

CITY OF PRESCOTT, WISCONSIN
MEETING NOTICE
REGULAR CITY COUNCIL MEETING
MONDAY, FEBRUARY 22, 2016 AT 6:30 P.M.
PRESCOTT MUNICIPAL BUILDING, 800 BORNER STREET
PRESCOTT, WI 54021
WEBSITE: PRESCOTTWI.ORG

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS – THE CITY COUNCIL WILL RECEIVE PUBLIC COMMENTS ON ANY ISSUE(S) NOT RELATED TO AGENDA ITEMS. LIMITED DISCUSSION BY THE CITY COUNCIL MAY TAKE PLACE, HOWEVER NO ACTION WILL BE TAKEN ON ANY ITEMS. THIS INCLUDES RECEIVING WRITTEN REQUESTS OR DOCUMENTATION AND POSSIBLE ACTION AT A FUTURE COUNCIL MEETING

5. CONSENT AGENDA

1. REGULAR CITY COUNCIL MEETING MINUTES FEBRUARY 8, 2016

6. REPORTS OF STANDING COMMITTEES

A. FINANCE COMMITTEE

1. FINAL PAY REQUEST FOR EAGLE RIDGE BUSINESS PARK PHASE II
2. REQUEST FROM RIVERBOAT PROPERTIES FOR \$25,000 TIF INCENTIVE REIMBURSEMENT FOR BUILDING DEMOLITION

B. LICENSE

1. OPERATOR LICENSE

C. PARKS & PUBLIC PROPERTY

1. 2016 RIVER CITY SCULPTURE TOUR
2. PRESCOTT PADDLE REQUEST TO USE PUBLIC PROPERTY

D. PUBLIC WORKS

1. BIDS FOR RESIDENTIAL METER INSTALLATION & CROSS CONTROL SURVEY
2. BIDS FOR BOAT LAUNCH IMPROVMENTS

E. ORDINANCE

F. PERSONNEL

G. HEALTH & SAFETY

H. PLANNING COMMISSION

I. COMMUNICATIONS & NEW BUSINESS

1. PUBLIC COMMENTS
2. THE WISCONSIN TAXPAYER
3. INTERGOVERNMENTAL MEETING WEDNESDAY, MARCH 2, 2016 AT 7:00 P.M. OAK GROVE TOWN HALL
4. OTHER BUSINESS
5. ADJOURNMENT

NOTICE

ACCESS TO THE MUNICIPAL BUILDING FOR THE DISABLED IS AVAILABLE THROUGH THE REAR PARKING LOT ENTRANCE. ALL THOSE WITH SPECIAL NEEDS SHOULD CALL CITY HALL OFFICES (715-262-5544) IF ASSISTANCE IS NEEDED



FEBRUARY 8, 2016 REGULAR CITY COUNCIL MEETING MINUTES

Pursuant to due call and notice thereof, a regular meeting of the Prescott City Council was held on Monday, February 8, 2016 in the Prescott Municipal Building, 800 Borner St., Prescott, WI 54021.

Call to order/Roll Call: Mayor David Hovel called the meeting to order at 6:30 p.m. Members present were Joshua Gergen, Maureen Otwell, Bill Dravis, Jack Hoschette and Galen Seipel. Rob Daugherty was excused. City Administrator Jayne Brand represented staff. Also present Greg Adams of Cedar Corporation, City Engineers

Pledge of Allegiance was said.

Public Comments: None were given.

Gergen/Davis motion to approve consent agenda which included the regular city council meeting minutes for January 25, 2016, plan commission meeting for February 1, 2016, accounts payable/payroll and review of receivables passed without a negative voice vote.

Gergen/Dravis motion to approve certified survey map for 265 & 271 Tower Heights Court passed without a negative voice vote.

Mayor Hovel presented the request for a conditional letter of map revision for the property located at 307-311 Lake Street. A small portion of the property is in the flood plain and the request is to place fill to build out of the flood plain. Louie Filkins of Ogden Engineering stated this request is a part of the FEMA process to receive the map revision. Alderperson Seipel asked what the fill would be. Filkins stated it would be natural rock which would be placed. **Gergen/Dravis motion that there are no objections to the placement of fill as discussed and presented passed without a negative voice vote.**

Gergen/Dravis motion to approve temporary Class "B" beer and "Class B" wine license for Prescott United Church of Christ for February 14, 2016 passed without a negative voice vote.

Julie Pangallo presented information regarding the 2016 River City Sculpture Tour. The proposal would be to have 3 to 5 sculptures placed around the city and the city would be included in a tour with other communities. The sculptures would be in place from May to April. The sculptures would be placed on a pedestal which would be provided by the city. The pedestal could be made of concrete or other monument material. The sculptures would be placed on public property. Sponsors would pay a sponsor fee for the sculpture. The cost of the sponsorship fee would be \$2,400. The sculpture would need to be welded onto the pedestal for security purposes. The request is to have the city cover the insurance and provide the pedestals. This item was moved to a parks meeting which was set for February 22nd at 5:30 p.m.

Mayor Hovel presented information on premier resort tax area. This would be at tax rate of 0.5% which would be imposed by the city and be able to be used by the city for infrastructure expenses. A bill needs to be introduced at the state legislature to exempt the city from the 40% tourist related businesses. Once that is approved the city would need to have a referendum to allow the residents to vote on the tax. If approved the city council would need to put an ordinance in place for the tax. Alderperson Seipel stated he is opposed to this tax. He stated it would not only be tourist who would be taxed but also the residents. The consensus of the council was to see if it passes state legislature.

Mayor Hovel read a memo from the Chief of Police and City Administrator regarding possibly going over budget in the Police Department due to the murder which happened in November 2015. Because the case crosses state lines and has been asked for a speedy trial there will be overtime expense and other expenses associated with the case. This money will not be reimbursed back to the city. Alderperson Otwell asked if the costs could be separated from other costs. Staff will track the expenses.

Other Business:

Public Comments: David Peterson of 510 Pearl Street commented on receiving a notice about pushing snow across the street and depositing in the public right of way.

Reminder of emergency management meeting on February 15, 2016 at 6:00 p.m. for council and city staff.

Gergen/Seipel motion to adjourn passed without a negative voice vote.

Respectfully Submitted,

Jayne M. Brand
City Administrator

Contractor's Application For Payment No. 6 - FINAL

To (Owner): City of Prescott	Application Period: 7/21/15 thru 2/4/16	Application Date: February 8, 2016
From (Contractor): Miller Excavating	Via (Engineer): Cedar Corporation	
Project: Eagle Ridge Business Park Phase II (WisDOT 7888-00-71)	Owner's Contract No.:	Engineer's Project No.: P1338-141

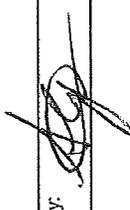
Application for Payment

Change Order Summary

Approved Change Orders Number	Additions	Deductions	
1	\$39,885.00		
TOTALS			
	\$ 39,885.0000		\$ -
NET CHANGE BY CHANGE ORDERS			
			39,885.00

Contractor's Certification

The undersigned Contractor certifies that: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to Owner indemnifying Owner against any such Liens, security interest or encumbrances); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

By:  Date: 2/1/16

1. ORIGINAL CONTRACT PRICE \$ 980,973.50
2. Net change by Change Order \$ 39,885.00
3. CURRENT CONTRACT PRICE (Line 1 ± 2) \$ 1,020,858.50
4. TOTAL COMPLETED AND STORED TO DATE (On Progress Estimate) \$ 1,032,985.35
5. RETAINAGE:
 - a. 0 % x \$ 1,032,985.35 Work Completed \$ 0.00
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5c) \$ 1,032,985.35
7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application) \$ 984,984.15
8. AMOUNT DUE THIS APPLICATION \$ 48,001.20

By recommending payment, Engineer will not thereby be deemed to have represented that: 1) inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in the Contract Documents; or 2) that there may not be other matters or issues between the parties that might entitle Contractor to be paid additionally by Owner or entitle Owner to withhold payment to Contractor.

Payment of: \$ 48,001.20
(Line 8 or other - attach explanation of other amount)

is recommended by:  PE 2/8/16
(Engineer) (Date)

Payment of: \$ 48,001.20
(Line 8 or other - attach explanation of other amount)

is approved by: _____
(Owner) (Date)

Payment of: \$ 48,001.20
(Line 8 or other - attach explanation of other amount)

is approved by: _____
Funding Agency (if applicable) (Date)

Unit Price Progress Estimate

Contractor's Application

For (contract): Engle Ridge Business Park Phase II Application Number: 6-FINAL

Application Period: 7/21/15 thru 2/4/16 Application Date: February 8, 2016

Bid No.	Item Description	Estimated Bid Quantity	Unit Price	B		C		D		E		F		G		H		I		J
				Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	
2100.00003	CLEARING & GRUBBING	1	\$3,000.00																	
2100.00101	REMOVE CURB AND GUTTER	200	\$3.00	319.00	\$957.00															159.5%
2100.00102	REMOVE CONCRETE	40	\$5.00	418.00	\$2,090.00															104.0%
2100.00103	REMOVE ASPHALTIC PAVEMENT	550	\$3.00	651.00	\$1,953.00															118.4%
2100.00104	REMOVE PIPE	32	\$10.00	32.00	\$320.00															100.0%
2100.00202	SALVAGE PIPE	120	\$10.00	120.00	\$1,200.00															100.0%
2100.00302	STRIP TOPSOIL	5	\$2,500.00	5.10	\$12,750.00															100.0%
2100.00401	SAWCUT	300	\$3.00	411.00	\$1,233.00															137.0%
2100.99001	SALVAGE APRON ENDWALL	5	\$350.00	5.00	\$1,750.00															100.0%
2200.00001	EXCAVATION, COMMON	15.360	\$2.15	15538.00	\$33,406.70															101.2%
2200.00101	WET DETENTION BASIN LINER	4	\$6,500.00	4.00	\$26,000.00															100.0%
2200.99001	FINE GRADING SWALES AND POND	1	\$10,000.00	1.00	\$10,000.00															100.0%
2224.00001	GRANULAR SUBBASE, ROADWAY	3.550	\$11.25	3634.00	\$40,882.50															102.4%
2224.00002	GRANULAR SUBBASE, SIDEWALK	40	\$15.00	40.00	\$600.00															100.0%
2225.00001	CRUSHED AGGREGATE BASE, ROADWAY	3.650	\$15.75	3734.00	\$58,810.50															100.0%
2225.00003	CRUSHED AGGREGATE BASE, SHOULDERS	100	\$30.00	110.00	\$3,300.00															102.3%
2225.99001	GEOGRID (AS ORDERED)	1.040	\$4.00																	110.0%
2225.99002	BREAKER RUN (AS ORDERED)	365	\$16.00																	
2270.00001	TEMPORARY EROSION MAT	14,000	\$1.00	24600.00	\$24,600.00															175.7%
2270.00011	SILT FENCE	4,400	\$1.30	3400.00	\$4,420.00															77.3%
2270.00012	TEMPORARY DITCH CHECK	440	\$4.10	460.00	\$1,886.00															104.5%
2270.00014	INLET PROTECTION	20	\$200.00	20.00	\$4,000.00															100.0%
2270.00015	AGGREGATE TRACKING PAD	120	\$30.00																	
2270.00022	RIPRAP, MEDIUM	500	\$40.00	500.00	\$20,000.00															180.6%
2513.00225	HMA, BINDER, 2.25"	3,200	\$7.93	3412.00	\$27,057.16															106.6%
2513.00250	HMA, BINDER, 2.5"	1,550	\$9.14	1263.00	\$11,543.82															81.5%
2513.00325	HMA, BINDER, 3.25"	5,350	\$11.04	5410.00	\$59,726.40															101.1%
2513.01175	HMA, SURFACE, 1.75"	8,550	\$6.47	8821.00	\$57,071.87															103.2%
2513.20004	PAVEMENT MARKING, 4" EPOXY	1,350	\$1.05	2943.00	\$3,090.15															218.0%
2513.20008	PAVEMENT MARKING, CHANNELIZING, 8" EPOXY	550	\$2.30	571.00	\$1,313.30															103.8%
2513.20012	PAVEMENT MARKING, DIAGONAL, 12" EPOXY	75	\$4.60	71.00	\$326.60															94.7%
2513.20101	PAVEMENT MARKING, WORDS, EPOXY	4	\$145.00	4.00	\$580.00															100.0%
2513.20102	PAVEMENT MARKING, ARROWS, EPOXY	4	\$150.00	2.00	\$300.00															50.0%
2513.20106	PAVEMENT MARKING, ISLAND NOSE, EPOXY	1	\$210.00	4.00	\$840.00															400.0%
2513.30001	ADJUST EXISTING CASTING	1	\$300.00	2.00	\$600.00															200.0%
2513.30002	ADJUST EXISTING BOX	2	\$300.00	4.00	\$1,200.00															200.0%
2513.00001	HMA JOINT SAWING & SEALING	2,000	\$3.25	1880.00	\$6,110.00															94.0%
2521.00030	CONCRETE CURB AND GUTTER, 30" BARRIER	3,520	\$8.15	3520.00	\$28,688.00															106.6%
2521.00204	CONCRETE SIDEWALK, 4"	2,000	\$3.45	2000.00	\$6,900.00															121.3%
2521.00206	CONCRETE SIDEWALK, 6"	400	\$4.05	453.00	\$1,834.65															237.5%
2521.99001	CONCRETE CURB AND GUTTER, TYPE J	160	\$28.00	284.00	\$7,952.00															203.6%
2713.00006	WATERMAIN, DUCTILE IRON, 6"	86	\$40.00	86.00	\$3,440.00															100.0%
2713.00012	WATERMAIN, DUCTILE IRON, 12"	3,650	\$45.15	3610.00	\$162,991.50															98.9%
2713.00501	HYDRANT	9	\$3,400.00	9.00	\$30,600.00															100.0%
2713.00606	GATE VALVE, 6"	7	\$1,560.00	7.00	\$10,920.00															100.0%

