

CITY OF PRESCOTT, WISCONSIN
MEETING NOTICE
REGULAR CITY COUNCIL MEETING
MONDAY, JUNE 27, 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. JUNE 13, 2016 REGULAR CITY COUNCIL MEETING MINUTES
 2. JUNE 14, 2016 CITY COUNCIL MEETING MINUTES
 3. JUNE 13, 2016 LICENSE COMMITTEE MEETING MINUTES
 4. MAY 19, 2016 PRESCOTT PUBLIC LIBRARY BOARD OF TRUSTEES MEETING MINUTES
6. REPORTS OF STANDING COMMITTEES
 - A. PUBLIC WORKS
 1. COMPOST SITE – USE OF SITE BY RESIDENTS OUTSIDE THE CITY OF PRESCOTT
 - B. LICENSE
 1. CLASS B BEER & CLASS C WINE FOR PAPA TRONNIO LLC FOR 2016-2017
 2. SIDEWALK CAFÉ APPLICATION FOR PAPA TRONNIO LLC & TWISTED OAK CAFÉ
 3. OPERATOR LICENSE – SHANNON SAMUELSON
 4. BORNER FARMS – DISCUSSION ON SPECIAL USE PERMIT INCLUDING CLASS B BEER & CLASS C WINE FOR 2016-2017
 5. DISCUSSION ON CLASS B BEER & CLASS C WINE LICENSE FOR 127 BROAD ST N
 - C. PARKS & PUBLIC PROPERTY
 1. TRANE – PRESENTATION ON PRELIMINARY FACILITIES OVERVIEW FOR ENERGY SAVINGS PERFORMANCE CONTRACT
 - D. PUBLIC SAFETY
 - E. ORDINANCE
 - F. PLANNING COMMISSION
 - G. PERSONNEL
 - H. HEALTH & SAFETY
 - I. FINANCE COMMITTEE
 - J. COMMUNICATIONS & NEW BUSINESS
 1. PUBLIC COMMENTS
 2. APPROVAL TO THE POLICE COMMISSION – CHERI JOHNSON
 3. OTHER BUSINESS
 4. 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

JUNE 13, 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, May 9, 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 Bill Dravis, Galen Seipel, Joshua Gergen, Jack Hoschette, Rob Daugherty and Maureen Otwell. Public Works Director Hank Zwart and City Administrator Jayne Brand represented staff. Also present Greg Adams of Cedar Corporation, City Engineer.

Pledge of Allegiance was said.

Public Comments: Gene Hager representing EdgeBuilders and Glen Brook Lumber updated the Council on the businesses. He said they currently have three lines for manufacturing of wood panels. They are providing jobs for 40 plus employees. Existing buildings are adequate but are struggling with land for storage. Hager expressed concern about the amount and speed of traffic once the high school opens.

Aldersperson Jack Hoschette wanted to let the Council know the bike path in Washington County has been staked out.

Gergen/Daugherty motion to approve the consent agenda which included May 9, 2106 regular city council meeting minutes, May 9, 2016 ordinance committee meeting minutes, May 17, 2016 public works committee meeting minutes, June 4, 2016 plan commission meeting minutes, May 23, 2016 board of review meeting minutes, budget year to date, cash balances, accounts payable, payroll, review of receivables, April 21, 2016 Prescott Public Library meeting minutes, April 13, 2016 Prescott Housing Authority meeting minutes passed without a negative voice vote.

The Council discussed the request for reduction in water costs for watering the Dexter Street fields. The estimated usage will be 1,235,000 gallons. The estimated cost for the water is \$1,275 at the tiered rates. If all of the water is at the lowest rate the cost would be \$1,037. Aldersperson Dravis asked about the contract for the irrigation of the field. He was under the understanding the cost of the water was included in the contract. Mike Matzek, representing the Prescott School Board, stated the cost of water was not part of the contract. Aldersperson Gergen asked if the Towns of Clifton and Oak Grove had contributed to the costs. Matzek stated they had not. Aldersperson Gergen stated he feels everybody should pay their fair share. Mayor Hovel stated the School is a developer and as a developer they should have contributed land as part of the parkland dedication but knowing the School was going to have the fields which our residents could use the city did not require a parkland dedication. Aldersperson Gergen asked why the project was completed last fall. Matzek stated the fields were not part of the referendum for the school and the school had to come first. Aldersperson Otwell stated she looks at the fields as part of the community parks. **Otwell/Seipel motion to allocate up to \$1,500 for at the Dexter Street fields with an ending date of October 15, 2016 passed by a majority vote with Gergen voting nay.**

Gergen/Otwell motion to approve proposal for professional civil design and construction engineering services for Broad Street curb and sidewalk replacement improvements in the amount of \$8,350 with funds coming out of tax increment finance district #4 passed without a negative voice vote.

