</b>

## City of Burlington - Hydrant Flow Testing Estimated Hours and Fee



**LYNCH & ASSOCIATES**  
ENGINEERING CONSULTANTS, LLC

### 1-Person Crew Option

	Principal	Manager	Engineer I/II	Intern	Expenses	Cost of Services to Be Performed
	Tim Lynch \$145.00	Sarah Nunn \$127.00	Brian Sippel \$80.00			
<b>Mobile GIS Setup and File Conversion</b>						<b>\$4,488</b>
Project Kickoff Meeting	4	4	4			\$1,408.00
Project Oversight	4					\$580.00
GIS Setup and File Conversion					\$2,500.00	\$2,500.00
<b>Total Task Hours</b>	<b>8</b>	<b>4</b>	<b>4</b>			
<b>Hydrant Flow Testing (1 man crew)</b>						<b>\$21,260</b>
Project Oversight	4	40				\$5,660.00
Hydrant Flow Testing/ Data Collection			180		\$1,200.00	\$15,600.00
<b>Total Task Hours</b>	<b>4</b>	<b>40</b>	<b>180</b>			
<b>GIS Location of Hydrants and Valves (Optional)</b>						<b>\$8,898</b>
Project Oversight	2	4				\$798.00
GIS Location of Hydrants and Valves			50			\$4,000.00
Datum Conversion and Equipment			20		\$2,500.00	\$4,100.00
<b>Total Task Hours</b>	<b>2</b>	<b>4</b>	<b>70</b>			
<b>Total Hours</b>	<b>12</b>	<b>44</b>	<b>184</b>	<b>0</b>		<b>\$34,646.00</b>

## City of Burlington - Hydrant Flow Testing Estimated Hours and Fee



**LYNCH & ASSOCIATES**  
ENGINEERING CONSULTANTS, LLC

### City Staff with Training and Oversight

	Principal	Manager	Engineer I/II	Intern	Expenses	Cost of Services to Be Performed
	Tim Lynch \$145.00	Sarah Nunn \$127.00	Brian Sippel \$80.00			
<b>Mobile GIS Setup and File Conversion</b>						<b>\$4,488</b>
Project Kickoff Meeting	4	4	4			\$1,408.00
Project Oversight	4					\$580.00
GIS Setup and File Conversion					\$2,500.00	\$2,500.00
<b>Total Task Hours</b>	<b>8</b>	<b>4</b>	<b>4</b>			
<b>Hydrant Flow Testing (1 man crew)</b>						<b>\$5,162</b>
Project Oversight	4	26	16			\$5,162.00
Hydrant Flow Testing/ Data Collection						\$0.00
<b>Total Task Hours</b>	<b>4</b>	<b>26</b>	<b>16</b>			
<b>GIS Location of Hydrants and Valves (N/A)</b>						<b>\$0</b>
Project Oversight						\$0.00
GIS Location of Hydrants and Valves						\$0.00
Datum Conversion						\$0.00
<b>Total Task Hours</b>						
<b>Total Hours</b>	<b>12</b>	<b>30</b>	<b>20</b>	<b>0</b>		<b>\$9,650.00</b>

**Harjes, Glenn**

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**From:** KMP Hydrant Services, LLC <quickbooks-email@intuit.com>  
**Sent:** Tuesday, May 22, 2018 8:25 AM  
**To:** Harjes, Glenn  
**Cc:** contact@kmphydrants.com  
**Subject:** Estimate from KMP Hydrant Services, LLC  
**Attachments:** Estimate\_1820\_from\_KMP\_Hydrant\_Services\_LLC.pdf; Work Order Agreement KMP Hydrant Services.pdf; W9 KMP Hydrant Services 2015.pdf

Please review the estimate below. Feel free to contact us if you have any questions.  
We look forward to working with you.

Sincerely,  
KMP Hydrant Services, LLC

----- Estimate Summary -----

Estimate # : 1820

Estimate Date: 05/21/2018

Total: \$49,868.00

The complete version has been provided as an attachment to this email.

Pete,

Flow Test estimate

---

you requested.

KMP Hydrant Services, LLC  
 637 Mulford Ct.  
 Indianapolis, IN 46234-  
 2110  
 (317) 721-7584  
 contact@kmphydrants.com  
 www.kmphydrants.com



# ESTIMATE

**ADDRESS**

Glenn Harjes  
 Burlington Water Utility  
 2200 S. Pine Street  
 Burlington, WI 53105  
 United States

**ESTIMATE # 1820**  
**DATE 05/21/2018**

DATE	ACTIVITY	QTY	RATE	AMOUNT
05/21/2018	<b>Fire Hydrant Flow Test</b> Capacity Flow Test of Fire Hydrants for Burlington Water Utility	728	68.50	49,868.00

Estimate provides for the capacity flow testing of 728 fire hydrants for the City of Burlington Water Utility. Documentation shall be provided for every flow test performed in both .CSV/Excel format as well as individual test report PDF format. Hydrant auxiliary/branch/isolation valves are not to be exercised.

**TOTAL**

**\$49,868.00**

Accepted By

Accepted Date

This AGREEMENT made by and between KMP Hydrant Services, LLC hereinafter called the Contractor, and the Firm listed in the Estimate under Field Name Label "Customer" hereinafter called the Owner. Witnesseth that KMP Hydrant Services, LLC and the Representative for the consideration names as follows:

Article 1 – Scope of the Work. Contractor shall provide all of the work and any other provision(s) as described in the Estimate on property listed in the Estimate under the Field Name Labels "Customer Address" or "Job Address". Owner agrees to price and conditions of Estimate and terms of Work Order Agreement.

Article 2 – Payment. Payment of the total invoice amount in full must be received by Contractor at or before the Payment Due Date. The Payment Due Date is explained under Article 3 – Payment Due Date. The total invoice amount consists of the total price of the contract minus any deposit(s) paid and includes any adjustments to original Estimate price resulting from any change orders as necessary. Invoices not paid in full by the due date shall be subject to late fees as described in Article 4 – Late Fees.

Article 3 - Payment Due Date. Unless otherwise specified in the Estimate, the Payment Due Date shall be 30 calendar days after the date of invoice.

Article 4 - Late Fees. There will be a \$15.00 or 1.75% (whichever is greater) per month late fee on invoices not paid in full.

#### Article 5 – General Provisions

- 1) All work shall be completed in a workmanlike manner, and in compliance with applicable local ordinances and/or standards.
- 2) Contractor may at its discretion engage subcontractors to perform work hereunder, provided Contractor shall fully pay said subcontractor and in all instances remain responsible for the proper completion of this contract.
- 3) All change orders shall be in writing and signed both by Owner and Contractor, and shall be incorporated in, and become part of this agreement.
- 4) Contractor warrants it is adequately insured for injury to its employees and others incurring loss or injury as a result of the acts of Contractor or its employees or subcontractors.
- 5) In the event Owner shall fail to pay Deposit due hereunder, Contractor may cease work without breach pending payment or resolution of any dispute.
- 6) All disputes hereunder shall be resolved by binding arbitration in accordance with rules of the American Arbitration Association. Contractor shall be entitled to reasonable attorney's fees and court costs.
- 7) Owner will not hold Contractor responsible for damages to water mains or discoloration of water as a result of work performed under this agreement. Contractor shall take reasonable precautions to prevent such damages and will employ good practices and accepted standards to minimize the possibility of damages to the water system and/or its components.
- 8) Contractor shall not be liable for any delay due to circumstances beyond its control including casualty or general unavailability of materials, or weather related delays.
- 9) Contractor will not be liable for fire hydrants, backflow preventer assembly devices, or valves that fail to operate due to circumstances beyond the Contractor's control including, but not limited to: unauthorized use, weather, vandalism, vehicular collisions, water main deteriorations, etc.
- 10) Contractor shall not be liable for damage to private utilities unmarked by Indiana Underground Plant Protection Services (IUPPS).
- 11) Contractor shall not be liable for damage to sidewalks, driveways, irrigation lines, pet "invisible" fences, trees, shrubs, vegetation, landscaping, or drain tile.
- 12) Owner is responsible for any finished grading/landscaping or re-surfacing needs including: concrete, asphalt, additional topsoil, or grass seeding.



**DATE:** July 17, 2018

**SUBJECT:** RESOLUTION 4911(13) - granting an easement from the City of Burlington to WIN Properties, LLC for alley property located adjacent 413 and 425 N. Pine Street.

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

**BACKGROUND/HISTORY:**

Shad Brannen of WIN Properties, LLC and Wendy Lynch of Bon Bon Belle and Mercantile Hall approached the City to seek use of the public alley behind 413 and 425 N. Pine Street to use for an outdoor area in association with the businesses Mercantile building. Additionally, Mr. Brannen and Ms. Lynch would like to improve the alley with stamped concrete, portable planters, portable tables/chairs and a fence along the edge of the alley adjacent the Chase Bank parking lot.

The attached easement agreement drafted by Attorney John Bjelajac allows for use of the alley by WIN Properties, LLC and the public in association with activities with the businesses at 413 and 425 N. Pine Street. This agreement further protects the City in the event access is needed for the two manholes in the alley, termination of the agreement by either party, and repair and/or restoration of the alley should it be necessary.

**BUDGET/FISCAL IMPACT:**

There is no monetary exchange with this agreement; however, WIN Properties, LLC will be solely responsible for any wanted repair, upgrades, upkeep and/or restoration of the alley area at their cost, less any repair to the public infrastructure under the alley way.

**RECOMMENDATION:**

Staff recommends approval of this easement agreement between the City and WIN Properties, LLC for use of the alley behind 413 and 425 N. Pine Street for use as public outdoor space.

**TIMING/IMPLEMENTATION:**

This item is for discussion at the July 17, 2018 Committee of the Whole meeting and scheduled for final consideration at the August 7, 2018 Common Council meeting.

**Attachments**

Res 4911(13) Alley Easement Agreement  
Easement Agreement

**Resolution No. 4911(13)**  
**Introduced by: Committee of the Whole**

**A RESOLUTION GRANTING AN EASEMENT FROM THE CITY OF BURLINGTON  
TO WIN PROPERTIES LLC FOR ALLEY PROPERTY LOCATED ADJACENT  
413 AND 425 N. PINE STREET**

**WHEREAS**, WIN Properties, LLC, owning property at 413 and 425 N. Pine Street, requested permission to use alley property owned by the City, for an outdoor restaurant, bar, and meeting area for the patrons of the retail businesses that are located in the WIN Properties; and,

**WHEREAS**, said land is the platted and improved alley bordering the west side of 413 and 425 N. Pine Street, City of Burlington, Racine County, State of Wisconsin, as shown on Exhibit "A" attached hereto; and,

**WHEREAS**, the Easement Agreement, attached hereto as Attachment "A" and made a part thereof, provides for mutual benefits to the parties and the City of Burlington community as a whole and protects the public's interest in this property.

**NOW, THEREFORE, BE IT RESOLVED**, by the Common Council of the City of Burlington, Racine County and Walworth County Wisconsin, that the Easement Agreement between the City of Burlington and WIN Properties, LLC is hereby approved.

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

Introduced: July 17, 2018  
Adopted:

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

Attest:

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

EASEMENT AGREEMENT

This agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, by and between:

- a) The CITY OF BURLINGTON, WISCONSIN, being a municipal corporation organized under the laws of the State of Wisconsin, with its City Hall located at 300 North Pine Street, Burlington, Wisconsin 53105 (hereinafter referred to as the “City”); and
- b) WIN PROPERTIES, LLC, being a Wisconsin limited liability company, with offices located at 1464 Devon Road, Burlington, Wisconsin 53105 (hereinafter referred to as “WIN”).

Introduction

The City is the owner of the real property (the “Property”) described in attached Exhibit

A. The Property:

- a) Is a part of the public alley, as shown in Exhibit A; and
- b) Has the legal description contained in Exhibit A.

WIN is the owner of the real properties located in the City of Burlington, Wisconsin (collectively, the “WIN Properties”) that:

- a) Have addresses of 413 and 425 North Pine Street, Burlington, Wisconsin 53105; and
- b) Have the locations and the legal descriptions shown in attached Exhibit B.

WIN wishes to use the Property owned by the City for an outdoor restaurant, bar, and meeting area (the "Outdoor Area") for the patrons of the retail businesses that are located in the WIN Properties. These retail businesses are open to the general public, and the general public would be, and shall be, able to frequent and use the Outdoor Area as the customers and/or patrons of the said retail businesses.

The Outdoor Area would be improved with the plans (the "Plans") attached hereto as Exhibit C, at the cost and expense of WIN. Such improvement of the Property is hereinafter referred to as the "Project".

The City Attorney for the City has determined, and the Common Council for the City of Burlington has so found through the approval of this Agreement by the said Common Council at its meeting held on the date of \_\_\_\_\_, 2018, that this use of the Property by WIN complies with all aspects of the law, including, but not limited to, the State of Wisconsin Public Purpose Doctrine. The Public Purpose Doctrine is complied with in that the Project and its use by WIN will improve and enhance the City of Burlington downtown area, for the benefit of the entire community of the City of Burlington.

The City and WIN are accordingly entering into this Agreement for the mutual benefits that it provides to the parties and the City of Burlington community as a whole.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES CONTAINED HEREIN, THE ABOVE-NAMED PARTIES HEREBY AGREE AS FOLLOWS:

1. "Introduction" is Correct. The foregoing "Introduction" is true and correct, and is hereby incorporated into this Agreement, including Exhibits A, B, and C.

2. The Project. WIN shall, at its own cost and expense, undertake and complete the Project, for the creation of the Outdoor Area, pursuant to the Plans (Exhibit C). The Project shall be constructed and maintained in a manner that does not impair the rights of the City described in below Paragraph No. 15, pertaining to the stormwater system located in the Outdoor Area. The Project shall be substantially completed by WIN on or before the date of October 31, 2018. Should WIN fail to timely substantially complete the Project by the date of October 31, 2018, this Agreement shall automatically become null and void, and in which event WIN shall, at its own cost and expense, return the Property to its originally existing condition. The deadline of October 31, 2018, however, shall be reasonably extended if WIN cannot timely substantially complete the Project for reasons beyond WIN's reasonable control.

3. Term. This Agreement shall continue indefinitely in full force and effect unless and until one of the following events occurs:

- a) Termination by WIN: WIN gives to the City a written notice of such termination at least Sixty (60) Days prior to the date of termination stated in the said notice. No cause shall be required to terminate the Agreement under this Subparagraph 3(a).
- b) Termination by the City: No Cause Required: After Fifteen (15) Years from the date of this Agreement, the City may give to WIN a written notice of such termination, at least One Hundred Twenty (120) Days prior to the date of termination stated in the said notice. No cause shall be required for the City to terminate the Agreement under this Subparagraph 3(b).
- c) Termination by the City: For Cause: The City gives to WIN a written notice of such termination for cause, with the date of termination stated in the notice to be a

date determined by the City. This termination for cause shall require the affirmative vote of two-thirds (2/3) of the members elect of the Common Council.

d) Mutual Agreement: Both the City and WIN agree in writing to terminate this Agreement.

e) Definition of Cause: The word "cause" as used in above Subparagraph 3(c) shall include, but not be limited to:

1. The use of the Property and/or Outdoor Area under this Agreement becomes a nuisance, as determined by the City in its sole and absolute discretion; and/or

2. WIN not fulfilling its duties and obligations under this Agreement, despite the City giving to WIN a prior written notice of such a failure of performance under the Agreement, and a reasonable period of time, as determined by the City, in its sole and absolute discretion, for WIN to cure such failure of performance; and/or

3. The Outdoor Area is the site of criminal conduct; and/or

4. The Property is needed by the City, as determined by the City in its sole and absolute discretion, for alley use by the City and/or for other development of the downtown area of the City of Burlington.

4. Hold Harmless. WIN shall, and hereby does, AGREE TO INDEMNIFY AND HOLD HARMLESS the City and its officials, officers, employees, representatives, and/or agents from and against any and all claims, actions, judgments, damages, costs, and expenses (including, but not limited to, reasonable actual attorney fees), and/or any other liability of any nature whatsoever, that may arise, directly or indirectly, as a result of (i) the City being a party to this

Agreement; and/or (ii) WIN and/or its members, employees, volunteers, consultants, contractors, agents, and/or an occupant(s) of the Outdoor Area failing to comply with the provisions of this Agreement; and/or (iii) the negligence and/or intentional torts of WIN and/or its members, employees, volunteers, consultants, contractors, agents, and/or an occupant(s) of the Outdoor Area; and/or (iv) any property damage and/or any bodily injury, including death, sustained by any person while on or in the Outdoor Area.

5. Insurance. WIN shall, at its own cost and expense, during the term of this Agreement, procure and maintain a policy(ies) of liability insurance satisfactory to the City with respect to the creation and/or the use of the Outdoor Area by WIN and/or any person or entity. The City shall be named as an additional insured on such policy(ies).

6. Maintenance. WIN shall at all times keep the Outdoor Area in a clean, debris-free, and sanitary condition, and during the term of this Agreement not allow any person or entity (including WIN itself) to deposit any hazardous waste or materials regulated by any governmental entity or agency in or on the Outdoor Area. Except for the below-described stormwater system that is located in part in the Outdoor Area, the City shall not, during the term of this Agreement, be performing any type of maintenance for the Outdoor Area. All such maintenance shall be the sole responsibility of WIN, at WIN's own cost and expense. WIN (i) shall not allow or cause any lien claim(s) to arise with respect to the Property; and (ii) shall timely pay all of the debts and financial obligations pertaining to the creation, maintenance, and/or use of the Outdoor Area.

7. Governing Law and Venue. This Agreement shall be governed, controlled, construed, and interpreted by and under the laws of the State of Wisconsin. The venue for any legal action

pertaining to and/or arising under this Agreement shall solely and exclusively be Racine County Circuit Court in Racine County, Wisconsin.

8. Entire Agreement. All proposals, negotiations, promises, discussions, understandings, and agreements heretofore made or had between the parties are merged in this Agreement, and this Agreement alone fully and completely expresses the final agreement of the parties.

9. Amendments. This Agreement shall not be modified or amended except in a written document signed by the City and WIN, and then approved by the City of Burlington Common Council.

10. Notices. All notices or other communications required or permitted under this Agreement shall be in writing and delivered (i) personally, or (ii) by certified mail, return receipt requested, postage prepaid, or (iii) by a commercial overnight courier (such as Federal Express), or (iv) by electronic mail transmission with a copy to follow by certified mail, return receipt requested, postage prepaid, or by overnight courier, addressed as follows:

If to WIN:

WIN Properties, LLC  
1464 Devon Road  
Burlington, Wisconsin 53105  
Attention: Shad Branen

Telephone: (262)210-1362  
E-mail: shad@winmediainc.com

If to the City:

City Administrator  
Burlington City Hall  
300 North Pine Street  
Burlington, Wisconsin 53105

Telephone: (262)342-1161  
E-mail: cwalters@burlington-wi.gov

All notices given in accordance with the terms hereof shall be deemed received (i) on the next business day if sent by a commercial overnight courier, (ii) on the same business day if sent by facsimile or electronic mail before 3:00 p.m. (Central Standard Time and/or Central Daylight Time) on a business day (Monday-Friday) (provided the supplemental notice described above is sent as soon as reasonably possible thereafter), (iii) on the date of actual receipt when sent by the United States Mail by certified mail with postage prepaid and return receipt requested, or (iv) on the date of service when delivered personally. Either party hereto may change the address for receiving notices or other communications by notice sent in accordance with the terms of this Agreement. Holidays recognized and observed by the federal government and/or the State of Wisconsin shall not be deemed a "business day" for the purpose of giving or receiving notice, and shall not be used in any event for the giving of a notice under this Agreement.

11. Waiver of Subrogation Rights. To the extent the same is required to effect a mutual waiver of any subrogation rights by the insurance carrier, each of the undersigned parties releases the other party from all liability, whether for negligence or otherwise, in connection with loss covered by any insurance policies which the releaser carries with respect to the Outdoor Area and/or Property, or any interest or property therein or thereon (whether or not such insurance is required to be carried under this Agreement, but only to the extent that such loss is collected under said insurance policies. Such release is also conditioned upon the inclusion in the policy or policies of a provision whereby any such release shall not adversely affect said policies or prejudice any right of the releaser to recover thereunder.

12. Assignment. WIN shall not assign this Agreement without the City's prior written consent, which consent the City may or may not, at the City's sole and absolute discretion, grant or withhold. In the event of such an assignment with the consent of the City, however, WIN

shall still be liable to the City for WIN's obligations under this Agreement, unless otherwise expressly agreed by resolution of the City of Burlington Common Council.

13. Special Assessments and/or Special Charges. If Win fails to perform any of its duties and/or obligations under this Agreement, WIN agrees, for itself and its permitted successors in interest in the WIN Properties, that, in addition to any other remedy at law or in equity that the City may pursue, the City shall be entitled to specially assess and/or specially charge all its costs and expenses relating to such failure of performance against the WIN Properties, without need of any procedures that are otherwise required by state statute or City ordinance before a special assessment and/or a special charge may be imposed. WIN, for itself and its permitted successors in interest in the WIN Properties, hereby waives any and all right to any notices and/or hearings otherwise required under the law for such special assessments and/or special charges to be levied.

14. Termination of Agreement. Upon the termination of this Agreement, the following provisions shall apply:

- a) The City may, if it so elects through a decision of the City of Burlington Common Council, made within Thirty (30) Days after the date of termination of this Agreement, keep the Outdoor Area as it then exists, in which case all right and entitlement to the entire Outdoor Area shall automatically be owned by the City, as a part of the City's Property.
- b) In the event the City elects not to keep the Outdoor Area on its Property, as allowed under above Subsection (a), then WIN shall, at its own cost and expense, and within Ninety (90) Days after the date of termination of this Agreement, remove from the Outdoor Area the entire infrastructure that then exists on the

Property as the said Outdoor Area, and return the Property to its originally-existing condition as an asphalt-paved alley.

- c) In the event WIN fails to comply with the terms and provisions of above Subsection (b), then the City may unilaterally take steps to:
  - (i) Remove, demolish, and discard the infrastructure comprising the Outdoor Area, and return the Property to an asphalt-paved alley; and
  - (ii) Levy a special charge and/or special assessment against the WIN Properties for the costs and expenses incurred by the City to do the same, as provided in above Paragraph No. 13.

15. Stormwater System. A stormwater drainage system (the "System") is located, in part, in and under the Outdoor Area. With respect to this System:

- a) WIN shall not damage the System in the construction and/or the use of the Outdoor Area, and/or allow any person in the Outdoor Area to damage the System.
- b) WIN shall, upon the request of the City (including its employees at the Department of Public Works), allow the City to access the Outdoor Area with one or more vehicles for the purpose of inspecting, cleaning, flushing, repairing, and/or replacing part and/or all of the System.
- c) WIN shall not obstruct or cover up the two open-grate manholes presently located in the Outdoor Area, and/or impede or hinder the flow of stormwater and/or surface water into the said open-grate manholes. (The City may in the future be replacing the present open-grate manhole covers with catch basins, at the sole discretion of the City.)

- d) WIN shall, as may be required by the City's engineers, and at WIN's own cost and expense, raise the present open-grate manholes to be compatible with the elevation of any installed paving bricks, or any other changes made by WIN to the elevation of the Outdoor Area.
- e) WIN shall not allow any person to discharge any liquids or solids, and/or throw any garbage or debris, into the manholes, except for stormwater and/or surface water.

IN WITNESS WHEREOF, this Agreement has been executed effective as of the date and year first written above.

CITY:  
City of Burlington, Wisconsin

WIN:  
WIN Properties, LLC

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

By: \_\_\_\_\_  
Shad Branen  
Member

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

**EXHIBIT "A"**

**CITY OF BURLINGTON  
LEGAL DESCRIPTION**

Part of Lots 5 and 8, Block 28, Original Plat of Burlington, according to the recorded plat thereof and being more particularly described as follows: Commence at the Northeast corner of said Lot 5; thence South 64°50'44" West along the Northerly line of said Lot 5, 106.00 feet to the place of beginning of this description; thence South 25°00'00" East 88.50 feet (recorded as 88.00 feet); thence South 64°50'44" West 10.00 feet; thence North 25°00'00" West 88.50 feet; thence North 64°50'44" East 10.00 feet to the place of beginning. Said land being in the City of Burlington, County of Racine and State of Wisconsin.

### PLAT OF SURVEY -OF-

PARCEL 1:  
BEGON AT THE NORTHEAST CORNER OF LOT 5, BLOCK 28 OF THE ORIGINAL PLAT OF BURLINGTON; RUN THENCE SOUTHERLY ALONG THE WEST LINE OF PINE STREET 64 FEET; THENCE WESTERLY PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 5, 116 FEET; THENCE NORTHERLY PARALLEL WITH PINE STREET 64 FEET; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 5, 116 FEET TO THE PLACE OF BEGINNING. ALSO THE RIGHT OF WAY IN COMMON WITH OTHERS OVER A STRIP OF LAND 10 FEET IN WIDTH EXTENDING SOUTHERLY TO WASHINGTON STREET; SAID STRIP OF LAND BEING THE WESTERLY 10 FEET OF THE EASTERLY 116 FEET OF LOTS 5 AND 8, BLOCK 28, ORIGINAL PLAT. ALSO EXCEPTING AND RESERVING THE RIGHT TO BUILD ONTO THE SOUTHERLY WALL OF THE STONE BUILDING NOW BEING ERRECTED ON ABOVE DESCRIBED LAND, SAID LAND BEING IN THE CITY OF BURLINGTON, COUNTY OF RACINE AND STATE OF WISCONSIN.

PARCEL 2:  
THAT PART OF LOTS 5 AND 8, BLOCK 28, ORIGINAL PLAT OF BURLINGTON, ACCORDING TO THE RECORDED PLAT THEREOF, BOUNDED AS FOLLOWS: BEGINNING AT A POINT ON THE WESTERLY LINE OF PINE STREET 64 FEET WESTERLY OF THE NORTHEAST CORNER OF SAID LOT 5; RUN THENCE SOUTHEASTERLY AND ALONG SAID WESTERLY LINE OF PINE STREET TO A POINT WHICH LIES 22 FEET SOUTHEASTERLY OF THE NORTHEAST CORNER OF SAID LOT 5; RUN THENCE SOUTHWESTERLY PARALLEL WITH THE NORTHERLY LINE OF LOT 8 TO THE NORTHWESTERLY CORNER OF SAID LOT 5; RUN THENCE SOUTHWESTERLY ALONG SAID NORTHERLY LINE OF LOT 8 TO THE NORTHERLY LINE OF WASHINGTON STREET; THENCE SOUTHWESTERLY ALONG SAID NORTHERLY LINE OF WASHINGTON STREET TO A POINT WHICH IS 116 FEET SOUTHWESTERLY OF THE SOUTHEASTERLY CORNER OF SAID LOT 5; THENCE NORTHWESTERLY PARALLEL WITH THE WESTERLY LINE OF PINE STREET TO A POINT WHICH IS 64 FEET SOUTHWESTERLY OF NORTHERLY LINE OF SAID LOT 5; THENCE NORTHEASTERLY PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 5, 116 FEET TO THE PLACE OF BEGINNING, TOGETHER WITH THE RIGHT TO BUILD ONTO THE SOUTHERLY WALL OF THE BUILDING NOW OWNED BY THE KEUPER COMPANY AS RESERVED IN DEED 154 OF RECORDS 149, RACINE COUNTY REGISTRY AND SUBJECT TO THE EASEMENT GRANTED TO SAID KEUPER COMPANY IN SAID DEED ACROSS THE WESTERLY 10 FEET OF THE EASTERLY 116 FEET OF SAID LOTS 5 AND 8, BLOCK 28, AFORESAID. SAID LAND BEING IN THE CITY OF BURLINGTON, COUNTY OF RACINE AND STATE OF WISCONSIN.