Unit Price Progress Estimate

Contractor's Application

For (contract):		Eagle Ridge Business Park Phase II		Application Number: 6 - FINAL		February 8, 2016								
Application Period:		7/21/15 thru 2/4/16		Application Date:		February 8, 2016								
Bid No.	Item Description	Estimated Bid Quantity	Unit Price	B		C		D	E		H	I	J	
				Quantity	Amount	Quantity	Amount		Quantity	Amount				Quantity
2713.00612	GATE VALVE, 12"	13 EA.	\$3,195.00	13.00	\$41,535.00						13.00	41,535.00	100.0%	
2713.00701	CONNECT TO EXISTING (CUT IN)	3 EA.	\$1,500.00	3.00	\$4,500.00						3.00	4,500.00	100.0%	
2713.00901	INSULATION, 4"	1,000 S.F.	\$4.00	1,000.00	\$4,000.00						1,000.00	4,000.00	100.0%	
2720.00012	STORM SEWER, RCP, 12"	110 L.F.	\$25.00	110.00	\$2,750.00						110.00	2,750.00	100.0%	
2720.00015	STORM SEWER, RCP, 15"	120 L.F.	\$27.00	120.00	\$3,240.00						120.00	3,240.00	100.0%	
2720.00018	STORM SEWER, RCP, 18"	180 L.F.	\$29.30	180.00	\$5,274.00						180.00	5,274.00	100.0%	
2720.00024	STORM SEWER, RCP, 24"	320 L.F.	\$32.95	320.00	\$10,544.00						320.00	10,544.00	100.0%	
2720.00036	STORM SEWER, RCP, 36"	190 L.F.	\$62.50	192.00	\$12,000.00						192.00	12,000.00	101.1%	
2720.00301	STORM MANHOLE, TYPE I	38 V.F.	\$288.00	38.00	\$10,944.00						38.00	10,944.00	100.0%	
2720.00353	STORM INLET, TYPE III	32 V.F.	\$200.00	32.00	\$6,400.00						32.00	6,400.00	100.0%	
2720.00403	STORM CASTING, TYPE HV	16 EA.	\$350.00	16.00	\$5,600.00						16.00	5,600.00	100.0%	
2720.00404	STORM CASTING, TYPE J	3 EA.	\$450.00	3.00	\$1,350.00						3.00	1,350.00	100.0%	
2720.00515	APRON ENDWALL, RCP, 15"	1 EA.	\$750.00	1.00	\$750.00						1.00	750.00	100.0%	
2720.00518	APRON ENDWALL, RCP, 18"	1 EA.	\$1,000.00	1.00	\$1,000.00						1.00	1,000.00	100.0%	
2720.00536	APRON ENDWALL, RCP, 36"	4 EA.	\$1,700.00	4.00	\$6,800.00						4.00	6,800.00	100.0%	
2720.00851	INSTALL SALVAGED CULVERT	120 L.F.	\$15.00	120.00	\$1,800.00						120.00	1,800.00	100.0%	
2720.00852	INSTALL SALVAGED APRON ENDWALL	4 EA.	\$500.00	4.00	\$2,000.00						4.00	2,000.00	100.0%	
2720.00950	OUTLET STRUCTURE TRASH RACK	1 EA.	\$1,700.00	1.00	\$1,700.00						1.00	1,700.00	100.0%	
2720.99001	CAST-IN-PLACE WEIR WALL	1 L.S.	\$3,000.00	1.00	\$3,000.00						1.00	3,000.00	100.0%	
2720.01008	SANITARY SEWER, PVC SDR 35, 8"	3,350 L.F.	\$24.00	3,350.00	\$80,400.00						3,350.00	80,400.00	100.0%	
2720.01201	SANITARY MANHOLE, TYPE I	115 V.F.	\$168.00	115.00	\$19,320.00						115.00	19,320.00	100.0%	
2720.01301	SANITARY CASTING, TYPE J	12 EA.	\$575.00	11.00	\$6,325.00						11.00	6,325.00	91.7%	
2720.01401	CONNECT TO EXISTING SANITARY PIPE	1 EA.	\$650.00	1.00	\$650.00						1.00	650.00	100.0%	
2720.04001	CLEANOUT	2 EA.	\$300.00	2.00	\$600.00						2.00	600.00	100.0%	
2720.05001	TELEVISION	4,400 L.F.	\$1.40	4,270.00	\$5,978.00						4,270.00	5,978.00	97.0%	
2721.00001	JACKING STEEL CASING PIPE, 22"	95 L.F.	\$500.00	103.00	\$51,500.00						103.00	51,500.00	108.4%	
2890.00001	SIGN	15 EA.	\$300.00	18.00	\$5,400.00						18.00	5,400.00	120.0%	
2890.00010	TRAFFIC CONTROL	1 L.S.	\$7,400.00	1.00	\$7,400.00						1.00	7,400.00	100.0%	
2910.00004	RESTORATION, SEED	12 AC.	\$900.00	12.20	\$10,980.00						12.20	10,980.00	101.7%	
change order	Remove Existing Pavement Marking	166.0 L.F.	3.50					166.00	\$581.00				\$81.00	100.0%
2100.99001	Remove Sign	8.0 EA.	150.00					8.00	\$1,200.00				1,200.00	100.0%
2515.99002	24" Epoxy	16.0 L.F.	20.00					16.00	\$320.00				320.00	100.0%
2515.99003	Flexible Delimitator Post	38.0 EA.	180.00					38.00	\$5,040.00				5,040.00	100.0%
	Remobilization	1.0 L.S.	12,915.00					1.00	\$12,915.00				12,915.00	100.0%
TOTAL					990,184.15				42,801.20				1,032,985.35	



TOTAL EXCAVATING, LLC
 141 HWY 35 N
 RIVER FALLS, WI 54022

Invoice

(715) 426-1777

Customer No.: RIVER

Invoice No.: 1714

Bill To: **RIVER BOAT PROPERTIES**
 10979 CHAPMAN POINT
 EDEN PRAIRIE, MN 55347

Ship To: **RIVER BOAT PROPERTIES**
 10979 CHAPMAN POINT
 EDEN PRAIRIE, MN 55347

Date		Ship Via		F.O.B.	Terms	
02/09/16				Origin	DUE UPON RECEIPT	
Purchase Order Number			Order Date	Sales Person		Our Order Number
			02/09/16			
Quantity			Item Number	Description	Unit Price	Amount
Required	Shipped	B.O.				
				DEMO BUILDING AND HOUSE PRESCOTT WI		
1	1	1		Base Bid	65000.00	65000.00
1	1	2		Fuel Tank Removal	6181.16	6181.16
					Invoice subtotal	71181.16
					Invoice total	71181.16

Thank You





CITY OF PRESCOTT

800 Botner Street North • Prescott, Wisconsin 54021-2012
(715) 262-5544

PAID FEB 09 2016

\$50 LP

OPERATOR'S LICENSE APPLICATION

Instructions:

1. Submit signed and completed application.
2. Pay \$25.00 renewal license for 2 years due in odd number year, \$50.00 new license fee (\$25.00 of this fee is for the background check).
3. All licenses are subject to City Council approval. Allow two weeks for processing.

Full Name (first, middle, last) Brianna Jane Giefer

Address 6161 250th St. East

City Hampton State MN Zip Code 55031

Telephone # (651) 230-2434 Driver's License # & State M543129309212 MN

Date of Birth 12/31/1991 Place of Birth Minneapolis, MN

New License Renewal

Have you completed responsible beverage server training course? Yes No

Establishment where license will be used Scabs Place Starting Date 1/24/16

Have you ever been convicted of a felony? Yes No
If yes, date of conviction _____ Court _____
Nature of Offense _____

Have you ever been convicted of violating any laws of the State of Wisconsin or the United States? Yes No
If yes, date of conviction _____ Court _____
Nature of Offense _____

Have you ever been convicted of violating any license law or ordinance regulating the sale of alcohol beverages or intoxicating liquors?
Yes No

The applicant hereby applies for a license to serve fermented malt beverages and intoxicating liquors and agrees to comply with the following:
A. All federal, state, and local laws, resolutions, ordinance statues and regulations affecting the sale of fermented malt beverages and intoxicating liquors.
B. Wisconsin Statutes 125.32(2) and 125.68(2).

Applicant Signature [Signature] Date 1/24/16

City Use Only:

Date Filed _____ Fee Paid _____ Receipt # _____ Application # _____
Chief of Police Approval [Signature] Date 2/12/16
City Council Approval _____ Date _____





800 Borner St. Prescott, WI 54021 Phone 715-262-5544

February 16, 2016

RE: Residential Meter Installation & Cross Control Survey

Mayor David Hovel & City Council,

On Friday, February 12th, bids were opened for the above-mentioned project. Only one (1) bid was received. The lone bid was submitted by Hydro-Corp of New Berlin, WI. A copy of the submitted bid is attached. For comparison purposes, the budgeted amount for a meter installation with a cross connection survey was \$100.00/ea (\$65.00/meter & \$35.00/CCS). The submitted bid amount is \$85.00/ea (\$55.00/meter & \$30.00/CCS). My estimated quantity for the project is 1800.