Gergen/Daugherty motion to approve proposal for design engineering services for Henry, Hampshire and James Street in the amount of \$37,500 with fund coming out of capital fund reserves passed without a negative voice vote.

The council was brought up to date on the compost site. The site is open Monday and Wednesday from 4:00 p.m. to 7:00 p.m. and Saturday 8:00 a.m. to noon. Use by Prescott residents only except for a few permits which were issued by Town of Clifton. Mayor Hovel stated a few Oak Grove residents have asked if they could purchase permits. This is something which will be looked at over the winter.

Dravis/Otwell motion to install a 15 minute parking sign at the end of Orange Street passed without a negative voice vote.

Daugherty/Dravis motion to replace pump at the waste water treatment plant in the amount of \$17,975 with \$9,251 coming from equipment replacement fund, \$8,724 coming from sewer reserve funds and repair of two pumps in the amount of \$7,940 with \$6,652 coming for equipment replacement fund and \$1,288 coming from sewer reserve passed without a negative voice vote.

The Council discussed sewer rates. The new sewer ordinance has been approved and there are questions if we should move forward with a rate increase as we need to work on an industrial user agreement with Bergquist Henkel Company. There was discussion of if we should start setting aside funds for improvements which may be needed at the plant especially when it comes to phosphorus. It was decided to leave the rates the same and review at budget time.

The railroad quiet zone was discussed. Mayor Hovel would like to contact the Clerk in Pepin before contacts are made with the Federal Railroad Administration. Staff is going to get out the report which was done previously.

Gergen/Otwell motion to approve Resolution 05-16 "Wastewater Treatment Plant Compliance Maintenance Annual Report" passed without a negative voice vote.

Alderperson Dravis presented the intoxicating beverage licenses for 2016- 2017. The license for Papa Tronnio Pizza needs to be held as there are delinquent fees which need to be paid first. The license committee recommended further discussion on the license for Borner Farms further with them. ZA Boys LLC dba Carbones Pizzeria should be a Class "B" beer rather than Class "B" liquor. **Gergen/Otwell motion to approve intoxicating beverage licenses for 2016-2017 with the exception of Papa Tronnio Pizza and Borner Farms passed without a negative voice vote.**

Gergen/Otwell motion to approve cigarette license for 2016-2017 as presented passed without a negative voice vote.

Gergen/Otwell motion to approve amplifier permits for 2016-2017 as presented with an additional letter being sent to Philanders about the noise during the Packer Games passed without a negative voice vote.

Gergen/Otwell motion to approve sidewalk café applications for 2016-2017 for Kitchen Table and Muddy Water passed without a negative voice vote.

Gergen/Hoschette motion to approve operator license application as presented passed without a negative voice vote.

Gegen/Otwell motion to approve sellers permit for Kahuna Shave Ice passed without a negative voice vote.

The Council discussed a letter from residents who would like the city to purchase the old Steamboat Inn property and make it into a park. The asking price for the property is 3.1 million. City staff had already contacted the DNR about writing a Stewardship grant but the DNR would not support a grant for this area. The DNR recommends the city continue working on the area by the boat launch. The consensus of the Council is not to pursue the purchase of this property.

Gergen/Dravis motion to approve 1st reading and waive 2nd & 3rd reading of Ordinance 01-16 "Room Tax" passed without a negative voice vote.

Daugherty/Gergen motion to approve certified survey map for 151 Borner Street with the change in the name of the street from Kinnickinnic Street to Willow Lane passed without a negative voice vote.

Otwell/Daugherty motion to approve payment in the amount of \$3,500 to Pierce County Economic Development passed without a negative voice vote.

For consideration to the Police Commission Cheri Johnson.

Gergen/Daugherty motion to go into closed session per Wisconsin Stats. 19.85 (1) (e) deliberating or negotiating the purchasing of public properties, the investing of public funds or conducting other specified public business whenever competitive or bargaining reasons require a closed session – discuss economic development projects and possible land purchase passed unanimously via roll call vote.

Gergen/Daugherty motion to come out of closed session passed without a negative voice vote.

Mayor Hovel will follow up with items discussed in closed session.

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

Respectfully Submitted,

Jayne M. Brand
City Administrator

JUNE 14, 2016 CITY COUNCIL MEETING MINUTES

Pursuant to due call and notice thereof, a regular meeting of the Prescott City Council was held on Tuesday, June 14, 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, Galen Seipel, Jack Hoschette, Joshua Gergen and Maureen Otwell.

Motion to go into closed session per Wisconsin Stats. 19.85 (1) (g) Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved – Shiely lawsuit passed unanimously via roll call vote.

Motion to come out of closed session passed without a negative voice vote.

Respectfully Submitted,

Jayne M. Brand
City Administrator

**CITY OF PRESCOTT, WISCONSIN
JUNE 13, 2016 LICENSE COMMITTEE MINUTES**

Pursuant to due call and notice thereof, a meeting of the license committee was held Monday, June 13, 2016 at the Municipal Building 800 Borner St. Prescott, WI 54021

Call to order/Roll call: Meeting called to order at 5:30 p.m. Members present were Bill Dravis, Rob Daugherty and Maureen Otwell. City Administrator Jayne Brand represented staff.