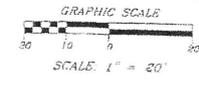
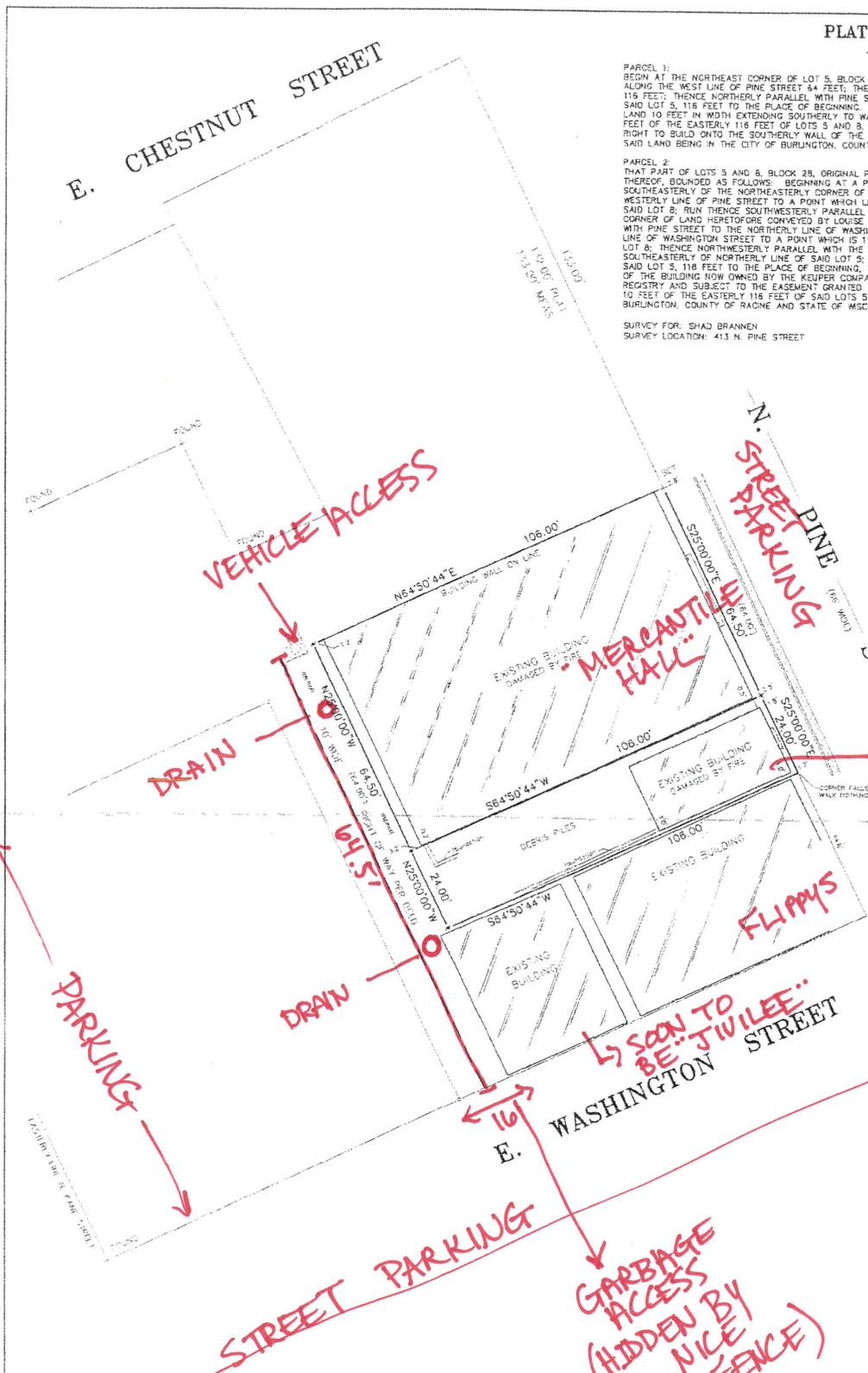
SURVEY FOR: SHAD BRANNEN  
SURVEY LOCATION: 413 N. PINE STREET

NOTE: REFER TO A CURRENT TITLE REPORT FOR EASEMENTS AND RESTRICTIONS WHICH MAY AFFECT THE USE OF THIS SITE.

NOTE: DUE TO LACK OF FORMAL MONUMENTATION AND VAGUENESS OF PLAT, ACCEPTED NORTH BUILDING LINE AS NORTH PROPERTY LINE OF PARCEL 1.

NOTE: BEARINGS HEREON RELATE TO THE WESTERLY LINE OF N. PINE STREET, ASSUMED BEARING SOUTH 25°00'00" EAST.

Racine County Surveyor  
File #: 811259 Date: 2/29/16  
Deputy For Records



- LEGEND
- FOUND CONCRETE MONUMENT WITH BRASS CAP
  - FOUND ROD PILE
  - ✱ SET IRON PIPE
  - ✱ SET MAG NAIL
  - ✱ SET MASONRY NAIL
  - CHISEL FILE W/ SIFTS
  - ( ) RECORDED AS

I hereby certify that I have surveyed the above described parcels and that the above map is a correct representation thereof and show the size and location of the parcels, the exterior boundaries, the location of all visible structures and dimensions of all buildings, buildings, fences, boundary lines, easements, easements, easements and other matters, if any.

This survey is made for the use of the present owners of the property, and those who purchase mortgage or otherwise the title thereto within one year from date hereof.



**B.W. SURVEYING, INC.**

412 N. PINE STREET  
BURLINGTON, WI 53105  
(262)-767-0225



THIS IS NOT AN ORIGINAL SURVEY UNLESS THIS SEAL IS USED  
ROBERT J. WETZEL S-1778

DRAWN BY:	DW	DATE:	APRIL 10, 2015
CHECKED BY:	FW/DW	DRAWING NO.:	8892d1
JOB NO.:	8892	SHEET:	1 OF 1

**EXHIBIT "B"**

**WIN PROPERTIES, LLC**  
**LEGAL DESCRIPTION**

Parcel 1:

Begin at the Northeast corner of Lot 5, Block 28 of the Original Plat of Burlington, run thence Southerly along the West line of Pine Street 64 feet; thence Westerly parallel with the Northerly line of said Lot 5, 106 feet; thence Northerly parallel with Pine Street 64 feet; thence Easterly along the Northerly line of said Lot 5, 106 feet to the place of beginning. Said land being in the City of Burlington, County of Racine and State of Wisconsin.

Tax Parcel No. 206-03-19-32-400-940

Parcel 2:

That part of Lots 5 and 8, Block 28, Original Plat of Burlington, according to the recorded plat thereof, bounded as follows: Beginning at a point on the Westerly line of Pine Street 64 feet Southeasterly of the Northeasterly corner of said Lot 5; run thence Southeasterly and along said Westerly line of Pine Street to a point which lies 22 feet Southeasterly of the Northeasterly corner of said Lot 8; run thence Southwesterly parallel with the Northerly line of said Lot 8, 106 feet to a point; thence Northwesterly parallel with the Westerly line of Pine Street to a point which is 64 feet Southeasterly of Northerly line of said Lot 5; thence Northeasterly parallel with the Northerly line of said Lot 5, 106 feet to the place of beginning. Said land being in the City of Burlington, County of Racine and State of Wisconsin.

Tax Parcel No. 206-03-19-32-400-950

MERCANTILE  
HALL ALLEY

[BACK OF]  
425 N PINE STREET  
BURLINGTON, WI 53105

# ALLEY IMPROVEMENTS



## Fence Specs:

- 64.5' long, which will run the entire length of the alley from E Washington Street to the end of the Chase parking lot
- 8' h x 7' w wood panels (requiring 19 sections)
- Alley end will be open facing the Chase ATM drive through, allowing access at all times per city request
- The Alley will be closed on the E Washington Street side to contain a dumpster area (as visible in Photo # ). The E. Washington Street side will have a 16' wide fence, 7' high with one 6' wide gate. It will have 4x6 posts and 2x6 headers
- Entire fence will be painted Nightfall by Benjamin Moore, part of the historic color collection
- Ground will be newly poured concrete
- Lighting from fence posts to Mercantile building will be outdoor grade café lighting with black cords and Edison style vintage bulbs
- Plants will be in moveable pots, easily removed during off-season

PLAT OF SURVEY  
-OF-

PARCEL 1:  
BEGIN AT THE NORTHEAST CORNER OF LOT 5, BLOCK 28 OF THE ORIGINAL PLAT OF BURLINGTON; RUN THENCE SOUTHERLY ALONG THE WEST LINE OF PINE STREET 64 FEET; THENCE WESTERLY PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 5, 118 FEET; THENCE NORTHERLY PARALLEL WITH PINE STREET 64 FEET; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 5, 118 FEET TO THE PLACE OF BEGINNING. ALSO THE RIGHT OF WAY IN COMMON WITH OTHERS OVER A STRIP OF LAND 10 FEET IN WIDTH EXTENDING SOUTHERLY TO WASHINGTON STREET; SAID STRIP OF LAND BEING THE WESTERLY 10 FEET OF THE EASTERLY 118 FEET OF LOTS 5 AND 8, BLOCK 28, ORIGINAL PLAT. ALSO EXCEPTING AND RESERVING THE RIGHT TO BUILD ONTO THE SOUTHERLY WALL OF THE STONE BUILDING NOW BEING ERRECTED ON ABOVE DESCRIBED LAND. SAID LAND BEING IN THE CITY OF BURLINGTON, COUNTY OF RACINE AND STATE OF WISCONSIN.

PARCEL 2:  
THAT PART OF LOTS 5 AND 8, BLOCK 28, ORIGINAL PLAT OF BURLINGTON, ACCORDING TO THE RECORDED PLAT THEREOF, BOUNDED AS FOLLOWS: BEGINNING AT A POINT ON THE WESTERLY LINE OF PINE STREET 64 FEET SOUTHEASTERLY OF THE NORTHEASTERLY CORNER OF SAID LOT 5; RUN THENCE SOUTHEASTERLY AND ALONG SAID WESTERLY LINE OF PINE STREET TO A POINT WHICH LIES 22 FEET SOUTHEASTERLY OF THE NORTHEASTERLY CORNER OF SAID LOT 5; RUN THENCE SOUTHWESTERLY PARALLEL WITH THE NORTHERLY LINE OF LOT 8 TO THE NORTHEASTERLY CORNER OF LAND HERETOFORE CONVEYED BY LOUISE KEUPER TO WILLIAM R. DEVOR; THENCE SOUTHEASTERLY PARALLEL WITH PINE STREET TO THE NORTHERLY LINE OF WASHINGTON STREET; THENCE SOUTHWESTERLY ALONG SAID NORTHERLY LINE OF WASHINGTON STREET TO A POINT WHICH IS 118 FEET SOUTHWESTERLY OF THE SOUTHEASTERLY CORNER OF SAID LOT 5; THENCE NORTHWESTERLY PARALLEL WITH THE WESTERLY LINE OF PINE STREET TO THE NORTHERLY LINE OF SAID LOT 5; THENCE NORTHEASTERLY PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 5, 118 FEET TO THE PLACE OF BEGINNING, TOGETHER WITH THE RIGHT TO BUILD ONTO THE SOUTHERLY WALL OF THE BUILDING NOW OWNED BY THE KEUPER COMPANY AS RESERVED IN DEED 154 OF DEEDS 149, RACINE COUNTY REGISTRY AND SUBJECT TO THE EASEMENT GRANTED TO SAID KEUPER COMPANY IN SAID DEED ACROSS THE WESTERLY 10 FEET OF THE EASTERLY 118 FEET OF SAID LOTS 5 AND 8, BLOCK 28, AFORESAID. SAID LAND BEING IN THE CITY OF BURLINGTON, COUNTY OF RACINE AND STATE OF WISCONSIN.

SURVEY FOR: SHAD BRANNEN  
SURVEY LOCATION: 413 N. PINE STREET

NOTE: REFER TO A CURRENT TITLE REPORT FOR EASEMENTS AND RESTRICTIONS WHICH MAY AFFECT THE USE OF THIS SITE.

NOTE: DUE TO LACK OF FOUND MONUMENTATION AND VAGUENESS OF PLAT, ACCEPTED NORTH BUILDING LINE AS NORTH PROPERTY LINE OF PARCEL 1.

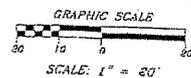
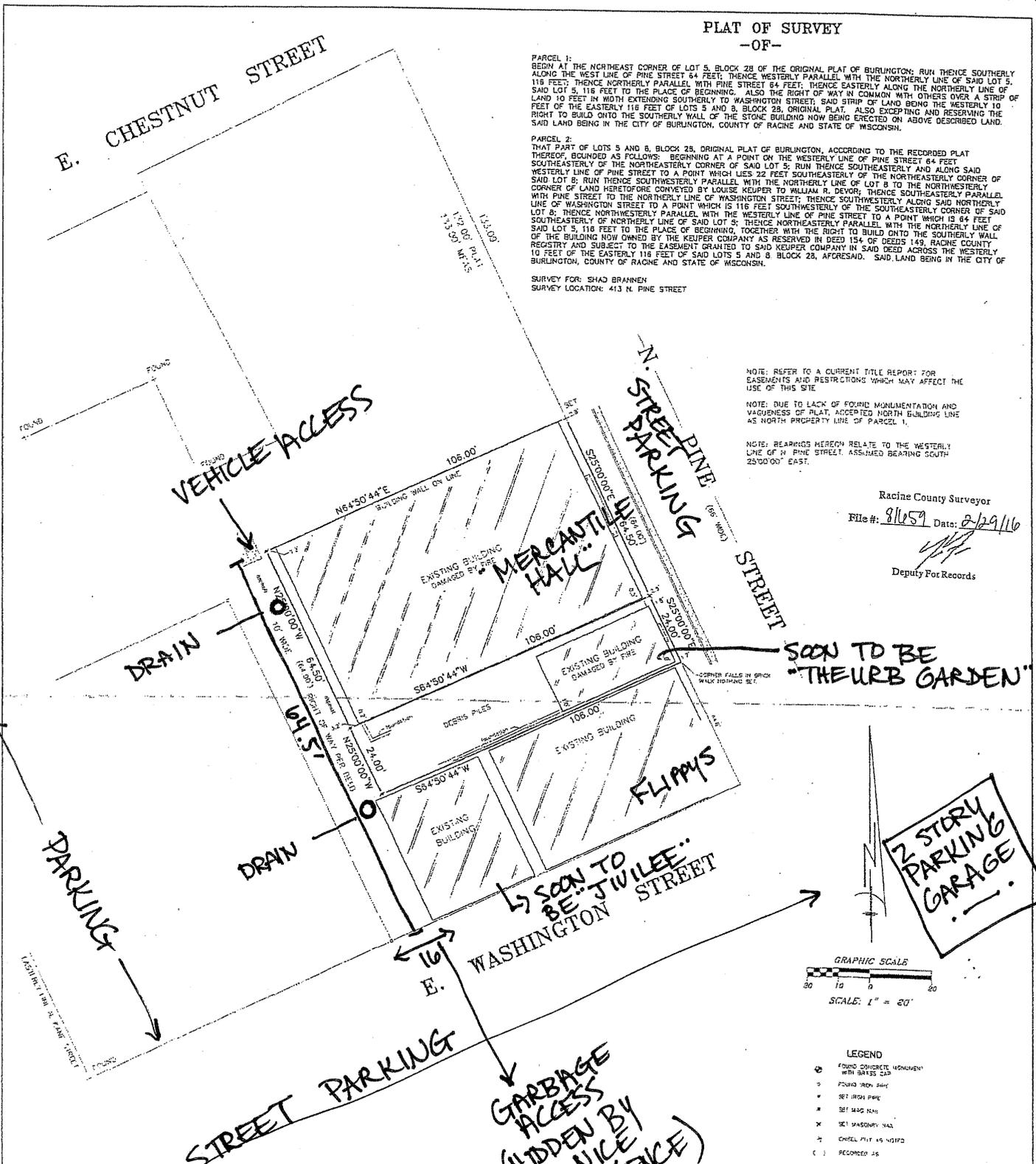
NOTE: BEARINGS HEREON RELATE TO THE WESTERLY LINE OF N. PINE STREET. ASSUMED BEARING SOUTH 25°00'00" EAST.

Racine County Surveyor  
File #: 81659 Date: 2/29/16  
Deputy For Records

SOON TO BE "THE URB GARDEN"

2 STORY PARKING GARAGE

GARBAGE ACCESS (HIDDEN BY NICE FENCE)



- LEGEND
- FOUND CONCRETE MONUMENT WITH BRASS CAP
  - FOUND IRON NAIL
  - SET IRON PIPE
  - SET IRON NAIL
  - SET MASONRY NAIL
  - CHISEL POINT AS NOTED
  - RECORDED IS

I hereby certify that I have surveyed the above described property and that the same map is a correct representation thereof and shows the location of all visible structures and dimensions of all buildings, buildings, fences, boundaries, easements, roads and encroachments, if any.

This survey is made for the use of the present owners of the property, and those and purposes, mortgage or otherwise the title thereto within one year from date hereof.

DRAWN BY:	DW	DATE:	APRIL 10, 2015
CHECKED BY:	CW/DW	DRAWING NO.:	8892d1
JOB NO.:	8892	SHEET	1 OF 1



B.W. SURVEYING, INC.  
412 N. PINE STREET  
BURLINGTON, WI 53105  
(262)-767-0225



THIS IS NOT AN ORIGINAL COPY  
ROBERT J. WETZEL  
S-1778





DATE: July 17, 2018

SUBJECT: **RESOLUTION 4912(14)** - to consider approving an Agreement between the City of Burlington and Racine County for the acquisition of property located at 617 N. Pine Street.

**BACKGROUND/HISTORY:**

During the February 21, 2018 closed session meeting of the Common Council, staff was directed to contact Racine County for the possible acquisition of 617 N. Pine Street due to the severely deteriorated building and gaining control of the property. The parcel in question is a deteriorated commercial building across from the former Standard Press building. The City has received several complaints regarding the appearance and condition of this property. As you are aware, this property has been an eyesore for the downtown business district for several years and steps need to be taken by the City to eliminate this blight.

The current property owner has been delinquent on property taxes since 2011, in the amount of \$58,768.02. The County is willing to convey the property to the City under the terms and conditions set forth in the attached Resolution, allowing the City to control the future development of the property.

As part of the property acquisition there are several conditions the City must be aware of (similar to the Martin Square property):

- 1) The property would be sold “as-is” to the City, and the City would hold harmless the County for any liability.
- 3) As part of the acquisition, the property back taxes would be forgiven; however, the City would need to reimburse Racine County \$6,149.59 for special assessments (e.g. sewer/water and snow removal) that the County previously paid to the City.

On May 22, 2018, the Racine County Board approved a resolution conveying the property to the City of Burlington, which is attached to this cover memo.

Staff is recommending the acquisition of the 617 N. Pine Street property from Racine County. The City may determine acquiring the property is not in the best interest; however, if the City does not acquire the property, the County will continue to own the property and it will in all probability continue to be an eyesore for the community. If the City owns and controls the property, though, the redevelopment opportunity will be optimized.

**BUDGET/FISCAL IMPACT:**

As part of the acquisition the property back taxes would be forgiven; however, the City would need to reimburse Racine County \$6,149.59 for special assessments that the County previously paid to the City.

**RECOMMENDATION:**

Staff is recommending the acquisition of the 617 N. Pine Street property from Racine County. The City may determine acquiring the property is not in the best interest; however, if the City does not acquire the property, the County will continue to own the property and it will in all probability continue to be an eyesore for the community. If the City owns and controls the property, though, the redevelopment opportunity will be optimized.

**TIMING/IMPLEMENTATION:**

This item is for discussion at the July 17, 2018 Committee of the Whole meeting and is scheduled for final consideration at the August 7, 2018 Common Council meeting.

**Attachments**

Res 4912(14) 617 N Pine  
Racine County Resolution  
Quit Claim Deed

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**A RESOLUTION APPROVING AN AGREEMENT BETWEEN THE CITY OF BURLINGTON  
AND THE COUNTY OF RACINE FOR THE ACQUISITION BY THE CITY OF THE PROPERTY  
LOCATED AT 617 N. PINE STREET, BURLINGTON, WISCONSIN**

**WHEREAS**, real estate taxes on the property located in the City of Burlington, County of Racine, State of Wisconsin, commonly known as 617 N. Pine Street, bearing Tax Parcel Number 206-03-19-32-017-000 (the "Property"), have not been paid since 2011, and numerous tax certificates have been issued by the County of Racine (the "County") for failure to pay said taxes; and,

**WHEREAS**, the Property was previously commercial building currently consists of one building on the site; and,

**WHEREAS**, the redevelopment of the Property would enhance the neighborhood and be beneficial to the City; and

**WHEREAS**, the County is initiating and pursuing to completion the acquisition of the Property by in rem proceedings pursuant to Chapter 75 of the Wisconsin Statutes; and

**WHEREAS**, the County, upon acquiring the Property, will then immediately convey the Property to the City of Burlington pursuant to an agreement that includes the following terms and conditions:

1. The City agrees to accept title and ownership of the Property, in its current condition at the time of conveyance "as is and with all faults". Said conveyance shall be full and final;
2. The City shall hold harmless and indemnify the County from any and all liability for any reason, known or unknown, related to the condition or status of the Property;
3. The City shall reimburse the County for the balance of special assessments on the Property; and
4. The County shall waive the balance of any taxes, penalties, and interest remaining on the Property except insofar as the proceeds from the City's subsequent sale of the Property shall offset said balance, if applicable; and

**WHEREAS**, once the City acquires the Property from the County, the City intends to negotiate and enter into a development agreement with a developer for the future development of the Property, all under terms and provisions that would be considered and approved by the Common Council in the future, at such time as the proposed development agreement is finalized in the future.

**NOW, BE IT HEREBY RESOLVED** by the Common Council of the City of Burlington that:

- 1) The City enter into an agreement with the County of Racine for the acquisition by the City of the Property located at 617 N. Pine Street, Burlington, Wisconsin; and
- 2) The said agreement with the County of Racine shall include the terms and provisions described in this resolution; and
- 3) The Mayor and the City Clerk are hereby authorized to execute and deliver (i) the said agreement with the County of Racine, plus (ii) such other documents as may be necessary to complete the conveyance of the Property from the County to the City.

Introduced: July 17, 2018

Adopted:

---

Jeannie Hefty, Mayor

Attest:

---

Diahnn Halbach, City Clerk

OFFICE OF THE RACINE COUNTY CLERK

Wendy M. Christensen

730 Wisconsin Avenue, Racine, Wisconsin 53403

E-mail [Wendy.Christensen@racinecounty.com](mailto:Wendy.Christensen@racinecounty.com)

Phone 262-636-3121

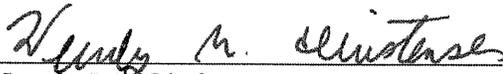
Fax 262-636-3491

---

May 2018

TO WHOM IT MAY CONCERN:

I, Wendy M. Christensen, County Clerk in and for the  
County of Racine, State of Wisconsin, do hereby certify  
that the attached is a true and correct copy of a  
Resolution adopted by the Racine County Board of  
Supervisors on May 22, 2018.

  
\_\_\_\_\_  
Wendy M. Christensen  
Racine County Clerk

County Seal

11

May 8, 2018

RESOLUTION NO. 2018-14

RESOLUTION BY FINANCE AND HUMAN RESOURCES COMMITTEE AUTHORIZING THE DONATION OF AN IN-REM PROPERTY LOCATED AT 617 PINE STREET NORTH TO THE CITY OF BURLINGTON

To the Honorable Members of the Racine County Board of Supervisors:

BE IT RESOLVED by the Racine County Board of Supervisors that the donation and transfer of ownership of the In-Rem property located at 617 Pine Street North (Tax Parcel 206-031932017000), in the City of Burlington to the City of Burlington is authorized and approved.

BE IT RESOLVED by the Racine County Board of Supervisors that the fiscal note as set forth in Exhibit "A," that is attached hereto, is authorized and approved.

BE IT FURTHER RESOLVED by the Racine County Board of Supervisors that the County Clerk and the County Board Chairman are authorized to execute any deeds, contracts or other documents necessary to carry out the intent of this resolution.

Respectfully submitted,

1st Reading 05-08-18

2nd Reading 5-22-18

BOARD ACTION

Adopted yes
For
Against
Absent

VOTE REQUIRED: Majority

Prepared by:
Corporation Counsel

FINANCE AND HUMAN RESOURCES COMMITTEE

Robert N. Miller, Chairman

Brett A. Nielsen, Vice-Chairman

Q.A. Shakoor, II, Secretary

Janet Bernberg

John A. Wisch

Mike Dawson

Thomas Pringle

The foregoing legislation adopted by the County Board of Supervisors of Racine County, Wisconsin, is hereby:

Approved: \_\_\_\_\_

Vetoed: \_\_\_\_\_

Date: \_\_\_\_\_

Jonathan Delagrave, County Executive

4  
5 **INFORMATION ONLY**  
6

7 **WHEREAS**, Racine County currently owns the In Rem property located at 617 Pine Street  
8 North, City of Burlington, (Tax Parcel 206-031932017000); and

9  
10 **WHEREAS**, per the City's request, the parcel was obtained in an In Rem court action on  
11 April 16, 2018 in a collaborative effort by the County and City to eliminate blight in the downtown  
12 business district; and

13  
14 **WHEREAS**, the County Treasurer has requested that the In Rem property located at 617  
15 Pine Street North be donated to the City of Burlington; and

16  
17 **WHEREAS**, the parcel is commercially zoned with a building located on the parcel and  
18 the parcel has not been included in a sealed bid sale.

\*MAY-8-18\*

FISCAL NOTE RESOLUTION NO: 2018-14

Fiscal Year: **2018**

### Donation of In-Rem Property

Address	Parcel Number	Tax Deeds	Specials	Interest	Penalty	Other Costs	Total Due
617 Pine St N	206-031932017000	30,364.15	6,194.59	14,620.50	7,310.28	278.50	58,768.02
Total:		<u>30,364.15</u>	<u>6,194.59</u>	<u>14,620.50</u>	<u>7,310.28</u>	<u>278.50</u>	<u>58,768.02</u>

### FINANCE COMMITTEE RECOMMENDATION

After reviewing the Resolution/Ordinance and fiscal information supplied, your Finance Committee recommends FOR--AGAINST adoption.  
REASONS

FOR

AGAINST

*MEM*

*JS*  
*JS*

*(B)*

# QUIT CLAIM DEED

Racine County, a quasi-municipal corporation

Grantor(s)

quitclaims to

CITY OF BURLINGTON

Grantee(s)

The following described real estate in Racine County,

State of Wisconsin:

**Full Legal Description:**  
**SEE ATTACHED ADDENDUM**

**Tax Exempt Code No. 2**

Name and Return Address below

CITY OF BURLINGTON  
32288 BUSHNELL ROAD  
BURLINGTON, WI 53105

206-031932017000

Parcel Identification Number (PIN)

Together with all appurtenant rights, title, and interest.

This  is  is not homestead property.