Also for comparison, the City of Hudson had a very similar bid February 4th for 1200 meters & CCS a year for the next 5 years. Due to quantity discounts, their bid came in at \$79.00/ea.

I am aware of the high regard that many other communities have for Hydro-Corp because of their professionalism, quality of work and customer relations with the community's residents. Prescott has just started our Commercial & Industrial cross connection survey contract with Hydro-Corp which is proceeding smoothly. Having the same contractor performing the installs and CCS for the residential accounts will be to our advantage, for customer contacts and recordkeeping.

Accordingly, I would recommend award to Hydro-Corp. I would suggest the following motion:

"I motion to accept the bid for the Residential Meter Installation & Cross Connection Survey contract from Hydro-Corp in the amount of \$55.00 each per meter and \$30.00 each per cross connection survey contingent upon receipt of all necessary bonds and insurance."

Respectfully Submitted,

Hank Zwart

COPY

**PROPOSAL
WATER METER REPLACEMENT
AND
CROSS-CONNECTION CONTROL
SURVEY PROGRAM**

**CITY OF PRESCOTT
800 BORNER ST.
PRESCOTT, WI 54021**

FEBRUARY 9TH, 2016

**KEEPING DRINKING
WATER SAFE FOR
INDUSTRIES
AND MUNICIPALITIES**

For over 30 years, HydroCorp™ has been dedicated to safe drinking water for companies and communities across North America. Fortune 500 firms, metropolitan centers, utilities, small towns and businesses – all rely on HydroCorp to protect their water systems, averting backflow contamination and the acute health risks and financial liabilities it incurs.

HYDR  **CORP.**
THE SAFE WATER AUTHORITY™

CROSS-CONNECTION
CONTROL / BACKFLOW
PREVENTION

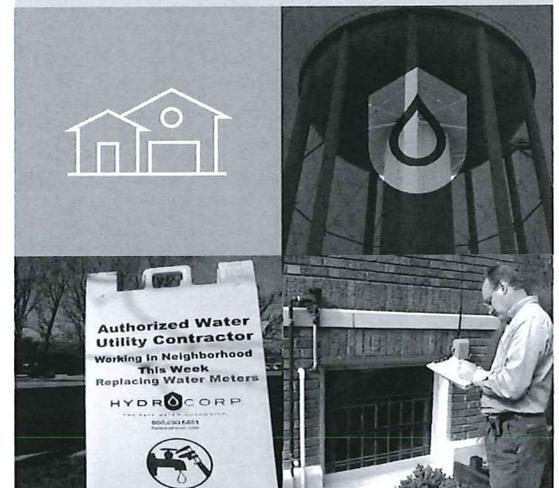
WATER SYSTEM
SURVEYS / AUDITS

PIPE SYSTEM MAPPING
AND LABELING

WATER SAMPLING
AND ANALYSIS / RISK
ASSESSMENTS

PROGRAM
AND PROJECT
MANAGEMENT

COMPLIANCE
ASSISTANCE /
DOCUMENTATION



MIDWEST OFFICE

2665 S. Moorland Rd. Suite 209
New Berlin, WI 53151
800.315.4305 TOLL FREE
262.264.6402 PHONE

PROJECT CONSULTANT: Gary McLaren
262.951.0059 CELL
gmclaren@hydrocorpinc.com EMAIL



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1. INTRODUCTION

1.1. Cross Connection Related Definitions

- Backflow – the undesirable reversal of flow of liquid, gas or other substance in a piping system.
- Backflow Preventer – an assembly, device, or method that prevents backflow.
- Cross-Connection – an actual connection or a potential connection between any part of a potable water system and any other environment that would allow substances to enter the potable water system.
- Cross-Connection Control – a program to eliminate cross-connections or to prevent them from causing a public health threat.
- Cross-Connection Control Survey – the review of the plumbing system to determine the existence of potential or actual cross-connections and to assess the degree of hazard of protected and unprotected cross-connections.

1.2. Common Cross-Connection Hazards

- Garden Hose connections with missing backflow preventers.
- Water Softener discharge lines directly connected to drain piping.
- Boilers with missing or inappropriate backflow preventers.
- Improperly installed or Backflow Prevention Assemblies missing test documentation.
- Toilets with faulty or unapproved anti-siphon fill valves.
- Lawn Irrigation systems with missing or inappropriate backflow preventers.
- Restaurant equipment connected to water supply with missing backflow preventers.
- Dental office equipment with missing backflow preventers.
- Fire Sprinkler systems with missing or inappropriate backflow preventers.
- Chemical mixing systems in janitorial closets with missing backflow preventers.

2. PROJECT WORK PLAN

2.1. Purpose of a Water Meter Replacement and Cross-Connection Inspection Program

- Cost effectively replace residential water meters for the City of Prescott.
- Provide quality water customer care throughout the project.
- Protect the water supply from backflow & public health and safety.
- Comply with state and local regulations (WI-DNR 810.15).
- Minimize risk and liability.
- Eliminate hazardous cross-connections to the drinking water supply.

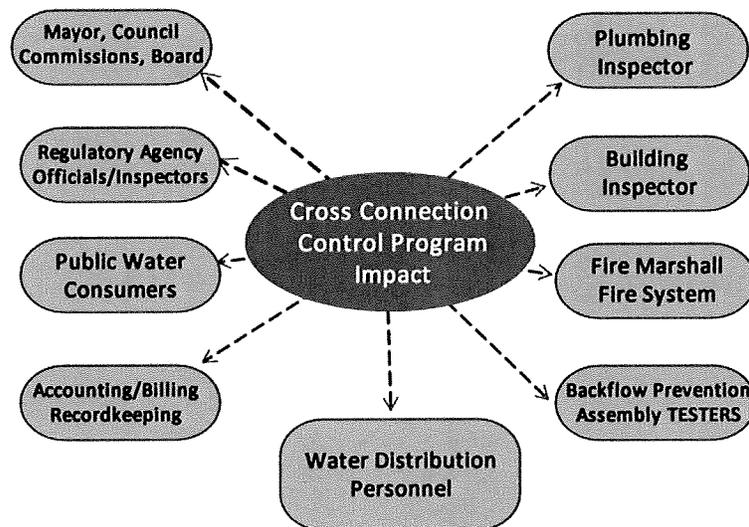


2.2. Meeting the Cross-Connection Control Program Objectives

- Providing cross-connection control consultation and recommendations to the **CITY OF PRESCOTT**.
- Inspecting water customers for cross-connections during site visit for meter replacement
- Maintaining cross-connection control records.
- Notifying water customers of violations and corrective action instructions.
- Providing water customer non-compliance status to the water utility.
- Providing public education.

2.3. Stakeholders

HydroCorp recognizes that many different stakeholders will be affected by a Cross-Connection Control Program. The following chart illustrates the various agencies, internal staff and external people that have an impact on overall program success and compliance.



HydroCorp strives to maintain a good working relationship and clearly communicate the goals of a Cross-Connection Control Program with all of the above stakeholders. We understand that our staff interaction in the community and with regulatory agencies is an extension of your positive community image. HydroCorp has maintained an excellent working relationship with local Mayors, City Managers, plumbing and building officials, health inspectors and others in order to provide them with a simple and clear understanding of the impact of a Cross-Connection Control program, regulations and the need to protect the drinking water supply from contamination.



3. WATER CUSTOMER CARE AND ADMINISTRATION PROCESS

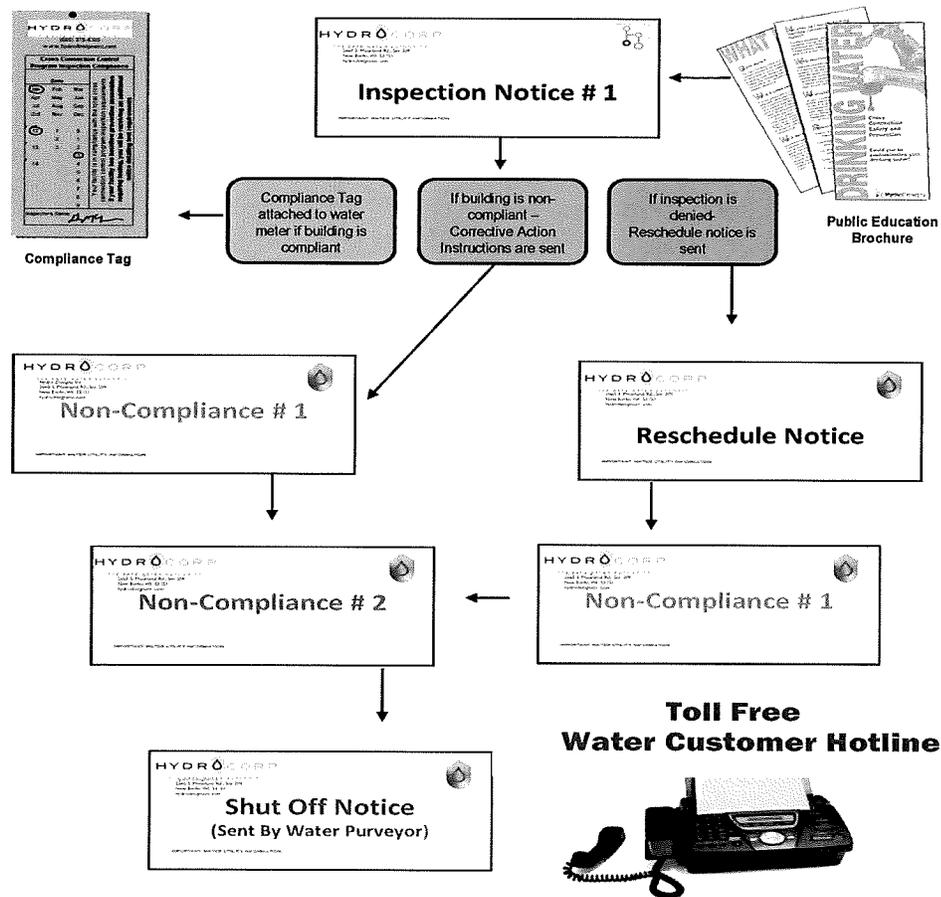
3.1. Online Appointment Website

HydroCorp coordinates water customer appointments via a secure third party software platform which allows water customers to make their own appointment dates and times. HydroCorp also secures appointments when water customers call our toll free appointment number and speaks with one of our full time program administrators for appointment confirmation.

3.2. Public Awareness Education Materials

As allowed by DNR 810.15, a Public Educational Brochure specific to Residential Bathrooms and Kitchens will be provided to each homeowner during the meter replacement and cross-connection inspection site visit. Further Public Education resources including brochures and video files can be found at <http://www.hydrocorpinc.com/resources/links/>

3.3. Postal Notification Process – Inspections





3.4. Program Data

The most critical element of a Cross-Connection Control Program is data integrity. Without accurate data, the Cross-Connection Control program will experience customer service, administrative, and reporting issues and also result in field survey inefficiencies.

3.5. Database Software

HydroCorp utilizes a proprietary software program – HydroSoft™ to manage Cross-Connection Control Program data. All program data captured shall remain the property of the City of Prescott. All of our Client Data is secured on our Application Server, which is behind both a Hardware and a Software Firewall.

