

FINANCE COMMITTEE MEETING
Tuesday, October 10, 2017 – 5:00 P.M.
MUNICIPAL BUILDING COUNCIL CHAMBERS
AGENDA

1. Call to Order and Roll Call
2. Public Comments and/or Communications
3. Approval of Minutes –September 12, 2017
4. Administrator’s Report
5. Finance Director’s Report
6. Review of:
 - a. Treasurer’s Report (City Investments) for September, 2017
 - b. Bank Reconciliation
 - c. Financial Statements for September, 2017
 - d. Warrant 17-09
 - e. Professional Services over \$5,000 not previously approved under contract
7. Consider purchase of replacement SCBA Cylinders from 5 Alarm in the amount of \$8,330.
8. Consider purchase of Emergency Escape Tech Kits with Crosby Hook from Jefferson Fire & Safety at a cost of \$7,475. (Fire Donation Fund).
9. Consider purchase of three (3) squad cars and declaring current cars as surplus effective upon receipt and changeover of equipment.
10. Consider three (3) year extension to the Cleaning Service contract with Foresees Products Inc.
11. Consider Preliminary Resolution for Special Assessments on Mound Road for sanitary sewer.
12. Review 2018 Budget
13. Future Agenda Items
14. Adjourn

Posted _____ By: Susan Kitzman, City Clerk

****Note: A quorum of the members of the City Common Council who are not also Committee members may be in attendance to gather information and participate in discussion about an issue over which they have decision making ability. This may constitute a meeting of the Common Council pursuant to State ex rel. Badke vs. Greenfield Village Board, 173 Wis. 2d 553, even though the Common Council will take no formal action at this meeting. This meeting must be noticed appropriately and is intended to comply with the requirements of Badke and the Wisconsin Open Meetings Law. Requests from persons with disabilities who need assistance to participate in this meeting or hearing should be made to the City Clerk’s office at 262-728-5585 with as much advance notice as possible.**



2.

Memorandum

To: Members of the Finance Committee
Thru: Mark Wendorf, Public Works Director
From: John Sorg, Facilities Manager
Date: October 5, 2017
Subject: Park Department Shop Roof Repair Price Increase

Executive Summary: The Common Council at their September 19th meeting, following receipt of a recommendation from the Finance Committee, approved the proposal submitted by Great Lakes Roofing for re-shingling the roof on the Park Department maintenance facility. Great Lakes Roofing had submitted the lowest cost proposal of \$10,400.

In their quote, they stated that the roof would take 26 square of shingles to complete. After being told that they were awarded the job, Great Lakes Roofing prepared a formal proposal for execution in advance of the work commencing. While putting together the proposal, they found they had made an error in calculating the amount of shingles required to complete the work needed. The correct amount of shingles needed was 32 square (a 23% increase). Based on the additional material and installation cost, they submitted a revised quote of \$12,500 (a 20% increase). After talking with them letting them know this mistake was not appreciated, they reduced the cost to \$12,200 (a 18% increase). This was not formally bid and as such there was no bid bond or other security that was available to the City to cover moving to the next company if Great Lakes Roofing would have walked away from the project.

Even with the adjustment, Great Lakes Roofing was still the lowest bid at \$12,200 (next lowest bid was Pioneer Roofing at \$15,700) and the price was still within budget.

Based on these various factors, the City Administrator authorized the additional expenditure so that the project could move forward and asked that a formal update be provided to the Finance Committee on this matter.

No action by the Committee is required.

FINANCE COMMITTEE

September 12, 2017

3

Call to Order: Chairman DeWitt called the regular meeting of the Finance Committee to order at 5:00 p.m. in the Municipal Building Council Chambers.

Roll Call: Members Present: Chairman DeWitt, Aldermen Stebnitz and Schroeder. Also Present: City Administrator Pieroni, Director of Public Works Wendorf, Finance Director Hayden and City Clerk Kitzman.

Public Comments and/or Communications: Dan Kilkenny on behalf of the Cemetery Association, asked for Finance Committee consideration of financially assisting with the expenses of the Cemetery. Mr. Kilkenny advised the Committee that if the Cemetery Association was not able to maintain the cemetery, that responsibility would become the obligation of the City. He then provided to the Committee balance sheets and revenue and expenditure reports for the last several years, noting that the revenues generated were no longer sufficient to cover the expenses of operating the cemetery. He noted that they currently had a little over \$70,000 in reserves. Also discussed was the perpetual trust, it was noted the cemetery is supported by a \$700,000 trust, further noting that the Association was only allowed to expend the interest generated by the trust. In the current interest environment, the amount of interest revenue generated from the trust was not sufficient to cover costs. The Finance Committee requested that the staff look at funding options for the Cemetery Association in conjunction with the development of the 2018 budget.