Date signed: \_\_\_\_\_

Date signed: \_\_\_\_\_

\_\_\_\_\_  
(SEAL)

\*  
\_\_\_\_\_  
Print or Type name

\_\_\_\_\_  
(SEAL)

\*  
\_\_\_\_\_  
Print or Type name

\_\_\_\_\_  
(SEAL)

\*Wendy M. Christensen, County Clerk  
Print or Type name

\_\_\_\_\_  
(SEAL)

\*Russell A. Clark, County Board Chair  
Print or Type name

## AUTHENTICATION

Signature(s) \_\_\_\_\_

\_\_\_\_\_  
authenticated this \_\_\_\_\_ day of \_\_\_\_\_,

\*  
TITLE: MEMBER STATE BAR OF WISCONSIN

STATE BAR NUMBER: \_\_\_\_\_

This instrument was drafted by:

John P. Serketich, Asst. Corporation Counsel, SBN 1022080

## ACKNOWLEDGEMENT

STATE OF WISCONSIN, County of \_\_\_\_\_

Signed, sworn, and personally came before me on \_\_\_\_\_

by the above-named  person  persons to be known to be the  person  
 persons who executed the forgoing instrument and acknowledge the same.

Signature of Notary or other person authorized to administer an oath as per  
Sec. 706.06, 706.07

Print or type name: \_\_\_\_\_

Date Commission  expires: \_\_\_\_\_  is permanent.

Signatures may be authenticated or acknowledged. Both are not necessary. Racine  
County requires notary seal when acknowledging signatures. Rev. 09/05/ljh ©

## ADDENDUM

Grantor: RACINE COUNTY, a quasi-municipal corporation

Grantee: CITY OF BURLINGTON

### PARCEL NO. 206-031932017000

PART OF THE NORTHWEST ¼ OF SECTION 32, TOWN 3 NORTH, RANGE 19 EAST, BOUNDED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LOT 4, BLOCK 2, OF PERKINS ADDITION TO THE VILLAGE OF BURLINGTON AS PLATTED AND RECORDED; RUN THENCE NORTH 58°10' WEST .35 FEET TO A POINT; THENCE NORTH 28°41' EAST 43.70 FEET TO A POINT; THENCE NORTH 30°14' EAST 71.92 FEET TO A POINT IN THE SOUTHERLY LINE OF PINE STREET; THENCE SOUTH 58°10' EAST 96.72 FEET; THENCE SOUTH 31°50' WEST 115.5 FEET TO THE NORTHERLY LINE OF BLOCK 2 OF SAID PERKINS ADDITION; THENCE NORTH 58°10' WEST 92 FEET TO PLACE OF BEGINNING. EXCEPTING THEREFROM THE FOLLOWING: THAT PART OF LOT 2, BLOCK 2, PERKINS ADDITION TO BURLINGTON, ACCORDING TO THE RECORDED PLAT THEREOF, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF LOT 2, BLOCK 2 OF PERKINS ADDITION TO BURLINGTON; RUN THENCE SOUTH 58°10' EAST ALONG THE NORTHERLY LINE OF CHESTNUT STREET 22.50 FEET TO A POINT; THENCE NORTH 31°50' EAST 75.00 FEET TO A POINT; THENCE NORTH 8°26' WEST 8.51 FEET TO A POINT; THENCE NORTH 58°10' WEST 5.75 FEET TO A POINT; THENCE NORTH 31°50' EAST 17.50 FEET TO A POINT; THENCE NORTH 58°10' WEST 11.25 FEET TO A POINT; THENCE SOUTH 31°50' WEST 99.00 FEET TO THE POINT AND PLACE OF BEGINNING. SAID LAND BEING IN THE CITY OF BURLINGTON, COUNTY OF RACINE, AND STATE OF WISCONSIN.

617 N. PINE STREET, BURLINGTON, WI 53105

### SPECIAL NOTE:

The City of Burlington agrees to accept full and final title and ownership of the property interests as is and with all faults. The City of Burlington shall hold harmless and indemnify Racine County from any and all liability for any reason, known or unknown, related to the condition or status of the property, whether such liability or condition is known or unknown at the time of transfer of title. The City of Burlington shall reimburse Racine County for the balance of special assessments on the property and Racine County shall waive the balance of any taxes, penalties, and interest remaining on the property except insofar as the proceeds from the City of Burlington's subsequent sale of the subject property shall offset said balance, if applicable.

This Special Note shall not apply to any successors and/or assigns in title to the subject property. At such time as the City of Burlington elects to convey all or part of the subject property being conveyed in this Quit Claim Deed from Racine County to the City of Burlington, then this entire "Special Note" shall automatically be deemed deleted from the Quit Claim Deed, as if this Special Note was never part of this Quit Claim Deed. The legal obligations stated in the Special Note shall then still continue to exist between Racine County and the City of Burlington, but at the same time the chain of title for the subject property will not be encumbered with this Special Note for future conveyances.

###



**DATE:** July 17, 2018

**SUBJECT:** **RESOLUTION 4913(15)** - to amend the City of Burlington Fee Schedule for Mobile Food Vendor Permits.

**SUBMITTED BY:** Megan Watkins, Director of Administrative Services

**BACKGROUND/HISTORY:**

As part of Ordinance 2036(2) to create Ch. 254-2.1 allowing for Mobile Food Vendors, this resolution seeks to create a fee for the Mobile Food Vendor Permit in the amount of \$250. This fee is based on:

- An average permit fee with all Wisconsin communities that have Mobile Food Vendor permits
- An average mobile food vendor permit fee of Wisconsin communities of similar size
- Staff salaries and background check fees in association with reviewing and administering the permit, as well as costs associated with a Fire Department inspection and monitoring if necessary
- Feedback from both the Common Council and local restaurant owners at the May 15, 2018 and June 19, 2018 Committee of the Whole meetings.

The permit fee of \$250 does not include fees associated with the Central Racine County Health Department inspection and certification, nor fees with the State of Wisconsin for a Sellers Permit and/or Health Certificate. This fee also does not apply to mobile food trucks associated with Special Events.

**BUDGET/FISCAL IMPACT:**

The Mobile Food Vendor permit fee will cover staff salaries and background check fees in association with reviewing and administering the permit, as well as costs associated with a Fire Department inspection and monitoring of the vehicle, if necessary.

**RECOMMENDATION:**

Staff recommends approval of an amendment to the official Fee Schedule to include a fee for mobile food vendors.

**TIMING/IMPLEMENTATION:**

This item is for discussion at the July 17, 2017 Committee of the Whole meeting and scheduled for final consideration at the August 7, 2018 Common Council meeting.

**Attachments**

- Res 4913(15) Amended Fee Schedule
- Permit Fee Comparison Chart

**A RESOLUTION AMENDING THE CITY OF BURLINGTON FEE SCHEDULE  
FOR MOBILE FOOD VENDOR PERMITS**

**WHEREAS** the City of Burlington issues permits and licenses and performs other reviews, inspections and services as provided in its Municipal Code; and

**WHEREAS** the City defrays its costs of administration, investigation, and processing of said services by imposing fees; and

**WHEREAS** the amendment to the fee schedule set forth below is directly related to the City's costs of processing mobile food vendor permit applications and inspections.

**NOW, THEREFORE, BE IT RESOLVED** by the City of Burlington Common Council, that, pursuant to all of the above, the City of Burlington Fee Schedule is amended to include the following fees:

- Ch. 254-2.1 Mobile Food Vendor Permit - \$250

**BE IT FURTHER RESOLVED** that upon adoption of this resolution, the City Clerk shall revise the City of Burlington Fee Schedule accordingly.

Introduced: July 17, 2018

Adopted:

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

Attest:

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

**Wisconsin Municipalities Mobile Food Vendor License Fees**

<b>Municipality</b>	<b>Population</b>	<b>Annual Mobile Vendor License Fee</b>
Altoona	7,056	\$250 +\$15 background check fee
Cedarburg	11,479	\$100
DePere	24,180	Existing brick & mortar - \$300; New business - \$500
Eau Claire	67,006	\$120
Fond du Lac	43,461	\$125
Green Bay	105,051	Existing brick & mortar - \$300; New business - \$500
Janesville	63,510	\$500
LaCrosse	51,992	\$60/license + \$50 inspection fee
Madison	252,551	\$588
Mayville	5,109	\$440
Middleton	18,323	\$500
Milwaukee	595,047	\$305
Monona	7,573	\$50
Neenah	25,833	\$100
Oak Creek	34,791	\$246
Racine	78,336	\$279
Stevens Point	27,040	\$50
Sun Prairie	31,810	\$150 + \$7 background check fee
Sussex	10,669	\$200 + background check fee
Waunakee	12,622	\$250
Wausau	39,063	\$100
West Allis	60,329	\$100
Weston	15,090	\$100



## COMMITTEE OF THE WHOLE

ITEM NUMBER 6A

**DATE:** July 17, 2018

**SUBJECT:** ORDINANCE 2036(2) - to create a new Section 254-2.1 of the Municipal Code regarding "Mobile Food Vendors".

**SUBMITTED BY:** Megan Watkins, Director of Administrative Services

### **BACKGROUND/HISTORY:**

On May 15, 2018, the Council was presented a draft ordinance proposing to add a new Chapter in the Municipal Code entitled, "Mobile Food Vendors", to address regulations and permitting in order to maintain the health, safety and welfare of our residents and visitors.

This item was brought back to the June 19, 2018 Committee of the Whole with three options on how to proceed. Based on feedback from the Council, the draft ordinance was amended to set specific locations mobile food vendors can park daily throughout the year. The set locations are as follows:

- Three (3) public parking spaces on the east side of North Kane Street between the public alley and Washington Street
- Four (4) angled public parking stalls on the south side of East Washington Street east of North Perkins Street
- Six (6) public parking stalls on the north side of East Washington Street east of North Kane Street
- Nine (9) public parking spaces on the east side of North Perkins Street between East Jefferson Street and East Washington Street
- Public parking on the east side of North Dodge Street between Madison Street and East State Street
- Six (6) angle public parking spaces on the south side of Congress Street nearest Michigan Avenue
- Public parking on the south side of Industrial Drive between Brookview Avenue and Krift Avenue in the Burlington Industrial Park
- Cul-de-sac at the end of Blackhawk Drive in the Burlington Manufacturing & Office Park
- Mobile food vendors would also be allowed as part of a special event, which would require approval by the Common Council.

This ordinance seeks to set guidelines for mobile food vendors to protect not only patrons of the vendors, but the vendors themselves. Some key regulations drafted in this ordinance include:

- Vendors must have a background check
- Vendors must be fully licensed by the State and display license
- An inspection by the Health Department is required
- An inspection by the Fire Department is required
- Location requirements and patron access points must be defined
- Without written consent from the business owner, vendors must stay at least 100 feet from a restaurant or bar/tavern that sells prepared food Hours of business regulated
- Must pay an annual fee (January 1 – December 31) of \$250

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

An annual Mobile Food Vendor Permit of \$250 will be charged to all applicants. This fee is based on fees charged by similar sized communities within Wisconsin. A resolution to amend the Official Fee Schedule to incorporate this fee has been placed on the agenda the same night for consideration. Further, there are no fees associated with a Special Event permit.

**RECOMMENDATION:**

Staff recommends the Council this amended draft ordinance to set specific perimeters where food trucks can locate their vehicle in the city,as well as allowing food trucks to conduct business in Burlington only as a special event approved by Council.

**TIMING/IMPLEMENTATION:**

This item is scheduled for discussion at the July 17, 2018 Committee of the Whole meeting and scheduled for final consideration at the August 7, 2018 Common Council meeting.

---

**Attachments**

Ordinance 2036(2) - Redlined  
Mobile Food Vendor Permit Application

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**Ordinance No. 2036(2)**  
**Introduced by: Committee of the Whole**

**ORDINANCE TO CREATE A NEW SECTION 254-2.1  
OF THE MUNICIPAL CODE REGARDING "MOBILE FOOD VENDORS"**

The City Common Council of the City of Burlington, Wisconsin, do ordain as follows:

**Section 1.** Section 254-2.1 of the City of Burlington Code of Municipal Ordinances, entitled "Mobile Food Vendors", is hereby adopted:

**Chapter 254**

**SALES**

**Chapter 254-2.1. Mobile Food Vendors**

Definitions. As used in this article, the following terms shall have the meanings indicated:

**MOBILE FOOD VEHICLE**

A motorized vehicle (hereinafter referred to as a "food truck" and/or "mobile food vehicle") which may temporarily park in an area designated by this Chapter and engage in the service, sale, or distribution of ready-to-eat food for individual portion service to the general public directly from the vehicle upon issuance of a Vendor Vehicle Permit by the City Clerk and conformance with the regulations established by this Chapter.

**MOBILE FOOD VEHICLE VENDOR**

The registered owner of a mobile food vehicle or the owner's agent or employee are referred to in this Article as "Vendor."

**PUSHCART**

A wheeled cart, specifically designed and used for keeping, storing, or warming food or beverage for sale by a mobile food vehicle vendor, which may be moved by one person without the assistance of a motor.

**A. Permit required.**

1. It shall be unlawful for any person to do any of the following within a public right-of-way or on public property in the City of Burlington without first having obtained a valid Vendor Vehicle Permit as prescribed in this article:

- (a) Operate a mobile food vehicle or pushcart;
- (b) Serve, sell, or distribute food from a mobile food vehicle or pushcart;
- (c) Cook, wrap, package, process, or portion food in a mobile food vehicle or pushcart for service, sale, or distribution.

**B. Permit application; regulation.**

1. Any person desiring to operate a mobile food vehicle or pushcart will make written application for a Vendor Vehicle Permit to the City Clerk's office. The application for such permit shall be on forms provided by the City Clerk's office and will include all of the following:

- (a) The name, signature, and address of each applicant and of each member or officer of a corporate applicant.
  - (b) Vehicle Registration and a description, including make, model, Vehicle Identification Number (VIN), and license plate, of the mobile food vehicle.
  - (c) A valid copy of all necessary licenses, permits or certificates required by the County of Racine, the State of Wisconsin, or any subsidiary enforcement agencies or departments thereof, including but not limited to valid proof of registration for the vehicle and driver's licenses for all operators.
  - (d) Any additional information deemed necessary by the City Clerk to determine if issuance of a mobile food vending permit to a particular applicant would be in the best interest of the public.
2. Upon receipt of an application for a Vendor Vehicle Permit, the clerk may conduct a background check and may refer to the Chief of Police or his or her designee who may make and complete an investigation of the statements made in such registration. Any such investigation will be completed as soon as practicable. The City Clerk may refuse to register the applicant if any of the following is determined:
- (a) The application contains any material omission or materially inaccurate statement;
  - (b) The applicant is not eligible to have the Vendor Vehicle Permit under the provisions of Section 111.321 et seq. of the Wisconsin Statutes, or any other applicable statute(s);
  - (c) The applicant failed to comply with any requirement of § 254-2.1B.
3. A permit issued under this section shall be valid for a period of one (1) year, unless suspended or revoked for cause, and shall not be assignable or transferable.
- (a) Each Vendor Vehicle Permit will expire on January 1 of each year.
  - (b) A Vendor Vehicle Permit is not transferable from person to person.
  - (c) A Vendor Vehicle Permit is valid for one vehicle only and is not transferable. A separate permit shall be obtained for each vehicle used by the mobile food vehicle vendor.
  - (d) The Vendor Vehicle Permit will be permanently and prominently affixed to the mobile food vehicle.
  - (e) Permit fee, late fee and renewal fees shall be paid in accordance with the fee schedule set by resolution of the City Council.

### C. Regulations

1. No person shall park, stop, or operate a mobile food vehicle or pushcart, nor shall any Vendor Vehicle Permit any person to park, stop or operate a mobile food vehicle or pushcart in a location adjacent to or within a one-hundred-foot radius of the nearest edge of any building or section of a building comprising a licensed food establishment, excluding any patio, awning, or temporary enclosure attached thereto, the kitchen of which is open for serving food to patrons. This requirement may be waived if the most recent application for a Vendor Vehicle Permit was submitted together with the written consent of the proprietor of the adjacent licensed food establishment.
2. The customer service area for mobile food vehicles shall be on the side of the truck that faces a curb, lawn or sidewalk when parked. No food service shall be provided on

the driving lane side of the truck. No food shall be prepared, sold or displayed outside of a mobile food vehicle.

3. All vendors will abide by all parking and traffic laws, ordinances, statutes, rules, and regulations at all times, except that a mobile food vehicle that is of such a length that it occupies all or a portion of two marked parking spaces may park in said spaces so long as it abides by all other parking restrictions.
4. All mobile food vehicle units must maintain a distance of ten feet from the nearest edge of any building, vehicle and combustible materials and two feet from the curbs. All vendors will maintain any legally-required distances from crosswalks, curb cuts, sidewalk benches, bike racks, bus shelters and stops and other obstructions. The vendor is required to set up the mobile food vehicle, arrange for waiting on customers and have customers line up in a way that avoids conflict between customers and the traveling public, including pedestrians, parked vehicles and moving vehicles. A clearance of not less than five feet wide will be maintained on any public sidewalk upon which a pushcart is located. Mobile food vehicles are not permitted on public sidewalks.
5. Mobile food vendors are allowed in City parking lots only as part of an approved special event or upon approval by the Common Council. Mobile food vendors are allowed adjacent to or within City parks with Park Board approval, but shall not park, stop, or operate a mobile food vehicle or pushcart, nor permit any person to park, stop, or operate a mobile food vehicle or pushcart, in a location adjacent to or within a one-hundred-foot radius of the nearest edge of any building or section of a building located in a City park that sells food or beverages.
6. A person with a valid driver's license of such a classification to allow the operation of the mobile food vehicle shall be with the vehicle at all times that any activity is taking place in the mobile food vehicle. The vendor is liable for any violation of this subsection.
7. On the day of the Chocolate City Parade, no holder of a Vendor Vehicle Permit shall park or maintain upon the public streets, sidewalks or parking lots any pushed, pedaled, pulled or motorized vehicle from which any goods, wares or merchandise shall be sold along the route of, or within the area barricaded for, the Chocolate City Parade unless such vendor also obtains a special sales within barricaded areas permit as provided under Subsection § 254-5.
8. All mobile food vehicle vendors shall provide a waste container for public use which the vendor shall empty at its own expense. All trash and garbage originating from the operation of mobile food vehicles shall be collected and disposed of off-site by the operators at least each day and as often as is reasonable to protect the public health, safety, and welfare. Spills of food or food by-products shall be cleaned up by the vendor, and no dumping of gray water within the City shall be permitted.
9. A valid food establishment permit issued by the State of Wisconsin or any other competent Health Department for any mobile restaurant or mobile retail food establishment which chooses to operate within the jurisdiction of the Central Racine County Health Department will be honored by the Central Racine County Health Department. The mobile food establishment will be required to be inspected by the health department and to satisfy the relevant provisions of Chapter ATCP 75, Wis.

Adm. Code. In addition, the mobile food establishment shall pay an inspection fee for this inspection.

10. The mobile food establishment will be required to be inspected by the City of Burlington Fire Department for the purpose of ascertaining and causing to be corrected any conditions or any violations of any law or ordinance relating to fire and life safety hazards. The mobile food establishment shall pay any applicable inspection fee for this inspection. The City of Burlington Fire Department shall also have the right to conduct on-site inspections when the mobile food vehicle is operational. A Certificate of Compliance shall be permanently and prominently affixed to the mobile food vehicle.
11. Any power or fuel required for the mobile food vehicle shall be self-contained, and a mobile food vehicle shall not use utilities drawn from the public right-of-way. Mobile food vehicles on private property may use electrical power from the property being occupied or an adjacent property, but only when the property owner provides written consent to do so. All power sources must be self-contained. No power cable or equipment shall be extended at or across any City street, alley or sidewalk.
12. Mobile food vehicle or pushcart vending hours on public property and public right-of-way are from 8:00 a.m. to 9:00 p.m. (Sunday through Thursday) and from 8:00 a.m. to 10:00 p.m. (Friday and Saturday). Mobile food vehicle must be closed, the area cleaned and the mobile food vehicle removed by the time specified. Mobile food vehicle vending hours are not restricted on private property locations.
13. Nothing in this article shall be deemed to supersede or repeal any ordinance relating to noise, park closing hours, or parking, except as specifically provided in the article. Vendors will take every precaution to ensure that their operations do not materially affect the peace and welfare of the general public nor cause any unreasonably loud, disturbing and unnecessary noise or any noise of such character, intensity or duration as to be detrimental to the life or health of any individual or which is in the disturbance of public peace and welfare, and/or which creates a nuisance.

#### D. Specified Locations of Operation

- a. Mobile food vendor parking in designated City-owned or controlled property will be allowed to be operated on a “first come, first served” basis within designated vending locations as described in this chapter, identified in effect at all times unless otherwise expressly approved by the City of Burlington or permitted in conjunction with a special event. Three (3) public parking spaces on the east side of North Kane Street between the public alley and Washington Street
- b. Four (4) angled public parking stalls on the south side of East Washington Street east of North Perkins Street
- c. Six (6) public parking stalls on the north side of East Washington Street east of North Kane Street
- d. Nine (9) public parking spaces on the east side of North Perkins Street between East Jefferson Street and East Washington Street
- e. Public parking on the east side of North Dodge Street between Madison Street and East State Street
- f. Six (6) angle public parking spaces on the south side of Congress Street nearest Michigan Avenue
- g. Public parking on the south side of Industrial Drive between Brookview Avenue and Krift Avenue in the Burlington Industrial Park

h. Cul-de-sac at the end of Blackhawk Drive in the Burlington Manufacturing & Office Park

E. Suspension and revocation.

1. A Vendor Vehicle Permit may be suspended or revoked by the City Clerk, or the Chief of Police, if the permit holder made any material omission or materially inaccurate statements in the permit application, or if the permit holder violates any provision of this article, if there are noise complaints related to the mobile food vehicle or the operation thereof, or if the permit holder becomes ineligible to hold the permit under the provisions of Section 111.321 et seq. of the Wisconsin Statutes, or any other applicable statute(s). Notice of suspension or revocation will be personally served on the applicant and will include a statement of the act(s) upon which the denial is based.

F. Violations and penalties.

1. Any person violating any provision of this article shall be subject to the forfeitures and penalties contained in § 1-4 of this Code. Each day of violation shall constitute a separate offense.
2. The Police Department and/or the Department of Public Works shall have concurrent authority to remove or cause the removal of any vending equipment or merchandise found on the street, sidewalk, terrace or other vending location in violation of any regulations established pursuant hereto. In addition to any forfeiture, the violator shall be liable for any removal, towing and storage charges incurred by either department.
3. The City of Burlington shall also have the right to seek any remedies available to it under the law, or in equity with respect to any violation(s) of this chapter.

**Section 2.** This ordinance shall take effect and be in full force after its passage and publication as required by law.

Introduced: May 15, 2018

Adopted:

---

Jeannie Hefty, Mayor

Attest:

---

Diahnn Halbach, City Clerk

Annual Application Fee: \$250  
Calendar Year \_\_\_\_\_

Police Department Approval \_\_\_\_\_  
City Clerk Approval \_\_\_\_\_



## City of Burlington Mobile Food Vendor Permit Application

### TO BE COMPLETED BY APPLICANT

1. Name of Applicant: \_\_\_\_\_  Individual;  Partnership;  Corporation
2. Address of Applicant: \_\_\_\_\_  
STREET ADDRESS CITY, STATE & ZIP CODE
3. Full Name of Person in Charge of Sales: \_\_\_\_\_
4. Home, Business, and Mobile Phone Numbers: \_\_\_\_\_
5. Business Name: \_\_\_\_\_
6. Business Address: \_\_\_\_\_
7. Felony, Misdemeanor, or Ordinance Violation and Pending Cases for Person in Charge (Continue on back if necessary):  

DATE	CHARGE	COURT	SENTENCE IMPOSED
_____	_____	_____	_____
_____	_____	_____	_____
8. Description of Food/Merchandise to Be Sold: \_\_\_\_\_
9. Vehicle Description: \_\_\_\_\_  
MAKE/MODEL LICENSE PLATE NUMBER VEHICLE IDENTIFICATION NUMBER
10. Wisconsin Sellers Permit #: \_\_\_\_\_
11. Racine County/State of Wisconsin Health Certificate #: \_\_\_\_\_

### **PLEASE PRESENT THE FOLLOWING INFORMATION TO THE CITY CLERK'S OFFICE FOR EXAMINATION:**

1. Copy of driver's license or another form of identification bearing the photograph of the applicant
2. State of Wisconsin Seller's Permit, unless the establishment is tax exempt. Must show proof of exempt status if the mobile food vendor is Exempt under Wis. Stat. 440.42
3. Racine County Health Department Certificate and State of Wisconsin Health Certificate
4. Copy of Vehicle Registration

**READ CAREFULLY BEFORE SIGNING.** Under penalty provided by law, applicant has truthfully answered the above questions to the best of the applicant's knowledge. Any inaccurate or untruthful answer may be grounds for prosecution and invalidates the permit. Applicant understands that any activity engaged in is limited to the representations made on this application and by the provisions of Section 254.2.1 of the City of Burlington Municipal Code.

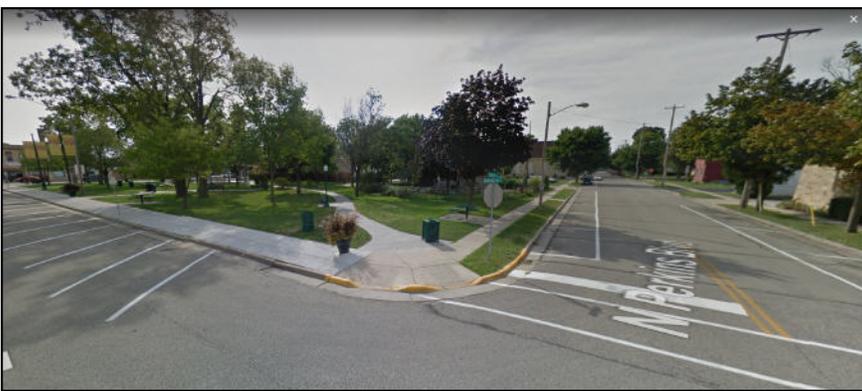
\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

## Set Locations for Mobile Food Vendors



- Three (3) public parking spaces on the east side of North Kane Street between the public alley and Washington Street
- Six (6) public parking stalls on the north side of East Washington Street east of North Kane Street



- Four (4) angled public parking stalls on the south side of East Washington Street east of North Perkins Street
- Nine (9) public parking spaces on the east side of North Perkins Street between East Jefferson Street and East Washington Street



- Public parking on the east side of North Dodge Street between Madison Street and East State Street

## Set Locations for Mobile Food Vendors



### Burlington Industrial Park:

- Public parking on the south side of Industrial Drive between Brookview Avenue and Krift Avenue



### Burlington Office & Manufacturing Park:

- Cul-de-sac at the end of Blackhawk Drive in the Burlington Manufacturing & Office Park



- Six (6) angle public parking spaces on the south side of Congress Street nearest Michigan Avenue



**DATE:** July 17, 2018

**SUBJECT: ORDINANCE 2037(3)** - to consider a rezone for property at 169 Industrial Drive from M-2, General Manufacturing District to M-2 (PUD), General Manufacturing District with a Planned Unit Development Overlay.

**SUBMITTED BY:** Gregory Guidry, Building Inspector

**BACKGROUND/HISTORY:**

This item is to consider recommending approval of a rezone request from Richard Torhorst on behalf of Brian Ehlert for property located at 169 Industrial Drive. The applicant is requesting to rezone the property from M-2, General Manufacturing District to M-2 (PUD), General Manufacturing District with a Planned Unit Development Overlay. The applicant would like to convert an existing multi-tenant industrial building to condominium ownership. This condominium conversion requires a Planned Unit Development (PUD) Overlay District.