Standard reports include the following:

- Meters replaced, inspections scheduled, completed, overdue and compliance status
- Custom queries, data exports and reports as needed
- DNR Annual Report

3.6. Information Technology (I/T)

HydroCorp has a dedicated team member responsible for Information Technology (I/T) infrastructure for internal (staff) needs as well as external (client) communication and reporting needs. We also have a dedicated person responsible for new client start up and database implementation in order to insure we have the most accurate information possible at any given point in time.

We have continually invested in both hardware infrastructure (Network Servers, Client Workstations, Firewalls and Tablet P.C's for Field Inspectors) and software in order to leverage technology in the workplace and to improve customer service and assist in lowering our costs to our clients. HydroCorp has a contracted service agreement with a local I/T Company that performs monthly routine system maintenance and monitors our infrastructure/servers for optimum performance and reliability.

3.7. Program Data Backup and Storage

All of our Client Data is secured on our Application Server, which is behind both a Hardware and a Software Firewall. The Application Server is backed up twice a day. 5 copies of the backup are then created and stored at 3 separate locations. 3 of the 5 backup copies are stored locally. One is on the application server itself, one is on our File server, and one is backed up to a Network Attached Storage (NAS) device. Having 3 local backup copies stored on the different machines means that in the unlikely event of a hardware malfunction, we can recover the data very quickly. Additionally, we backup the data to our backup server located in our Corporate Office, and we employ a secure on-line backup service that stores 2 copies of our backup at two independent locations.



4. SCOPE OF WORK

HydroCorp to provide the following services:

1. HydroCorp will guarantee all work for a period of one year from installation date.
2. HydroCorp unit pricing for meter installation is to be held firm for 18 months following contract signing, or upon final agreed meter installation and project close out.
3. After contract issuance it is desired that the Residential Meter Project be completed within 9 months following preconstruction meeting and official notice to proceed has been issued.
4. Installation will require replacing existing meters with new composite body meters. Utility shall furnish new rubber coupling gaskets with each meter. 275 addresses will have two meters at the same location to install, a regular service meter and a lawn irrigation deduct meter. Confirmation of newly installed meter's reading transmittal and receipt of the transmission by HydroCorp via a Windows based Smart phone or tablet recording the meter reading and encoded data at curb side is a requirement of a completed meter installation. HydroCorp shall provide smart phones for installers. Utility shall provide a free app for the smart phones to collect meter reads. In the event RF reception is impeded on the integral meter transmitter HydroCorp shall notify the Utility. The phone app has an RF signal strength feature and this strength must be recorded by HydroCorp and furnished to the Utility. A small percentage of accounts have already received a Utility installed new solid state water meter. Additionally it is to be understood that the Utility will continue to install replacement water meters as time permits. The Utility and HydroCorp will work independently but will provide daily updates of the new address installations.
5. Customer contact/Appointment setting
The Utility will supply and mail initial customer notification advising customers to: "Call, Email or go to Website of HydroCorp to schedule an appointment". HydroCorp shall provide and setup an on-line scheduler and a phone call center for customer use in scheduling their own appointments. Initial mail notification will be sent to all customers approximately two weeks in advance of installations, with notification that the Utility has contracted with a professional meter installation company to conduct a water meter and reading equipment upgrade and a cross connection survey at their address. The notice will inform the customer to: "Contact the Utility's Contractor at the HydroCorp toll free phone number (800) 690-6651 or email to: meterservice@hydrocorpinc.com or visit web site to schedule your installation appointment with HydroCorp."
6. HydroCorp is responsible for follow through of additional appointment setting via: phone, email, on-line scheduler and door knockings. HydroCorp shall place One (1) door hanger notification to schedule an appointment if there has been no previous response, and a final red tag hanger "Final Shut-Off Notification" if required. Utility shall perform required notices and actions after Red Tag notice has been given.



7. HydroCorp shall make at least three documented attempts in an effort to complete the installation after the initial notification by the Utility. Door knocks, Yellow door hanger and Red Tag door hanger by HydroCorp will be the three required attempts. Each door hanger notice shall provide a toll free number for customer to make contact. (Note: Sample copies of HydroCorp standard Yellow door hanger notice and Red "Final Shut-Off Notice" hanger shall be provided by HydroCorp to the Utility for review at or before the preconstruction meeting). Alternative methods of scheduling such as call centers or email contacts shall be submitted for review by the Utility for approval.

8. Water meters have integral transmitters. HydroCorp will supply all labor, equipment and supplies necessary to install the water meters and to complete the installation. Existing touch pads, generator remotes and radio transmitters shall be left in place. HydroCorp shall cut any existing remote wire six inches from the old meter. Any remaining wire shall be removed from the cut to where the wire is first attached to any permanent structure.

9. The Utility is responsible for inventory location and issuance of new water meters to the HydroCorp.

10. Old removed and replaced water meters remain the property of the Utility. The Wisconsin Public Service Commission requires utilities to retain removed meters for a specified time period for possible testing. HydroCorp shall not in any way damage removed meters. Removed water meters shall be returned to the Utility daily at the time HydroCorp picks up new meters for installation. (Best practice for meter inventory, inspection of removed meter, pickup and exchange and tagging to be reviewed and agreed upon with the Utility at the Preconstruction Meeting).

11. HydroCorp shall supply the Utility with daily and monthly updated listings of each of the following: Address of new meter installation, account number (from Utility provided list), new meter I.D.#, new meter reading at the time of installation, reading from the old meter at the time of removal, confirmation of the old meter body I.D. # and old meter register I.D. #. Meter valves that leak or are otherwise not in working order shall be listed. The preceding shall be recorded and furnished to the Utility in an approved electronic format. HydroCorp shall also furnish a drawing of the building depicting the location of the meter(s) in the building and street orientation. HydroCorp shall remotely, via RF, read and document verified successful meter reading from curbside of installation address.

12. In instances where HydroCorp, following above referenced customer scheduling and notification procedures, encounters customer account(s) where HydroCorp is unable to complete a new meter installation, HydroCorp shall then provide the Utility with these account addresses for review and determination of next step procedure to facilitate successful new meter installation. It is essential that HydroCorp record and maintain good records, and supply the Utility with periodic list of installation exceptions with recorded dates of installation attempts and door hanger notifications, and reasons for "No Installation".

13. Upon Utility's review and decision, following Utility procedure, water supply Shut-offs of documented "non-compliant" water customer accounts may be scheduled by the Utility for Utility's water service shut-off interruption or disconnect. Should this be necessary the Utility and HydroCorp will coordinate shut-off scheduling, and planned procedural installation action plan for new meter installations where possible. (Best practice plan is to be reviewed by HydroCorp & Utility during preconstruction meeting and again in advance of any shut-off scheduling).



14. It is understood that during the course of the meter replacement project there may be some water customer accounts in which HydroCorp/Utility may encounter presently unforeseen circumstances in which a new water meter installation may not be possible (examples: vacant home, poor home owner plumbing condition which may prevent new meter installation problems such as bad valve, excessive pipe/fitting leak(s), hazardous conditions, etc.). In these circumstances HydroCorp shall document all relative information relative to the circumstances preventing meter change out. In events of "bad plumbing" HydroCorp should advise the Utility of this case then, advise water customer to have plumbing repaired/replaced by customer or Utility's plumber prior to attempting the meter change out. In events where new meter change out is not possible HydroCorp shall contact the Utility immediately and the Utility will review these instances right away for possible solutions. In events where no good installation solutions are possible it is agreed that the Utility will remove these accounts from the HydroCorp installation list, and the Utility will assume responsibility for future scheduling and completion of new meter change out.

15. Insurance -These insurance provisions are required to cover both the meter installations and cross connection surveys. While performing the installation Work and for the installation term hereof agreed, HydroCorp shall carry a public liability insurance policy in the amount specified or as required if greater. HydroCorp shall deliver a certificate of insurance from an insurance carrier reasonably acceptable to HydroCorp and Utility/Owner specifying such minimum coverage limits. Certificate shall show each of HydroCorp and Utility named as additional insured for Commercial General Liability and automobile liability (\$1 Million per occurrence). Additionally the insurer shall agree to give the Utility and HydroCorp at least thirty (30) days prior written notice of any decision to cancel coverage. Verification copy of insurance policy listing the Utility as additionally insured shall be supplied to the Utility within three (3) business days following contract issuance, and prior to Utility's preconstruction meeting and notification to proceed with work. HydroCorp shall employ only Utility pre-approved installers. HydroCorp shall furnish background checks for all of their employees working in the City of Prescott. HydroCorp shall furnish ID badges for all of their employees working in the City of Prescott and the employees shall wear them at all times. HydroCorp shall provide, at their expense, replacement meters that are damaged by cross threading the meter body threads or negligence.

16. Preconstruction Meeting -HydroCorp and Utility shall schedule and conduct a preconstruction meeting to allow HydroCorp and the Utility to discuss additional standard practices, unique situations, and to generally develop an agreeable work plan and agree upon best practices for project implementation, new meter installations, new meter storage and issuance to HydroCorp, and pick up and old meter drop off time scheduling, water service shut offs, etc. Preconstruction Meeting and a derivative agreeable Construction Plan will be established before Notice to Proceed is issued to HydroCorp.



Cross Connection Control Inspection Scope:

It will be understood that residential cross connection surveys will include basements, utility rooms and outside spigots. Also an educational brochure furnished by HydroCorp and reviewed with the property owner explaining kitchen and bathroom hazard potential will be provided.

HydroCorp shall furnish and attach to the water meter a Utility approved "Compliance" tag for all facilities that have no cross connections or has addressed all existing or potential cross connections.

HydroCorp shall provide and give two Utility approved "Non-Compliant" notifications and a third "Service Shut-Off" notification. HydroCorp shall provide follow up surveys after the first two non-compliant notifications. Shut-off notifications will be followed up and enforced by the Utility.

The Utility shall provide hose bib backflow devices when required.

All testable & non-testable backflow prevention devices will be inventoried and documented during the on-site survey.

All existing backflow prevention devices, testable and non-testable, must be inspected for proper installation, inventoried and documented. Documentation to include: date of current test tag, size, make, model, serial number, regulated object number and location. A facility's degree of hazard and appropriate future re-survey frequency upon completion of each of each survey shall be documented. Documentation shall be furnished to the Utility in an approved electronic format.

Survey notifications shall be generated by HydroCorp and approved by the Utility for non-compliant building owners informing them of installation requirements or required corrective action. Specific SPS 382.41 plumbing code reference and written corrective action recommendations shall be included for each non-compliant building.

A full-time and Toll Free phone call in support line is to be established by HydroCorp for customer questions to be answered by an individual trained in cross connection control. The phone will be staffed during normal business hours Monday through Friday. An automatic message service will be provided for after hour calls.