The committee discussed the intoxicating beverage licenses for 2016-2017. Papa Tronnio has outstanding personal property tax so they will need to be contacted for payment before the license can be issued. There have been complaints received regarding Borner Farms and the amount of traffic their Friday night pizza nights have been drawing. The committee would like to have Diane Webster come into the next council meeting to discuss further. There was also discussion about the number of police calls there have been to several establishments. It was suggested that education be provided to all of the owners and agents of the establishments. The license committee would like to have the Chief of Police put together the training. **Otwell/Daugherty motion to recommend approval of intoxicating beverage licenses for 2016-2017 except Papa Tronnio and Borner Farms and to set up education for owners and agents passed without a negative voice vote.**

Daugherty/Otwell motion to recommend approval of cigarette licenses as presented passed without a negative voice vote.

Otwell/Daugherty motion to recommend approval of amplifier permits as presented and send a letter to Philanders about noise during Packer games passed without a negative voice vote.

Daugherty/Otwell motion to recommend approval of sidewalk café application except for Papa Tronnio/Twisted Oak passed without a negative voice vote.

Daugherty/Otwell motion to recommend approval of operator license applications for James Cavin, James Brown, Breanna Wivell, Ashley Borst, Grant Wolf, Pieter Oschmann, Nicole Baran, Samuel Hoopingarner, Michael Peterson, Jonathn Vouk and Jennifer Engstrom passed without a negative voice vote.

The committee discussed options for providing the city with an additional Class "B" liquor license. Early in 2016 the Governor signed in a law which would allow the city to purchase another Class "B" license from a contiguous or noncontiguous municipality if they have one available. The minimum cost for the license is \$10,000. The committee did not want to move forward until there is a time when the license is actually needed.

Daugherty/Otwell motion to adjourn passed without a negative voice vote.

Respectfully Submitted,

Jayne M. Brand
City Administrator

Prescott Public Library Board of Trustees Monthly Meeting Minutes May 19, 2016

Present: Colleen Harris, Peter Kelly, Charity Lubich, Jane Enright, Jim Baran, Galen Seipel

Absent: Anne Kressly

Note: Kate Otto joined meeting at 7:13pm

Call to Order: President Harris called the meeting to order at 6:30pm. with a roll call of Board Members confirming that a quorum was present. This meeting is in compliance with the open meeting law.

Agenda: A motion to approve the agenda for May 19, 2016 was made by Jim Baran, and seconded by Pete Kelly.

School Referendum Presentation:

A presentation was made to the Board regarding the May 25 School Referendum.

Approval of Minutes:

A motion to approve the April 21, 2016 Meeting Minutes was made by Jim Baran seconded by Charity Lubich.

Director's Report:

May 2016

Revenue	Fines & Fees	Fax & Copies	Donations & Book Sales
05/17/16	\$379.99	\$415.25	\$63.45

Indianhead Federated Library System has a new statistical software that allows me to view and download circulation, Pharos Internet Management, wireless sessions and website visit information. I have incorporated those accounts in this report.

April door count: 3221 people visited your library in April.

April 2016 Programming Statistics

Age Levels	Storytime (9)	3D Printing National Library Week Event	Coloring Craze	Totals
Adults	52	6	6	62
Teens	0	0	0	1
Children	80	3	0	65

Totals	132	9	6	278
---------------	------------	----------	----------	------------

Event Attendance

Number of times event occurred is (1), unless otherwise noted.

Passive Programs

	DIY Activity Center What I Like About the Library	National Library Week		Totals
		Staff Selfie Matching Game	Selfie Op*	
Children	16	N/A	10	26
Teens	0	N/A	0	0
Adults	0	N/A	5	5
Totals	16	9	15	40

*Selfie Op is an estimate. There is no countable product of the activity.

Outreach

Activity	Location	Date(s)	Attendance			Totals
			Adults	Teens	Children	
Malone Carnival	Malone Elementary	4/22	35	10	130	175
Totals			35	10	130	175

On-going Programs

1000 Books Before Kindergarten Registrations as of April 30 = 123
10 children have completed the program as of April 30.

Total number of people served by Programming and Outreach in April 2016 was 493.

Library News

I attended the WAPL (Wisconsin Association of Public Libraries) conference in Oshkosh WI May 11-13. There were many great classes offered. Attending conferences, distance learning classes and webinars are mandatory in order to retain my Library Director certification. These past months I have been earning many credit hours in addition to my director duties.

Prescott High School art is displayed this month in our library. May 11th I judged the high school art show for Awards Day. This may be my last year doing it as Mr. Karl Sakschek is retiring.