**BUDGET/FISCAL IMPACT:**

N/A

**RECOMMENDATION:**

The Plan Commission and City Staff recommend approval of this rezone request as it is a valuable resource for the community.

**TIMING/IMPLEMENTATION:**

This item is for discussion at the July 17, 2018 Committee of the Whole meeting, scheduled for a Public Hearing the same night and for final consideration at the August 7, 2018 Common Council meeting.

**Attachments**

Ord 2037(3) Rezone 169 Industrial Drive

**AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP BY REZONING 169 INDUSTRIAL DRIVE FROM M-2, GENERAL MANUFACTURING DISTRICT TO M-2 (PUD), GENERAL MANUFACTURING DISTRICT WITH A PLANNED UNIT DEVELOPMENT OVERLAY**

**WHEREAS**, Richard Torhorst, applicant, requests property located at 169 Industrial Drive, as described in Attachment "A" to be rezoned to M-2 PUD Overlay, multi-tenant commercial building with a Planned Unit Development Overlay for the development of multi-commercial condominium ownership; and,

**WHEREAS**, this request was heard at, and recommended for approval by the Plan Commission at their July 10, 2018 meeting; and,

**WHEREAS**, a public hearing was held regarding this matter at the Common Council's July 17, 2018 meeting.

**NOW THEREFORE BE IT ORDAINED** that the Common Council of the City of Burlington, Racine County and Walworth County, State of Wisconsin does as follows:

**Section 1.** The district map of the City of Burlington, as it is incorporated by reference and made part of the City Zoning Ordinance, is hereby amended and changed in relation to the zoning classification of land more particularly described as follows:

<b>Owner:</b>	Brian Elhert
<b>Applicant:</b>	Richard Torhorst, Attorney, (owner's agent)
<b>Location of Request:</b>	169 Industrial Drive
<b>Existing Zoning:</b>	M-2, General Manufacturing District
<b>Proposed Zoning:</b>	M-2, General Manufacturing District with a PUD Overlay
<b>Proposed Use:</b>	M-2 with a PUD Overlay, multi-tenant commercial building with a Planned Unit Development Overlay for the development of multi-commercial condominium ownership.

**Section 2.** The district map in all other respects shall remain the same.

**Section 3.** This ordinance shall take effect upon its passage and publication as provided by law.

**NOW THEREFORE BE IT FURTHER ORDAINED** that the City Clerk shall provide a copy of this ordinance to Planning and Development Director, Julie Anderson, of Racine County Planning and Development, located at 14200 Washington Ave., Sturtevant, WI 53177.

Introduced: July 17, 2018  
Adopted: \_\_\_\_\_, 2018

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

Attest:

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

## ATTACHMENT A

### **Legal Description**

206-02-19-05-050-140  
169 INDUSTRIAL DRIVE

LOT 4, BLOCK 2, BURLINGTON INDUSTRIAL COMPLEX FIRST ADDITION, A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, PART OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER AND PART OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, ALL IN SECTION 5, TOWN 2 NORTH, RANGE 19 EAST OF THE 4<sup>TH</sup> PRINCIPAL MERIDIAN, CITY OF BURLINGTON, COUNTY OF RACINE, STATE OF WISCONSIN.



**DATE:** July 17, 2018

**SUBJECT: ORDINANCE 2038(4)** - to amend the Official Zoning Map by rezoning 332 Milwaukee Avenue from B-2, Central Business District to Rd-2, Two-Family District.

**SUBMITTED BY:** Gregory Guidry, Building Inspector

**BACKGROUND/HISTORY:**

This item is to consider recommending approval of a Rezone Map Amendment request from Craig Faust for property at 332 Milwaukee Avenue. The applicant is requesting to rezone the property B-2, Central Business District to Rd-2, Two-Family Residential. The Racine County Multi-Jurisdictional Comprehensive Plan Amendment application proposes to reclassify the future land use for the target property from “commercial” to “medium density residential”. The applicant proposes to convert the existing commercial business rental unit into a single-family residence, with a Conditional Use Permit. The applicant has identified the purpose for reclassifying the land use and rezoning the parcel as the following: “The market has a lot of vacant office space and the building is more suitable for residential use versus small office business use.”

**BUDGET/FISCAL IMPACT:**

N/A

**RECOMMENDATION:**

The Plan Commission and City Staff recommend approval of this rezone request as it is a valuable resource for the community.

**TIMING/IMPLEMENTATION:**

This item is for discussion at the July 17, 2018 Committee of the Whole meeting, scheduled for a Public Hearing the same night and for final consideration at the August 7, 2018 Common Council meeting.

**Attachments**

Ord 2038(4) Rezone 332 Milw Ave

**AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP BY REZONING  
332 MILWAUKEE AVENUE FROM B-2, CENTRAL BUSINESS DISTRICT TO  
RD-2, TWO-FAMILY RESIDENTIAL DISTRICT**

**WHEREAS**, Craig Faust, applicant, requests property located at 332 Milwaukee Avenue, as described in Attachment "A" to be rezoned to Rd-2, to convert the existing property from a commercial business rental into a single-family residence, with a Conditional Use Permit; and,

**WHEREAS**, this request was heard at, and recommended for approval by the Plan Commission at their July 10, 2018 meeting; and,

**WHEREAS**, a public hearing was held regarding this matter at the Common Council's July 17, 2018 meeting.

**NOW THEREFORE BE IT ORDAINED** that the Common Council of the City of Burlington, Racine County and Walworth County, State of Wisconsin does as follows:

**Section 1.** The district map of the City of Burlington, as it is incorporated by reference and made part of the City Zoning Ordinance, is hereby amended and changed in relation to the zoning classification of land more particularly described as follows:

<b>Owner:</b>	Craig Faust
<b>Applicant:</b>	Craig Faust
<b>Location of Request:</b>	332 Milwaukee Avenue
<b>Existing Zoning:</b>	B-2, Central Business District
<b>Proposed Zoning:</b>	Rd-2, Two-Family Residential District
<b>Proposed Use:</b>	To convert the existing property from a commercial business rental into a single-family residence, with a Conditional Use Permit

**Section 2.** The district map in all other respects shall remain the same.

**Section 3.** This ordinance shall take effect upon its passage and publication as provided by law.

**NOW THEREFORE BE IT FURTHER ORDAINED** that the City Clerk shall provide a copy of this ordinance to Planning and Development Director, Julie Anderson, of Racine County Planning and Development, located at 14200 Washington Ave., Sturtevant, WI 53177.

Introduced: July 17, 2018  
Adopted: \_\_\_\_\_, 2018

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

Attest:

\_\_\_\_\_  
Diahnn Halbach, City Clerk

## ATTACHMENT A

### **Legal Description**

206-03-19-32-470-150  
332 Milwaukee Avenue

Section 32 T3N, R19E, Perkins 2<sup>nd</sup> Addition, Lot 6, Block 4



**DATE:** July 17, 2018

**SUBJECT:** MOTION 18-903 - to approve Ansay & Associates, LLC as the City of Burlington's Workman's Compensation and General Liability Advisor and pay the remaining seven month balance for the City's insurance premium in the amount of \$299,567.

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

---

**BACKGROUND/HISTORY:**

The City of Burlington has been utilizing Zarek Insurance for forty (40) years regarding workman's compensation and general liability insurance. Although it's not policy, it is recommended that the City go out for bid and seek proposal from firms every five (5) years for services we are provided. This keeps vendors honest and allows the City to identify what progress has been made within that field.

On March 7, 2018 City staff sent Agent Qualification Questionnaires to Mangold Insurance, Zarek Insurance, League of Wisconsin Municipalities, Johnson Insurance, Ansay & Associates, and Mays Insurance seeking an experienced, responsible, capable and professional firm to serve as the Property & Casualty Insurance Consultant/Broker for the insurance placements. The questionnaire sought specific information as to the years of insurance experience, and specifically the number of Wisconsin Public Entities Insured.

Based on the results, staff released a Request for Proposal on April 2, 2018 to Johnson Insurance Services, Zarek Insurance, League of Wisconsin Municipalities and Ansay & Associates for effective coverage beginning on July 1. Our annual renewal with Zarek ended on May 15th and we have been paying a month-to month contract.

On May 2, 2018 the City received proposals from Zarek Insurance, League of Wisconsin Municipalities and Ansay & Associates. Staff received Estimated Total Premium ranging from \$376,989 to \$389,246. Staff compared apples to apples within the body of the RFP. These are just estimates and may change based on the City's Workman's Compensation Experience Modification Factor, (claims history) an updated audit of the account etc.

On May 30 and May 31, staff interviewed Zarek, Ansay & Associates and the League of Wisconsin Municipalities with the goal of having an extension of the City (not just a Broker and not just about finances). Staff was interviewing for a pro-active broker who will make recommendations on services and programs based on past claims, how to enhance internal efficiencies, and how data can assist with future budgeting. Staff also wanted to understand how the insurance markets have changed and how the Brokers are infusing (if they do) into the organizations. Staff chose to interview Ansay and the League of Wisconsin Municipalities a second time due to the programs and services that are provided to compliment and/or enhance current city processes.

Staff is choosing and recommending to Council to move to Ansay & Associates, LLC. What solidified this decision was: A) a local representative (Corina Kretschmer) will be assigned to the account besides the Port Washington representative; B) the willingness to be a proactive partner for the best interest of the City; and C) fit, staff will transition more comfortably to Ansay versus the League. Ansay & Associates will have a representative at this evening's meeting to provide an overview regarding their programs/services.

**BUDGET/FISCAL IMPACT:**

The City will remain with EMC as the carrier for the remainder of the 2018 policy and in January 2019 Ansay will seek alternative carrier proposals. The prorated EMC Premium for the remaining seven months (through 5/15/19) is \$342,236 in total. This includes the Housing Authority, which in the past was paid directly to Zarek from the Housing Authority. Ansay expects this amount to be approximately \$5,000 to \$6,000.

The City has already paid \$42,669, with the balance of \$299,567 due (general liability = \$169,169, and workers compensation = \$130,398). Attached are the quotes from Ansay.

**RECOMMENDATION:**

Staff recommends moving to Ansay & Associates, LLC.

**TIMING/IMPLEMENTATION:**

This item is for discussion at tonight's Committee of the Whole meeting and due to timing, will be presented to Council for final consideration the same evening.

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**Attachments**

Ansay PowerPoint

Ansay Quote Sheet

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# Ansay & Associates, LLC

Introductory Meeting

## City of Burlington



**Ansay & ASSOCIATES**  
*Insurance & Benefit Solutions*

# Our Mission

At Ansay & Associates we combine our entrepreneurial spirit with a disciplined strategic process to develop and provide the best insurance and benefit solutions to our clients.

At all times, we serve internal and external customers with respect and integrity, we passionately cultivate long-term partnerships by building excellent results and relationships, one satisfied customer at a time.

# Ansay Service Team

Tony Matera– Public Entity Insurance Advisor

Corina Kretschmer -Insurance Advisor

Kitty Vogt- Burlington Account Executive

Mike Anderson – In-House Risk Management / Claims

Michelle Perez – Internal Customer Service

# Our Locations

- Port Washington (HQ)
- West Bend
- Green Bay
- Manitowoc
- Mosinee
- Appleton
- Oshkosh
- Madison
- **Burlington**
- Franklin
- Eau Claire
- Chippewa Falls
- Augusta
- Menomonie
- River Falls
- Bloomer
- New Richmond
- Chetek
- Marshfield
- Stevens Point



# Customer Resources

## • Valued Solutions

- Risk Assessment / Coverage Benchmarking
- Risk Management / Open Claim Reviews
- Mod Master – Work Comp Experience Mod Analysis
- Future Forecast Analysis
- RiskPro- Online Risk Management Portal
- HR Connect
- Ansay Connect – Certificates, Auto ID Cards, View Policy Details
- Safety & Loss Control Services
- Ansay MedPro Work Comp Triage
- Future Office – Benefit Program Management
- On-Site training, workshops

# The Ansay Way

Ansay looks to begin the relationship here



## Ansay (Outsourced Risk Advisors)

1. Relationship / Solution Oriented Approach
2. Process Driven
3. Pro-Active
4. Communication

**Insurance Placement is a small part of what we do.**

# Ansay Medpro / Advantages

## (Telephonic Triage for WC)

- Employees receive immediate attention from a medical professional, toll free, 24/7.
- Injuries receive appropriate treatment or level of care right away.
- Unnecessary doctor visits are avoided, reducing unnecessary claims.
- Supervisors are freed from making medical decisions.
- Liability for triage decisions are transferred to Medpro.
- Recorded statements at the time of incident.
- Reduced paperwork for claims administrators.
- Instant notification to designated personnel (safety director, HR ...etc).
- Medpro can help direct employees to facilities in your provider's PPO Network.

This all adds up to prompt and proper treatment, lower claim experience, and premium savings.

# Safety Services

## Public Entity Safety Services

- Mock OSHA audits
- Safety training—classroom and hands-on—examples: confined space, fork lift, seasonal employees,
- Develop written Safety Handbooks
- Accident Investigation and Return-to-Work written programs and training
- Safety Committee development and train the trainer (facilitator)

## On Line Risk Management Platform Safety Services

- HR Library Labor Employment Source
- Incident tracking
- Online Training scheduling and tracking
- Hazard Communication Compliance Program
- Driver Safety Training
- Sexual Harassment Prevention training

# Risk Management Service Timeline

## **Coverage Review and Current Program Assessment**

- Perform current policy review and best practices benchmarking
- Develop and present renewal strategy for upcoming term

**Target Date: May/June**

## **Begin Risk Assessment Process**

- Schedule key employee interviews
- Report risk assessment findings to management

**Target Date: May/ June**

## **Program Initiation**

- Introduction of insurance carrier service teams and technology platforms
- Outline claim reporting procedures and Ansay MedPro guidelines
- Set up loss run frequency, format, and recipients
- Deliver insurance policy binder (paper or electronic)

**Target Date: July-August**

# Risk Management - continued

## **Midterm Review**

- Review prior term audits and compare to current exposure base
- Assist with claim closure prior to unit stat cards being filed
- Review open item reports from insurance carriers

**Target Date: November 2018**

## **Open Claim Reviews**

- Identify all open claims
- Solicit status reports from claims adjusters
- Review planned activity and projected close dates

**Target Date: Quarterly (as needed)**

## **Stewardship Report Market Insurance Program (if necessary)**

- Coordinate insurance carrier inspections
- Obtain alternative protection programs and pricing
- Evaluate options and make recommendations
- Finalize insurance carrier placements
- Issue binders, certificates of insurance, and auto ID cards

**Target Date: February 2019**

# Safety & Loss Control Service Timeline

## **Current Safety Program Evaluation**

- Identify current safety tools utilization
- Review current safety handbook
- Identify any changes necessary to reach a “Best Practices” safety culture

**Target Date: July**

## **Review Safety Committee Effectiveness**

- Interview employees to determine safety culture and jobsite practices
- Meet with management to identify additional services we can provide
- Assist with safety committee meetings and training if necessary

**Target Date: August**

## **Employee Training**

- Participate in supervisor training focusing on leading loss indicators
- Identify if written policies are enforced within departments
- Assist with “Best Practices” approach to workplace safety

**Target Date: As needed**

## **Review Injury Reporting Procedures**

- Develop a system to track, review, and correct near misses
- Provide supervisor training to implement a near miss program
- Track results and corrective actions

**Target Date: July**

# Safety & Loss Control - continued

## **Accident Investigations**

- Assist with investigation of all serious incidents
- Train supervisors to properly investigate all claims
- Assist with OSHA mediation in cases where citations are delivered

**Target Date: work with safety committee**

## **Finalize changes to the written safety program**

- OSHA Compliance
- PPE Guidelines
- Training and documentation

**Target Date: 2019**

## **Stewardship Report**

- Review services provided YTD
- Develop service plan for next year

**Target Date: April 2019**

Excited to join  
Team Burlington!

Any Questions?





# Quote Option Overview

CITY OF BURLINGTON | 07/01/18

## Option 002: \$169,169

Ref# X901240-002

Short Term quote

### A - Commercial Property

Premium	\$75,586
Deductible Range	70 bldg @ \$1,000
Extension Endorsement	Not Applicable
Unique Forms	Comparison Unavailable

### B - General Liability

Premium	\$24,174
Occurrence Limit	\$1,000,000
Aggregate Limit	\$2,000,000
Medical Limit	
Damage to Premises	\$300,000
EPLI	Not Applicable
Extension Endorsement	Essential Extension Endorsement
Unique Forms	Comparison Unavailable

### C - Commercial Inland Marine

Premium	\$6,952
Class Description	SCHEDULED PROPERTY FLOATER CONTRACTORS EQUIP-SPECIAL CONTR EQUIP-LEASED FROM OTHERS
Unique Forms	Comparison Unavailable

### E - Business Auto

Premium	\$37,652
Liability Limit	\$1,000,000
Medical Payments	\$10,000
Special Auto Comp	Deductible Varies
Special Auto Coll	Deductible Varies
Trucks & Trlrs Comp	\$100 Deductible
Trucks & Trlrs Coll	\$250 Deductible
Extension Endorsement	Elite Extension
Unique Forms	Comparison Unavailable

### F - Commercial Crime

Premium	\$1,016
Unique Forms	Comparison Unavailable

### G - Law Enforcement

Premium	\$3,641
Occurrence Limit	\$1,000,000
Aggregate Limit	\$1,000,000
Deductible	\$5,000
Medical Payments	\$5,000
Unique Forms	Comparison Unavailable



# Quote Option Overview

CITY OF BURLINGTON | 07/01/18

## Option 002: \$169,169

Ref# X901240-002

Short Term quote

### J - Commercial Umbrella

Premium	\$11,639
Liability Limit	\$5,000,000
SIR	\$0
Unique Forms	Comparison Unavailable

### K - Linebacker

Premium	\$7,645
Loss Limit	\$1,000,000
Aggregate Limit	\$1,000,000
Deductible	\$5,000
Unique Forms	Comparison Unavailable

### Q - Cybersolutions

Premium	\$864
Cyber Liability	\$100,000 Limit \$1,000 Deductible
Data Compromise	\$100,000 Limit \$1,000 Deductible
Unique Forms	Comparison Unavailable



# Quote Option Overview

BURLINGTON CITY OF | 07/01/18

## Option 001: \$130,398

Ref# X930180-001

WC quote 7/1 to 5/15/19

### H - Workers Compensation

Premium	\$130,398
Liability Limits	\$500,000/\$500,000/\$500,000
Experience Mod	1.000 WI
Unique Forms	Comparison Unavailable



EMCASCO INSURANCE COMPANY  
 BURLINGTON CITY OF

QUOTE NUMBER: H930180-01  
 EFF DATE: 07/01/18 EXP DATE: 05/15/19

\*\*\*\*\*

W I S C O N S I N

STATE EMPL ID.: INTRASTATE ID.: 038104006 OTHER ID.:

( 001 ) 300 N PINE ST  
 BURLINGTON, WI. 53105-1435

NUMBER OF EMPLOYEES:

MAXIMUM # OF EMPLOYEES EXPOSED AT ANY ONE TIME: 19

FULL TIME: 8 PART TIME: 11

SIC: 9011 NAICS:921191

CLASSIFICATION PHRASEOLOGY	.CODE . NO.	ESTIMATED ANNUAL . REMUNERATION	RATES . PER \$100 . REMUNERATION	ESTIMATED ANNUAL PREMIUM
CLERICAL OFFICE EMPLOYEES NOC	.8810	944,242.	0.21 . \$	1,727.00
MUNICIPAL OPERATIONS - CITY	.9412	1,356,309.	4.25 . \$	50,207.00
STREET OR ROAD CONSTRUCTION - SUBSURFACE WORK & DRIVERS	.5507	IF ANY.	7.50 . \$	0.00
FIRE PATROL OR PROTECTIVE CORPS & DRIVERS	.7704	556,643.	4.53 . \$	21,963.00
SEWER CONSTRUCTION - ALL OPERATIONS & DRIVERS	.6306	IF ANY.	8.99 . \$	0.00
WATERWORKS OPERATION & DRIVERS	.7520	133,381.	4.04 . \$	4,693.00
POLICE OFFICERS & DRIVERS	.7720	1,941,292.	3.16 . \$	53,431.00
ELECTRIC LIGHT OR POWER CO. NOC - ALL EMPLOYEES & DRIVERS	.7539	IF ANY.	1.69 . \$	0.00
CARPENTRY NOC	.5403	IF ANY.	12.12 . \$	0.00
EXCAVATION & DRIVERS	.6217	IF ANY.	6.96 . \$	0.00
HOUSING AUTHORITY & CLERICAL, SALESPERSONS, DRIVERS	.9033	67,191.	1.84 . \$	1,077.00
FIRE DEPARTMENT - VOLUNTEER	.7709	10,824.	. \$	6,557.00
EMPLOYERS LIABILITY PREMIUM FOR INCR LIMITS PART TWO.	.9807	.	. \$	1,117.00

SUBJECT PREMIUM . \$ 140,772.00

MODIFIED PREMIUM - EXP. MOD. APPLIED (1.000) . \$ 140,772.00

STATE TOTAL ESTIMATED STANDARD PREMIUM . \$ 140,772.00

ISSUED FROM: BROOKFIELD, WI

TERM FACTOR: 0.871

AS QUOTED ON: 06/27/18 (BPP)



EMCASCO INSURANCE COMPANY  
BURLINGTON CITY OF

QUOTE NUMBER: H930180-01  
EFF DATE: 07/01/18      EXP DATE: 05/15/19

CLASS CODE - 0063	ESTIMATED PREMIUM DISCOUNT	.\$	-11,900.00
Terrorism - Code 9740	(RATE .02)	.\$	871.00
Catastrophe (Other Than Cert Acts) - Code 9741	(RATE .01)	.\$	435.00
-----			
STATE TOTAL PREMIUM			.\$ 130,178.00
-----			
ESTIMATED POLICY PREMIUM			.\$ 130,178.00
EXPENSE CONSTANT			.\$ 220.00
-----			
TOTAL ESTIMATED POLICY PREMIUM			.\$ 130,398.00

ISSUED FROM: BROOKFIELD, WI

TERM FACTOR: 0.871

AS QUOTED ON: 06/27/18 (BPP)



**DATE:** July 17, 2018

**SUBJECT:** MOTION 18-904 - to approve the 2017 Annual Audit completed by Sitzberger & Company, S.C.

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

**BACKGROUND/HISTORY:**

The 2017 Annual Audit was completed by Sitzberger & Company, S.C. (Sitzberger) out of Lake Geneva, Wisconsin. This was the first year Sitzberger has completed the audit for the City of Burlington. The prior auditor, Pat Romenesko needed to reduce his workload due to the loss of his primary accountant. Sitzberger was recommended by Mr. Romenesko as a good company to handle the Audit needs of the City of Burlington.

The 2017 Budget vs Actual performed well despite the heavy losses due to the July 2017 flood. The General Fund Balance at year end is listed at \$2,215,299, "Fund Balances - Ending", as shown on page 9. This is 28.99% of 2017 Expenditures, shown on the prior page 8.

Other points on page 9 are the negative balance in ER-TID 1 and TID 5. The ER TID will be cleared with additional increment sharing from TID 3, and the negative balance in TID 5 will be cleared up in 2018 as this was a payment timing issue with the Aurora payment guarantees.

The other negative balance is the Capital Projects fund (\$-1,051,735, pages 28 and 57) which has been negative for a few years. The clearing up of this fund will happen in 2018 with the close of TID 3 and the ER TID, both of which were closed in March of 2018.

Enterprise funds are continuing to be stable in cash and in meeting their bond requirements. (pages 12-16, with cash balances on page 16). These efforts are supported by the Financial Management Plan of regular small increases in both Sewer and Water fees to account for increases in expenses. The airport continues it's good performance by solid costing of Fuel sales, Federal Grants use and monitoring expenses.

These are a few of the hi-lights from the Audit document. This evening, Bryan Snyder from Sitzberger, will present the audit discussing depreciation of City assets and answer any questions the Council may have.

**BUDGET/FISCAL IMPACT:**

The overall Budget vs. Actual in 2017 was better then budgeted. Several revenue items in the form of grants were received to offset expenditures or expenses. The Budget vs. Actual recap is on page 11. The detail begins on page 58 and runs through page 61 for the General Fund with a net positive of \$299,095 under budget.

General Obligation Debt (page 38) of \$26,620,000 represents 2.94% of equalized Value - 5% is allowed by statute. This meets he policy currently in effect for the 2017 budget.

Cash reserves remained in good standing for the City - pages 29 through 31. Some corrections to the amounts at specific depositories were resolved in 2018. These "higher" balances were from Tax Collections. Cash as of this date are now secured through FDIC, State Deposit Guarantee Fund or other allowed securities. Total available cash on hand at year end was \$19,437,824 (does not count restricted cash and investments) prior to January settlements with other taxing jurisdictions.

All other Special Revenue Funds (pages 56 & 57), with the exception of the Capital Project Fund already noted, maintained positive fund balances.

**RECOMMENDATION:**

Staff recommends approving the motion to accept the 2017 Annual Audit from Sitzberger & Company, S.C.

**TIMING/IMPLEMENTATION:**

For discussion at the July 17, 2018 Committee of the Whole with adoption the same night due to timing considerations and publication of the Audit.