5. CONTRACT PRICING – BID SHEET

Schedule A - Residential Class Water Meter Installation

	Unit	QTY	Unit Price	Total
Remove and Replace 5/8" and 3/4" Water Meters..... (Single Meter)	Each	1,250	\$55.00	\$68,750.00
Remove and Replace 5/8" and 3/4" Water Meters..... (2 Meters, Same Location, For 275 Addresses)	Each	550	\$85.00	\$46,750.00
Schedule A Subtotal				\$115,500.00

Schedule B - Commercial & Industrial Class Water Meter Installation

	Unit	QTY	Unit Price	Total
Remove and Replace 1-1/2" Water Meters.....	Each	11	\$120.00	\$1,320.00
Remove and Replace 2" Water Meters.....	Each	16	\$200.00	\$3,200.00
Schedule B Subtotal				\$4,520.00

Schedule C – Cross-Connection Survey

	Unit	QTY	Unit Price	Total
Residential Cross-Connection Survey.....	Each	1,525	\$30.00	\$45,750.00
Schedule C Subtotal				\$45,750.00
PROJECT TOTAL (Schedule A + Schedule B + Schedule C)				\$165,770.00

One Hundred Sixty Five Thousand Seven Hundred and Seventy Dollars

Date: February 9th 2016

Submitted By: Gary McLaren

Company/Title: Regional Sales Manager, Midwest Office HydroCorp

Address: 2665 S. Moorland Rd. Suite 209 New Berlin, WI 53151

Contact Person: Gary McLaren 262-951-0059

Email: gmclaren@hydrocorpinc.com



6. BACKGROUND

6.1. The HydroCorp Promise

HydroCorp is the Safe Water Authority.™ It is our duty to provide the most precise and comprehensive technical services in the industry. It also means delivering those services with expert knowledge, professionalism, and sensitivity to budgets and schedules – the highest standard of water safety oversight, combined with the highest value.

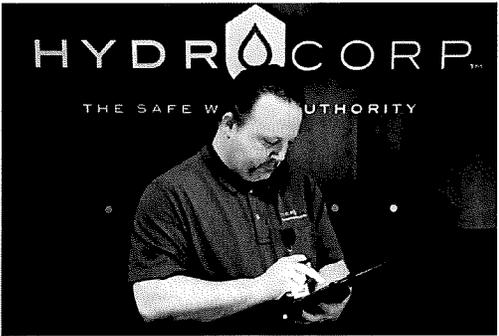
The Result – Your water system is compliant. Your risk and exposure are reduced. Your water – and your people – are protected.

6.2. Company Overview

- Founded in 1983 and incorporated in 1988.
- The firm has grown from two employees to a staff of over 40 full time associates in multiple states. Average tenure with the company is 7 years and employee turnover is less than 10%.
- HydroCorp Conducts over 25,000 on site, Cross-Connection Control Inspections **annually**.
- HydroCorp provided Cross-Connection Control Program Management Services to over 240 communities in several states including: Michigan, Wisconsin, Delaware, Maryland, Virginia, Florida and Minnesota. We still have our first customer!
- Our highly trained staff works in an efficient manner in order to achieve maximum productivity and keep program costs affordable. We have a detailed **system** and **process** that each of our field inspectors follow in order to meet productivity and quality assurance goals.
- Our municipal inspection team is committed to providing outstanding customer service to the water users in each of the communities we serve. We teach and train customer service skills in addition to the technical skills since our team members act as representatives of the community that we service.
- Our municipal inspection team has attended training classes and received certification from the following recognized Cross Connection Control Programs: UF TREEO, UW-Madison, USC – Foundation for Cross Connection Control and Hydraulic Research, American Backflow Prevention Association (ABPA), and American Society for Sanitary Engineering (ASSE). We invest heavily in internal and external training with our team members to ensure that each Field Service and Administrative team member has the skills and abilities to meet the needs of our clients.
- Our administrative staff can answer most technical calls related to the cross-connection control program and have attended basic cross-connection control training classes.
- HydroCorp staff and company are active members in many water industry associations including:
 - American Water Works Association (AWWA) | AWWA – Wisconsin Chapter
 - National Rural Water Association (NRWA) | Wisconsin Rural Water Association
 - American Public Works Association (APWA)
- HydroCorp is not a Plumbing Company and does not utilize existing staff to perform backflow prevention assembly testing, repair or plumbing related services.



6.3. Office Address & Contact Information

Regional Office:	HydroCorp – Midwest Office 2665 S. Moorland Rd., Suite 209 New Berlin, WI 53151	
Contact:	Gary McLaren	
Telephone:	800.315.4305 Emergency: 262.951.0059	
Email:	gmlaren@hydrocorpinc.com	
Corporate Office: (Remit to Address)	HydroCorp – Corporate Office 5700 Crooks Rd., Ste. 100 Troy, MI 48098	
Telephone:	800.690.6651 or 248.250.5000	
Legal Status:	S-Corporation, 1988 E.I.D. 38-2810008	<p>WI Office (Above) Corporate Office (Below)</p> 
		

Program Administration and Water Customer Care Team

Karen Hanson	Program Administration Manager	800.690.6651 ext. 5008
Tracy Matas	Program Administrator	800.690.6651 ext. 5019
Kathy Smagghe	Program Administrator	800.690.6651 ext. 5033
Nancy Essers	Water Customer Appointments	800.315.4305
Sandy Redlin	Program Administrator	800.690.6651 ext. 5034



7. PERSONNEL

Gary McLaren | *New Program Development/Training Coordinator -Midwest Region*

Gary is responsible for Cross-Connection classes and new Cross Connection Control Program development in the Midwest Region. Since 2004 at HydroCorp, he was responsible for identification of hazards and deficiencies and determining proper recommendations for over 80 municipal client cross-connection control programs in Wisconsin. He also generated inspection reports and protection recommendations for over 3,000 individual facility surveys of cross-connections. In the past 5 years, Gary has been focused on coordinating and instructing various Cross Connection Control classes around the Midwest in addition to developing new Cross Connection Control Programs for Municipal Water System around the region.

- Conducted Cross-Connection Surveys –45 North American Large Industrial Facilities 1999-2000
- Certification MDEQ (Michigan) Advanced Cross-Connection Control Training Program 2004
- Cross-Connection Control Program Manager –WI Region; 25 Water Utility clients 2005-2007
- Multiple published articles in Public Water System periodicals (WWA Magazine summer 2008 & WRWA Magazine winter 2011,2013)
- Annual participant & past presenter at annual WWA Conferences & WRWA Conferences 2008-2015
- Instructor at DNR class on Cross Connection Control – Green Bay, Dec. 11 2008
- Lead Instructor with Wisconsin Rural Water Association Cross Connection Control Class Series – Statewide, 2009 -2014 (12 full day courses annually)
- Lead Instructor with Minnesota Rural Water Association Cross Connection Control Class Series – 2010 and 2013
- ASSE #5150 Certified Backflow Prevention Program Administrator
- ASSE #5120 Certified Cross Connection Control Surveyor
- Vice Chairperson – Wisconsin Water Association Education Committee 2011-2012

DJ Schneider | *Operations Manager, Midwest Region - Municipal Division*

DJ has been with the HydroCorp team since 2009 and inspecting plumbing systems for over 12 years. As a Cross-Connection Surveyor, DJ has completed cross-connection inspections at over 20,000 individual commercial and industrial facilities. He currently oversees operational and administrative services for cross-connection control programs in the HydroCorp Midwest Region.

- ASSE #5120 Certified Cross Connection Control Surveyor
- UDC-Plumbing Inspector
- Cross Connection Control Tester
- UDC-HVAC Inspector
- UDC-Construction Inspector
- UDC-Electrical Inspector
- Master Electrician



Jerry Rugg | *Cross Connection Control Surveyor – Project Specialist*

Jerry is a resident in the Village of Roberts, WI and has been with the HydroCorp team since 2007. As a Cross-Connection Surveyor and Project Specialist, Jerry has completed cross-connection inspections at over 30,000 individual commercial, industrial and residential facilities.

- ASSE #5120 Certified Cross-Connection Control Surveyor
- ASSE #5150 Certified Cross-Connection Control Tester
- Current Cross-Connection Control Surveyor for City of Prescott –HydroCorp Program contract

David Dye | *Meter Replacement and Cross Connection Control Surveyor – Project Specialist*

David is a full time water meter replacement specialist and cross-connection control surveyor at HydroCorp. Since early 2015, David replaced over 1,200 water meters during multiple projects in Wisconsin.

PAUL PATTERSON | *Vice President Municipal Division*

Mr. Patterson joined HydroCorp, Inc. in 2004, and is responsible for operational oversight of over 200 Cross-Connection Control Programs throughout Michigan, Delaware, Maryland, Florida, Wisconsin and Virginia. Before joining HydroCorp, Mr. Patterson was a member of the U.S. Air Force, where he assisted in the implementation of a stateside installation Cross-Connection Control Program. Professional certifications through his career, including:

State of Nevada

- Water Distribution Operator
- Journeyman Plumber License – Clark County
- CAL/NV AWWA Backflow Prevention Assembly Tester

University of Florida – TREEO Center Cross-connection Control Program Manager Certificate

- Cross-connection Control Ordinance & Organization Certificate
- Cross-connection Control Survey & Inspection Certificate
- Cross-Connection Control Backflow Prevention Testing Certificate

American Society of Sanitary Engineering – ASSE

- Cross-Connection Control Backflow Prevention Testing Certification
- Cross-Connection Control Backflow Prevention Assembly Repair Certification
- Backflow Program Administrator Certification – ASSE 5150
- Cross Connection Control Surveyor Certification – ASSE 5120
- Cross-Connection Control – Series 5000 Certification, Course Instructor / Proctor

International Code Council (International Plumbing Code)

- Commercial Plumbing Inspector Certification

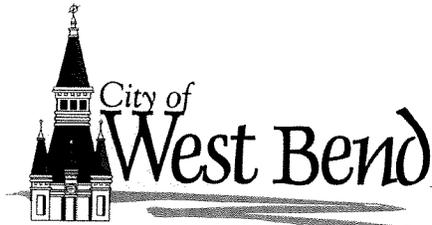


8. REFERENCES –COMMERCIAL AND INDUSTRIAL PROGRAM CLIENTS

- a) City of La Crosse – Cross Connection Program
400 La Crosse St, La Crosse, WI 54601
Mark Johnson, Water Utility Manager, johnsonm@cityoflacrosse.org | 608- 789-7536
- b) West Bend Water Utility – Cross Connection Program
251 Municipal Dr. West Bend, WI 53095
John Hemauer, Manager hemauej@ci.west-bend.wi.us | 262-335-5040
- c) Sturgeon Bay Utilities – Cross Connection Program
230 E. Vine St, Sturgeon Bay, WI 53235-007
Cliff White, Superintendent, cwhite@wppienergy.org | 920.746.2820
- d) City of Glendale- Meter Replacement Program
5909 North Milwaukee River Parkway Glendale, WI 53209
Shawn Lanser, Finance Director, S.Lanser@glendale-wi.org | 414.228.1700
- e) City of Niagara, WI - Meter Replacement Program and Cross- Connection Program
1029 Roosevelt Road Niagara, WI 54151
Ron Rugg, DPW Director lwierschke@cityofniagara.org | 715.251.3235
- f) HydroCorp maintains multi-year contracts for municipal Cross-Connection Program and Potable Water Services for an additional 135 public water systems in Wisconsin. Municipal contracts are also maintained with clients in MI, DE, MD, VA, FL and MN. Complete list available upon request.
- g) HydroCorp Industrial Clients for Cross-Connection Surveying and Water Quality Compliance Services include Ford Motor Company, Fiat Chrysler Automobiles (FCA), General Motors, Honeywell. HydroCorp has conducted Cross-Connection Surveys in Wisconsin for multiple NuPage Paper Mills, Land O Lakes Dairy Plants, Del Monte Food Processing, American Foods Meat Processing and 3M Manufacturing.