Storytime is on break in May as we prepare for the 2016 summer reading program. The theme this year is "On Your Mark, Get Set, READ!" Thursday May 26th we bring entertainer Kenny Ahern to Malone Elementary to fire up all elementary school kids in Prescott about the importance of reading this summer. Two performances are scheduled for 9:30 and 1:15. The summer library program brochure and a copy of one of the game boards is provided for you to review as well as a copy of this article that is being delivered to all residents with the City water bill.

Copy for city newsletter, May 2016

***On Your Mark, Get Set, READ!* Summer Library Program at the Prescott Public Library**

This summer we celebrate the benefits of exercising your mind and body with activities, events and reading incentives that encourage kids and families to read, move and play. Did you know that reading for fun through the summer helps children retain their reading skills and fights summer slide? The Prescott Public Library's Summer Library Program is jam-packed with events and activities to get kids, teens and adults excited about reading! *On Your Mark, Get Set, READ!* will feature weekly events with crafts and activities for children. All Ages Storytimes encourage early literacy through stories, songs, activities and crafts. We'll have ongoing activities in the library if you can't get to scheduled events. The Summer Library Program is for all ages from babies to senior citizens, so bring your reading game face to the library this summer.

Here's a sneak peek at the exciting events we have planned for this year's Summer Library Program. Summer Storytimes, on Tuesday evenings at 6:30 p.m. and Friday mornings at 10:30 a.m., will run June 7 – August 5. Weekly events for children and families begin on June 15 with *For the Win Family Game Night* from 6:30-7:30 p.m. Play classic indoor and outdoor games that are fun for everyone! The Minnesota Raptor Center will bring live raptors to the library on July 6 from 6:30-7:30 p.m. Learn about these amazing birds, while getting an up-close look at them. Library Olympics on Saturday, August 6 is our Grand Finale event. See if you can win a gold, silver or bronze medal in our fun versions of Olympic events!

Registration starts May 26. When you register, you'll get a starter kit with everything you need to participate and earn reading rewards. Sign the whole family up and spend the summer reading and moving to the max!

Please welcome City Council representative Galen Seipel to our Library Board.

The Director's Report was accepted.

Library Expenditures:

A motion to approve the presented Library Expenditures for May 19, 2016 was made by Pete Kelly; seconded by Jim Baran.

Annual Report:

The Annual Report has been completed and the finalized report will be available at the March meeting.

Long Range Plan:

A draft Long Range Plan was presented to the Board. Suggestions made:

- Goal #4 - Create objective #6 – Include social media – Facebook, etc. This should be used to advertise events, summer reading program, etc.
- Goal #3 – Objective #3 - Prioritized items based on most needed. Item B – Change from Redesign Library Director's office to New Functional Office Furniture

Assignment for all: Review plan and email any suggestions to Jane prior to next board meeting. Final draft will be presented.

Elections / Bylaws:

The State Statutes do not require limits for trustee terms. Currently 2D of the Bylaws allow for 3 – 3 year terms. Recommend a change in the bylaws to be reviewed at the June meeting. Elections of officers will be held at the June 16 meeting.

Trustee Account Purchases:

A motion was made by Kate Otto to purchase the following items for the library use through funds provided by the Trustee Account: READ Design Starter Pack and Music Player for Storytime. The motion was seconded by Charity Lubich and carried.

Item details were provided by the wish list created by the staff at the library. Trustee account balances will be reviewed in September to determine if additional items from the wish list or long range plan can be purchased.

Treasurer's Report:

Kate Otto reported that the Trustee Account balance had not changed significantly from the previous meeting. Actual balance was not available due to recent transactions.

Action items for June:

1. Long range plan review and suggestions
2. Bylaws review
3. Election of officers
4. Estimates needed for long range plan items as applicable.

Adjourn: A motion to adjourn the meeting at 8:29pm was made by Pete Kelly; seconded by Kate Otto.

Next Meeting: Thursday, June 16, 2016 6:30 p.m.

Respectfully Submitted,
Charity Lubich
Vice President

Jayne Brand

From: noreply@civicplus.com
Sent: Friday, June 17, 2016 9:16 AM
To: Jayne Brand
Subject: Online Form Submittal: Operator's License Application

Follow Up Flag: Follow Up
Due By: Friday, June 17, 2016 9:38 AM
Flag Status: Flagged

Operator's License Application

Step 1

Operator's License Application

Instructions

- Submit signed and completed application.
- Pay \$25 renewal license for 2 years due in odd number year, \$50 new license fee (\$25 of this fee is for the background check).
- All licenses are subject to City Council approval - allow 2 weeks for processing.

Full Name (First, Middle, Last) Shannon Marie Samuelson

Address 344 Dakota st. #3

City Prescott

State Wi

Zip Code 54021

Telephone # 715-419-2815

Date of Birth 10/15/1984

Place of Birth St. Paul, Mn

Driver's License # E815081514314

Type of License New License

Responsible Beverage Yes

Server Training Course
Completed?