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**Attachments**

Draft Report

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**CITY OF BURLINGTON**

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**INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED  
DECEMBER 31, 2017**

**CONTENTS**

	<b><u>PAGE</u></b>
<b><u>INDEPENDENT AUDITOR'S REPORT</u></b>	1 - 2
<b><u>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</u></b>	
STATEMENT OF NET POSITION	3
STATEMENT OF ACTIVITIES	4
<b><u>FUND FINANCIAL STATEMENTS:</u></b>	
BALANCE SHEET - GOVERNMENTAL FUNDS	5 - 6
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION	7
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	8 - 9
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	10
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND	11
STATEMENT OF NET POSITION - PROPRIETARY FUNDS	12 - 13
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS	14
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	15 - 16
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS	17
<b><u>NOTES TO THE FINANCIAL STATEMENTS</u></b>	18 - 48
<b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>	
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION ASSET - WISCONSIN RETIREMENT SYSTEM	50
SCHEDULE OF CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM	51
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	52

**CONTENTS - CONTINUED****SUPPLEMENTARY INFORMATION:**

NONMAJOR GOVERNMENTAL FUNDS - COMBINING BALANCE SHEET	54 - 55
NONMAJOR GOVERNMENTAL FUNDS - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	56 - 57
GENERAL FUND - SCHEDULE OF REVENUES - BUDGET AND ACTUAL	58 - 59
GENERAL FUND - SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL	60 - 61
LONG-TERM DEBT SCHEDULES	62 - 75

## **INDEPENDENT AUDITOR'S REPORT**

To the City Council  
City of Burlington  
Racine and Walworth Counties, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burlington, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Burlington's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Burlington as of December 31, 2017, and the respective changes in financial position and, where applicable, the cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burlington's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

This supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Long-Term Debt Schedules as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sitzberger & Company, S.C.  
Lake Geneva, Wisconsin  
July 10, 2018

CITY OF BURLINGTON  
STATEMENT OF NET POSITION  
DECEMBER 31, 2017

DRAFT

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		Housing Authority
<b><u>ASSETS</u></b>				
Cash and investments	\$ 7,481,070	\$ 3,044,911	\$ 10,525,981	\$ 81,849
Receivables:				
Tax levy	11,773,732	-	11,773,732	-
Accounts and other	927,533	1,416,912	2,344,445	2,480
Special assessments	4,559	177,224	181,783	-
Internal balances	515,869	(500,310)	15,559	-
Inventories	-	70,948	70,948	-
Prepaid items	63,900	-	63,900	15,182
Restricted assets - cash and investments	2,924,163	413,296	3,337,459	157,513
Notes receivable	1,921,435	-	1,921,435	-
Other deferred debits	-	654	654	-
Capital assets:				
Land	24,083,170	1,164,332	25,247,502	87,236
Construction in progress	1,208,454	765,691	1,974,145	-
Other capital assets, net of depreciation	31,164,196	42,828,585	73,992,781	2,184,062
<b>TOTAL ASSETS</b>	<b>82,068,081</b>	<b>49,382,243</b>	<b>131,450,324</b>	<b>2,528,322</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred outflows related to pension	376,677	71,535	448,212	24,164
<b><u>LIABILITIES</u></b>				
Accounts payable and other accrued expenses	1,808,429	193,154	2,001,583	8,690
Accrued interest payable	197,214	6,077	203,291	-
Deposits held	32,365	3,000	35,365	35,626
Current - long-term obligations	4,058,405	1,146,526	5,204,931	29,568
Liabilities payable from restricted assets:				
Accrued interest payable	-	62,720	62,720	-
Non-current liabilities:				
Compensated absences	249,229	82,610	331,839	-
Net pension liability	253,118	48,070	301,188	2,491
Long-term obligations	21,800,963	14,945,168	36,746,131	2,158,661
<b>TOTAL LIABILITIES</b>	<b>28,399,723</b>	<b>16,487,325</b>	<b>44,887,048</b>	<b>2,235,036</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Property taxes	12,261,999	-	12,261,999	-
Deferred inflows related to pension	249,569	47,395	296,964	10,290
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>12,511,568</b>	<b>47,395</b>	<b>12,558,963</b>	<b>10,290</b>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	30,596,452	28,666,914	59,263,366	127,836
Restricted for debt service	2,923,440	413,296	3,336,736	133,270
Restricted for capital projects	4,521,873	-	4,521,873	-
Unrestricted	3,491,702	3,838,848	7,330,550	46,054
<b>TOTAL NET POSITION</b>	<b>\$ 41,533,467</b>	<b>\$ 32,919,058</b>	<b>\$ 74,452,525</b>	<b>\$ 307,160</b>

CITY OF BURLINGTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating	Capital	Primary Government			Component
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	Housing Authority
Primary government:								
<b>GOVERNMENTAL ACTIVITIES:</b>								
General government	\$ 1,468,357	\$ 63,579	\$ -	\$ -	\$ (1,404,778)	\$ -	\$ (1,404,778)	\$ -
Public safety	4,208,368	423,434	297,052	-	(3,487,882)	-	(3,487,882)	-
Public works	3,473,019	543	680,899	74,713	(2,716,864)	-	(2,716,864)	-
Health and human services	81,873	-	-	-	(81,873)	-	(81,873)	-
Culture, recreation and education	2,072,358	27,986	323,164	219,500	(1,501,708)	-	(1,501,708)	-
Conservation and development	643,710	20,525	-	157,020	(466,165)	-	(466,165)	-
Interest and fiscal charges	543,096	-	-	-	(543,096)	-	(543,096)	-
Other	84,507	-	-	-	(84,507)	-	(84,507)	-
<b>TOTAL GOVERNMENTAL</b>	<b>12,575,289</b>	<b>536,067</b>	<b>1,301,115</b>	<b>451,233</b>	<b>(10,286,874)</b>	<b>-</b>	<b>(10,286,874)</b>	<b>-</b>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Water	1,990,156	2,426,442	-	110,997	-	547,283	547,283	-
Sewer	3,961,207	3,290,137	-	33,000	-	(638,070)	(638,070)	-
Airport	678,139	682,302	-	-	-	4,163	4,163	-
<b>TOTAL BUSINESS-TYPE</b>	<b>6,629,502</b>	<b>6,398,881</b>	<b>-</b>	<b>143,997</b>	<b>-</b>	<b>(86,624)</b>	<b>(86,624)</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>19,204,791</b>	<b>6,934,948</b>	<b>1,301,115</b>	<b>595,230</b>	<b>(10,286,874)</b>	<b>(86,624)</b>	<b>(10,373,498)</b>	<b>-</b>
<b>COMPONENT UNIT</b>								
Housing authority	\$ 438,074	\$ 331,401	\$ 90,527	\$ -				(16,146)
<b>GENERAL REVENUES AND TRANSFERS</b>								
Property taxes levied for general purposes					10,329,154	-	10,329,154	-
Franchise taxes					144,625	-	144,625	-
Public accommodation taxes					134,398	-	134,398	-
Payments in lieu of taxes					49,020	-	49,020	-
Intergovernmental revenues not restricted to specific programs					495,916	-	495,916	-
Property rents					58,234	-	58,234	-
Gain (loss) on sale of capital assets					(23,898)	-	-	(6,950)
Unrestricted investment earnings					123,845	26,789	150,634	1,474
Transfers					505,913	(519,957)	(14,044)	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>11,817,207</b>	<b>(493,168)</b>	<b>11,324,039</b>	<b>(5,476)</b>
<b>CHANGE IN NET POSITION</b>					<b>1,530,333</b>	<b>(579,792)</b>	<b>950,541</b>	<b>(21,622)</b>
<b>NET POSITION - BEGINNING</b>					<b>38,284,295</b>	<b>33,498,850</b>	<b>71,783,145</b>	<b>328,782</b>
<b>PRIOR PERIOD ADJUSTMENT</b>					<b>1,718,839</b>	<b>-</b>	<b>1,718,839</b>	<b>-</b>
<b>NET POSITION - ENDING</b>					<b>\$ 41,533,467</b>	<b>\$ 32,919,058</b>	<b>\$ 74,452,525</b>	<b>\$ 307,160</b>

See accompanying notes to financial statements.

CITY OF BURLINGTON  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

DRAFT

	General	TIF No. 3 Debt Service	Environmental TIF District	TIF No. 5 Capital Projects	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>							
Cash and investments	\$ 65,974	\$ -	\$ -	\$ 158,435	\$ 5,448,655	\$ 2,429,303	\$ 8,102,367
Receivables:							
Tax levy	5,498,673	4,573,829	42,318	378,943	-	1,279,969	11,773,732
Accounts and other	185,228	-	-	742,305	-	-	927,533
Special assessments	4,559	-	-	-	-	-	4,559
Due from other funds	1,498,453	-	-	-	-	-	1,498,453
Prepaid items	62,636	-	-	-	-	1,264	63,900
Restricted assets:							
Cash and investments	-	2,924,163	-	-	-	-	2,924,163
Advances to other funds	1,481,628	-	-	-	-	-	1,481,628
Notes receivable	-	-	928,542	-	-	992,893	1,921,435
<b>TOTAL ASSETS</b>	<b>8,797,151</b>	<b>7,497,992</b>	<b>970,860</b>	<b>1,279,683</b>	<b>5,448,655</b>	<b>4,703,429</b>	<b>28,697,770</b>
<b><u>LIABILITIES</u></b>							
Accounts payable and accrued expenses	546,230	723	434	72	926,782	90,070	1,564,311
Due to other funds	-	-	73,881	908,703	-	-	982,584
Deposits held	32,365	-	-	-	-	-	32,365
Advances from other funds	-	-	-	-	-	1,481,628	1,481,628
<b>TOTAL LIABILITIES</b>	<b>578,595</b>	<b>723</b>	<b>74,315</b>	<b>908,775</b>	<b>926,782</b>	<b>1,571,698</b>	<b>4,060,888</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>							
Deferred revenue	5,986,940	4,573,829	970,860	1,121,248	-	2,272,862	14,925,739
Deferred special assessments	16,317	-	-	-	-	-	16,317
<b>TOTAL DEFERRED     INFLOWS OF RESOURCES</b>	<b>\$ 6,003,257</b>	<b>\$ 4,573,829</b>	<b>\$ 970,860</b>	<b>\$ 1,121,248</b>	<b>\$ -</b>	<b>\$ 2,272,862</b>	<b>\$ 14,942,056</b>

CITY OF BURLINGTON  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

DRAFT

	<u>General</u>	<u>TIF No. 3 Debt Service Fund</u>	<u>Environmental TIF District</u>	<u>TIF No. 5 Capital Projects</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>FUND BALANCES</u></b>							
Nonspendable for:							
Prepaid expenditures	\$ 62,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,636
Permanent funds	-	-	-	-	-	50,000	50,000
Net advances to other funds	1,481,628	-	-	-	-	-	1,481,628
Restricted	-	2,923,440	-	-	4,521,873	-	7,445,313
Assigned	-	-	-	-	-	808,869	808,869
Unassigned	671,035	-	(74,315)	(750,340)	-	-	(153,620)
<b>TOTAL FUND BALANCES</b>	<b><u>2,215,299</u></b>	<b><u>2,923,440</u></b>	<b><u>(74,315)</u></b>	<b><u>(750,340)</u></b>	<b><u>4,521,873</u></b>	<b><u>858,869</u></b>	<b><u>9,694,826</u></b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
	<b><u><u>\$ 8,797,151</u></u></b>	<b><u><u>\$ 7,497,992</u></u></b>	<b><u><u>\$ 970,860</u></u></b>	<b><u><u>\$ 1,279,683</u></u></b>	<b><u><u>\$ 5,448,655</u></u></b>	<b><u><u>\$ 4,703,429</u></u></b>	<b><u><u>\$ 28,697,770</u></u></b>

CITY OF BURLINGTON  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 9,694,826

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds as assets.

Capital assets	87,789,700	
Accumulated depreciation	<u>(31,333,880)</u>	56,455,820

Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the governmental funds.

Deferred revenue		2,680,057
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The City's proportionate share of the Wisconsin Retirement System pension plan is applicable to future periods, therefore it is not reported in the governmental funds.

(126,010)

Long-term debt and related items are not due and payable in the current period and therefore are not reported in the governmental funds.

Long-term liabilities at year end consist of:

Notes and bonds payable	(25,859,368)	
Compensated absences	<u>(249,229)</u>	(26,108,597)

Accrued interest payable on debt is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.

(197,214)

Internal service funds are used by management to charge the costs of health and dental insurance benefits to individual funds. The assets and liabilities of this fund are included in governmental activities in the statement of net position.

(865,415)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 41,533,467

CITY OF BURLINGTON  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

	General	TIF No. 3 Debt Service	Environmental TIF District	TIF No. 5 Capital Projects	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
General property taxes	\$ 5,216,208	\$ 4,023,219	\$ 42,692	\$ 140,255	\$ -	\$ 906,780	\$ 10,329,154
Payments in lieu of taxes	49,020	-	-	-	-	-	49,020
Room tax and other taxes	134,398	-	-	-	-	-	134,398
Intergovernmental	1,205,633	14,497	49	-	-	302,211	1,522,390
Licenses and permits	479,652	-	-	-	-	-	479,652
Fines and forfeitures	166,673	-	-	-	-	-	166,673
Charges for services	66,808	-	-	-	-	19,836	86,644
Special assessments	27,571	-	-	-	-	-	27,571
Investment income	27,688	(26,701)	21,108	3,613	42,674	55,464	123,846
Repayments of note receivable principal	-	-	57,694	-	-	56,598	114,292
Other	331,847	-	-	45,000	47,818	354,987	779,652
<b>TOTAL REVENUES</b>	<b>7,705,498</b>	<b>4,011,015</b>	<b>121,543</b>	<b>188,868</b>	<b>90,492</b>	<b>1,695,876</b>	<b>13,813,292</b>
<b>EXPENDITURES</b>							
Current:							
General government	960,023	16,032	11,684	1,756	-	-	989,495
Public safety	3,815,412	-	-	-	-	113,430	3,928,842
Public works	1,744,856	-	-	-	-	50,338	1,795,194
Health and human services	81,873	-	-	-	-	-	81,873
Culture, recreation and education	784,208	-	-	-	-	754,284	1,538,492
Conservation and development	255,437	5,402	-	100	-	382,771	643,710
Capital outlay	-	-	-	2,402	3,546,704	395,487	3,944,593
Debt service:							
Principal	-	2,788,866	95,000	700,000	-	1,520,830	5,104,696
Interest and fiscal charges	-	141,133	49,326	74,221	-	189,140	453,820
<b>TOTAL EXPENDITURES</b>	<b>7,641,809</b>	<b>2,951,433</b>	<b>156,010</b>	<b>778,479</b>	<b>3,546,704</b>	<b>3,406,280</b>	<b>18,480,715</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>							
OVER (UNDER) EXPENDITURES	\$ 63,689	\$ 1,059,582	\$ (34,467)	\$ (589,611)	\$ (3,456,212)	\$ (1,710,404)	\$ (4,667,423)

See accompanying notes to financial statements.

CITY OF BURLINGTON  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

	General	TIF No. 3 Debt Service	Environmental TIF District	TIF No. 5 Capital Projects	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers in	\$ 25,000	\$ -	\$ 1,787,021	\$ -	\$ -	\$ 355,750	\$ 2,167,771
Transfers out	(350,750)	(1,787,021)	-	-	-	(5,000)	(2,142,771)
Water utility tax equivalent	480,913	-	-	-	-	-	480,913
Bond proceeds	-	-	-	-	8,040,000	1,170,000	9,210,000
Sale of capital assets	-	-	15,200	-	-	24,179	39,379
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>155,163</u>	<u>(1,787,021)</u>	<u>1,802,221</u>	<u>-</u>	<u>8,040,000</u>	<u>1,544,929</u>	<u>9,755,292</u>
<b>NET CHANGE IN FUND BALANCES</b>	218,852	(727,439)	1,767,754	(589,611)	4,583,788	(165,475)	5,087,869
<b>FUND BALANCES - BEGINNING</b>	<u>1,996,447</u>	<u>3,650,879</u>	<u>(1,842,069)</u>	<u>(160,729)</u>	<u>(61,915)</u>	<u>1,024,344</u>	<u>4,606,957</u>
<b>FUND BALANCES - ENDING</b>	<u><u>\$ 2,215,299</u></u>	<u><u>\$ 2,923,440</u></u>	<u><u>\$ (74,315)</u></u>	<u><u>\$ (750,340)</u></u>	<u><u>\$ 4,521,873</u></u>	<u><u>\$ 858,869</u></u>	<u><u>\$ 9,694,826</u></u>

CITY OF BURLINGTON  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
 FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 5,087,869

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	2,903,070
Depreciation expense	(1,767,896)

In the statement of activities, losses on the sale of capital assets are shown, whereas in the governmental funds only the proceeds on the sale (if any) are shown.

Loss on disposal of capital assets	(63,275)
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Changes in the net pension liability and related deferred inflows and outflows or resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the plan

(1,381,698)

Long-term receivables not available are reported as revenue in the fund financial statements when collected or currently available, but are recognized as revenue when earned in the government-wide financial statements.

Notes receivable transactions	784,547
Special assessments transactions	(17,216)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments on long-term debt	5,104,696
Issuance of long-term debt	(9,210,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in interest accrued on long-term debt	(89,278)
Changes in compensated absences	55,124

The net revenue of internal service fund activity is reported with governmental activities.	124,390
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,530,333
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See accompanying notes to financial statements.

CITY OF BURLINGTON  
GENERAL FUND

DRAFT

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>				
General property taxes	\$ 5,216,776	\$ 5,216,776	\$ 5,216,208	\$ (568)
Payments in lieu of taxes	38,500	38,500	49,020	10,520
Room tax	105,000	105,000	134,221	29,221
Other taxes	150	150	177	27
Intergovernmental	1,171,677	1,171,677	1,205,633	33,956
Licenses and permits	389,980	389,980	479,652	89,672
Fines and forfeitures	186,000	186,000	166,673	(19,327)
Charges for services	99,120	99,120	66,808	(32,312)
Special assessments	15,000	15,000	27,571	12,571
Investment income	12,500	12,500	27,688	15,188
Other	24,200	24,200	331,847	307,647
<b>TOTAL REVENUES</b>	<u>7,258,903</u>	<u>7,258,903</u>	<u>7,705,498</u>	<u>446,595</u>
<u>EXPENDITURES</u>				
Current:				
General government	1,016,403	1,016,403	960,023	56,380
Public safety	3,914,170	3,914,170	3,815,412	98,758
Public works	1,960,701	1,960,701	1,744,856	215,845
Health and human services	81,561	81,561	81,873	(312)
Culture, recreation and education	635,154	635,154	784,208	(149,054)
Conservation and development	186,667	186,667	255,437	(68,770)
<b>TOTAL EXPENDITURES</b>	<u>7,794,656</u>	<u>7,794,656</u>	<u>7,641,809</u>	<u>152,847</u>
<b>EXCESS EXPENDITURES OVER REVENUES</b>	<u>(535,753)</u>	<u>(535,753)</u>	<u>63,689</u>	<u>599,442</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	49,000	49,000	25,000	(24,000)
Transfers out	(67,490)	(67,490)	(350,750)	(283,260)
Water utility tax equivalent	474,000	474,000	480,913	6,913
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>455,510</u>	<u>455,510</u>	<u>155,163</u>	<u>(300,347)</u>
<b>CHANGES IN FUND BALANCES</b>	<u>(80,243)</u>	<u>(80,243)</u>	<u>218,852</u>	<u>299,095</u>
<b>FUND BALANCES - BEGINNING</b>	<u>1,996,447</u>	<u>1,996,447</u>	<u>1,996,447</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,916,204</u>	<u>\$ 1,916,204</u>	<u>\$ 2,215,299</u>	<u>\$ 299,095</u>

CITY OF BURLINGTON  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2017

DRAFT

<u>ASSETS</u>	Business-type Activities - Enterprise Funds				Governmental Activities -
	Water Utility	Sewer Utility	Airport	Totals	Internal Service Fund
Current assets:					
Cash and investments	\$ 558,320	\$ 1,444,484	\$ 420,730	\$ 2,423,534	\$ -
Customer accounts receivable	661,007	557,491	2,774	1,221,272	-
Special assessments receivable	43,696	133,528	-	177,224	-
Other receivables	96,676	93,268	5,696	195,640	-
Inventories	19,989	-	50,959	70,948	-
Total current assets	1,379,688	2,228,771	480,159	4,088,618	-
Noncurrent assets:					
Restricted assets:					
Restricted cash and investments	213,249	200,047	-	413,296	-
Other assets:					
Other deferred debits	-	654	-	654	-
Capital assets:					
Land	260,027	778,671	125,634	1,164,332	-
Construction in process	765,691	-	-	765,691	-
Other capital assets	25,577,098	51,144,740	2,983,427	79,705,265	-
Accumulated depreciation	(8,527,448)	(26,797,191)	(1,552,041)	(36,876,680)	-
Total capital assets, net	18,075,368	25,126,220	1,557,020	44,758,608	-
TOTAL ASSETS	19,668,305	27,555,692	2,037,179	49,261,176	-
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred outflows related to pension	30,075	41,460	-	71,535	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 19,698,380	\$ 27,597,152	\$ 2,037,179	\$ 49,332,711	\$ -

CITY OF BURLINGTON  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2017

DRAFT

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Water Utility	Sewer Utility	Airport	Totals	Internal Service Fund
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 44,932	\$ 107,220	\$ 2,706	\$ 154,858	\$ 244,117
Accrued payroll	15,484	22,812	-	38,296	-
Accrued interest payable	2,360	3,717	-	6,077	-
Due to general fund	500,310	-	-	500,310	-
Current general obligation bonds	45,000	40,000	-	85,000	-
Current lease obligation payable	-	71,372	-	71,372	-
Deposits held	-	3,000	-	3,000	-
Total current liabilities	<u>608,086</u>	<u>248,121</u>	<u>2,706</u>	<u>858,913</u>	<u>244,117</u>
Current liabilities payable from restricted assets:					
Current revenue bonds payable	315,800	674,354	-	990,154	-
Accrued interest payable	14,016	48,704	-	62,720	-
Total current liabilities payable from restricted assets	<u>329,816</u>	<u>723,058</u>	<u>-</u>	<u>1,052,874</u>	<u>-</u>
Noncurrent liabilities:					
Revenue bonds payable	3,159,804	10,400,364	-	13,560,168	-
General obligation bonds payable	535,000	850,000	-	1,385,000	-
Net pension liability	20,210	27,860	-	48,070	-
Compensated absences	40,231	42,379	-	82,610	-
Total noncurrent liabilities	<u>3,755,245</u>	<u>11,320,603</u>	<u>-</u>	<u>15,075,848</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>4,693,147</u>	<u>12,291,782</u>	<u>2,706</u>	<u>16,987,635</u>	<u>244,117</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension	19,926	27,469	-	47,395	-
<b>NET POSITION</b>					
Net investment in capital assets	14,019,764	13,090,130	1,557,020	28,666,914	-
Restricted for debt service	213,249	200,047	-	413,296	-
Unrestricted	752,294	1,987,724	477,453	3,217,471	(244,117)
<b>TOTAL NET POSITION</b>	<u>\$ 14,985,307</u>	<u>\$ 15,277,901</u>	<u>\$ 2,034,473</u>	<u>\$ 32,297,681</u>	<u>\$ (244,117)</u>

CITY OF BURLINGTON  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

	Business-Type Activities - Enterprise Funds				Governmental
	Water Utility	Sewer Utility	Airport	Totals	Activities - Internal Service Fund
<b><u>OPERATING REVENUES</u></b>					
Charges for service	\$ 2,400,930	3,195,536	\$ -	\$ 5,596,466	\$ -
Fuel sales	-	-	585,754	585,754	-
Billings to departments	-	-	-	-	1,476,890
Other	17,452	94,601	96,548	208,601	28,918
<b>TOTAL OPERATING REVENUES</b>	<b>2,418,382</b>	<b>3,290,137</b>	<b>682,302</b>	<b>6,390,821</b>	<b>1,505,808</b>
<b><u>OPERATING EXPENSES</u></b>					
Operation and maintenance	1,129,101	1,773,061	109,788	3,011,950	-
Fuel for resale	-	-	461,219	461,219	-
Depreciation	628,596	1,668,268	96,708	2,393,572	-
Taxes	29,116	43,280	10,424	82,820	-
Insurance claims and administration	-	-	-	-	1,635,916
<b>TOTAL OPERATING EXPENSES</b>	<b>1,786,813</b>	<b>3,484,609</b>	<b>678,139</b>	<b>5,949,561</b>	<b>1,635,916</b>
<b>OPERATING INCOME (LOSS)</b>	<b>631,569</b>	<b>(194,472)</b>	<b>4,163</b>	<b>441,260</b>	<b>(130,108)</b>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>					
Investment income (loss)	12,266	14,523	-	26,789	4,749
Grant proceeds	108,255	-	-	108,255	-
Insurance proceeds	8,060	-	-	8,060	-
Interest expense	(87,665)	(303,192)	-	(390,857)	-
Bond issuance costs	(7,000)	(46,378)	-	(53,378)	-
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>33,916</b>	<b>(335,047)</b>	<b>-</b>	<b>(301,131)</b>	<b>4,749</b>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>665,485</b>	<b>(529,519)</b>	<b>4,163</b>	<b>140,129</b>	<b>(125,359)</b>
Capital contributions - other	2,742	33,000	-	35,742	-
Transfers out	-	-	(25,000)	(25,000)	-
Tax equivalent to municipality	(480,913)	-	-	(480,913)	-
<b>CHANGE IN NET POSITION</b>	<b>187,314</b>	<b>(496,519)</b>	<b>(20,837)</b>	<b>(330,042)</b>	<b>(125,359)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>14,797,993</b>	<b>15,774,420</b>	<b>2,055,310</b>	<b>32,627,723</b>	<b>(118,758)</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 14,985,307</b>	<b>\$ 15,277,901</b>	<b>\$ 2,034,473</b>	<b>32,297,681</b>	<b>\$ (244,117)</b>
Adjustment to reflect consolidation of internal service fund activities.				621,377	
Net position of business-type activities				<b>\$ 32,919,058</b>	

CITY OF BURLINGTON  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

	Business-type Activities - Enterprise Funds				Governmental
	Water Utility	Sewer Utility	Airport	Totals	Activities - Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipts from customers and users	\$ 2,396,913	\$ 3,141,278	\$ 680,657	\$ 6,218,848	\$ -
Receipts from interfund services provided	-	-	-	-	1,505,808
Payments to suppliers	(425,639)	(760,515)	(604,679)	(1,790,833)	-
Payments to employees	(610,917)	(883,057)	-	(1,493,974)	-
Payments for interfund services used	-	-	-	-	(1,510,557)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,360,357	1,497,706	75,978	2,934,041	(4,749)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers to other funds	(480,913)	-	(25,000)	(505,913)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(480,913)	-	(25,000)	(505,913)	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Capital contributions	2,742	33,000	-	35,742	-
Acquisition and construction of capital assets	(1,074,230)	(957,758)	-	(2,031,988)	-
Proceeds of debt	890,145	1,610,000	-	2,500,145	-
Grant and insurance proceeds	116,315	-	-	116,315	-
Principal paid on bonds / leases	(308,105)	(703,873)	-	(1,011,978)	-
Bond issuance costs	(7,000)	(46,378)	-	(53,378)	-
Interest paid	(86,226)	(298,136)	-	(384,362)	-
Special assessment collections (additions)	8,649	(59,182)	-	(50,533)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(457,710)	(422,327)	-	(880,037)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investment income (loss)	12,266	14,523	-	26,789	4,749
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	12,266	14,523	-	26,789	4,749
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	434,000	1,089,902	50,978	1,574,880	-
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	337,569	554,629	369,752	1,261,950	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 771,569	\$ 1,644,531	\$ 420,730	\$ 2,836,830	\$ -

See accompanying notes to financial statements.

Page 116 of 176

CITY OF BURLINGTON  
STATEMENT OF CASH FLOWS - CONTINUED  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</u>	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
Operating income (loss)	\$ 631,569	\$ (194,472)	\$ 4,163	\$ 441,260	\$ (130,108)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	628,596	1,668,268	96,708	2,393,572	-
Depreciation charged to clearing account	22,063	-	-	22,063	-
(Increase) decrease in customer and other receivables	(21,469)	(148,859)	(1,645)	(171,973)	-
(Increase) decrease in inventories	735	-	(25,701)	(24,966)	-
(Increase) decrease in net pension and deferred items	110,309	152,062	-	262,371	-
Increase (decrease) in accounts payable	(20,326)	9,595	2,453	(8,278)	125,359
Increase (decrease) in accrued payroll	(7,125)	6,750	-	(375)	-
Increase (decrease) in due to other funds	19,397	-	-	19,397	-
Increase (decrease) in compensated absences payable	(3,392)	4,362	-	970	-
<b>NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>1,360,357</b>	<b>1,497,706</b>	<b>75,978</b>	<b>2,934,041</b>	<b>(4,749)</b>
 <u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION - PROPRIETARY FUNDS</u>					
Cash and investments reported as current assets	558,320	1,444,484	420,730	2,423,534	-
Cash and investments reported as restricted assets	213,249	200,047	-	413,296	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 771,569</b>	<b>\$ 1,644,531</b>	<b>\$ 420,730</b>	<b>\$ 2,836,830</b>	<b>\$ -</b>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Capital additions of \$2,742 and \$33,000 were contributed to the water and sewer utilities, respectively, by developers.