Approval of Minutes: Alderman Stebnitz moved to approve the minutes of August 8, 2017, seconded by Alderman DeWitt and unanimously carried.

Administrator's Report: Ms. Pieroni spoke on the property revaluation process and noted that Associated Appraisal has indicated that they will honor the fees for reassessment services that were included in the contract, assuming the City moved forward with the reassessment in 2018. Ms. Pieroni provided copies of the most recent WalCoMet report on billings to entities, noting that revenues generated from Delavan were trending just below the amount budgeted whereas revenues generated by most of the other entities were trending well above the amount budgeted primarily due to increase flow resulting in part to the flooding conditions experienced this summer.

Finance Director's Report: Ms. Hayden provided background information relative to the high water and sewer bill at the American Legion Canteen. She advised the Finance Committee that once confirmation that the leak had been fixed was received, a credit of approximately \$132 was issued.

Review of Treasurer's Report (City Investments) and Bank Reconciliation for August, 2017: The Bank Reconciliation was distributed and reviewed.

Review of Financial Statements for August, 2017: The Committee reviewed the financial statements and requested clarification on the Room Tax Special Revenue Funds, Operating Supplies under the EMS Special Revenue Fund and Delbrook to which staff responded.

Review of Warrant 17-08 and Professional Services over \$5,000 not previously approved under contract: After review, Alderman Stebnitz moved to recommend to the Common Council to approve Warrant 17-08 and the Professional Services over \$5,000. The motion was seconded by Alderman Schroeder and unanimously carried.

Consider approval of an Architectural Services Agreement with Angus-Young, Janesville, WI for update to Master Plan and the Design and Bidding Process for a Salt Storage Facility at 490 Richmond Road Salt at a fixed fee amount of \$6,800 plus reimbursable expenses: Mr. Wendorf reviewed the agreement. In response to a question from Alderman DeWitt, Mr. Wendorf stated that staff would expect that there will be reimbursable expenses for such things as printing costs, etc. The Master Plan needs to be updated to reflect (1) the adjusted location of the new facility as a result of the soils report, (2) the wetland delineation, and (3) to add the new salt storage building into, and to delete the old salt storage building from the plan.

Alderman Stebnitz moved to approve the proposal of Angus-Young of Janesville, WI for the fixed fee amount of \$6,800 plus reimbursable expenses. The motion was seconded by Alderman Schroeder and unanimously carried.

Consider recommendation of award of Roof Repair for the Parks Department Garage at 69 W Walworth Avenue to Great Lakes Roofing in the amount of \$10,400: Alderman Stebnitz moved to recommend to the Common Council the approval of the proposal from Great Lakes Roofing at a cost of \$10,400 for the replacement of the shingled roofing material on the Parks Department Shop at 69 West Walworth Avenue. The motion was seconded by Alderman Schroeder and unanimously carried.

Consider recommendation of award of sidewalk replacement contract to the lowest qualified bidder conditioned on the total cost of said work not exceeding the amount included in the 2017 budget for this project: The bids will be received on Thursday, September 14. Alderman Schroeder moved to recommend to the Council the award of a contract for the removal of the stair steps from the public sidewalks in several locations on North Terrace Street and McDowell Street to the lower bidder, contingent on the bid price being at or below the amount available for this project. The motion was seconded by Alderman Stebnitz and unanimously carried.

Review Official Statement relating to \$1,675,000 General Obligation Refunding Bonds, Series 2017A: Ms. Pieroni highlighted the Official Statement and asked the Finance Committee members to review the document.

Future Agenda Items: None.

Adjourn: There being no further business to come before the Finance Committee, the meeting adjourned at 5:50 p.m. upon a motion by Alderman Schroeder, seconded by Alderman Stebnitz and unanimously carried.

Susan Kitzman
City Clerk

These are not official minutes until approved by the Finance Committee.



7.

Memorandum

To: Members of the Finance Committee
From: Timothy S. O'Neill
Fire Chief
Thru: Denise Pieroni, City Administrator
Date: October 3, 2017
Subject: Authorization to Purchase SCBA Cylinders

Executive Summary: The high pressure, fiber wrapped aluminum cylinders that we use for our SCBA packs are required to be tested every three years and must be decommissioned after 15 years and replaced.