Establishment Where
License will be Used Boat Drinks

Starting Date 6/25/2016

Background

Have you ever been No
convicted of a felony?

Have you ever been No
convicted of violating any
laws of the State of
Wisconsin or the United
States?

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

The applicant hereby applies for a license to serve fermented malt beverages and
intoxicating liquors, and agrees to comply with the following:

- All federal, state, and local laws, resolutions, ordinance statutes, and regulations affecting the sale of fermented malt beverages and intoxicating liquors
- Wisconsin Statutes 125.32(2) and 125.68(2)

Applicant Signature Shannon M. Samuelson

Date 6/17/2016

Email not displaying correctly? [View it in your browser.](#)

APRIL 27, 2015 REGULAR CITY COUNCIL MEETING MINUTES

Pursuant to due call and notice thereof, a regular meeting of the Prescott City Council was held on Monday, April 27, 2015 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 Robert Daugherty Maureen Otwell, Galen Seipel, Jack Hoschette and Joshua Gergen. Bill Dravis arrived at 6:50 p.m. Finance Director Vanessa Norbry and City Administrator Jayne Brand represented staff.

Pledge of Allegiance was said.

Public Comments: Jim Reichert of 1003 Hilton Street discussed driveways. Asked if land use permit was required in previous ordinance. Questioned if all survey stakes needed to be found. Mr. Reichert stated he has a crushed gravel driveway and according to the ordinance he would not be able to replenish the crush rock. He feels what the city is requiring goes beyond what other communities are requiring. Mr. Reichert stated if he did the portion of his driveway which is in the public right of way with concrete is would cost him approximately \$2,300. He also stated there are a number of crush rock driveways in Prescott now. He stated it would be a burden on residents to make them do concrete.

Janet Cleary 1108 Monroe Street stated the Borner Farm is a sense of community. The city no longer has a farmers market but Borner Farm also accepts EBT. Good place for gatherings. Not a business to make profit but a business to the community wholesome.

Jeff Johnston 480 Flora Street stated the importance of Borner Farm especially for his grandchildren. He likes how things on the farm tie into school and Carpenter Nature Center. He stated they need full access to liquor license and parking with no restrictions. Beer and wine sales are fundraising mechanism for the farm. Interested in arts and community. Keep drawing people into the community.

Teresa Sharpentier Ravinia Township stated a community around farm living is essential. The Council should do whatever they can to keep it in the community.

Mecca Page Hastings stated she is co-manager of Orange Dragon. Supports Borner farm which is all about community. Learning about where food comes from. Diane has had conferences which can Prescott on the map.

Tom Blanck 228 Gibbs St N stated Prescott have been successful luring in UNFI to Prescott and they support nature. Borner Farm is the human side of nature. Do anything to support Borner Farm.

Tim Dempsy 161 Monroe St. stated his family is involved in Borner Farm. Built social network through Borner Farm which is a community centered place. Decision made by Council will impact the farm.

Todd Deutsche 480 Locust Street state Borner Farm is a jewel we should be encouraging. The city is starting to be identified by Borner Farm rather than just being identified as a place for motorcycles and bars.

Linda Johnston 480 Flora Street stated a group has started out of Borner Farm which is a knitting group.

Melinda Wilder 178 Campbell Street moved to Prescott recently because of a farm in the middle of the city. Have heard from people in the Twin Cities about pizza night.

Melissa Rice 161 Monroe Street stated we need to look at the future of Prescott. We have businesses that are good neighbors and others who are not.

Meggie Eggestrom 1266 Walnut Street is an intern for the farm which is centered around the community.

Deb Hunter 701 College Street stated they are in support of Borner Farm. Her daughter lives directly across from the street from the farm and her family enjoys going there.

Tara Bast of Johnson and Block presented the 2014 audit report to the Council.

Finance Director Vanessa Norby presented the request for a water rate increase. The city's rate of return was 1.65% which was below the 5.9% increase allowed by the Public Service Commission. The request is for a simplified rate case increase of 3%. **Daugherty/Otwell motion to approve water rate increase in the amount of 3% passed without a negative voice vote.**