CITY OF BURLINGTON  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2017

DRAFT

	Tax Roll	Municipal Court	Developers' Reimbursement Fund	Totals
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 8,893,202	\$ 10,850	\$ 7,791	\$ 8,911,843
Taxes receivable	1,650,012	-	-	1,650,012
<b>TOTAL ASSETS</b>	10,543,214	10,850	7,791	10,561,855
<b><u>LIABILITIES</u></b>				
Accounts payable	205,489	10,850	-	216,339
Due to county and state	2,543,443	-	-	2,543,443
Due to school and VTAE districts	7,794,282	-	-	7,794,282
Deposits held	-	-	7,791	7,791
<b>TOTAL LIABILITIES</b>	10,543,214	10,850	7,791	10,561,855
<b>NET POSITION</b>	\$ -	\$ -	\$ -	\$ -

**Note A - Summary of Significant Accounting Policies**

The basic financial statements of the City of Burlington, Wisconsin have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below.

**a) Reporting Entity**

The City of Burlington (the City) is a municipal corporation governed by an elected mayor and eight-member council. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. Although it is a legally separate entity, standards set forth in Statement No. 61 of the Governmental Accounting Standards Board require that the financial statements of the Housing Authority of the City of Burlington be reported as a component unit of the City due to the appointment of its board of commissioners by the City's mayor. The Housing Authority of the City of Burlington is reported as a discretely presented component unit to emphasize that it is an entity that is legally separate from the City. The financial information included in the statement of net position is as of the Housing Authority's fiscal year end of August 31, 2017. Complete financial statements for the component unit may be obtained at its administrative offices.

Riverview Manor  
580 Madison Street  
Burlington, Wisconsin 53105

**b) Basis of Presentation**

**Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees and charges for goods or services. Eliminations have been made to avoid double counting of internal activities of the City.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

**Note A - Summary of Significant Accounting Policies (continued)**

**b) Basis of Presentation (continued)**

**Fund Financial Statements**

Financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

**Major Governmental Funds**

The City reports the following major governmental funds:

General Fund – accounts for the City’s primary operating activities. It is used to account for and report all financial resources of the City except those required to be accounted for in another fund.

General Capital Projects Fund - accounts for the financial resources for the acquisition and construction of general capital projects for the City.

TIF No. 3 Debt Service Fund - accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of the City’s Tax Incremental Financing District No. 3.

TIF No. 5 Capital Projects Fund - accounts for the financial resources segregated for the acquisition and construction of major capital facilities for the City’s Tax Incremental Financing District No. 5.

Environmental TIF District Fund - accounts for remediation and other capital costs as authorized by the Wisconsin statutes.

The City reports the following major proprietary funds:

Sewer Utility Enterprise Fund - accounts for the activities of operating the sewage treatment plant, sewage pumping stations and collections systems.

**Note A - Summary of Significant Accounting Policies (continued)**

**b) Basis of Presentation (continued)**

Water Utility Enterprise Fund - accounts for the activities of operating the water distribution system.

Airport Enterprise Fund - accounts for the activities of the City's airport operations.

**Non-Major Funds**

The City reports the following non-major governmental funds:

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

- Library Operations
- Community Development Block Grant
- TIF No. 3 Revolving Loan
- Park Development
- Library Trust
- Police Donations
- Wehmhoff

Debt Service Fund - Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

- General Debt Service

Capital Projects Funds - Capital projects funds are used to account for financial resources segregated for the acquisition and construction of major capital facilities.

- Revolving Capital Projects
- Infrastructure
- Downtown Redevelopment
- Facade Grants

Additionally, the City reports the following fund types:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost reimbursement basis. The City's internal service fund accounts for the City's risk financing activities related to its employee health insurance medical claims.

Agency Funds - Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. For the City, the agency funds are:

- Tax Roll Fund
- Municipal Court Bond Fund
- Developers' Reimbursement Fund

**Note A - Summary of Significant Accounting Policies (continued)**

**c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-Wide Financial Statements**

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water and Sewer Utilities, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

**Note A - Summary of Significant Accounting Policies (continued)**

**c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

**Fund Financial Statements (continued)**

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results could differ from those estimates.

**d) Cash and Investments**

The City's cash and investments are considered to be cash on hand, demand deposits, savings deposits, certificates of deposit, the Wisconsin Local Government Investment Pool and government agency securities. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows for the enterprise funds, cash equivalents are temporary cash investments with a maturity of three months or less at the date of purchase. Pooled bank accounts that are shared between its various accounting funds are maintained.

Investment of City funds are restricted by state statutes. Permitted investments for the City include any of the following:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in Wisconsin maturing in three years or less.
- Bonds or securities issued or guaranteed by the federal government and its agencies.
- Bonds or securities of any county, city, drainage district, vocational, technical and adult education district, village, town or school district of the state.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- The local government investment pool and the Wisconsin Investment Trust.

**Note A - Summary of Significant Accounting Policies (continued)**

**d) Cash and Investments (continued)**

- Bonds issued by a local exposition district, local professional baseball park district, professional football stadium district, the University of Wisconsin Hospitals and Clinics Authority, a local cultural arts district, or the Wisconsin Aerospace Authority.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

**e) Receivables**

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectable amounts.

Property taxes are levied in December on the assessed value as of the prior January 1. Property taxes are recorded as a receivable and deferred revenue in the appropriate fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school districts and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred revenues and due to other governments on the statement of net position. Property tax payments received prior to year-end are reflected in the agency fund. Interest on delinquent property taxes is recognized as revenue when received.

Details of the City's property tax calendar for the 2017 tax levy follows:

Lien and levy dates	December 2017
Real estate collection due dates:	
First installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property tax due in full	January 31, 2018
Final settlement with county	August 2018
Tax sale of 2018 delinquent real estate taxes	October 2020

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds and due to other funds on the balance sheet as appropriate. See Note H for additional information. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**f) Inventories**

Inventories of the utility enterprise fund are generally used in the operation and maintenance of the water utility. The inventories are valued at cost (first-in, first-out method), which is not in excess of market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**Note A - Summary Of Significant Accounting Policies (continued)**

**g) Prepaid Items**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

**h) Restricted Assets**

Cash and equivalents of the City’s utilities have been restricted by bond resolution for the following purposes:

	Water Utility	Sewer Utility	Total
Bond reserve account	\$ 213,249	\$ -	\$ 213,249
Bond debt service fund		200,047	200,047
Total Utility Restricted Assets	\$ 213,249	\$ 200,047	\$ 413,296

The TIF #3 Debt Service Fund had a restricted cash balance of \$2,939,722 at December 31, 2017.

**i) Capital Assets**

Government Wide Statements – In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years, except for certain assets of the Water and Sewer Utilities which may be capitalized at a lower cost. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of maintenance and repairs that do not add to the value of the asset or extend the asset life are not capitalized. No interest was capitalized during the current year.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	50 – 75 Years
Land improvements	30 Years
Roads	30 Years
Other infrastructure	30 – 50 Years
Vehicles	5 – 10 Years
Office equipment	6 – 10 Years
Computer equipment	5 Years

Fund Financial Statements – In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

**Note A - Summary Of Significant Accounting Policies (continued)**

**j) Compensated Absences**

City employees earn vacation time in varying amounts in accordance with City policy. All full-time employees are eligible for paid vacation annually on the anniversary of their date of hire. Payments for vacation will be made at rates in effect when the benefits are used. At December 31, 2017, the total vacation benefits accrued were \$120,834 for the governmental activities and \$44,504 for the business-type activities.

All regular full-time employees who have completed 30 calendar days of employment are eligible to earn sick leave at the rate of one day per month. Employees may accumulate sick leave to a maximum number of days ranging from 150 to 252. It is the City's policy to pay for unused sick leave upon retirement or death at a rate of \$25 per day or apply it to future retiree health insurance premiums at a rate of \$50 per day. The City determined its liability for accumulated sick pay benefits payable based on the option of applying \$50 per day toward health insurance premiums. The total sick leave benefits payable upon termination or retirement were approximately \$128,395 for the governmental activities and \$38,106 for the business-type activities.

All vested vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**k) Deferred Outflows/Inflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The City has one item that qualifies for reporting in this category. The City's proportionate share of the Wisconsin Retirement System pension plan is deferred and amortized over the expected remaining service lives of the pension plan participants.

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The first item, property taxes, will be recognized as an inflow of resources in the subsequent year for which it was levied. The second item, deferred inflows related to pension, is deferred and recognized as an inflow of resources in the period the amount becomes available. The City also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental fund reports unavailable revenues from special assessments. This amount is deferred and recognized as an inflow of resources in the period the amount become available.

**l) Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Note A - Summary Of Significant Accounting Policies (continued)**

**m) Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**n) Net Position and Fund Balances**

Equity is classified as Net Position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation, and any capital related deferred outflows of resources and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

Restricted Net Position – Consists of Net Position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – Consists of Net Position which are available for appropriation and expenditure in future periods and are neither classified as restricted or as net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**Governmental Fund Financial Statements**

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. Following are descriptions of fund balance classifications.

Restricted Fund Balance – includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Assigned Fund Balance – includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the City Council.

Committed Fund Balance – includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the City Council, the City's highest level of decision-making authority. This formal action is a City Council resolution.

Nonspendable Fund Balance – includes amounts that cannot be spent because they are not in a spendable form and cannot be converted to cash or because they are legally or contractually required to remain intact.

**Note A - Summary Of Significant Accounting Policies (continued)**

**n) Net Position and Fund Balances**

Unassigned Fund Balance – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports an unassigned fund balance amount.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the City’s general policy to use restricted resources first.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City’s general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

**n) Utility User Rates**

Water utility user rates currently in place were established by the Wisconsin Public Service Commission effective January 27, 2016. Sewer utility rates currently in place were approved by the City Council effective January 1, 2017.

**Note B - Stewardship, Compliance, and Accountability**

**a) Budgetary Information**

The City reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budgeted revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditure. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances.

The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the City Council. The 2017 general fund budget was not amended.

**b) General Fund Nonspendable Fund Balances**

The fund balance of the general fund at December 31, 2017 was nonspendable for the following:

	Amount
Prepaid expenditures	\$ 62,636
Advances to other funds	1,481,628
Total Nonspendable Fund Balance	\$ 1,544,264

**Note B - Stewardship, Compliance, and Accountability (continued)**

**c) Deficit Fund Equity**

The following individual funds had deficit fund balances as of December 31, 2017.

	<u>Deficit</u>
Environmental TIF District Fund	\$ (74,315)
TIF No. 5 Capital Projects Fund	(750,340)
Infrastructure Capital Projects Fund	<u>(1,051,735)</u>
	<u>\$ (1,876,390)</u>

The deficit fund balance in the environmental TIF district capital projects funds will be eliminated in loan receivable repayments and tax increments. The deficit fund balance in the infrastructure and TIF No. 5 funds will be eliminated by future borrowing or general fund transfers.

**d) Utility Bond Covenant Compliance**

The 2011 Waterworks System Revenue Refunding Bonds, Series 2011A require the maintenance of a bond reserve account in the amount of \$205,000. This account was properly funded at December 31, 2017.

Resolutions for water and sewer revenue bonds also specify that a debt service fund be established for monthly deposits of principal and interest payments coming due. Monthly deposits to fund the calculated balances required at year end were not made; however, bond resolutions additionally stipulate that amounts transferred to the debt service fund be sufficient to pay principal and interest on bonds as the payments become due. All principal and interest payments on outstanding debt were made timely.

**Note C - Cash and Investments**

The City's cash and investments at December 31, 2017 consisted of the following:

	Carrying Amount	Bank Balance	Uncollateralized Uninsured Deposits	Associated Risks
Checking and savings accounts	\$ 14,476,813	\$ 14,566,543	\$ 3,191,250	Custodial
Local Government Investment Pool	7,366,608	7,366,608	-	Credit
Certificates of deposit	70,885	70,885	-	Custodial
Government agency securities	875,378	875,378	-	Credit
Petty cash	1,158	-	-	N/A
Total cash and investments	<u>\$ 22,790,842</u>	<u>\$ 22,879,414</u>	<u>\$ 3,191,250</u>	

The City's cash and investments are reported in the financial statements as follows:

Per Statement of Net Position

Cash and investments	\$ 10,525,981
Restricted cash and investments	3,353,018

Per Statement of Fiduciary Net Position

Tax Collection Fund	8,893,202
Municipal Court	10,850
Developer's Reimbursement Fund	7,791
Total cash and investments	<u>\$ 22,790,842</u>

The City addresses the following risks related to its cash and investments:

**Credit Risk**

The City has policies to minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in the policy resolution.
- The common council shall by resolution each year approve the public depositories within the City that are deemed appropriate for use under the state and federal law.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- Maintain balances with its banking financial institutions that do not exceed the combined amount FDIC insurance and State Deposit Guarantee Fund insurance, along with the amount of collateralized deposits per an agreement with its primary banking institution. However, deposits may temporarily exceed the insured and collateralized amounts during periods when property taxes are collected.

**Interest Rate Risk**

The City has policies to minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**Note C - Cash and Investments (continued)**

Custodial Risk

The City has policies to minimize custodial risk, which is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it, by:

- Maintaining a list of financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services.
- All financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

The Federal Depositor's Insurance Corporation FDIC insures the deposits of the City in the amount of \$250,000 for demand deposits (interest-bearing and noninterest bearing) and \$250,000 in time and savings deposits (including NOW accounts). Deposits may exceed the amount of FDIC insurance available at certain times during the year due primarily to the collection of property taxes. In addition, the Wisconsin State Deposit Guarantee Fund provides coverage under state law of \$400,000 per public depositor and per public depository above the amount provided by the FDIC. This amount may not be realized given the size of the Guarantee Fund in relation to the pool of deposits it insures.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board and administered by the State of Wisconsin Department of the Treasury. Investments in the LGIP are not rated. The SIF is not registered and has no plans to register with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25.50. The SIF reports the fair value of its underlying assets annually. The City has the right to withdraw its funds in total on one day's notice. At December 31, 2017, the fair value of the City's share of the LGIP assets was substantially equal to the amount reported above.

For purposes of the statement of cash flows for the enterprise funds, cash equivalents are temporary cash investments with a maturity of three months or less at the date of purchase.

Fair Value Measurements of Investments

The City implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ending December 31, 2017. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and is described as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that a government can access at the measurement date.
Level 2	Significant inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
Level 3	Significant unobservable inputs for an asset or liability.

CITY OF BURLINGTON  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

DRAFT

**Note C - Cash and Investments (continued)**

	Fair Value Measurement Using			Total
	Level 1	Level 2	Level 3	
Government Agency Securities	\$ 875,378	\$ -	\$ -	\$ 875,378

**Note D - Receivables**

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report *deferred inflows of resources* in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *deferred inflows of resources* reported in the governmental funds were as follows:

	Unavailable	Unearned
Property and other taxes receivable	\$ -	\$ 11,761,689
Water utility property tax equivalent	-	500,310
Special assessments not yet due (general fund)	16,317	-
Notes and accounts receivable	1,921,435	-
Total deferred / unearned revenue for governmental funds	\$ 1,937,752	\$ 12,261,999

The City has issued notes receivable which are due for the following purposes:

Purpose	Date of Issue	Interest Rate	Original Principal	Balance 12/31/2017
Environmental TIF Capital Projects	9/1/2010	7.00%	\$ 1,160,000	\$ 928,542
Community Development Block Grant	7/6/2010	2.00%	340,000	249,248
Community Development Block Grant	12/31/2011	2.00%	400,000	160,000
Community Development Block Grant	7/2/2013	0.00%	202,500	202,500
Community Development Block Grant	6/1/2015	Varies	28,410	14,994
TIF No. 3 Revolving Loan	1/24/2013	1.625%	175,000	168,530
TIF No. 3 Revolving Loan	7/1/2016	1.75%	70,000	57,621
TIF No. 3 Revolving Loan	12/31/2017	1.75%	140,000	140,000
Total				\$ 1,921,435

\* - Contains forgiveness provisions for full time employees added.

CITY OF BURLINGTON  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

DRAFT

**Note E - Capital Assets**

**Governmental Activities**

Governmental capital asset activity for the year ended December 31, 2017 was as follows:

	Balance 1/1/2017	Prior Period Adjustment	Additions	Deletions	Balance 12/31/2017
<b>Governmental Activities:</b>					
Capital assets not being depreciated					
Land	\$ 24,083,170	\$ -	\$ -	\$ -	\$ 24,083,170
Construction in progress	65,915	-	1,142,539	-	1,208,454
Total capital assets not being depreciated	24,149,085	-	1,142,539	-	25,291,624
Capital assets being depreciated:					
Building and improvements	9,896,104	643	290,761	(58,277)	10,129,231
Land improvements & structures	3,667,133	(265,777)	68,489	-	3,469,845
Machinery and equipment	7,566,917	74,288	628,236	(248,761)	8,020,680
Infrastructure	39,841,855	263,420	773,045	-	40,878,320
Total capital assets being depreciated	60,972,009	72,574	1,760,531	(307,038)	62,498,076
Less: accumulated depreciation	(31,456,012)	1,646,265	(1,767,896)	243,763	(31,333,880)
Net capital assets being depreciated	29,515,997	\$ 1,718,839	\$ (7,365)	\$ (63,275)	31,164,196
Net governmental activities capital assets	\$ 53,665,082				\$ 56,455,820

Depreciation expense was charged to governmental activities of the City as follows:

General government	\$ 51,740
Public safety	289,410
Public works (includes depreciation of infrastructure)	1,206,773
Culture and recreation	219,973
Total governmental activities depreciation expense	\$ 1,767,896

CITY OF BURLINGTON  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

DRAFT

**Note E - Capital Assets (continued)**

**Business Type Activities**

Capital asset activity in the business type activities for the year ended December 31, 2017 was as follows:

<b><u>Water Utility</u></b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 260,027	\$ -	\$ -	\$ 260,027
Construction in process	104,833	660,858		765,691
Total capital assets not being depreciated	<u>364,860</u>	<u>660,858</u>	<u>-</u>	<u>1,025,718</u>
Capital assets being depreciated				
Buildings and improvements	3,055,811	13,751	-	3,069,562
Machinery and equipment	3,370,130	53,090	-	3,423,220
Infrastructure	18,810,140	346,531	(72,355)	19,084,316
Total capital assets being depreciated	<u>25,236,081</u>	<u>413,372</u>	<u>(72,355)</u>	<u>25,577,098</u>
Total capital assets	<u>25,600,941</u>	<u>1,074,230</u>	<u>(72,355)</u>	<u>26,602,816</u>
Less: accumulated depreciation	<u>(7,949,144)</u>	<u>(650,659)</u>	<u>72,355</u>	<u>(8,527,448)</u>
Capital assets net of depreciation	<u>\$ 17,651,797</u>			<u>\$ 18,075,368</u>

<b><u>Sewer Utility</u></b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 778,671	\$ -	\$ -	\$ 778,671
Total capital assets not being depreciated	<u>778,671</u>	<u>-</u>	<u>-</u>	<u>778,671</u>
Capital assets being depreciated				
Buildings and system	27,156,174	-	-	27,156,174
Machinery and equipment	7,024,912	14,252	-	7,039,164
Infrastructure	16,005,896	943,506	-	16,949,402
Total capital assets being depreciated	<u>50,186,982</u>	<u>957,758</u>	<u>-</u>	<u>51,144,740</u>
Total capital assets	<u>50,965,653</u>	<u>957,758</u>	<u>-</u>	<u>51,923,411</u>
Less: accumulated depreciation	<u>(25,128,923)</u>	<u>(1,668,268)</u>	<u>-</u>	<u>(26,797,191)</u>
Sewer capital assets net of depreciation	<u>\$ 25,836,730</u>			<u>\$ 25,126,220</u>

CITY OF BURLINGTON  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

DRAFT

**Note E - Capital Assets (continued)**

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
<b><u>Airport</u></b>				
Capital assets not being depreciated				
Land	\$ 125,634	\$ -	\$ -	\$ 125,634
Total capital assets not being depreciated	<u>125,634</u>	<u>-</u>	<u>-</u>	<u>125,634</u>
Capital assets being depreciated:				
Buildings	627,810	-	-	627,810
Land improvements	2,054,267	-	-	2,054,267
Machinery and equipment	301,350	-	-	301,350
Total capital assets being depreciated	<u>2,983,427</u>	<u>-</u>	<u>-</u>	<u>2,983,427</u>
Total capital assets	<u>3,109,061</u>	<u>-</u>	<u>-</u>	<u>3,109,061</u>
Less: accumulated depreciation	<u>(1,455,333)</u>	<u>(96,708)</u>	<u>-</u>	<u>(1,552,041)</u>
Airport capital assets net of depreciation	<u>\$ 1,653,728</u>			<u>\$ 1,557,020</u>

Depreciation expense was charged to business-type activities of the City as follows:

Water Utility	\$ 650,659
Sewer Utility	1,668,268
Airport	96,708
Total business-type activities depreciation expense	<u>\$ 2,415,635</u>

**Discretely Presented Component Unit**

Capital asset activity for the Housing Authority for the year ended August 31, 2017 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated				
Land	\$ 87,236	\$ -	\$ -	\$ 87,236
Total capital assets not being depreciated	<u>87,236</u>	<u>-</u>	<u>-</u>	<u>87,236</u>
Capital assets being depreciated:				
Buildings and improvements	3,195,953	32,316	-	3,228,269
Furniture and equipment	652,831	19,602	(2,011)	670,422
Landscaping	137,904	135,214	(14,848)	258,270
Total capital assets being depreciated	<u>3,986,688</u>	<u>187,132</u>	<u>(16,859)</u>	<u>4,156,961</u>
Less: accumulated depreciation	<u>(1,866,665)</u>	<u>(116,137)</u>	<u>9,903</u>	<u>(1,972,899)</u>
Net capital assets being depreciated	<u>2,120,023</u>	<u>70,995</u>	<u>(6,956)</u>	<u>2,184,062</u>
Net governmental activities capital assets	<u>\$ 2,207,259</u>			<u>\$ 2,271,298</u>

Accumulated depreciation by capital asset category for the housing authority is not available.

CITY OF BURLINGTON  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

DRAFT

**Note F - Interfund Receivables, Payables and Transfers**

The following is a schedule of interfund receivables and payables at December 31, 2017:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water Utility (tax equivalent)	\$ 500,310
General	Environmental TIF District	89,440
General	TIF No. 5	<u>908,703</u>
		<u>\$ 1,498,453</u>

Advances to and from other funds consist of the following:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
General	Infrastructure Capital Projects	<u>\$ 1,481,628</u>
		<u>\$ 1,481,628</u>

The advance by the TIF No. 3 Debt Service Fund to the Environmental TIF Fund will be paid through tax increment sharing established by City resolution. The City is establishing a five-year financing plan that is expected to include settling the General Fund advance to the Infrastructure Fund by a combination of budgetary allotments and borrowed money.

Interfund transfers consist of the following:

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
General Fund	TIF No.3 Revolving Loan	\$ 163,452
TIF No. 3 Debt Service	Environmental TIF District	1,787,021
General Fund	Park Development	30,000
General Fund	Debt Service	107,298
Library Fund	Revolving Capital Projects	5,000
General Fund	Facade Grants	50,000
Airport	General Fund	<u>25,000</u>
		<u>\$ 2,167,771</u>

CITY OF BURLINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017

DRAFT

**Note G - Long-Term Obligations**

Outstanding debt and other long-term obligations were comprised of the following at December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b><u>Governmental Activities:</u></b>					
General obligation debt	\$ 20,560,000	\$ 9,210,000	\$ 4,895,000	\$ 24,875,000	\$ 3,960,000
Compensated absences	304,353	-	55,124	249,229	-
Total governmental activities	<u>20,864,353</u>	<u>9,210,000</u>	<u>4,950,124</u>	<u>25,124,229</u>	<u>3,960,000</u>
<b><u>Business-Type Activities:</u></b>					
General obligation debt	1,535,000	275,000	65,000	1,745,000	85,000
Revenue bonds	12,927,286	2,225,145	877,109	14,275,322	990,154
Compensated absences	81,640	970	-	82,610	-
Total business-type activities	<u>14,543,926</u>	<u>2,501,115</u>	<u>942,109</u>	<u>16,102,932</u>	<u>1,075,154</u>
<b><u>Other Long-Term Obligations</u></b>					
Leases payable	1,221,438	-	165,698	1,055,740	169,777
Developer revenue agreement	113,866	-	113,866	-	-
	<u>1,335,304</u>	<u>-</u>	<u>279,564</u>	<u>1,055,740</u>	<u>169,777</u>
Total Long-Term Obligations	<u>\$ 36,743,583</u>	<u>\$ 11,711,115</u>	<u>\$ 6,171,797</u>	<u>\$ 42,282,901</u>	<u>\$ 5,204,931</u>

**General Obligation Debt**

General obligation notes and bonds payable are backed by the full faith and credit of the City. Governmental funds general obligation debt will be retired by future property tax levies and tax increments accumulated in the Debt Service Fund. Business-type activities general obligation debt will be retired by revenues from user fees or, if the revenues are not sufficient to cover debt, by future tax levies.

General obligation debt of the City currently outstanding is as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Principal	Balance 12/31/2017
<b><u>Governmental Activities</u></b>					
2007 refunding bonds	09/20/07	04/01/19	4.1% - 4.375%	\$ 1,500,000	\$ 230,000
2011 refunding bonds	11/15/11	04/01/20	2.0% - 3.0%	9,120,000	3,055,000
2012A street bonds	05/23/12	04/01/32	2.0% - 2.8%	3,155,000	3,005,000
2012B refunding bonds	06/12/12	04/01/22	2.0% - 3.0%	1,460,000	565,000
2014A refunding bonds	06/10/14	05/01/30	0.4% - 3.2%	4,539,000	3,300,000
2015A refunding bonds	05/13/15	04/01/18	2.0% - 3.0%	4,215,000	1,410,000
2015B promissory notes	05/13/15	04/01/22	0.7% - 2.25%	4,500,000	3,800,000
2015 bank note	12/02/15	04/01/22	2.25% - 3.25%	300,000	300,000
2017A refunding bonds	05/25/17	04/01/37	2.0% - 3.375%	7,715,000	7,715,000
2017D promissory notes	12/06/17	04/01/27	2.0% - 3.0%	1,495,000	1,495,000
Total general obligation debt - governmental activities					<u>24,875,000</u>
<b><u>Business-Type Activities</u></b>					
2014A refunding bonds	06/10/14	05/01/30	0.4% - 3.2%	1,661,000	1,470,000
2017A refunding bonds	05/25/17	04/01/37	2.0% - 3.375%	275,000	275,000
Total general obligation debt - business-type activities					<u>1,745,000</u>
Total all general obligation debt					<u>\$ 26,620,000</u>

CITY OF BURLINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017

DRAFT

**Note G - Long-Term Obligations (continued)**

The annual debt service requirements to maturity for general obligation long term debt as of December 31, 2017, are as follows:

Year Ending December 31,	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
	2018	\$ 3,960,000	\$ 624,360	\$ 85,000
2019	2,925,000	489,904	90,000	40,341
2020	3,150,000	420,078	90,000	38,948
2021	1,875,000	365,465	125,000	37,109
2022	1,910,000	325,917	135,000	34,714
2023-2027	5,340,000	1,206,564	770,000	123,215
2028-2032	4,140,000	545,835	450,000	21,550
2033-2037	1,575,000	127,515	-	-
	<u>\$ 24,875,000</u>	<u>\$ 4,105,638</u>	<u>\$ 1,745,000</u>	<u>\$ 339,665</u>

**Revenue Bonds**

Revenue bonds are pledged by the assets and revenues of the issuing utility.