9. LETTERS OF REFERENCE – ATTACHED AS EXHIBIT A



WATER UTILITY

November 17, 2015

Tony Averbeck
Client Relations Manager
HydroCorp Inc
428 W Hamilton St
West Salem, WI 54669

Dear Tony,

It is with great pleasure to write this letter of recommendation on behalf of HydroCorp Inc. Since 2006, the West Bend Water Utility has relied and trusted upon your company to perform excellent service and reliability. During this time, numerous inspections and subsequent violations have been performed and reported.

HydroCorp has also provided the professional, technical and operational services required to promote a safe drinking water environment in West Bend. This includes responding to the needs of the utility as well as our community. These attributes are the result of having a team of dedicated individuals in the cross connection control industry.

Finally, it is a privilege and honor to have HydroCorp on our team. If you have any questions or need additional information, please feel free to contact me.

Best regards,

John Hemaer
Water Utility Manager
City of West Bend Water Utility
251 Municipal Drive
West Bend, WI 53095
262-335-5040
hemauerj@ci.west-bend.wi.us





November 10, 2015

Tony Averbeck
Client Relations Manager
HydroCorp Inc.
428 W. Hamilton St.
West Salem, WI 54669

Dear Tony:

Marshfield Utilities has contracted with HydroCorp Inc. since May of 2004 for the implementation of our Commercial and Industrial Cross Connection Control Program. During this time thousands of inspections have been conducted and hundreds of plumbing violations have been corrected.

I would like to take this opportunity to express both my satisfaction and thanks for the cross connection services provided by HydroCorp Inc. You have provided the professional, technical and operational services required to respond to our community's needs. It has been a pleasure to work with your firm over the past decade.

I am confident that the strong foundation laid by our combined efforts will allow our community to advance issues related to the delivery of safe drinking water.

Sincerely,


David Wasserburger
Water Superintendent
Marshfield Utilities



City of Fond du Lac
First on the Lake

Website: www.fdl.wi.gov

City-County Government Center
160 S. Macy Street—P.O. Box 150—Fond du Lac, WI 54936-0150

October 6, 2014

Mr. Tony Averbeck
Hydro Designs, Inc.
2665 S. Moorland Road, Suite 209
New Berlin, WI. 53151

Dear Tony;

The cross connection inspection service that Hydro Designs provides to the City of Fond du Lac Water Utility not only fulfills requirements set by the DNR, but also offers another level of security to our water supply. The expertise of your field personnel has been crucial when industrial and commercial customers are called upon. Inspectors are able to methodically work their way through a site ensuring necessary devices are in place, and are also effective in answering customer questions.

I am more than satisfied with your company and look forward to maintaining the working relationship as we continue inspections throughout our community.

Sincerely,

Kathryn Scharf
Water Operations Manager



engineers | architects | planners | environmental specialists
land surveyors | landscape architects | interior designers

604 Wilson Avenue
Menomonie, WI 54751
715-235-9081
800-472-7372
FAX 715-235-2727
www.cedarcorp.com

BID TABULATION

Jacques Park Boat Ramp Improvements
Prescott, WI

February 28, 2016

CONTRACTOR	BID AMOUNT
A-1 Excavating Bloomer, WI	69,281. ⁰⁰
Albrightson Excavating Woodville, WI	
Fitzgerald Excavating Goodhue, MN	33,072. ⁰⁰
H&H Civil Construction Collins, WI	
Legacy Construction Services Green Bay, WI	
Mattison Contractors Knapp, WI	
Miller Excavating Stillwater, MN	
Pember Companies Menomonie, WI	60,780. ⁰⁰
Solutions 101 LLC Hortonville, WI	

Bond 59

Bond 59

Bond 59

Bid Tabulation Monday night

Menomonie | Madison | Green Bay



604 Wilson Avenue
Menomonie, WI 54751

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February 19, 2016

City of Prescott
Mayor David Hovel & City Council
800 Borner Street
Prescott, WI 54021

RE: Jacques Park Boat Ramp Improvements

Mayor Hovel & City Council,

On Thursday, February 18th, bids were opened for the above-mentioned project. Three (3) bids were received. After verification, the bids ranged from \$69,281.00 to \$33,072.00. The low bid was from Fitzgerald Excavating of Goodhue, MN. I have attached a bid tabulation showing all of the bids received. For comparison purposes, the updated 2016 construction estimate was \$36,500 (not including engineering). Fitzgerald Excavating has constructed many boat landings in the area. The other two bidders have little to no boat landing construction experience, and their bid prices may reflect this. It is my opinion that the City received comparable and competitive bids, based on contractor experience.

I have not worked with Fitzgerald Excavating. I spoke with them pre-bid to get information regarding their experience relating to boat ramp construction. They do many projects each year for the Minnesota DNR. After the bid opening, I followed up with a reference at the Minnesota DNR. That person stated that Fitzgerald Excavating did quality work on their projects. I will assist with making sure the contractor follows the construction documents, permits, pay request, record drawing, and project close out processes. Accordingly, I recommend award to Fitzgerald Excavating. I would suggest the following motion:

"I motion to accept the bid for the construction contract for Jacques Park Boat Ramp Improvements in the amount of \$33,072.00 contingent upon receipt of all necessary bonds and insurance."

If you have any questions prior to the meeting, please do not hesitate to contact me.

Respectfully Submitted,
CEDAR CORPORATION

Greg Adams, P.E.
Project Engineer

cc: P1338-155 Project File



BID TABULATION

Jacques Park Boat Ramp Improvements
Prescott, WI

February 18, 2016

Item	Unit	Qty	Fitzgerald Excavating		Pember Companies		A-1 Excavating	
			Unit Price	Total	Unit Price	Total	Unit Price	Total
Silt Curtain	L.S.	1	\$500.00	\$500.00	\$10,000.00	\$10,000.00	\$5,000.00	\$5,000.00
Geotextile Fabric	S.Y.	150	\$2.00	\$300.00	\$5.00	\$750.00	\$3.00	\$450.00
Base Aggregate Open Graded	C.Y.	11	\$20.00	\$220.00	\$100.00	\$1,100.00	\$86.00	\$946.00
Salvage and Install Existing Precast Concrete Panels	Each	2	\$3,000.00	\$6,000.00	\$4,330.00	\$8,660.00	\$1.00	\$2.00
Install New Precast Concrete Panels	Each	2	\$12,000.00	\$24,000.00	\$17,000.00	\$34,000.00	\$28,677.00	\$57,354.00
Rip Rap Heavy	C.Y.	57	\$36.00	\$2,052.00	\$110.00	\$6,270.00	\$97.00	\$5,529.00
PROJECT TOTAL				\$33,072.00		\$60,780.00		\$69,281.00



The Property Tax No One Knows

The Personal Property Tax: Fair? Unfair? Or Just Outdated?

Wisconsin's personal property tax is unknown to most residents as it applies only to certain business property. The tax is riddled with exemptions, and the \$287 million it now generates is about one-fourth the inflation-adjusted amount collected in 1971. The tax also raises questions about the consistent treatment of property; e.g., a chair owned by a business is taxed, but one owned by a homeowner is not.

Owners of real estate in Wisconsin are aware of the state's property tax; they are reminded of it every December when they open their tax bill.

While homeowners receive one bill, many business owners receive two. Like the typical property owner, they receive one for their building and land. But many business owners receive a second tax bill for the business' personal property, such as office chairs, desks, tools, and many other items.

Unknown to most citizens and unliked by most people it affects, the personal property tax is a shell of its original, following decades of exempting both household and business property.

A BRIEF HISTORY

In the 1830s, before statehood, there was no income or sales tax in Wisconsin. Funding of the territorial government was primarily from property taxes. But, almost two centuries ago, the property tax was a very different tax.

Not only was real property—land and buildings—taxed then, so too was personal property, such as stocks, bonds, jewelry, furniture, livestock, crops, inventories, and vehicles.

Challenges Encountered

While nearly all property was subject to tax in the early- and mid-1800s, personal property presented several challenges.

Finding the Property. First, finding personal property was difficult. Clearly, land and buildings could not be hidden from assessors, and livestock and furniture generally were conspicuous. However, items such as stocks, bonds, and jewelry could be easily hidden from assessors.

Potentially hidden property raised issues of tax fairness. What little property low-income taxpayers had was difficult to hide; for the most part, their property was fully taxed. High-income taxpayers were more

Also in this issue:

Wisconsin Public Employment Rebounds • State Debt Unchanged • Pension Fund Losses

likely to have financial instruments and jewelry that could be hidden from assessors. It was possible that this property would not be taxed.

This problem was recognized in an 1898 Tax Commission report that argued Wisconsin's property tax system exploited the poor and farmers, since, unlike the rich, most of their property was visible.

Valuing Personal Property. A second challenge assessors faced was valuing certain items. Markets existed for property such as livestock or shop inventories, so determining market values was not difficult. For other property, e.g., a five-year old chair, a seven-year old watch, or a 30-year old set of tools, markets were scarce or nonexistent, making valuation difficult.

The dual challenges of locating and valuing personal property were two of the reasons most personal property was removed from taxation during 1830-2000.

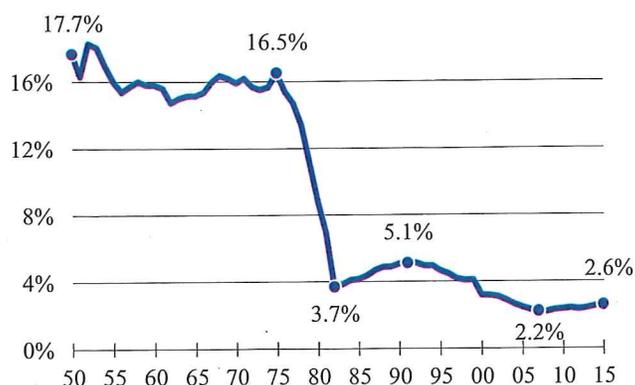
A Long History of Exemptions

Early exemptions were mostly household items, such as furniture, clothing, personal libraries, kitchen

Timeline of Exemptions of Personal Property

- 1837-38. \$75 of furniture, libraries, mechanics' tools, and farm implements;
- 1849. Value exemption up to \$200; personal property of the "poor;"
- 1868. Federal pensions and stock in property-tax paying corporations; property of railroads and insurance companies; "poor" exemption repealed;
- 1891. Clothing, personal libraries, some furniture, kitchen furnishings, and growing crops;
- 1908-11. Intangible property, such as money, stocks, and bonds; personal items such as jewelry, watches, some furniture, tools, and musical instruments;
- 1923. Horses, mules, wagons, and carriages;
- 1931. Motor vehicles;
- 1937. Hay, feed, and grain;
- 1941. Farm machinery owned by retailers;
- 1962. 50% of "Line A" stocks, such as livestock, manufacturing materials, and inventories;
- 1974. Manufacturing machinery and equipment (M&E);
- 1981. Remainder of Line A stocks;
- 1999-2003. Business computers, fax machines, and cash registers.

Figure 1: Personal Property Share Declining
Percent of Total Taxable Property, 1950-2015



furnishings, and certain stocks (see box, left). Most financial instruments and other household items became exempt after the 1911 creation of the state income tax.

Exemptions for business property came much later. In 1962, half of so-called "Line A" stocks—named after the line on the assessment form—were exempted. Line A stocks included livestock, business inventories, and manufacturing materials. They were fully exempted by 1981.

