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CITY OF BURLINGTON
Committee of the Whole Minutes
Jeannie Hefty, Mayor
Diahnn Halbach, City Clerk
Tuesday, September 3, 2019

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

Mayor Jeannie Hefty called the Committee of the Whole meeting to order at 6:30 p.m. Roll Call - Present: Alderman Susan Kott, Alderman Theresa Meyer, Alderman Bob Grandi, Alderman Ryan Heft, Alderman Steve Rauch, Alderman Jon Schultz, Alderman Tom Preusker. Excused: Alderman Todd Bauman

Staff present: City Attorney John Bjelajac, City Administrator Carina Walters, Assistant City Administrator/Zoning Administrator Megan Watkins, Finance Director Steven DeQuaker, Public Works Director Peter Riggs, and Building Inspector Gregory Guidry.

Also present: Gregory Governatori, Kapur and Associates. Addie Ebert, Accurate Appraisal.

2. **Citizen Comments**

3. **Approval of Minutes** - To approve the Committee of the Whole Minutes for August 20, 2019. Motion: Alderman Grandi. Second: Alderman Preusker. With all in favor, the motion carried.

4. **PRESENTATIONS:**

A presentation from Addie Ebert, Accurate Appraisal, to provide an update regarding the Assessment Process.

Addie Ebert, Account Manager, provided an overview of the assessment process and how they derive at the assessed values, which is a fairly convoluted process. Ebert explained that current sales, along with building permits and field work data, are used to update the existing data and that values change based on this information. Ebert also said that every year a full revaluation is completed, so that home values are at 100% of the market value. Once the sales analysis information is up-to-date, the information is put into a statistical program in which the Coefficient of Dispersion (COD) method is used to calculate current values in the City. Ebert then handed out a copy of the 2019 homes sales in the City of Burlington to show the end results of the collected data and how it relates to the current assessments. Ebert added that both the style of the house and the neighborhood it's located, factor into the equation.

Alderman Grandi inquired to the overall 8% increase for ranch homes and asked how that was derived. Ebert responded that ranch style homes are a sought after style and sells higher than other styles of homes and that style is weighted more than the neighborhood, which is 2/3 style and 1/3 neighborhood.

Alderman Schultz asked if the formula used for the assessment is proprietary or if it's published. Ebert responded that it is not proprietary, and she would email the information. Schultz then asked if the

formula used is State dictated or if assessors use their own formula. Ebert responded that the formula is a common practice used among assessors but some assessors do tweak the formula if the neighborhood carries more value than style, such as lake communities.

Alderman Schultz asked how many appeals were filed during the appeal process and how many were modified. Ebert responded that three appeals were filed; two were modified and one was granted a waiver. Schultz asked if three was a high number. Ebert replied that considering it was a full reveal, three was very low.

Alderman Grandi stated he appreciates the explanation of the process and asked if there was a city wide percentage that is available. Ebert replied that information is sent to the City Clerk at the same time the assessment notices are mailed to the residents.

Alderman Preusker also thanked Ms. Ebert for the information and said it was helpful to know that people aren't assessed at just a flat rate and that a lot does factor into it.

5. **RESOLUTIONS:** NONE

6. **ORDINANCES:** NONE

7. **MOTIONS:**

A. **Motion 19-938** - To consider approving a Certificate of Appropriateness for property located at 160 E. Chestnut Street.

Building Inspector Guidry stated that the owner of this property is seeking a Certificate of Appropriateness in order to re-paint the front facade as a maintenance project.

B. **Motion 19-939** - To approve an Indemnification Agreement and accept donated equipment from Advanced Safety Technologies Inc.

Director Riggs explained that Advanced Safety Technologies (AST) recently offered to donate confined space entry equipment to the City as they have provided safety training to the Public Works Department staff for several years. Riggs said they are no longer using the equipment and is willing to donate to the City so long as the City agrees to indemnify them for liability related to future use of the equipment. Riggs further stated that the City's current confined entry space equipment is due to be replaced in 2-3 years and the donated equipment would be an upgrade with a retail value of approximately \$5,000.

C. **Motion 19-940** - To approve the 2018 Annual Audit compiled by Sitzberger & Company, S.C.

Director DeQuaker reviewed the background history stating that this is the second year Sitzberger has completed the audit for the City of Burlington and then introduced Brian Snyder from Sitzberger to present the audit and discuss the management letter and audit findings.

Snyder stated that the 2018 Budget vs Actual performed better than expected overall in both Revenues and Expenditures and then proceeded to review the 2018 Financial Statement Highlights. Snyder then stated that overall the city and utilities are financially better than they were in prior years and the reserve fund is increasing. Snyder also suggested to keep up with the 3% water and sewer rate increase every other year as advised by Ehlers Inc. in their 2017 study, to keep up with inflation as well as repairs and maintenance of the utilities.

Alderman Schultz inquired as to why there was a delay in paying back the Capital Fund Deficit in 2018. DeQuaker stated that it should have been budgeted for 2019 and the deficit will be eliminated within 2-3 years. Schultz then asked what sort of General Capital Projects have restricted funds.

DeQuaker responded that if the City borrows money for a project, that cash is restricted for use in that project only.

Alderman Grandi also commented on the Capital Project Funds as he recalls discussing in Budget Workshops that this was supposed to be paid off in 2018 and would like to understand what changed and what will happen in the next 2-3 years to make this happen. DeQuaker explained that the deficit began in 2014 and which was due to construction of the DPW and the parking structure in which there were additional expenses that had not been properly accounted for such as equipment purchases. DeQuaker said the deficit was projected to be paid in 2018 because it was thought that TIF 3 would close with sufficient increment to cover the debt; however, another year was needed which created the delay to 2019. DeQuaker stated that he has budgeted a little more than 1/3 each year to pay off the deficit and still maintain a good fund balance, which will be discussed more during the 2019 Budget Workshops.

Alderman Grandi inquired about the lack of FDIC insurance and wanted to know what the plans are moving forward to avoid a risk situation. DeQuaker responded that the bank in question was the former Fox River State Bank, now Greenwoods State Bank, which is one of our tax collecting banks. DeQuaker explained that money is moved out of that bank over to BMO Harris, who collateralizes 100% of the balance. DeQuaker said that he needs to have a conversation with Greenwoods State Bank and find out what programs they have available. DeQuaker also said he spoke with Town Bank, and they offer a better program that will collateralize 100% as well.

8. **ADJOURNMENT**

Motion: Alderman Rauch. Second: Alderman Heft. With all in favor, the meeting adjourned at 7:15 p.m.

Minutes respectfully submitted by:

Diahnn C. Halbach
City Clerk
City of Burlington