Revenue bond debt outstanding at December 31, 2017 is as follows:

Business-Type Activities	Date of Issue	Final Maturity	Interest Rates	Original Principal	Balance 12/31/2017
2008 CWF bonds (1)	7/23/2008	5/1/2028	2.569%	\$ 4,465,837	\$ 2,756,584
2008 CWF bonds (2)	2/27/2008	5/1/2027	2.365%	926,948	538,776
2011 refunding bonds	11/15/2011	4/1/2020	2.0% - 3.5%	2,050,000	1,045,000
2012 CWF sewer bonds	10/10/2012	5/1/2032	2.625%	7,439,911	6,169,357
2012 CWF water bonds	2/22/2012	5/1/2031	2.20%	2,044,276	1,540,460
2017 Sewer revenue bonds	5/25/2017	11/1/2037	1.3% - 4.0%	1,610,000	1,610,000
2017 Water revenue bonds	6/28/2017	5/1/2037	1.870%	615,145	615,145
Total Business-Type Activity Revenue Debt					<u>\$ 14,275,322</u>

Debt service requirements to maturity for revenue bond debt as of December 31, 2017, are as follows:

Year Ending December 31,	Business-Type Activities Revenue Bonds	
	Principal	Interest
2018	\$ 990,154	\$ 358,561
2019	1,013,474	333,433
2020	1,042,255	307,079
2021	1,071,510	279,472
2022	1,101,252	250,610
2023-2027	4,715,268	890,315
2028-2032	3,675,642	333,875
2033-2037	665,767	57,532
	<u>\$ 14,275,322</u>	<u>\$ 2,810,877</u>

CITY OF BURLINGTON  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

DRAFT

**Note G - Long-Term Obligations (continued)**

Tax increment project revenue bonds

Tax increment indebtedness is represented by revenue bonds that were issued for the various developer and construction incentive agreements. The remaining balance on these bonds of \$113,865 was paid in full during December 31, 2017.

Lease purchase agreements

Annual debt service requirements to maturity of lease purchase agreements are as follows:

<u>Year Ending December 31,</u>	<u>Lease agreements</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 169,777	\$ 27,410
2019	70,082	23,234
2020	71,997	21,319
2021	73,964	19,352
2022	75,984	17,332
2023-2027	412,213	54,367
2028-2032	181,723	5,551
	<u>\$ 1,055,740</u>	<u>\$ 168,565</u>

Margin of Indebtedness

The Wisconsin Statutes restrict the City's general obligation debt to 5% of the equalized value of all property in the City. This amount is compared below with the outstanding debt on December 31, 2017.

Equalized Value - 2017	\$ 903,995,500
Debt limit (5% of 903,995,500)	45,199,775
Deduct general obligation debt	<u>26,620,000</u>
Margin of indebtedness	<u>\$ 18,579,775</u>

**Note H - Risk Management**

The City has purchased commercial insurance policies for various risks of loss related to litigation, theft, damage or destruction of assets, errors or omissions, injuries to employees, or acts of God. Payments of premiums for these policies are recorded as expenditures or expenses in the various funds of the City.

The City is also exposed to various risks of loss related to medical claims. The City’s risk management fund (an internal service fund) is used to account for and finance its uninsured health risks of loss. Under this program the risk management fund provides coverage for up to a maximum of \$50,000 for each individual’s total claims with group claims limited to 125% of expected claims. The City purchases commercial insurance for health claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial insurance coverage since inception of the fund.

All funds of the City participate in the health program and are charged amounts needed to pay prior and current year claims and to establish a reserve for future insurance costs. That reserve had a deficit balance of \$244,117 at December 31, 2017 and is reported as the internal service fund net position. The deficit balance is expected to be eliminated by future year interdepartmental charges. The accounts payable of \$102,155 reported in the fund at December 31, 2017 is based on the amount of the loss that can be reasonably estimated at year end. Changes in the fund’s reported liability amount for the year ended December 31, 2017 is as follows:

Beginning of Year Liability	Incurred Claims	Claim Payments	End of Year Liability
\$ 88,945	\$ 1,635,916	\$ 1,622,706	\$ 102,155

**Note I - WRS Pension Plan**

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

**Note I - WRS Pension Plan (continued)**

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

**Post-Retirement Adjustments.** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$343,934 in contributions from the employer.

CITY OF BURLINGTON  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

DRAFT

**Note I - WRS Pension Plan (continued)**

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.8%
Protective without Social Security	6.8%	14.9%

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2017, the City of Burlington reported a liability of \$301,188 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City of Burlington's proportion of the net pension liability was based on the City of Burlington's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the City of Burlington's proportion was 0.03654138%, which was an decrease of 0.00069296% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City of Burlington recognized pension expense of \$1,644,069.

At December 31, 2017, the City of Burlington reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 44,056	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	-	296,964
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,989	-
Employer contributions subsequent to measurement date	391,166	-
	<u>\$ 448,211</u>	<u>\$ 296,964</u>

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

\$391,166 reported as deferred outflows related to pension resulting from the City of Burlington's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2017.

**Note I - WRS Pension Plan (continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflow of Resources	Deferred Inflow of Resources
2017	\$ 784,200	\$ 376,652
2018	784,200	376,652
2019	656,680	376,652
2020	27,907	114,220
Thereafter	678	-

**Actuarial assumptions.** The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.20%
Discount Rate:	7.20%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

**Long-term expected Return on Plan Assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Note I - WRS Pension Plan (continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**Retirement Funds**

**Asset Allocation Targets and Expected Returns  
 As of December 31, 2016**

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Nominal Rate of Return %
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5%	37%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	20%	4.3%	1.5%
Real Estate	8%	7%	6.5%	3.6%
Private Equity/Debt	8%	7%	9.4%	6.5%
Multi-Asset	4%	4%	6.6%	3.7%
Total Core Fund	110%	120%	7.4%	4.5%
Variable Fund Asset Class				
US Equities	70%	70%	7.6%	4.7%
International Equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5.0%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**Single Discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate.***

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	\$ 3,962,324	\$ 301,188	\$ (2,518,052)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

**Payable to the pension plan.** At December 31, 2017 the City reported a payable of \$70,555 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2017.

CITY OF BURLINGTON  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

DRAFT

**Note J - Tax Incremental Financing Districts**

The City has established tax incremental financing (TIF) District No. 3 pursuant to a law enacted to provide a process by which local units of government could finance public works or improvements in blighted areas from taxes levied by county, city, schools and other local jurisdictions based on the increase in property values within a designated geographic area. When a tax incremental district is established, the state determines the aggregate value of taxable property located within the district (the base value). Taxes derived from levies by all local jurisdictions on property values exceeding the base value determined by the state are allocated to the City for financing improvements within the district.

During November 2014, the City adopted a resolution amending Tax Incremental District No. 3 to allow for the sharing of revenues with Tax Incremental E.R. District No. 1 for a five year period as provided for in section 66.1105(6) of the Wisconsin statutes. Positive tax increments in excess of District No. 3's (the donor) project costs are to be allocated to E. R. District No. 1 (the recipient) beginning in 2017.

Summary information on TIF district no. 3 follows:

Date of creation	9/29/1992
End of statutory construction period	9/29/2014
Maximum statutory life of district	9/29/2019

The following summarizes the transactions to date of TIF district no. 3.

<u>Project costs:</u>	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 162,567	\$ 61,270,090
 <u>Less: Project Revenues</u>		
Tax increments	4,023,219	56,093,573
Intergovernmental revenues	14,497	762,530
Special assessments / property sales	-	231,751
Rental income	-	2,794
Investment income	(26,701)	2,283,753
City contribution for Wehmhoff Park	-	60,000
Increment allocations from TIF District No. 4	-	2,009,000
Premium on bonds issued	-	69,151
All other	-	3,000
Total Project Revenues	<u>4,011,015</u>	<u>61,515,552</u>
 Net Costs Recoverable (Recovered) Through TIF Increments - December 31, 2017	 <u>\$ (3,848,448)</u>	 <u>\$ (245,462)</u>

The recovery of the above costs is subject to sufficient increments being generated in the district before the end of its life. The above costs have been primarily financed by the issuance of general obligation and lease revenue bonds and notes.

CITY OF BURLINGTON  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

DRAFT

**Note J - Tax Incremental Financing Districts (continued)**

The City created an Environmental Remediation Tax Incremental Financing District in 2009 pursuant to the Wisconsin Statutes. The following summarizes the transactions to date of the Environmental Remediation Tax Incremental Financing District.

<u>Project costs:</u>	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 61,010	\$ 5,365,323
 <u>Less: Project Revenues</u>		
Tax increments	42,692	275,018
Intergovernmental revenues	49	332,325
Interest earned on note receivable	21,108	476,700
Loan repayments	57,694	229,743
Sale of property	15,200	15,200
<b>Total Project Revenues</b>	<b>136,743</b>	<b>1,328,986</b>
 Net Costs Recoverable (Recovered) Through		
TIF Increments - December 31, 2017	\$ (75,733)	\$ 4,036,337

The Tax Incremental Financing District No. 5 was created under the provisions of Wisconsin Statute Section 66.1105 as a “Mixed Use District”. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area that the property taxes generated on the increased value of property after the creation date of the district. That tax on the increased value is referred to as a tax increment.

Summary information on TIF District No. 5 follows:

<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
December 2, 2014	October 1, 2017	October 1, 2022

**Note J - Tax Incremental Financing Districts (continued)**

The following summarizes the transactions to date of TIF district no. 5.

<u>Project costs:</u>	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 78,479	\$ 5,156,375
 <u>Less: Project Revenues</u>		
Tax increments	140,255	140,255
Intergovernmental revenues	45,000	45,000
Developer reimbursements	-	113,622
Investment income	3,613	7,158
Total Project Revenues	188,868	306,035
 Net Costs Recoverable (Recovered) Through TIF Increments - December 31, 2017		
	\$ (110,389)	\$ 4,850,340

**Note K - Litigation and Contingencies**

The City incurred severe flood damage in July of 2017 resulting in damages of approximately \$1,500,000.

**Note L - Subsequent Events**

Management has evaluated the need for disclosure or recording of transactions resulting from subsequent events through July 10, 2018, the date the financial statements were available to be issued; and concluded there were no matters required to be disclosed.

**Note M - Housing Authority Component Unit**

The Housing Authority of the City of Burlington is a component unit of the City. The fiscal year end of the housing authority is August 31, 2017. The following is a summary of significant disclosures of the housing authority.

a) Summary of significant accounting policies

The housing authority was formed under the applicable sections of the Wisconsin Statutes to provide an economically designed and constructed low-rent housing facility for senior citizens in the City of Burlington. The housing authority is governed by a five-member board of commissioners appointed by the City's mayor.

**Note M - Housing Authority Component Unit (continued)**

The housing authority uses the accrual basis of accounting.

Property and equipment are stated at cost. Depreciation is provided on the straight line method over the estimated useful lives of the assets.

b) Cash and investments

The housing authority's cash and investments consist of deposits at local banks. At August 31, 2017, the housing authority's deposits totaled \$245,270. The carrying value of those deposits on the housing authority's financial statements was \$239,362. All of the housing authority's deposits at August 31, 2017 were covered by FDIC insurance.

c) Restricted cash

The housing authority is required to maintain separate restricted accounts for debt service, security deposits, and capital improvements and replacements. Restricted cash at August 31, 2017 consisted of the following:

Reserve account	\$ 121,297
Security deposits	<u>36,216</u>
Total Restricted Assets	<u><u>\$ 157,513</u></u>

d) Long-term debt

The Housing Authority's long-term debt as of August 31, 2017 consisted of the following:

1977 USDA Rural Development loan. This loan was reamortized on July 1, 2014 at a stated interest rate of 3.625%, however, a Rural Development interest subsidy reduces the rate paid to 1%. The loan has been deferred for 20 years and will be due for refinancing on July 1, 2034.	\$ 430,812
1984 USDA Rural Development loan. This loan was reamortized on July 1, 2014 at a stated interest rate of 3.625%, however, a Rural Development interest subsidy reduces the rate paid to 1.0%. The loan has been deferred for 20 years and will be due for refinancing on July 1, 2034.	340,578
2014 USDA Rural Development loan. This loan was authorized on July 10, 2014 for \$1,475,978 with principal payments to commence September 2015. Interest is not charged on the loan. Monthly principal payments for the loan will be \$2,464 based on a 50 year amortization.	<u>1,416,839</u>
Total Notes Payable	2,188,229
Add: Net pension liability	2,491
Less: Current maturities	<u>(29,568)</u>
Total Long-Term Debt	<u><u>\$ 2,161,152</u></u>

CITY OF BURLINGTON  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

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**Note M - Housing Authority Component Unit (continued)**

Interest payments of the scheduled payments below are reported at the subsidized rate of 1%.

Annual principal and interest payments to maturity are as follows:

Year	Principal	Interest	Totals
2018	\$ 29,568	\$ -	\$ 29,568
2019	29,568	-	29,568
2020	29,568	-	29,568
2021	29,568	-	29,568
2022	29,568	-	29,568
2023-2027	147,840	-	147,840
2028-2032	147,840	-	147,840
2033-2037	919,228	140,688	1,059,916
2038-2042	147,840	-	147,840
2043-2047	147,840	-	147,840
2048-2052	147,840	-	147,840
2053-2057	147,840	-	147,840
2058-2062	147,840	-	147,840
2063-2067	86,281	-	86,281
	\$ 2,188,229	\$ 140,688	\$ 2,328,917

\* The 1977 and 1984 USDA Rural Development loans are due for refinancing on July 1, 2034 including accrued interest of \$140,688.

**Note N – Prior Period Adjustment**

A prior period adjustment was made to increase net position of the governmental activities and to adjust governmental capital assets as of December 31, 2016. The adjustment was made to adjust prior year capital asset balances and accumulated depreciation to agree to capital asset schedule. The adjustment was as follows:

The change in net position of the governmental activities was as follows:

Net position of governmental activities as of December 31, 2016	\$ 38,284,295
Prior period adjustment	1,718,839
Net position of governmental activities as of December 31, 2016 as restated	40,003,134

The change in capital assets was as follows:

Capital assets as of December 31, 2016	85,121,094
Prior period adjustment	72,574
Capital assets as of December 31, 2016 as restated	85,193,668
Accumulated depreciation as of December 31, 2016	(31,456,012)
Prior period adjustment	1,646,265
Accumulated depreciation as of December 31, 2016 as restated	(29,809,747)
Net capital assets as restated	\$ 55,383,921

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF BURLINGTON  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION (ASSET) LIABILITY

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Wisconsin Retirement System  
 Last 10 Fiscal Years\*

	2016	2015	2014
Proportion of net pension asset / liability	0.03654138%	0.03723434%	0.03809625%
Proportionate share of the			
net pension (asset) liability	\$ 301,188	\$ 605,052	\$ (935,748)
Covered-employee payroll	\$ 4,325,346	\$ 4,234,746	\$ 4,351,295
Net pension asset / liability as a percentage			
of employee-covered payroll	6.96%	14.29%	21.51%
Plan fiduciary net position as a percentage			
of total pension asset / liability	99.12%	98.20%	102.74%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

\*GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented for this schedule.

CITY OF BURLINGTON  
SCHEDULE OF CONTRIBUTIONS

DRAFT

Wisconsin Retirement System  
Last 10 Fiscal Years\*

	2016	2015	2014
Contractually required contributions	\$ 343,934	\$ 346,167	\$ 369,564
Contributions in relation to the			
contractually required contributions	\$ 343,934	\$ 346,167	\$ 369,564
Contributions deficiency (excess)	\$ -	\$ -	\$ -
covered-employee payroll	\$ 4,325,346	\$ 4,234,746	\$ 4,351,295
Contributions as a percentage of covered-employee payroll	7.95%	8.17%	8.49%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

\*GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented for this schedule.

NOTE 1 - PENSIONS

*Changes of benefit terms.* There were no changes of benefit terms for any participating employer in WRS.

*Changes of assumptions.* There were no changes in the assumptions.

**SUPPLEMENTARY INFORMATION**

CITY OF BURLINGTON  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2017

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Special Revenue Funds

	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police Donations	Wehmhoff
<b><u>ASSETS</u></b>							
Cash and investments	\$ 134,984	\$ 119,922	\$ -	\$ 110,156	\$ 114,161	\$ 55,075	\$ 57,442
Taxes receivable	405,500	-	-	-	-	-	-
Prepaid expenditures	-	-	-	1,264	-	-	-
Notes receivable	-	626,742	366,151	-	-	-	-
<b>TOTAL ASSETS</b>	<b>540,484</b>	<b>746,664</b>	<b>366,151</b>	<b>111,420</b>	<b>114,161</b>	<b>55,075</b>	<b>57,442</b>
<b><u>LIABILITIES</u></b>							
Accounts payable	35,545	-	-	-	-	23,594	-
Advances from other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>35,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,594</b>	<b>-</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>							
Deferred revenue	405,500	626,742	366,151	-	-	-	-
<b><u>FUND BALANCES</u></b>							
Permanent	-	-	-	-	-	-	50,000
Assigned	99,439	119,922	-	111,420	114,161	31,481	7,442
<b>TOTAL FUND BALANCES</b>	<b>99,439</b>	<b>119,922</b>	<b>-</b>	<b>111,420</b>	<b>114,161</b>	<b>31,481</b>	<b>57,442</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 540,484</b>	<b>\$ 746,664</b>	<b>\$ 366,151</b>	<b>\$ 111,420</b>	<b>\$ 114,161</b>	<b>\$ 55,075</b>	<b>\$ 57,442</b>

Capital Projects Funds					
General Debt Service Fund	Revolving Capital Projects	Infrastructure	Downtown Redevelopment	Facade Grants	Total Nonmajor Funds
\$ -	\$ 1,399,610	\$ 429,893	\$ -	\$ 8,060	\$ 2,429,303
874,469	-	-	-	-	1,279,969
-	-	-	-	-	1,264
-	-	-	-	-	992,893
<u>874,469</u>	<u>1,399,610</u>	<u>429,893</u>	<u>-</u>	<u>8,060</u>	<u>4,703,429</u>
-	30,931	-	-	-	90,070
-	-	1,481,628	-	-	1,481,628
-	30,931	1,481,628	-	-	1,571,698
<u>874,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,272,862</u>
-	-	-	-	-	50,000
-	1,368,679	(1,051,735)	-	8,060	808,869
-	1,368,679	(1,051,735)	-	8,060	858,869
<u>\$ 874,469</u>	<u>\$ 1,399,610</u>	<u>\$ 429,893</u>	<u>\$ -</u>	<u>\$ 8,060</u>	<u>\$ 4,703,429</u>

CITY BURLINGTON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2017

DRAFT

	Special Revenue Funds						
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police Donations	Wehmhoff
<u>REVENUES</u>							
Taxes	\$ 405,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	302,211	-	-	-	-	-	-
Charges for services	19,836	-	-	-	-	-	-
Investment income	1,076	9,633	4,206	-	451	-	2,668
Repayment of note receivable	-	40,957	15,641	-	-	-	-
All other	3,291	-	-	19,380	20,953	124,630	-
TOTAL REVENUES	731,914	50,590	19,847	19,380	21,404	124,630	2,668
<u>EXPENDITURES</u>							
Public safety	-	-	-	-	-	113,430	-
Public works	-	-	-	-	-	-	-
Culture, recreation & education	740,069	-	-	-	14,215	-	-
Conservation and development	-	6,180	183,299	-	-	-	-
Capital outlay	-	-	-	73,605	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
TOTAL EXPENDITURES	740,069	6,180	183,299	73,605	14,215	113,430	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,155)	44,410	(163,452)	(54,225)	7,189	11,200	2,668
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers in	-	-	163,452	30,000	-	-	-
Transfers out	(5,000)	-	-	-	-	-	-
Proceeds of bonds	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,000)	-	163,452	30,000	-	-	-
NET CHANGE IN FUND BALANCES	(13,155)	44,410	-	(24,225)	7,189	11,200	2,668
FUND BALANCES - BEGINNING	112,594	75,512	-	135,645	106,972	20,281	54,774
FUND BALANCES - ENDING	\$ 99,439	\$ 119,922	\$ -	\$ 111,420	\$ 114,161	\$ 31,481	\$ 57,442

General Debt Service Fund	Capital Projects Funds				Total Nonmajor Funds
	Revolving Capital Projects	Infrastructure	Downtown Redevelopment	Facade Grants	
\$ 431,280	\$ 70,000	\$ -	\$ -	\$ -	\$ 906,780
-	-	-	-	-	302,211
-	-	-	-	-	19,836
1,392	(85)	35,947	-	176	55,464
-	-	-	-	-	56,598
-	29,713	-	157,020	-	354,987
<u>432,672</u>	<u>99,628</u>	<u>35,947</u>	<u>157,020</u>	<u>176</u>	<u>1,695,876</u>
-	-	-	-	-	113,430
-	-	50,338	-	-	50,338
-	-	-	-	-	754,284
-	-	-	157,020	36,272	382,771
-	321,882	-	-	-	395,487
1,520,830	-	-	-	-	1,520,830
189,140	-	-	-	-	189,140
<u>1,709,970</u>	<u>321,882</u>	<u>50,338</u>	<u>157,020</u>	<u>36,272</u>	<u>3,406,280</u>
<u>(1,277,298)</u>	<u>(222,254)</u>	<u>(14,391)</u>	<u>-</u>	<u>(36,096)</u>	<u>(1,710,404)</u>
107,298	5,000	-	-	50,000	355,750
-	-	-	-	-	(5,000)
1,170,000	-	-	-	-	1,170,000
-	24,179	-	-	-	24,179
<u>1,277,298</u>	<u>29,179</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>1,544,929</u>
-	(193,075)	(14,391)	-	13,904	(165,475)
-	1,561,754	(1,037,344)	-	(5,844)	1,024,344
<u>\$ -</u>	<u>\$ 1,368,679</u>	<u>\$ (1,051,735)</u>	<u>\$ -</u>	<u>\$ 8,060</u>	<u>\$ 858,869</u>

CITY OF BURLINGTON  
GENERAL FUND

DRAFT

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>TAXES</u>				
General property taxes	\$ 5,216,776	\$ 5,216,776	\$ 5,216,208	\$ (568)
Payments in lieu of taxes	38,500	38,500	49,020	10,520
Room tax	105,000	105,000	134,221	29,221
Interest on personal property taxes	150	150	177	27
TOTAL TAXES	<u>5,360,426</u>	<u>5,360,426</u>	<u>5,399,626</u>	<u>39,200</u>
<u>INTERGOVERNMENTAL</u>				
Shared taxes from state	453,997	453,997	455,631	1,634
Exempt computer aid	17,534	17,534	25,739	8,205
Fire insurance from state	36,000	36,000	39,517	3,517
Municipal services	1,913	1,913	1,497	(416)
General transportation aid	589,312	589,312	588,038	(1,274)
Connecting streets	2,840	2,840	2,840	-
Recycling grants	24,000	24,000	29,683	5,683
Clean sweep grant	13,000	13,000	17,220	4,220
State aid for police training	1,000	1,000	2,560	1,560
Safety aid	2,500	2,500	1,286	(1,214)
Forestry grant	25,000	25,000	27,792	2,792
DNR aid in lieu of tax	681	681	600	(81)
Miscellaneous Grants	3,900	3,900	13,230	9,330
TOTAL INTERGOVERNMENTAL	<u>1,171,677</u>	<u>1,171,677</u>	<u>1,205,633</u>	<u>33,956</u>
<u>LICENSES AND PERMITS</u>				
Business and occupational licenses	36,380	36,380	49,408	13,028
Weights and measures	7,400	7,400	7,025	(375)
Wisconsin cable TV licenses	135,000	135,000	144,625	9,625
Parking permits	700	700	350	(350)
Cell tower permit	55,000	55,000	58,234	3,234
Building and electrical permits	105,500	105,500	210,112	104,612
Right of way and zoning permits	10,000	10,000	9,898	(102)
Developer Reimbursement	40,000	40,000	-	(40,000)
TOTAL LICENSES AND PERMITS	<u>389,980</u>	<u>389,980</u>	<u>479,652</u>	<u>89,672</u>
<u>FINES AND FORFEITURES</u>				
Court penalty costs	131,000	131,000	133,032	2,032
Parking violations	55,000	55,000	33,641	(21,359)
TOTAL FINES AND FORFEITURES	<u>\$ 186,000</u>	<u>\$ 186,000</u>	<u>\$ 166,673</u>	<u>\$ (19,327)</u>

CITY OF BURLINGTON  
GENERAL FUND

DRAFT

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original and Final Budget	Original and Final Budget	Actual	Variance Positive (Negative)
<u>CHARGES FOR SERVICES</u>				
Clerk's revenue	\$ 6,850	\$ 6,850	\$ 11,524	\$ 4,674
Police department	8,770	8,770	6,432	(2,338)
Fire department	42,000	42,000	22,924	(19,076)
Street department	9,000	9,000	544	(8,456)
Zoning and developer fees	25,000	25,000	20,525	(4,475)
Parks fees	7,500	7,500	4,859	(2,641)
TOTAL CHARGES FOR SERVICES	99,120	99,120	66,808	(32,312)
<u>SPECIAL ASSESSMENTS</u>				
Sidewalks and all other	15,000	15,000	27,571	12,571
<u>INTEREST</u>				
Investment earnings	10,000	10,000	27,403	17,403
Interest on special assessments	2,500	2,500	285	(2,215)
TOTAL INTEREST	12,500	12,500	27,688	15,188
<u>OTHER</u>				
Lease of city property	11,600	11,600	-	(11,600)
Insurance recoveries	10,000	10,000	128,584	118,584
Police donations	-	-	495	495
Miscellaneous donation (senior citizens)	-	-	200,120	200,120
All other	2,600	2,600	2,648	48
TOTAL OTHER	24,200	24,200	331,847	307,647
TOTAL REVENUES	\$ 7,258,903	\$ 7,258,903	\$ 7,705,498	\$ 446,595

CITY OF BURLINGTON  
GENERAL FUND

DRAFT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original and Final Budget	Original and Final Budget	Actual	Variance Positive (Negative)
<u>GENERAL GOVERNMENT</u>				
Mayor and city council	\$ 129,950	\$ 129,950	\$ 62,051	\$ 67,899
Municipal court	79,788	79,788	71,195	8,593
Administration	358,865	358,865	382,552	(23,687)
Finance - treasurer	209,350	209,350	205,519	3,831
City clerk	56,394	56,394	54,306	2,088
Elections	20,148	20,148	15,151	4,997
Assessor and board of review	51,908	51,908	49,413	2,495
City attorney	110,000	110,000	119,836	(9,836)
TOTAL GENERAL GOVERNMENT	1,016,403	1,016,403	960,023	56,380
<u>PUBLIC SAFETY</u>				
Police department	2,965,420	2,965,420	2,871,528	93,892
Fire department	799,723	799,723	832,659	(32,936)
Building inspector	149,027	149,027	111,225	37,802
TOTAL PUBLIC SAFETY	3,914,170	3,914,170	3,815,412	98,758
<u>PUBLIC WORKS</u>				
Street administration and maintenance	1,131,201	1,131,201	894,117	237,084
Street lighting	260,000	260,000	267,882	(7,882)
Sidewalks, curb and gutters	35,000	35,000	44,448	(9,448)
Storm sewers	6,500	6,500	3,482	3,018
Parking structure	12,000	12,000	13,324	(1,324)
Garbage collection	365,000	365,000	365,602	(602)
Recycling	104,000	104,000	104,887	(887)
Landfill	25,000	25,000	26,926	(1,926)
Clean sweep	22,000	22,000	24,188	(2,188)
TOTAL PUBLIC WORKS	1,960,701	1,960,701	1,744,856	215,845
<u>HEALTH AND HUMAN SERVICES</u>				
Health officer	74,561	74,561	74,561	-
Cemetery	-	-	3,863	(3,863)
Animal shelter	7,000	7,000	3,449	3,551
TOTAL HEALTH AND HUMAN SERVICES	\$ 81,561	\$ 81,561	\$ 81,873	\$ (312)

CITY OF BURLINGTON  
GENERAL FUND

DRAFT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original and Final Budget	Original and Final Budget	Actual	Variance Positive (Negative)
<u>CULTURE, RECREATION AND EDUCATION</u>				
Historical society	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Senior citizens	2,500	2,500	213,016	(210,516)
Celebrations and festivals	-	-	12,110	(12,110)
Parks and forestry	631,654	631,654	558,082	73,572
TOTAL CULTURE, RECREATION AND EDUCATION	635,154	635,154	784,208	(149,054)
<u>CONSERVATION AND DEVELOPMENT</u>				
Economic development	80,000	80,000	161,640	(81,640)
Plan commission	95,500	95,500	82,520	12,980
Town annexation revenue sharing	11,167	11,167	11,277	(110)
TOTAL CONSERVATION AND DEVELOPMENT	186,667	186,667	255,437	(68,770)
 TOTAL EXPENDITURES	 \$ 7,794,656	 \$ 7,794,656	 \$ 7,641,809	 \$ 152,847

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

The following is a summary of the bonds and notes payable of the city as of December 31, 2017.