Mayor Hovel presented the special use application for Borner Farm. Mayor Hovel informed the Council the Plan Commission recommended approval of the special use permit but there were some concerns. He stated there are no objections to the farm as it is being handled but does have concerns about the pizza nights if they should become more successful. He explained this use is more like a restaurant. The request stated the pizza night is between 25 to 100 people but as it becomes larger when does it become a business in a neighborhood which does have small children. Is there going to be parking all over the neighborhood? Alderperson Daugherty stated Freedom Park and Fire Department have events and parking is done up and down the street. He stated he feels this is a good thing for Prescott. Alderperson Otwell stated she is in favor of the special use. They have already put in an investment and they want to make it. Council can review at any time. Alderperson Dravis stated should the events get larger the city can review. Mayor Hovel stated there are reasons by communities have zoning and certain restrictions on placed zoning districts. Alderperson Seipel asked if there would be a restriction on the number of people who attend events due to fire safety. Alderperson Dravis said there could not be a restriction because the events are outside. Diane Webster stated they have been residents for 30 years and have been working with Borner Farm for 7 years. Diane stated she would not have put in this amount of work if she had known she would not have been able to do what she wanted to do with the farm. Diane stated she will work with neighbors if there are complaints. Diane stated they can't serve 200 people on a pizza night. Alderperson Hoschette asked if they could buffer the area which will be graveled for parking with shrubs. Mayor Hovel reiterated the council is here to protect the neighbors. He stated he had no doubt they would be successful but is worried besides the pizza nights there will be other requests for special events. He also stated he is worried about others in the community making similar requests. **Otwell/Gergen motion to approve special use permit for Borner Farm passed without a negative voice vote.**

Gergen/Daugherty motion to approve Class "B" beer license and Class "C" wine license for Borner Farm passed without a negative voice vote.

Gergen/Otwell motion to approve temporary class "B" beer license for Prescott Area Chamber of Commerce for May 26, 2015 for Memorial Day Chicken feed passed without a negative voice vote.

Gergen/Otwell motion to approve operator license for Aaron J. Meulemans contingent upon approve from Chief of Police passed without a negative voice vote.

To: Prescott City Council

This is a petition from the neighbors of the Borner Farm activities to the Prescott city council: (parties, selling of produce, pizza sales, beer and wine sales, tremendous traffic congestions, etc). This is a RESIDENTAL area and is being used as a commercial business.

We are asking that this be discontinued and that our residential area be returned to the residential neighbor hood and tax payers..

	<u>NAME</u>	<u>ADDRESS</u>	<u>DATE</u>
1.	Bill Hartman	1369 WALNUT ST	6-22-16
2.	Cheryl Hartman	1369 Walnut St.	6-22-16
3.	Wendy H. Finley	255 Chestnut ST	6-22-16
4.	Kathy Finley	255 Chestnut St	6-22-16
5.	Diane McFadden	1357 Walnut	6/22/16
6.	Mike Prochow	1380 Walnut	6/22/16
7.	Kim Most	1250 Walnut	6-22-16
8.	Bob Most	1250 Walnut St	6-22-16
9.	Pete Huppert	1163 WALNUT	6-22-16
10.	Bob Leach	174 Monroe St	6-22-16
11.	Cindy Sulbister	172 Monroe St.	6/22/16
12.	Ed	1360 Walnut St	6/22/16
13.	AW	1360 Walnut St	6/22/16
14.			
15.			

City of Prescott

Preliminary Facilities Overview

June 27, 2016



Table of Contents.....	1
Project Personnel Overview	2
Facilities Overview.....	5

Building Energy Conservation Measures

1. City Hall and Library	
A. Building Overview.....	6
B. Site Picture	7
C. Scope of Work and Cost Analysis.....	8
D. Return on Investment Calculation and ECM Approval Table.....	10
2. Public Works	
A. Building Overview.....	11
B. Site Picture	12
C. Scope of Work and Cost Analysis.....	13
D. Return on Investment Calculation and ECM Approval Table.....	13
3. Police and Ambulance	
A. Building Overview.....	14
B. Site Picture	14
C. Scope of Work and Cost Analysis.....	15
D. Return on Investment Calculation and ECM Approval Table.....	16
4. Heritage Center	
A. Building Overview.....	17
B. Site Picture	18
C. Scope of Work and Cost Analysis.....	19
D. Return on Investment Calculation and ECM Approval Table.....	20
5. Wastewater Treatment Center	
A. Building Overview.....	21
B. Scope of Work and Cost Analysis.....	22
C. Return on Investment Calculation and ECM Approval Table.....	22
6. Freedom Park	
A. Building Overview.....	23
B. Site Picture	24
C. Scope of Work and Cost Analysis.....	25
D. Return on Investment Calculation and ECM Approval Table.....	25
7. Fire Hall	
A. Building Overview.....	26
B. Site Picture	27
C. Scope of Work and Cost Analysis.....	28
D. Return on Investment Calculation and ECM Approval Table.....	29
8. Outdoor Lighting – Main Street and Freedom Park	
A. Scope of Work and Cost Analysis.....	30
B. Return on Investment Calculation and ECM Approval Table.....	30
9. Performance Contracting Expenses (Refer to Page 30)	
Appendix A – Solar Cash Flow Analysis.....	31
Appendix B – Lighting Cash Flow Analysis	36



TRANE® BUILDING ADVANTAGE™

Prepared for the City of Prescott by Trane.

Trane Great Northern Plains District Twin Cities Office is a 2016 Xcel Energy Efficiency Partner award winner.



ENERGY EFFICIENCY PARTNER 2016



TRANE®



IR Ingersoll Rand.