Supporting Data: The life span of the SCBA cylinders is 15 years from date of manufacture. 6 of our SCBA bottles currently in use were manufactured in 2002 and have expired this year. We included \$7,000 in the 2017 budget to cover the cost of the planned cylinder replacement. The (MSA) cylinders come from a single source, and we have been advised by this source (5 Alarm, Delafield, WI) that the price of the cylinders was significantly increased for 2017. In 2016 the cost of each cylinder was \$995.00, they are now \$1355.00 each, increasing the total replacement amount to \$8,130 (a copy of the quote is attached).

Key issues: A Self-Contained Breathing Apparatus is a critical piece of safety equipment for our fire service personnel. Ensuring that our firefighters are equipped with safe, reliable, and NFPA-compliant equipment reduces the risk of harm for our personnel and liability associated with non-compliance.

Budget impact: The additional \$1,130 above the budgeted amount can be covered through projected savings in other areas of the budget.

Recommendation: In that this purchase exceeds \$5,000, Finance Committee approval is required and consideration of this approval is requested.

Recommended Action: Motion approving the purchase of 6 SCBA Cylinders from 5 Alarm at a cost of \$8,130.



PROTECTING AMERICA'S HEROES
 350 Austin Circle
 Delafield WI, 53018-2171
 Ph: (262) 646-5911 Fx: (262) 646-5912

Quote

Quote Number : **170136-0**

Customer# : 624

Quote Date : 09/18/2017

Quoted To : A. BOOTH

Entered By : Sheila Sciortino

Salesperson : TOM SWITALSKI

Terms : NET 10

Ship Via : UNITED PARCEL SERVICE

Ship Acct# :

Job/Rel# :

Bill to: DELAVAN FIRE DEPT
 811 ANN STREET
 DELAVAN, WI 53115-1415

Phone: (262) 728-5646 Fax: (262) 248-1375

Ship to: DELAVAN FIRE DEPT
 811 S. 7TH STREET
 ATTN: ADAM BOOTH
 DELAVAN, WI 53115-1415

Phone: (262) 749-0483 Fax: (262) 248-1375

Email : DFDBTY@YAHOO.COM

Customer/Order Instructions

SHIPPING IS ADDITIONAL

| Line | Qty | U/M | Item # | Description | Price | Extension |
|------|-----|-----|-----------|---|----------|-----------|
| 0001 | 6 | EA | 816115-SP | MSA STEALTH L-30+, 30-MINUTE, LOW PRESSURE CYLINDER, 3000PSI | 1,355.00 | 8130.00 |

SubTotal **8,130.00**

Signature: _____

SHIPPING CHARGES EXTRA

PRICES ARE GOOD FOR 30 DAYS OR UNTIL A MANUFACTURER PRICE INCREASE.
 Credit Card payments will incur a convenience fee of 3% of the transaction amount on transactions exceeding \$5000.

Total USD **8,130.00**



8.

Memorandum

To: Members of the Finance Committee
From: Timothy S. O'Neill
Fire Chief
Thru: Denise Pieroni, City Administrator
Date: October 5, 2017
Subject: Fire Department Purchase of Emergency Tech Kits with Crosby Hook

Executive Summary: The Fire Department is seeking Finance Committee approval to proceed with the purchase of Emergency Escape Tech Kits with Crosby Hook, which purchase was included in the budget for the Fire Donation Fund. This equipment is used as an emergency bail out from a structure fire to avoid possible injury to firefighters. Jefferson Fire & Safety is the sole source vendor for these Kits.

Supporting Data: This is fund raising money generated from the annual pancake breakfast. The entire fire department membership supported this purchase using the money they have raised.

Key issues: This equipment is a critical piece of safety equipment for our fire service personnel. Ensuring that our firefighters are equipped with safe, reliable, and NFPA-compliant equipment which reduces the risk of harm for our personnel and liability associated with non-compliance.

Budget impact: Budgeted amount \$7,500. Current price is 299.00/Kit; Department is requesting 25 Kits, resulting in a total expenditure of \$7,475 and as such requiring Finance Committee authorization.

Recommendation: Consider approval of this expenditure.

Recommended Action: Motion approving the purchase of 25 Emergency Escape Tech Kits with Crosby Hook from Jefferson Fire & Safety at a total cost of \$7,475.