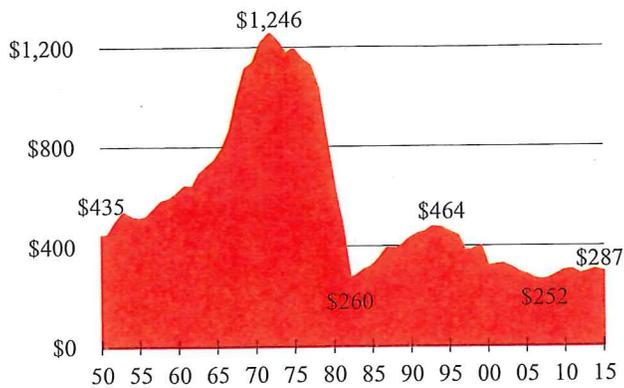
A second major exemption of business personal property occurred in 1974 when manufacturing machinery and equipment (M&E) was removed from tax rolls. Beginning in 1999, various forms of business electronic equipment, especially computers, were exempted.

Declining Share. As the number of exemptions increased, personal property declined as a share of the property tax base. In 1950, it accounted for 17.7% of the base (see Figure 1), with real property (land and buildings) claiming the remaining 82.3%. That percentage eroded slightly over the next 25 years, reaching 16.5% in 1975. The M&E exemption helped reduce the personal property share to under 10% by 1980. The elimination of Line A stocks reduced it further to 3.7% in 1982.

Computers and other electronic equipment became indispensable for businesses during the 1980s and 1990s and personal property's share of the total crept up, reaching 5.1% by 1992. The computer exemption further eroded the importance of personal property. Since 2005, personal property has represented between 2.2% and 2.6% of the property tax base.

The long-term decline in taxable personal property is not surprising. Several commissions, including

Figure 2: Pers. Prop. Tax Collections Rise and Fall
Inflation-Adjusted \$ Millions, 1950-2015



one in 1912 and one in 1956, suggested eliminating the tax.

Collections Fall

Compared to many other state and local taxes, today's personal property tax does not generate significant revenue. In 2014-15, collections totaled \$287 million. By comparison, the tax on real property generated about \$10 billion. State taxes on individual income (\$7.3 billion), sales (\$4.9 billion), and corporate income (\$1.0 billion) were also significantly higher. Even the state cigarette tax (\$570 million) generated nearly double what the personal property tax produced.

Collections Drop as Exemptions Rise. As personal property became a smaller share of taxable property over the past 40 years, collections from the tax on that property have declined. In 1971, they were more than \$1 billion (in inflation-adjusted dollars) but have since dropped by about three-quarters to \$287 million in 2015 (see Figure 2).

CURRENT LAW

Today, the personal property tax is largely a tax on certain business property that is generally grouped into four categories:

- furniture, fixtures, and equipment;
- machinery, tools, and patterns;
- watercraft; and
- all other personal property, unless specifically exempted by state statutes.

Value by Type

In 2014 (for December 2015 tax bills), the value of taxable personal property was \$12.2 billion. The value of taxable furniture, fixtures, and equipment was \$5.0 billion, or 41.0% of the total (see Table 1).

Machinery, tools, and patterns accounted for \$4.7 billion, or 38.1%, of all taxable personal property. The remaining \$2.5 billion was watercraft (\$16.7 million) or other taxable property (\$2.5 billion).

Value by Industry

A second way to consider taxable personal property is by industry. The Department of Revenue (DOR) reports personal property as owned either by a manufacturer or a non-manufacturer, typically a commercial enterprise.

Exemptions for Line A stocks and M&E eliminated much manufacturing personal property from the tax rolls. What remains was valued at \$2.8 billion in 2014, or less than one-quarter of the total. More than three-fourths (\$9.4 billion) of taxable personal property was owned by non-manufacturing companies.

Value by Location

Not only is personal property spread unequally by industry, it is located unevenly among the state's 1,852 municipalities. It is more prevalent in cities and villages than in towns.

By Type of Municipality. Most personal property is located in Wisconsin's 190 cities. While they contained less than half (44.9%) of all taxable real property in 2014, cities were home to nearly two-thirds of all personal property (see Table 2, page 4). By contrast, towns claimed 38.0% of all real property, but less than 18% of personal property. In villages, the two percentages were about the same: 17.1% of real property and 17.4% of personal property.

Another perspective emphasizes the differences. In cities, personal property accounted for 3.6% of all taxable property, compared to 2.6% in villages and 1.2% in towns.

TREATMENT ELSEWHERE

Wisconsin is not alone in taxing at least some personal property; another 40 states do as well. However,

Table 1: Personal Property by Type
Value of Taxable Personal Property, \$ Millions, 2014

Category	Total	Mfg.	Non-Mfg.
Furn./Fixtures/Equip.	\$5,005.1	\$667.6	\$4,337.5
Mach./Tools/Patterns	4,653.7	1,662.3	2,991.4
Watercraft	16.7	4.4	12.3
Other	2,532.4	511.5	2,020.8
Total	12,207.9	2,845.9	9,362.0

Table 2: Most Personal Property in Cities
Value of Personal Property by Muni. Type, \$ Millions, 2014

Muni. Type	Real Property	% of Total	Personal Property	% of Total
Cities	\$209,722.1	44.9%	\$7,907.6	64.8%
Villages	79,738.3	17.1	2,129.4	17.4
Towns	177,355.7	38.0	2,170.9	17.8
Total	466,816.1		12,207.9	

exemptions and tax treatment vary widely. While Wisconsin taxes more personal property than most neighboring states, it taxes less than most states nationally.

Neighbors

In the region, Illinois and Iowa do not tax personal property. Minnesota exempts nearly all of it, with only certain utility systems, railroad docks and wharves, and some manufactured homes taxable. Michigan treats personal property similar to Wisconsin: Household goods are exempt, and business property is taxable unless specifically exempted.

Other States

Though most states tax personal property at least partially, treatment varies considerably.

Household Property. States generally exempt household items from the property tax, with vehicles the most common exception. Mississippi is one example. There, in addition to a state vehicle registration fee, the local property tax is imposed on the value of the vehicle, with revenues funding local services.

In Minnesota and several other states, the state registration fee is based on the value of the vehicle; in other words, it is a property tax. But unlike the general property tax, revenues go to the state and do not fund local services.

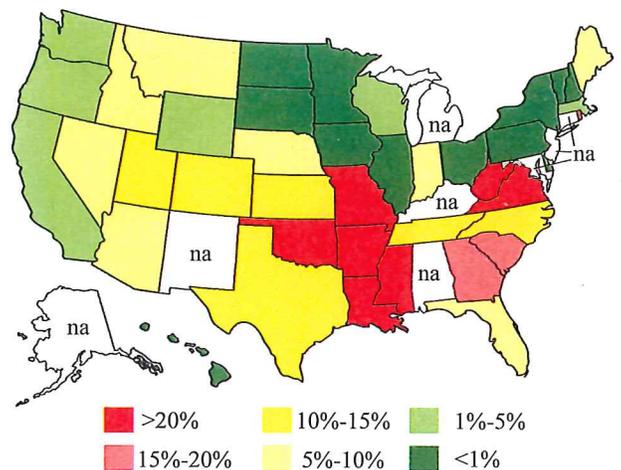
Business Property. Most states that impose a tax on business personal property use a method similar to Wisconsin's: Broadly impose the tax unless an item is specifically exempted.

Measuring Use. The wide variation in treatment of personal property makes state comparisons difficult. Three personal property tax statistics, each imperfect, shed light on Wisconsin's taxation of personal property compared to other states: collections per capita, relative to total property tax collections, and relative to total revenues. Each shows Wisconsin's taxation of personal property to be among the lowest in the nation. This is not surprising given the number of items exempted over the past 180 years.

In 2009, the percentage of total Wisconsin property taxes attributable to personal property was only 2.8%, 30th highest (personal property data were unavailable for eight states, including Michigan). Wisconsin was an outlier in the region (see Figure 3), relying somewhat more on personal property taxes.

States where the personal property tax accounted for more than 15% of property tax revenues typically taxed vehicles or business inventories (Arkansas, Georgia, Louisiana, Mississippi, Missouri, Oklahoma, Virginia, and West Virginia).

Figure 3: Personal Property Tax Collections Vary
Collections as Share of Total Property Taxes, 2009



CURRENT ISSUES

Wisconsin's taxing of personal property raises questions about the consistent treatment of similar property, as well as the age-old difficulties of locating and valuing personal property.

Inconsistent Treatment

Sound tax policy emphasizes similar treatment of property or income, regardless of ownership or source. One of the consequences of Wisconsin's long history of exempting personal property is dissimilar treatment of some items. For example, as the cover depicts, the state taxes a chair owned by a business but not the same chair owned by a homeowner. Charter fishing boats on Lake Michigan are not taxed, but certain boats used by businesses are.

Discovery and Valuation

As in the early years of statehood, both discovering and valuing personal property continues to be a challenge.

Assessment Process. Similar to assessment of real property, Wisconsin has a dual process for assessing personal property. DOR assesses all manufacturing property, both real and personal, while local assessors value all other property.

Despite many exemptions, the number of personal property items assessed each year remains large, making it difficult for assessors to view it all. Thus, Wisconsin uses a self-reporting system where businesses complete an annual assessment form (Statement of Personal Property) comprised of 10 schedules (see Figure 4).

On each schedule, a business owner reports the original cost of the property, its year of acquisition, and its current value. The current value can be either the owner's opinion or a value based on DOR conversion factors reflecting inflation and depreciation (column 5). Assessors are not required to accept reported values and are advised by DOR to audit the report. While DOR audits reports of each manufacturer about once every five years, it is unclear how frequently local assessors perform audits.

Discovery. Some businesses fail or refuse to complete the Statement of Personal Property; many small businesses are unaware of the tax on personal property. For them, the assessor must use other, often time-consuming methods to discover and assess personal property. In other words, although computers have made it easier for businesses to identify and track personal property, self-reporting raises concerns about full disclosure.

Valuation. Wisconsin's assessment method recognizes the difficulty in valuing personal property. To value real property, assessors examine recent sales of similar properties. However, markets are often scarce for items such as used office furniture, grocery store shelving, or display racks. Thus, DOR provides simplified conversion factors to estimate current values.

As the sample statement for 2016 shows, all taxable furniture, fixtures, and office equipment purchased in 2010 are valued at 43.5% of their original cost, regardless of condition. Items purchased prior to 2006 are valued at 13.9% of purchase price.

Self-reporting has problems. First, while DOR conversion factors create some valuation consistency, they are imperfect. The condition of property is not considered. Moreover, it is unlikely that office

furniture would depreciate at the same rate as office equipment.

Second, self-reporting imposes at least two compliance costs on businesses. First are costs involved in learning what is taxable and what is exempt. This is not trivial given Wisconsin's long list of exemptions. A second is the cost to inventory and value taxable items.

Wisconsin taxes a chair owned by a business, but not the same chair owned by a homeowner.

TO TAX OR NOT TO TAX?

As mentioned, several state commissions recommended eliminating the tax on personal property. In 2014, the Legislative Council Steering Committee for Personal Property Tax studied the tax and, at the conclusion of the hearings, most committee members recommended its elimination, though concerns were raised about several possible side effects.

Repeal Options

If lawmakers were to repeal the personal property tax, a decision on approach would have to be made. Would the state replace the \$287 million of revenue lost to local governments? Or, would it leave it to localities to recoup this money through higher property taxes on real property?