Customer: City of Prescott

Facilities: City Hall
Police and Ambulance
Fire hall
Public Works
WWTP
Freedom Park
Heritage Center

Trane Team: Kerry O’Connell
Account Manager

Jake Esselman
Account Manager

Dan Roth
Project Developer

Matt Chmielewski
Energy Engineer/Intelligent Services Project Developer

Jeffrey Seewald, PE, CEM
Senior Energy Engineer / Project Developer

Primary Contact(s): Hank Zwart
Public Works Director

Study Date(s): January 2015 – April 2016



About Trane Building Advantage:

The Trane Building Advantage brand represents the suite of energy services offerings that assist building owners and managers with managing and operating efficient and sustainable buildings. The collection of offerings helps building owners recognize their buildings as assets by offering choices for delivering bottom-line financial results and furthering completion of regulatory requirements. This new brand underscores Trane's commitment to "Make Buildings Work Better for Life".

For more information, visit <http://www.trane.com/buildingadvantage>, or watch the videos:
[Introducing Trane® Building Advantage™ energy solutions](#)
[Trane® Intelligent Services: Uncover the Opportunities](#)

Acknowledgements: Trane would like to thank Hank Zwart , Sarah Ptacek and Jayne Brand for facilitating on-site surveys and for openly sharing extensive knowledge of the City's facilities.

Disclaimer:

This report is a Preliminary Technical Energy Performance Assessment, which serves to investigate possible energy conservation opportunities and is based on the plans available, field work, and interviews of site operating and maintenance personnel. The recommendations are based on an analysis of conditions observed and information gathered at the time of the survey, and potential savings and costs are based on experience with similar projects. Statements concerning energy savings are projections only and actual savings to be realized by the customer are dependent upon many factors, including conservation measures implemented, seasonal weather variations, fuel price, and specific energy use practices of the facility occupants and workers. By this report, Trane makes no guarantee, whether express or by implication, of any savings. Any guarantee will be by contract executed by Owner and Trane.

This report, by itself, is not intended, as a basis for engineering required to adopt any of these recommendations. Its intent is to interest the customer in the potential cost savings of the recommendations. Development of design documents and specifications will be required, conforming to the details of this audit, to successfully implement the ECMs.

Disturbance, removal, or replacement of building material, insulation systems, high intensity discharge and fluorescent lamps, lamp ballasts, power factor correction capacitors, starting and running capacitors of motors and potentially other components which may contain asbestos, mercury, or PCBs require handling and disposal in accordance with applicable Federal and State laws and regulations.

Reference to specific products or manufacturers is not an endorsement of that product or manufacturer by Trane.

Rebate potential stated in this report is dependent on final equipment installed and subject to specific requirements of the rebating authority.

There may be tax incentives associated with certain energy conservation measures provided hereunder. Trane does not provide tax consulting or legal advice with respect to such tax incentives. Trane is not responsible for any tax-related consequences or liabilities, including but not limited to, the eligibility,

application, calculation or receipt of such tax incentives. The information provided with respect to tax incentives is general in nature and not intended as legal, tax or investment advice. Trane assumes no obligation to inform the Customer of any changes in the tax law or other factors that could affect the information contained herein. Trane is providing the above statement with respect to tax incentives for informational purposes only.

Facilities Overview

Map

Figure 1: City Of Prescott WI



City Hall and Library

Prescott City Hall and Library is a single 12,000 square foot building that consists of a library, council chambers, individual offices, document archive, a small AV recording studio, and mechanical/storage space.

Envelope

The building envelope is comprised of concrete block and brick with double pane windows. Roofing is a pitched shingled roof.

Mechanical/HVAC

The core mechanical systems are original to the building. Terminal units are fan coils set up in three zones. In turn, the fan coils are served by hot water and chilled water loops. Heating provided by two high-efficiency 230,000 BTU/hr input Weil McClain boilers and cooling is provided by an air-cooled chiller. An energy recovery air-handling unit provides ventilation air. Domestic hot water provided by an electric water heater. A small heat pump serves the records room.

BAS & Controls

Controls consist of programmable thermostats.

Electrical & Lighting

Primary lighting is T8 fluorescent, direct and indirect, with a mix of fixtures. Some T12 lighting remains in limited areas, such as mechanical rooms, and the records room where there are nine T12 fixtures with two lamps each. Exterior lighting is a combination of mercury halide and high-pressure sodium.