9.

Memorandum

To: Finance Committee Members
From: Timothy S. O'Neill
Chief of Police
Thru: Denise Pieroni, City Administrator
Date: October 4, 2017
Subject: New Squad Proposal

Executive Summary: The 2017 budget includes the purchase of three squad cars. The Department issues a request for proposals on the purchase of Three (3) new 2017 Ford Explorer Interceptors. Requests for proposals were sent to 5 dealerships, a listing of which is attached. Two of the five dealers to whom proposals were sent responded and included:

- Ewald Automotive Group
- Kunes Country Ford

Both companies providing pricing on: Three (3) new 2018 Ford Explorer Interceptors per the specifications. The pricing provided was as follows:

- Ewald Automotive Group, Hartford, WI: \$29,226/Vehicle Total Cost: \$87,678
- Kunes Country Ford, Delavan, WI \$29,346/Vehicle Total Cost: \$88,038

Once a decision is made on the award, staff is also requesting Finance Committee to further recommend that the 3 old squad cars declared surplus and that the City Staff be authorized to sell these three (3) cars in the manner that is determined to be the most advantageous to the City, based on the conditions of the car and the actual mileage at the time of the sale.

Background: Both proposals as submitted meet the specifications. The Request for Proposal document indicates that awards will be based on the following criteria:

1. Annual cost to the city, including initial charges.
2. The City may accept the bid for all vehicles as a package or one or more vehicles.
3. Consistency with the original bid specifications.

Budget Impact: The Budget includes \$90,000 for the purchase of these vehicles. The pricing provided by both companies fall within the amount budgeted.

Recommendation: Given that the differential in cost exceeds \$100 and that no direct cost savings with the purchase of the vehicles locally can be identified (Ewald will deliver the cars to the City; and service will be provided locally), the City Administrator recommends that the Council consider the award of the proposal to Ewald Automotive Group.

Recommended Action: Finance Committee motion to recommend to the Common Council the purchase of **Three (3) new 2017 Ford Explorer Interceptors** from Ewald Automotive Group at a not-to-exceed cost of \$87,678.

Proposals were sent to the following dealerships:

Elkhorn Motors-Ford
910 N Wisconsin St
Elkhorn, WI 53121

Kunes Country Auto Group
John Andreoni, Fleet & Commercial Sales Mgr.
P.O. Box 546
Delavan, WI 53115

Tom Peck Ford, Inc.
Fleet Sales
807 Church St.
Clinton, WI 53525

Kayser Automotive Group
Tim J. Askey, Municipal Sales
P. O. Box 1526
Madison, WI 53701

Ewald Hartford Ford Lincoln
Attn: Fleet Sales
5788 Hwy 60 East
Hartford, WI 53027



10.

Memorandum

To: Members of the Finance Committee
Thru: Mark Wendorf, Public Works Director
From: John Sorg, Facilities Manager
Date: October 5th, 2017
Subject: City Hall and Library Cleaning Contract Renewal

Executive Summary: The City had asked our current cleaning provider, Foresees Products INC, for a Quote to extend their services for 3 years. They submitted a quote that reflects a 3% increase per year, for 3 years, based off their current contract of \$35,844 annually.

Background/Supporting Data:

- 1.) \$36,919.32 for year 2018
- 2.) \$38,026.90 for year 2019
- 3.) \$39,167.70 for year 2020

Foresees quote is still the lowest when compared to the offers given 2 years ago when Requests for Proposals were solicited.

Pricing received in 2015 for start of 2016 calendar year:

| <u>Contractor</u> | <u>Annual Cost</u> |
|----------------------|--------------------|
| Hansen Cleaning | \$41,600 |
| Diversified Cleaning | \$42,912 |
| Vees Clean | \$62,400 |

Key Issues: Maintaining a clean and healthy condition within the City Municipal Building and Library. Although no service is perfect, this company has been responsive when an issue has arisen. We would encourage consideration of the extension with the understanding that requests for proposal would be solicited at that end of this three-year renewal period (or sooner if a concern on the quality of the cleaning would arise).

Please be advise that we have been contacted by Hansen Cleaning indicating that they would like to be given the opportunity to be considered at this time. Based on the past pricing, our satisfaction with the current provider, and other priorities that we are dealing with at this time, we suggest that this extension be considered.

Budget Impact: The proposed 2018 City budget includes funding for this \$36,920 cost.