Repeal and Replace. Historically, when removing personal property from the tax rolls, the state often replaced lost revenues with state aid. For example, following creation of the state income tax in 1911, lawmakers exempted personal possessions from the property tax and used new income tax revenues to aid

Figure 4: Personal Property Self-Reporting Form
Portion of a Page of Wisconsin's "Statement of Personal Property"

Due date		Statement of Personal Property				2016	
March 1, 2016							
Schedule D - Furniture, Fixtures and Office Equipment							2016
<small>Report: All furniture, fixtures and office equipment (e.g., office, store and professional furniture, fixtures and equipment, business and professional libraries, other assets related to the sales and administration of your business). Original Cost in Col. 4, should contain all costs of installation and freight, add-ons and sales tax.</small>							
Col. 1 Acquisition Year	Col. 2 Total Original Cost as of Jan. 1, 2015	Col. 3 Additions, Disposals, Transfers at Cost Since Jan. 1, 2015	Col. 4 Net Total Original Cost as of Jan. 1, 2016 (Col. 2 +/- Col. 3)	Col. 5 Conversion Factor (10-yr)	Col. 6 Indexed Net Value (Full Value) on Jan. 1, 2016 (Col. 4 x Col. 5)	Col. 7 For Office Use Only	
2015				.925			
2014				.794			
2013				.681			
2012				.585			
2011				.507			
2010				.435			
2009				.370			
2008				.327			
2007				.282			
2006				.246			
All prior years				.139			
Total							

Enter Col. 6 Total on
Sch. A, Line 3, Col. 2

local governments. More recently, the state began sending local governments specific computer aid to compensate for lost revenue from exempting computers and related equipment.

The \$287 million currently required to replace the personal property tax is small in the context of a \$16 billion state budget. However, past tax cuts, school aids, and ever-rising Medicaid costs have combined to create state budget challenges.

Self-reporting of personal property imposes costs on business—the cost associated with knowing what is taxed and the cost to inventory and value those items.

Repeal and Shift. Personal property tax repeal would not necessarily mean lost local revenue. State-imposed property tax limits cap the total amount to be collected. Thus, even with repeal, municipalities, counties, and schools would continue to collect the same amount. However, the tax rate on real property would increase slightly, and the property tax burden would shift among owners of different property types and among residents of cities, villages, and towns.

Wisconsin’s Legislative Fiscal Bureau (LFB) estimated the impact of a shift for 2013-14. Table 3 shows actual net property taxes (after state credits) by property type and what they would have been had personal property not been taxed. In all cases, the tax on real property increases. Residential property taxes would rise, on average, 3.0%. Owners of commercial and manufacturing property would see a net decline; increased taxes on their land and buildings would be more than offset by no taxes on personal property.

Table 3: Exempting Personal Property Shifts Burden
Property Tax by Type of Property, \$ Millions, 2013-14

	2013-14 Totals		Change	
	Actual	P.P. Ex.	Amt.	Pct.
Residential	\$6,512.8	\$6,706.3	\$193.5	3.0%
Commercial	2202.3	2073.8	-128.5	-5.8
Real	2021.6	2073.8	52.2	2.6
Personal	180.7	0.0	-180.7	-100.0
Manufacturing	383.0	305.6	-77.4	-20.2
Real	297.9	305.6	7.7	2.6
Personal	85.1	0.0	-85.1	-100.0
Ag. Land	236.7	244.4	7.7	3.3
Other Real	205.9	213.2	7.3	3.5
Other Pers.	4.6	0.0	-4.6	-100.0

Table 4: Shifting Prop. Taxes Among Municipalities
Hypothetical County with Three Municipalities

	City	Village	Town
	<i>Equalized Value</i>		
Total	\$210	\$80	\$180
%	44.7%	17.0%	38.3%
Real	\$200	\$77	\$179
%	43.9%	16.9%	39.3%
Pers.	\$10	\$3	\$1
	<i>Levy (Total=\$10) with Pers. Prop.</i>		
	<i>Taxed and Untaxed</i>		
Taxed	\$4.47	\$1.70	\$3.83
Untaxed	\$4.39	\$1.69	\$3.93
% Chg.	-1.8%	-0.8%	2.5%

Ending the personal property tax would lead to a second kind of shifting, one from cities and villages with relatively large amounts of personal property to communities with relatively little. The reason is that some taxing units, e.g., counties, schools, and technical colleges, are comprised of multiple municipalities. Their levies are distributed to underlying municipalities based on equalized (full-market) property values. Since cities generally have more personal property than villages or towns, removing personal property from the rolls would, on the margin, shift the tax burden from cities to villages and towns.

An example of this shifting is shown in Table 4 where a hypothetical county has one city, village, and town. The city has most of the personal property (\$10 of its \$210 total), the town has the least (\$1 of its \$180 total).

With personal property taxed, the city is responsible for 44.7% of the total levy (its value of \$210 divided by countywide value of \$470), or \$4.47 of \$10.00. The village and town pay the remaining tax based on their shares of total values (17.0% and 38.3%, respectively).

If personal property were not taxed, the levy would be distributed based solely on the value of real property. The city’s share of the levy would fall to 43.9%. In dollar terms, the city’s portion of county taxes declines 1.8% to \$4.39. With little personal property removed from the rolls, the town’s share of the tax levy rises 2.5% to \$1.96.

Given shifting among property types and municipalities, and given the varied distribution of personal property throughout the state, the property tax impact of repeal would vary widely from taxpayer to taxpayer.

TIF Impacts

While repeal of the personal property tax would impact local government finances only marginally, one area that could be more significantly affected is tax incremental finance districts (TIDs). Under state law, municipalities borrow to fund infrastructure or pay for other costs to develop an area of the community (a TID). The amount borrowed is repaid using new property tax dollars generated from both real and personal property in the TID.

Were the state to “repeal and replace” the personal property tax, TIDs would be unaffected, as municipalities could use new state aid to supplement property taxes on real property in the district. However, under “repeal and shift,” some TIDs could be impacted negatively.

The reason is that local property tax rates are set based on the value of property outside of TIDs. These rates are then applied to property in the TID to generate revenue to repay borrowing. Under “repeal and shift,” rates would rise so that municipalities, counties, and schools could continue to collect the same amount for operations. However, if personal property comprises a relatively large share of the total value in the district, the increased “TID-out” rate applied to real property within the district would not generate as much revenue as before repeal.

Two communities highlight the varied impact. In Saukville, “repeal and shift” would have no impact, as there is no personal property in the village’s TIDs. However, La Crosse might be negatively impacted as personal property comprises more than 18% of its TIDs’ value.

Real or Personal?

Currently, questions abound about what personal property is taxable. Ending the personal property tax would raise another question: Is an item taxable real property or exempt personal property? The DOR assessment manual notes that there are cases where that distinction is unclear. Under current law, both are taxed at the same rate, so legal disputes over classification are relatively rare. However, were personal property not taxed, challenges would likely increase.

FINAL THOUGHTS

During its early years, the property tax—on both personal and real property—was Wisconsin’s principal tax. Ever since, continual “chipping away” at the personal property base has been a recurring theme. When family farming predominated, taxing household goods and furnishings, crops, livestock, and

farm equipment was unpopular, and tax exemptions began to proliferate. As the industrial era emerged, discontent over taxing manufacturing inventories and machinery grew, and the political response was further proliferation of tax exemptions.

Today, items taxed as personal property are a “grab bag” of miscellany that, understandably, raises basic questions of tax policy. Experts agree that a “good” tax should be fair, treating like items the same; easy to administer, maximizing revenue while minimizing collection and enforcement costs; and unobtrusive, so that taxpayers can file and pay without confusion or excessive compliance costs.

Now a ghost of its 19th century self, it is hard to argue that the personal property tax meets these criteria. So it is not surprising that its elimination has been raised again and again over the past 100 years. The current debate over the personal property tax has apparently shifted from matters of policy to a simple question of how to replace revenue. □

DATA SOURCES:

Tax Foundation; Wisconsin Department of Revenue; Wisconsin Legislative Council; Wisconsin Legislative Reference Bureau; Wolters Kluwer Tax & Accounting US.

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WISTAX NOTES

■ **Wisconsin Public Employment Rebounds.** Wisconsin state and local governments employed 279,515 full-time equivalent (FTE) workers in 2014, a 1.9% increase over 2013 (274,394) but 4.5% less than in 2009 (292,671). Relative to population, government employment in Wisconsin trailed most states. In 2014, the Badger State had 48.5 public sector FTEs per 1,000 residents, 12th lowest among the states. The 50-state average was 50.7.

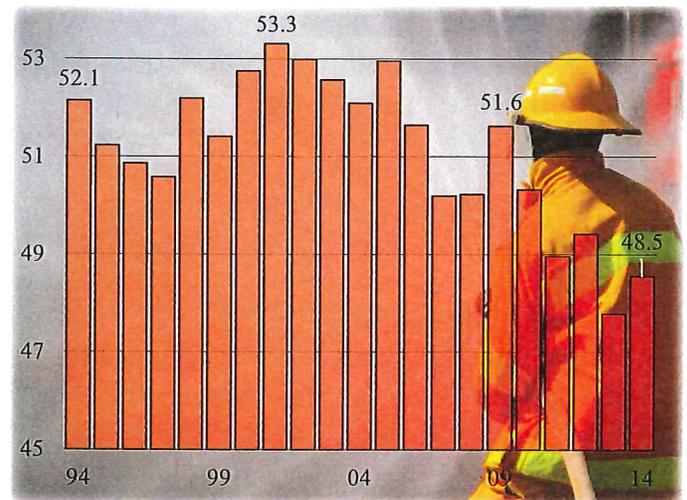
While the number of state-local employees has trended lower since 2001, the biggest changes occurred after 2006 as the economy softened. Since then, public sector employment declined 3.0% here. Wisconsin, Illinois, Iowa, and Michigan were among the 19 states with falling government employment during 2006-14.

Changes were not uniform at the state and local levels. State employment in Wisconsin rose 7.1% during these years, from 68,143 to 72,960. Local government employment, which includes K-12 schools, fell 6.1% from 219,930 to 206,555.

■ **State Debt Unchanged.** At the end of fiscal 2015, Wisconsin’s outstanding state debt totaled \$13.56 billion, an increase of less than \$4 million from the prior year. After rising 20% during 2009-12, state debt increased just 0.5% over the ensuing three years, according to figures from Wisconsin’s Comprehensive Annual Financial Report (CAFR). The CAFR contains the state’s official financial statements prepared by state accountants according to generally accepted accounting principles.

■ **Pension Fund Losses.** The Wisconsin Retirement System’s (WRS) primary fund (Core Fund, \$85.3 billion) lost 0.4% of its value in 2015, while the smaller Variable Fund

Wisconsin Public Employment Falls, Rebounds
State-Local FTE Gov’t Employees Per 1,000 Residents, 1994-2014



(\$6.7 billion) lost 1.2%. The declines followed 2009-14 when both funds had double-digit gains in four of six years.

To limit volatility in retiree benefits, WRS smooths annual returns over a five-year period. Due to gains during 2011-14, state officials expect benefits for retirees invested in the Core Fund to be unchanged this year. Retirees invested in the Variable Fund could see small benefit declines. Benefit changes will be finalized in March following an actuarial analysis. □

In FOCUS . . . recently in our biweekly newsletter

- Simple gifts Wisconsin politicians could give the people (#25-15)
- Alphabet soup: New state CAFR shows increased “GAAP deficit” (#26-15)

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