<u>General Obligation Debt</u>	<u>Original Principal</u>	<u>Outstanding Principal 12/31/2017</u>
2007 refunding bonds	\$ 1,500,000	\$ 230,000
2011 refunding bonds	9,120,000	3,055,000
2012 street bonds	3,155,000	3,005,000
2012 refunding bonds	1,460,000	565,000
2014A refunding bonds	6,200,000	4,770,000
2015A refunding bonds	4,215,000	1,410,000
2015B promissory notes	4,500,000	3,800,000
2015 Fox River Bank loan	300,000	300,000
2017A refunding bonds	7,990,000	7,990,000
2017D promissory notes	1,495,000	1,495,000
		<u>\$ 26,620,000</u>

2007 General Obligation Refunding Bonds

The proceeds from this issue were used to refund a short-term note and to finance various infrastructure improvements. Interest is charged at rates of 4.10% to 4.375%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2018	\$ 110,000	\$ 4,745	\$ 114,745
October 1, 2018	-	4,290	4,290
April 1, 2019	120,000	4,290	124,290
	<u>\$ 230,000</u>	<u>\$ 13,325</u>	<u>\$ 243,325</u>

2011 General Obligation Refunding Bonds

The proceeds from this issue were used to refund 2001 bonds issued for TIF No. 3 purposes. Interest is charged at rates of 2.0% to 3.0%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2018	\$ 940,000	\$ 43,475	\$ 983,475
October 1, 2018	-	31,725	31,725
April 1, 2019	970,000	31,725	1,001,725
October 1, 2019	-	17,175	17,175
April 1, 2020	1,145,000	17,175	1,162,175
	<u>\$ 3,055,000</u>	<u>\$ 141,275</u>	<u>\$ 3,196,275</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2012 General Obligation Street Bonds

The proceeds from this issue were used to finance various infrastructure improvements.

Interest is charged at rates of 2.0% to 2.8%.

	Principal	Interest	Total
April 1, 2018	\$ 50,000	\$ 36,917	\$ 86,917
October 1, 2018	-	36,418	36,418
April 1, 2019	165,000	36,418	201,418
October 1, 2019	-	34,768	34,768
April 1, 2020	170,000	34,768	204,768
October 1, 2020	-	33,067	33,067
April 1, 2021	120,000	33,067	153,067
October 1, 2021	-	31,718	31,718
April 1, 2022	125,000	31,718	156,718
October 1, 2022	-	30,311	30,311
April 1, 2023	165,000	30,311	195,311
October 1, 2023	-	28,455	28,455
April 1, 2024	200,000	28,455	228,455
October 1, 2024	-	26,205	26,205
April 1, 2025	190,000	26,205	216,205
October 1, 2025	-	24,068	24,068
April 1, 2026	195,000	24,068	219,068
October 1, 2026	-	21,776	21,776
April 1, 2027	200,000	21,776	221,776
October 1, 2027	-	19,326	19,326
April 1, 2028	205,000	19,326	224,326
October 1, 2028	-	16,713	16,713
April 1, 2029	215,000	16,713	231,713
October 1, 2029	-	13,864	13,864
April 1, 2030	220,000	13,864	233,864
October 1, 2030	-	10,894	10,894
April 1, 2031	385,000	10,894	395,894
October 1, 2031	-	5,600	5,600
April 1, 2032	400,000	5,600	405,600
	\$ 3,005,000	\$ 703,283	\$ 3,708,283

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2012 General Obligation Refunding Bonds

The proceeds from this issue were used to refund state trust fund loans issued in 2004, 2009 and 2011 for various purposes. Interest is charged at rates of 0.5% to 2.5%.

	Principal	Interest	Total
April 1, 2018	\$ 150,000	\$ 5,401	\$ 155,401
October 1, 2018	-	4,276	4,276
April 1, 2019	145,000	4,276	149,276
October 1, 2019	-	2,972	2,972
April 1, 2020	155,000	2,972	157,972
October 1, 2020	-	1,383	1,383
April 1, 2021	55,000	1,383	56,383
October 1, 2021	-	750	750
April 1, 2022	60,000	750	60,750
	\$ 565,000	\$ 24,163	\$ 589,163

2014A General Obligation Refunding Bonds

The proceeds from this issue were used to refund the 2010A general obligation bonds. The proceeds from that issue were used to finance capital projects in the TIF No. 3 capital projects, environmental TIF, water utility and sewer utility funds. Interest is charged on the new debt at rates of 0.4% to 3.2%.

	Principal	Interest	Total
May 1, 2018	\$ 245,000	\$ 56,640	\$ 301,640
November 1, 2018	-	55,415	55,415
May 1, 2019	245,000	55,415	300,415
November 1, 2019	-	53,884	53,884
May 1, 2020	255,000	53,884	308,884
November 1, 2020	-	51,971	51,971
May 1, 2021	340,000	51,971	391,971
November 1, 2021	-	49,081	49,081
May 1, 2022	360,000	49,081	409,081
November 1, 2022	-	45,661	45,661
May 1, 2023	370,000	45,661	415,661
November 1, 2023	-	41,776	41,776
May 1, 2024	380,000	41,776	421,776
November 1, 2024	-	37,406	37,406
May 1, 2025	390,000	37,406	427,406
November 1, 2025	-	32,531	32,531
May 1, 2026	410,000	32,531	442,531
November 1, 2026	-	26,996	26,996
May 1, 2027	425,000	26,996	451,996
November 1, 2027	-	20,940	20,940
May 1, 2028	435,000	20,940	455,940
November 1, 2028	-	14,415	14,415
May 1, 2029	450,000	14,415	464,415
November 1, 2029	-	7,440	7,440
May 1, 2030	465,000	7,440	472,440
	\$ 4,770,000	\$ 931,672	\$ 5,701,672

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2015A General Obligation Refunding Bonds

The proceeds from this issue were used to refund the 2005 TIF District No. 3 lease revenue bonds. Interest is charged at rates of 2.0% to 3.0%.

	Principal	Interest	Total
April 1, 2018	\$ 1,410,000	\$ 14,100	\$ 1,424,100
	\$ 1,410,000	\$ 14,100	\$ 1,424,100

2015B General Obligation Promissory Notes

The proceeds from this issue were used to finance infrastructure improvements related to TIF District No. 5. Interest is charged at rates of 0.7% to 2.25%.

	Principal	Interest	Total
April 1, 2018	\$ 715,000	\$ 32,464	\$ 747,464
October 1, 2018	-	28,531	28,531
April 1, 2019	735,000	28,531	763,531
October 1, 2019	-	23,386	23,386
April 1, 2020	755,000	23,386	778,386
October 1, 2020	-	16,968	16,968
April 1, 2021	780,000	16,969	796,969
October 1, 2021	-	9,169	9,169
April 1, 2022	815,000	9,169	824,169
	\$ 3,800,000	\$ 188,573	\$ 3,988,573

2015 Fox River Bank Loan

The proceeds from this issue were used to finance infrastructure improvements related to TIF District No. 5. Interest is charged at rates of 2.25% to 3.25%.

	Principal	Interest	Total
April 1, 2018	\$ 60,000	\$ 3,413	\$ 63,413
October 1, 2018	-	3,050	3,050
April 1, 2019	60,000	3,033	63,033
October 1, 2019	-	2,516	2,516
April 1, 2020	60,000	2,516	62,516
October 1, 2020	-	1,830	1,830
April 1, 2021	60,000	1,820	61,820
October 1, 2021	-	991	991
April 1, 2022	60,000	986	60,986
	\$ 300,000	\$ 20,155	\$ 320,155

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2017A General Obligation Refunding Bonds

The proceeds from this issue were used to partially refund the 2007 general obligation refunding bonds and to finance various infrastructure improvements including street improvement projects and a community swimming pool. Interest is charged at rates of 2.00% to 3.375%.

	Principal	Interest	Total
April 1, 2018	\$ 220,000	\$ 179,515	\$ 399,515
October 1, 2018	-	103,397	103,397
April 1, 2019	435,000	103,397	538,397
October 1, 2019	-	99,047	99,047
April 1, 2020	560,000	99,047	659,047
October 1, 2020	-	93,447	93,447
April 1, 2021	500,000	93,447	593,447
October 1, 2021	-	88,447	88,447
April 1, 2022	480,000	88,447	568,447
October 1, 2022	-	83,647	83,647
April 1, 2023	510,000	83,647	593,647
October 1, 2023	-	78,547	78,547
April 1, 2024	500,000	78,547	578,547
October 1, 2024	-	72,297	72,297
April 1, 2025	485,000	72,297	557,297
October 1, 2025	-	66,234	66,234
April 1, 2026	460,000	66,234	526,234
October 1, 2026	-	59,334	59,334
April 1, 2027	450,000	59,334	509,334
October 1, 2027	-	52,584	52,584
April 1, 2028	375,000	52,584	427,584
October 1, 2028	-	46,959	46,959
April 1, 2029	340,000	46,959	386,959
October 1, 2029	-	41,859	41,859
April 1, 2030	375,000	41,859	416,859
October 1, 2030	-	36,234	36,234
April 1, 2031	375,000	36,234	411,234
October 1, 2031	-	30,609	30,609
April 1, 2032	350,000	30,609	380,609
October 1, 2032	-	25,359	25,359
April 1, 2033	325,000	25,359	350,359
October 1, 2033	-	20,484	20,484
April 1, 2034	325,000	20,484	345,484
October 1, 2034	-	15,406	15,406
April 1, 2035	325,000	15,406	340,406
October 1, 2035	-	10,125	10,125
April 1, 2036	300,000	10,125	310,125
October 1, 2036	-	5,063	5,063
April 1, 2037	300,000	5,063	305,063
	\$ 7,990,000	\$ 2,237,673	\$ 10,227,673

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2017D General Obligation Promissory Notes

The proceeds from this issue were used to finance capital projects related to flood recovery. Interest is charged at rates of 2.00% to 3.00%.

	Principal	Interest	Total
April 1, 2018	\$ 145,000	\$ 10,769	\$ 155,769
October 1, 2018	-	15,406	15,406
April 1, 2019	140,000	15,406	155,406
October 1, 2019	-	14,006	14,006
April 1, 2020	140,000	14,006	154,006
October 1, 2020	-	12,606	12,606
April 1, 2021	145,000	12,606	157,606
October 1, 2021	-	11,156	11,156
April 1, 2022	145,000	11,156	156,156
October 1, 2022	-	9,706	9,706
April 1, 2023	150,000	9,706	159,706
October 1, 2023	-	7,456	7,456
April 1, 2024	150,000	7,456	157,456
October 1, 2024	-	5,206	5,206
April 1, 2025	155,000	5,206	160,206
October 1, 2025	-	3,656	3,656
April 1, 2026	160,000	3,656	163,656
October 1, 2026	-	1,856	1,856
April 1, 2027	165,000	1,856	166,856
	\$ 1,495,000	\$ 172,877	\$ 1,667,877

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

<u>Other Long-Term Obligations</u>	<u>Original Principal</u>	<u>Outstanding Principal 12/31/2017</u>
2013 vactor lease/purchase - U.S. Bancorp	\$ 342,149	\$ 71,372
2013 energy conservation program lease purchase - U.S. Bancorp	1,147,507	954,183
2014 DPW chipper lease purchase	147,220	30,185
		<u>\$ 1,055,740</u>

2013 Vactor Lease Purchase

The proceeds from this issue were used to purchase a new sewer vactor truck and chassis. Lease payments are for 5 years at an interest rate of 2.15%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 5, 2018	71,372	1,535	72,907
	<u>\$ 71,372</u>	<u>\$ 1,535</u>	<u>\$ 72,907</u>

2013 Energy Conservation Program Lease/Purchase

The proceeds from this issue were used for various energy conservation facilities improvements. The total amount of proceeds available is \$1,147,507. Lease payments are for 15 years at an interest rate of 2.698%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
February 15, 2018	16,883	6,446	23,329
May 15, 2018	16,997	6,332	23,329
August 15, 2018	17,112	6,217	23,329
November 15, 2018	17,228	6,101	23,329
February 15, 2019	17,344	5,985	23,329
May 15, 2019	17,461	5,868	23,329
August 15, 2019	17,579	5,750	23,329
November 15, 2019	17,698	5,631	23,329
February 15, 2020	17,818	5,511	23,329
May 15, 2020	17,938	5,391	23,329
August 15, 2020	18,059	5,270	23,329
November 15, 2020	18,182	5,147	23,329
February 15, 2021	18,305	5,024	23,329
May 15, 2021	18,428	4,901	23,329
August 15, 2021	18,553	4,776	23,329
November 15, 2021	18,678	4,651	23,329
February 15, 2022	18,804	4,525	23,329
May 15, 2022	18,932	4,397	23,329
August 15, 2022	19,060	4,269	23,329
November 15, 2022	19,188	4,141	23,329
February 15, 2023	19,318	4,011	23,329
May 15, 2023	19,449	3,880	23,329
August 15, 2023	19,580	3,749	23,329
November 15, 2023	19,713	3,616	23,329
Balance carried forward	<u>\$ 438,307</u>	<u>\$ 121,589</u>	<u>\$ 559,896</u>

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2013 Energy Conservation Program Lease/Purchase - Continued

	Principal	Interest	Total
Balance brought forward	\$ 438,307	\$ 121,589	\$ 559,896
February 15, 2024	19,846	3,483	23,329
May 15, 2024	19,980	3,349	23,329
August 15, 2024	20,115	3,214	23,329
November 15, 2024	20,251	3,078	23,329
February 15, 2025	20,388	2,941	23,329
May 15, 2025	20,526	2,803	23,329
August 15, 2025	20,665	2,664	23,329
November 15, 2025	20,804	2,525	23,329
February 15, 2026	20,945	2,384	23,329
May 15, 2026	21,086	2,243	23,329
August 15, 2026	21,229	2,100	23,329
November 15, 2026	21,373	1,956	23,329
February 15, 2027	21,517	1,812	23,329
May 15, 2027	21,663	1,666	23,329
August 15, 2027	21,809	1,520	23,329
November 15, 2027	21,956	1,373	23,329
February 15, 2028	22,105	1,224	23,329
May 15, 2028	22,254	1,075	23,329
August 15, 2028	22,405	924	23,329
November 15, 2028	22,556	773	23,329
February 15, 2029	22,709	620	23,329
May 15, 2029	22,862	467	23,329
August 15, 2029	23,017	312	23,329
November 15, 2029	23,815	156	23,971
	\$ 954,183	\$ 166,251	\$ 1,120,434

2014 DPW Chipper Lease Purchase

The proceeds from this issue were used to purchase a new single axle chipper truck. Lease payments are for 5 years at an interest rate of 2.581%.

	Principal	Interest	Total
October 1, 2018	\$ 30,185	\$ 779	\$ 30,964
	\$ 30,185	\$ 779	\$ 30,964

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

<u>Utility Revenue Debt</u>	<u>Original Principal</u>	<u>Outstanding Principal 12/31/2017</u>
2008 sewer revenue bonds - Clean Water Fund (No. 5096-02)	\$ 4,465,837	\$ 2,756,584
2008 sewer revenue bonds - Clean Water Fund (No. 5096-04)	926,948	538,776
2011 water revenue refunding bonds	2,050,000	1,045,000
2012 water revenue bonds - Clean Water Fund (No. 5475-01)	2,044,276	1,540,460
2012 sewer revenue bonds - Clean Water Fund (No. 5096-09)	7,439,911	6,169,357
2017B sewer system revenue bonds	1,610,000	1,610,000
2017C water revenue bonds - Clean Water Fund (No. 5475-03)	615,145	615,145
		\$ 14,275,322

2008 Clean Water Fund Loan (No. 5096-02)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.569%.

	Principal	Interest	Total
May 1, 2018	220,040	35,408	255,448
November 1, 2018	-	32,582	32,582
May 1, 2019	225,693	32,582	258,275
November 1, 2019	-	29,683	29,683
May 1, 2020	231,491	29,683	261,174
November 1, 2020	-	26,709	26,709
May 1, 2021	237,438	26,709	264,147
November 1, 2021	-	23,660	23,660
May 1, 2022	243,538	23,660	267,198
November 1, 2022	-	20,531	20,531
May 1, 2023	249,794	20,531	270,325
November 1, 2023	-	17,323	17,323
May 1, 2024	256,211	17,323	273,534
November 1, 2024	-	14,032	14,032
May 1, 2025	262,794	14,032	276,826
November 1, 2025	-	10,656	10,656
May 1, 2026	269,545	10,656	280,201
November 1, 2026	-	7,193	7,193
May 1, 2027	276,469	7,193	283,662
November 1, 2027	-	3,642	3,642
May 1, 2028	283,571	3,642	287,213
	\$ 2,756,584	\$ 407,430	\$ 3,164,014

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2008 Clean Water Fund Loan (No. 5096-04)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.365%.

	Principal	Interest	Total
May 1, 2018	\$ 48,389	\$ 6,371	\$ 54,760
November 1, 2018	-	5,799	5,799
May 1, 2019	49,534	5,799	55,333
November 1, 2019	-	5,213	5,213
May 1, 2020	50,705	5,213	55,918
November 1, 2020	-	4,614	4,614
May 1, 2021	51,904	4,614	56,518
November 1, 2021	-	4,000	4,000
May 1, 2022	53,132	4,000	57,132
November 1, 2022	-	3,371	3,371
May 1, 2023	54,388	3,371	57,759
November 1, 2023	-	2,728	2,728
May 1, 2024	55,675	2,728	58,403
November 1, 2024	-	2,070	2,070
May 1, 2025	56,991	2,070	59,061
November 1, 2025	-	1,396	1,396
May 1, 2026	58,339	1,396	59,735
November 1, 2026	-	706	706
May 1, 2027	59,719	706	60,425
	\$ 538,776	\$ 66,165	\$ 604,941

2011 Water Revenue Refunding Bonds

The proceeds from this issue were used to refund the 2002 water revenue bonds that were issued to finance various water utility improvements. Interest is charged at rates of 2.0% to 3.5%.

	Principal	Interest	Total
May 1, 2018	\$ 195,000	\$ 16,823	\$ 211,823
November 1, 2018	-	13,898	13,898
May 1, 2019	200,000	13,898	213,898
November 1, 2019	-	10,899	10,899
May 1, 2020	210,000	10,899	220,899
November 1, 2020	-	7,539	7,539
May 1, 2021	215,000	7,539	222,539
November 1, 2021	-	3,938	3,938
May 1, 2022	225,000	3,938	228,938
	\$ 1,045,000	\$ 89,371	\$ 1,134,371

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2012 Clean Water Fund Loan (No. 5475-01)

The proceeds from this issue were used for various water utility improvements. Interest is charged at the rate of 2.2%.

	Principal	Interest	Total
May 1, 2018	\$ 95,153	\$ 16,945	\$ 112,098
November 1, 2018	-	15,898	15,898
May 1, 2019	97,246	15,898	113,144
November 1, 2019	-	14,829	14,829
May 1, 2020	99,386	14,829	114,215
November 1, 2020	-	13,735	13,735
May 1, 2021	101,572	13,735	115,307
November 1, 2021	-	12,618	12,618
May 1, 2022	103,807	12,618	116,425
November 1, 2022	-	11,476	11,476
May 1, 2023	106,090	11,476	117,566
November 1, 2023	-	10,309	10,309
May 1, 2024	108,424	10,309	118,733
November 1, 2024	-	9,117	9,117
May 1, 2025	110,810	9,117	119,927
November 1, 2025	-	7,898	7,898
May 1, 2026	113,248	7,898	121,146
November 1, 2026	-	6,652	6,652
May 1, 2027	115,739	6,652	122,391
November 1, 2027	-	5,379	5,379
May 1, 2028	118,285	5,379	123,664
November 1, 2028	-	4,078	4,078
May 1, 2029	120,888	4,078	124,966
November 1, 2029	-	2,748	2,748
May 1, 2030	123,547	2,748	126,295
November 1, 2030	-	1,389	1,389
May 1, 2031	126,265	1,389	127,654
	\$ 1,540,460	\$ 249,197	\$ 1,789,657

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2012 Clean Water Fund Loan (No. 5096-09)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.625%.

	Principal	Interest	Total
May 1, 2018	\$ 340,925	\$ 80,973	\$ 421,898
November 1, 2018	-	76,498	76,498
May 1, 2019	349,874	76,498	426,372
November 1, 2019	-	71,906	71,906
May 1, 2020	359,058	71,906	430,964
November 1, 2020	-	67,193	67,193
May 1, 2021	368,483	67,193	435,676
November 1, 2021	-	62,357	62,357
May 1, 2022	378,156	62,357	440,513
November 1, 2022	-	57,394	57,394
May 1, 2023	388,083	57,394	445,477
November 1, 2023	-	52,300	52,300
May 1, 2024	398,270	52,300	450,570
November 1, 2024	-	47,073	47,073
May 1, 2025	408,724	47,073	455,797
November 1, 2025	-	41,709	41,709
May 1, 2026	419,453	41,709	461,162
November 1, 2026	-	36,203	36,203
May 1, 2027	430,464	36,203	466,667
November 1, 2027	-	30,553	30,553
May 1, 2028	441,764	30,553	472,317
November 1, 2028	-	24,755	24,755
May 1, 2029	453,360	24,755	478,115
November 1, 2029	-	18,805	18,805
May 1, 2030	465,261	18,805	484,066
November 1, 2030	-	12,698	12,698
May 1, 2031	477,474	12,698	490,172
November 1, 2031	-	6,431	6,431
May 1, 2032	490,008	6,431	496,439
	\$ 6,169,357	\$ 1,292,723	\$ 7,462,080

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2017B Sewer System Revenue Bonds

The proceeds from this issue were used to finance collection system improvements. Interest is charged at rates of 1.30% to 4.00%.

	Principal	Interest	Total
April 1, 2018	\$ 65,000	\$ 23,358	\$ 88,358
October 1, 2018	-	22,935	22,935
April 1, 2019	65,000	22,935	87,935
October 1, 2019	-	22,513	22,513
April 1, 2020	65,000	22,513	87,513
October 1, 2020	-	21,960	21,960
April 1, 2021	70,000	21,960	91,960
October 1, 2021	-	21,365	21,365
April 1, 2022	70,000	21,365	91,365
October 1, 2022	-	20,630	20,630
April 1, 2023	70,000	20,630	90,630
October 1, 2023	-	19,895	19,895
April 1, 2024	70,000	19,895	89,895
October 1, 2024	-	19,038	19,038
April 1, 2025	75,000	19,038	94,038
October 1, 2025	-	18,119	18,119
April 1, 2026	75,000	18,119	93,119
October 1, 2026	-	17,088	17,088
April 1, 2027	80,000	17,088	97,088
October 1, 2027	-	15,988	15,988
April 1, 2028	80,000	15,988	95,988
October 1, 2028	-	14,788	14,788
April 1, 2029	80,000	14,788	94,788
October 1, 2029	-	13,588	13,588
April 1, 2030	80,000	13,588	93,588
October 1, 2030	-	12,288	12,288
April 1, 2031	85,000	12,288	97,288
October 1, 2031	-	10,906	10,906
April 1, 2032	90,000	10,906	100,906
October 1, 2032	-	9,331	9,331
April 1, 2033	90,000	9,331	99,331
October 1, 2033	-	7,756	7,756
April 1, 2034	95,000	7,756	102,756
October 1, 2034	-	5,975	5,975
April 1, 2035	100,000	5,975	105,975
October 1, 2035	-	4,100	4,100
April 1, 2036	100,000	4,100	104,100
October 1, 2036	-	2,100	2,100
April 1, 2037	105,000	2,100	107,100
	\$ 1,610,000	\$ 584,084	\$ 2,194,084

CITY OF BURLINGTON  
LONG-TERM DEBT SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2017

DRAFT

2017C Clean Water Fund (No. 5475-03)

The proceeds from this issue were used to finance various water utility improvements. Interest is charged at a rate of 1.80%.

	Principal	Interest	Total
April 1, 2018	\$ 25,647	\$ 5,560	\$ 31,207
October 1, 2018	-	5,512	5,512
April 1, 2019	26,126	5,512	31,638
October 1, 2019	-	5,268	5,268
April 1, 2020	26,615	5,268	31,883
October 1, 2020	-	5,019	5,019
April 1, 2021	27,113	5,019	32,132
October 1, 2021	-	4,765	4,765
April 1, 2022	27,620	4,765	32,385
October 1, 2022	-	4,507	4,507
April 1, 2023	28,136	4,507	32,643
October 1, 2023	-	4,244	4,244
April 1, 2024	28,662	4,244	32,906
October 1, 2024	-	3,976	3,976
April 1, 2025	29,198	3,976	33,174
October 1, 2025	-	3,703	3,703
April 1, 2026	29,744	3,703	33,447
October 1, 2026	-	3,425	3,425
April 1, 2027	30,300	3,425	33,725
October 1, 2027	-	3,141	3,141
April 1, 2028	30,867	3,141	34,008
October 1, 2028	-	2,853	2,853
April 1, 2029	31,444	2,853	34,297
October 1, 2029	-	2,559	2,559
April 1, 2030	32,032	2,559	34,591
October 1, 2030	-	2,259	2,259
April 1, 2031	32,631	2,259	34,890
October 1, 2031	-	1,954	1,954
April 1, 2032	33,242	1,954	35,196
October 1, 2032	-	1,643	1,643
April 1, 2033	33,863	1,643	35,506
October 1, 2033	-	1,327	1,327
April 1, 2034	34,496	1,327	35,823
October 1, 2034	-	1,004	1,004
April 1, 2035	35,142	1,004	36,146
October 1, 2035	-	676	676
April 1, 2036	35,799	676	36,475
October 1, 2036	-	341	341
April 1, 2037	36,468	341	36,809
	\$ 615,145	\$ 121,912	\$ 737,057