CAPITAL IMPROVEMENT PROGRAM ADMINISTRATIVE COMMITTEE minutes of February 23, 2012 Meeting

Members Present: Chris Meyer, Tom Buttke, Gary Cummings, Dave Korth, Ed Wagner, Gordie Earll, Karl Zimmermann, and Chris Meyer

Other's Present: Amy Krogman, Tom Waalkens, Steve Barg, Gary Grey, Jason Angell, Dick Pokorny, Darren Larson, Sam Warp, Tom Turchi, Keith Strey, Dan Knoeck. Mike Baltus, Jeff Gaier, Ed Englehart

Meeting called to order by Mayor Chris Meyer at 7:30 a.m.

Steve Barg gave an overview of the Capital Improvement Plan. The purpose of the CIP is as follows:

- to provide for the orderly replacement of physical plant for a 5-year period
- · coordinate debt flow in relation to the city's financial capacity
- link to the city's Comprehensive Plan
- ensure coordinated capital development

He reviewed the goals and objectives of the CIP process as stated in policy #4.330. Historically the goals and objectives for the program have been to keep the tax levy and related tax rate stable. He also went over the committee's priority rating which is outlined in Section VII of the CIP policy.

This year's CIP book covers years 2013 to 2017. This is a true 5 year planning tool. The projects that are scheduled for 2012 are shown in the workbook.

Keith Strey gave an overview of the debt levels and financial status. The city finances the CIP using the following funding sources:

- Tax Levy
- Fund Balance Applies (our savings account)
- Long Term Borrowing
- User Fees
- Room Tax

Currently, our total equalized value is \$1.36 billion. The City has \$35,149,587 or 48.5% of our maximum capacity. As of December 31, 2011, the City is within the limits set by its debt management policy with two exceptions. The projected 2012 year-end balance of \$32,422,011 includes the 2012 adopted budget debt of \$2.5 million, \$80,000 estimated TID #7, and \$350,000 of Fire Station debt. This is approximately \$3.7 million over the per capita debt limit. The other factor we are just over in projections is debt service as a percentage of government type fund expenditures limit. This is primarily due to the Fire Station project and \$1.5 million for refinancing Sewer Revenue Bonds using General Obligation Debt. Sewer Revenue Bonds don't usually factor into that debt policy because they are funded by the fees of the Utility, but last fall it was in the City's best interest to use GO Debt.

Keith presented two options for goals for the committee to consider at a future meeting.

Operating Funds:

Option #1 uses a frozen amount of \$350,000 which is equal to the 2012 Common Council adopted budget which will leave a total variance of -\$3,857,000.

Option #2 uses a frozen amount of \$915,000 which is equal to the 2011 adopted 2011 – 2015 adopted CIP which will leave a total variance of -\$1,032,000.

Borrowed Funds – Recurring Projects:

Option #1 uses \$2,250,000 for 2013 and \$3,000,000 for years 2014 - 2017 which is equal to the adopted 2011 – 2015 adopted CIP which will leave a total variance of - \$701,000.

Option #2 reduces the amount of debt to \$2,000,000 which reflects the impact of the State budget and other debt projects which will leave a total variance of -\$4,951,000.

Mayor Meyer gave an overview of why the City borrows for certain projects. One of the things that borrowing allows us to do is keep a stable tax rate. If we borrow each year, we can position our debt so that as we are paying off one thing, we are borrowing for another. It allows our payments to stay the same so overall our payments don't go up. Because of our high credit rating, we have low bond rates. Another reason is that when you borrow money for projects such as roads, you allow more people to pay for the road that is going to be there for them to use.

The schedule of meeting dates is as follows:

Thursday	February 23, 2012
Tuesday	February 28, 2012
Thursday	March 1, 2012
Tuesday	March 6, 2012
Thursday	March 8, 2012
Monday	April 2, 2012 Presentation to Special Joint meeting of the Board of Public
	Works and Plan Commission
Tuesday	April 10, 2012 Presentation to Common Council
Tuesday	April 24, 2012 Adoption by Common Council

Jeff Gaier presented the following projects:

AI-N-3806, Snow removal equipment building; **AI-N-3808**, Extend RWY 34/16 Building Parallel Txy Way; **AI-N-3812**, Precision Approach Path Indicator Lights 34/16; **AI-N-3819**, Construction of Partial Perimeter Fence.

Dick Pokorny presented the following projects:

BS-K-3913, City Hall Plaza Carpet Replacement; **BS-K-3924**, City Hall Plaza – Electrical Upgrade; **BS-K-3927**, City Hall Plaza Access Control System; **BS-K-3934**, City Hall Plaza Restroom Remodeling; **BS-K-3937**, City Hall Sprinkler System 1st Floor; **BS-K-3942**, City Hall Asbestos/Boiler Removal-Basement; **BS-K-3943**, City Hall Plaza Penthouse Roof Guardrail; **BS-K-3944**, City Hall Plaza Penthouse Roof Replacement; **BS-K-3945**, City Hall Plaza Building

Automation Controls; **BS-K-3948**, City Hall Plaza Bathroom Remodel Floor BR; **BS-K-3950**, City Hall Plaza Penthouse Electrical Upgrade; **BS-K-3954**, City Hall 1st Floor West Roof Project; **BS-K-3955**, City Hall Plaza 1st Floor East Roof Project; **BS-K-3956**, City Hall Plaza Stairway Repair & Pain Project; **BR-K-3957**, City Hall Plaza 3rd Floor Remodel; **BS-K-3958**, City Hall Plaza Basement Air Handler Replacement; **BS-K-3959**, City Hall Plaza 5th Floor Remodel.

Mike Baltus presented the following project:

CM-N-4401, Cemetery mausoleum project

Darren Larson presented the following projects:

EM-N-5708, Hwy 13/Airpark Rd. Emergency Warning Siren Replacement; **EM-N-5709**, Hwy 13/Spencer Emergency Warning Siren Replacement; **PD-K-5705**, Garage Expansion; **PD-K-5706**, Roof Replacement; **PD-K-5707**, Automation Controls.

Tom Waalkens presented the following projects:

UW-K-7300, Construction of weather protection areas; **UW-K-7306**, Outdoor science laboratory area; **UW-K-7308**; Replacement of gymnasium floor; **UW-K-7310**, Campus Utility and Facility Upgrade II – Flooring; **UW-K-7313**, Phase II – Library Remodeling – HVAC & Lighting; **UW-K-7314**, Repair of Campus Sidewalks; **UW-K-7319**, Replace Gang Showers Physical Education; **UW-K-7320**, Replace/Remodel Laird Theater and Art Space; **UW-K-7321**, Replace/Refurbishment of Campus Greenhouse; **UW-K-7322**; Classroom Redesign/Refurbish (DE); **UW-K-7323**, Upgrade Food Service Area; **UW-K-7324**, Remodel Office in student Services and Administration Buildings; **UW-K-7325**, Remodel/Renovate Science Areas.

Ed Englehart presented the following projects:

FG-K-5600, Fairgrounds – Round Barn Improvements; **FG-K-5602**, Fairgrounds – Expo Building Improvements.

Steve Barg stated that the committee will need to provide some direction on their goals for the 2013-2017 CIP at the next meeting.

Motion by Zimmermann, second by Buttke to adjourn at 9:27 a.m. Motion Carried

Respectfully submitted,

Amy Krogman