Recommendation: It is recommended that the City contract with Foresees Products Incorporated for 2018 through 2020 for janitorial services at the City Municipal Building and Aram Library.

Recommended Action: Motion to recommend to the Common Council the approval of a three (3) year extension to the contract for janitorial services with Foresees Products Incorporated for janitorial services at a cost of \$36,919.32 in 2018, \$38,026.90 in 2019 and \$39,167.70 in 2020, subject to continued satisfaction by the City with the service.



11.

Memorandum

To: Members of the Finance Committee
From: Mark Wendorf, Director of Public Works
Thru: Denise Pieroni, City Administrator
Date: October 5, 2017

Subject: Preliminary Special Assessment Resolution for Mound Road Sanitary Sewer.

Executive Summary: Our 2017 Street reconstruction contract for Mound Road included an extension of sanitary sewer piping to service the existing homes on the north side of this roadway. The Public Works Committee direction was to include the installation of this piping into the project design. A portion of the cost of installing this piping is potentially recoverable from the adjoining residential properties that are in the City.

Key Issues: The City can only assess for public improvement after first determining who the affected property owners may be, and then notifying those property owners of the proposed potential costs. Those proposed assessments are then subject to a Public Hearing before the Common Council for consideration.

The City of Delavan cannot compel a Town of Delavan property owner to pay for utilities installed in front of their town properties, however, in the past the City Council has deferred proposed assessments against properties outside of the City Limits until such time as connection to, or annexation of those properties. The City has utilized this procedure for over 30 years to recover costs from properties outside of the City Limits.

The last time that the City assessed for sanitary sewer was in 2007 for the eastern portion of Mound Road, near Hobbs Drive.

Budget Impact: If these assessments are assigned, the revenue would be received by the City Sewer Utility over the next several years.

Recommendation: The Council should decide whether it wishes to proceed with holding the required Public Hearing to consider assessing a portion of the sanitary sewer installation costs.

Recommended Action: Move for adoption of the proposed preliminary Special Assessment Resolution to allow for future discussion on the merits of assessing for the sewer costs.

PRELIMINARY RESOLUTION NO. _____

PRELIMINARY RESOLUTION DECLARING INTENT TO EXERCISE SPECIAL ASSESSMENT POWERS UNDER SECTION 3-2-2, MUNICIPAL CODE, AND SECTION 66.0703, WISCONSIN STATUTES (Under City's Police Power)

RESOLVED, by the Common Council of the City of Delavan, Wisconsin:

1. The Common Council declares its intention in the exercise of its police power, for municipal purpose hereinafter stated, under Section 3-2-2, Municipal Code, and Section 66.0703, Wisconsin Statutes, to levy special assessments upon properties deemed benefited within the following described area(s) for the following improvements:

Installation of sanitary sewer piping along Mound Road from Racine Street to Hallberg Street.

2. The total amount assessed against properties in such area(s) shall include the cost of the improvements plus administrative and professional or other direct and indirect costs; no parcel not deemed to be benefited shall be assessed.

3. The number of annual instalments in which the assessments, inclusive of interest, against any parcel may be paid shall be determined at time of future public hearing to be held pursuant to Section 3-2-6, Municipal Code, and Section 66.0703(7)(a), Wisconsin Statutes.

4. The Director of Public Works is directed to prepare a report consisting of:

A. Preliminary or final plans and specifications for said improvement.

B. An estimate of the entire cost of the proposed work or improvement.

C. A statement that the property against which the assessments are proposed is benefited and a schedule of proposed assessments against the respective parcels and the basis therefore which shall be reasonable.

Upon completing such report, the Director of Public Works is directed to file a copy thereof in the City Clerk's office for public inspection.

5. Upon receiving the report of the Director of Public Works, the Clerk is directed to give notice of a public hearing on such report as specified in Section 3-2-5, Municipal Code, and Section 66.0703(7)(a), Wisconsin Statutes. The hearing shall be held at the Council Chambers in the Municipal Building at a time set by the Clerk in accordance with Section 3-2-5, Municipal Code, and Section 66.0703(7)(a), Wisconsin Statutes. A copy of the Notice of Public Hearing shall be mailed at least ten (10) days prior to the hearing to every interested person. The hearing shall commence not less than ten days nor more than forty days after publication of the Notice.

ADOPTED this _____ day of _____, 2017.

Mayor

ATTEST:

City Clerk