City Hall and Library



City Hall and Library – Aerial view



Scope of Work: City Hall and Library

I. ECM-1: HVAC UPGRADE

A. INSTALLATION OF THE FOLLOWING EQUIPMENT:

- a. One (1) 30 Ton Air Cooled Trane CGAM Chiller
- b. One (1) or Two (2) Trane Air Handling Unit (AHU)
- c. Two (2) 250,000 BTU Boilers
- d. Six (6) Trane VAV's
- e. Four (4) Trane Bypass VAV's
- f. Building Automation Controls – Wireless

B. PROJECT INSTALLATION

- a. Existing fan coils and associated piping, duct, electrical will be demoed and removed from premises
- b. Existing chiller, boiler and pumps will be demoed and removed from premises
- c. Provide and Install one (1) 30 ton Air Cooled Chiller
 - i. Scroll Compressors
 - ii. Dynaview Control Panel
- d. New chiller pad is included
- e. Provide new mechanical room addition to the building to house one (1) or two (2) new air handling units
 - i. Air Handling Unit will have modulating heating and cooling coils
 - ii. Supply Fan will be VFD controlled
 - iii. Louvers will be built in for fresh air requirements and free cooling
 - iv. Roof will be blended into existing building
 - v. Building exterior will match existing building
- g. Provide and Install two (2) high efficiency boilers (95%+)
- h. Boilers will be piped to air handling unit heating coils
 - i. Pipe will be insulated as required
- i. Boiler Pumps are included
 - i. Piping arrangement requires primary-secondary system
- j. Boilers are required to be vented independently
 - i. Vented will be done in PVC
- k. Provide and Install Variable Air Volume Boxes
 - i. Hang six (6) standard VAV Boxes
 - ii. Belimo Actuator
 - iii. Wireless Zone Sensor
- l. Hang four (4) Trane Bypass VAV's
 - i. Bypass VAV will ensure sufficient air flow back to the unit to prevent coil freezing and reduce air noise
 - ii. Belimo Actuator
 - iii. Wireless Zone Sensor
- m. All sheet metal fabrication and install is included
 - i. New duct runs are required to properly zone the building
 - ii. New duct runs will be required from Mechanical room unit into the building mains
 - iii. Required carpentry work is included
- n. Provide and Install mini-split system for dehumidification in the records room
- o. Provide required controls to optimize new system
 - i. (1) Tracer System Controller (SC), enclosure and required licenses
 - ii. (4) Wireless Communication Interface (WCI)
 - iii. (1) Electrical Meter
 - iv. (1) UC400 Controller and enclosure for:

- 1.(4) Variable Frequency Drive (VFD)
- 2.(2) Hot Water Pump
- 3.(2) Chilled Water Pump
- v. (1) Wireless Communication Interface (WCI)
- vi. (2) Differential Pressure
- vii. (1) Outdoor Air Temperature
- viii. (1) Outdoor Humidity Sensor
- ix. (10) Variable Air Volume (VAV) reheat valves
- x. (5) Space CO2 Sensors
- xi. (5) Space Humidity modules (assumes that VAVs will be configured with WCI, Wireless Zone Sensor, UC210, DAT)
- xii. (3) VAV Transformers
- p. Hoisting and rigging of new equipment will be provided
- q. Provide all required electrical installation
 - i. 3-phase power will be provided to the building
- r. Provide engineered as-built mechanical and controls drawings for project

ECM-1 Price: \$ 332,577.00

II. ECM-2: Lighting Retrofit

- A. **Replace existing Metal Halide, Fluorescent, Incandescent and CFL Lighting**
 - a. Total Number of Fixtures = 230 (Detail in attached appendix)
 - i. Existing Kwh = 48,506
 - ii. Proposed Kwh = 12,259
 - iii. Percent Reduction = 74.7%

ECM-2 Price: \$ 49,253.00

III. ECM-3: Solar PCV

- A. **Install PCV Solar Array**
 - a. Provide and Install Solar Array with Capacity of 61.1 KW on roof

ECM-3 Price: \$ 206,089.00

IV. ECM-4: Building Envelope

- A. **Exterior Walls and Window Improvements (Study Only)**
 - a. Window Tinting on South and West Side
 - b. Window Seals
 - c. Door Seals

ECM-4 Price: \$ 11,455.00

PROJECT: CITY HALL AND LIBRARY	PRICE	ROI (YEARS)	INITIAL FOR APPROVAL
ECM-1: HVAC UPGRADE	\$ 332,577.00	N/A	
ECM-2: LIGHTING RETROFIT	\$ 49,253.00	10.2	
ECM-3: SOLAR PCV	\$ 206,089.00	15.0	
ECM-4: BUILDING ENVELOPE	\$ 11,455.00	8.3	

Public Works Buildings

Two of the buildings at the Prescott Public works facility were reviewed. One building is a Quonset hut that is 3,500 square feet and is used for equipment storage. The other building is an equipment maintenance and storage facility that includes a 6-bay garage with large doors and a small office.

Envelope

The Quonset hut is an older prefabricated structure building with minimal fiberglass batt insulation. The equipment maintenance building is a modern pole-barn style building with double pane windows and insulated-panel garage doors.

Mechanical/HVAC

Both buildings are equipped with infrared heaters and the equipment maintenance building has a make-up air-handling unit.

Electrical & Lighting

Lighting is T12 fluorescent throughout both buildings

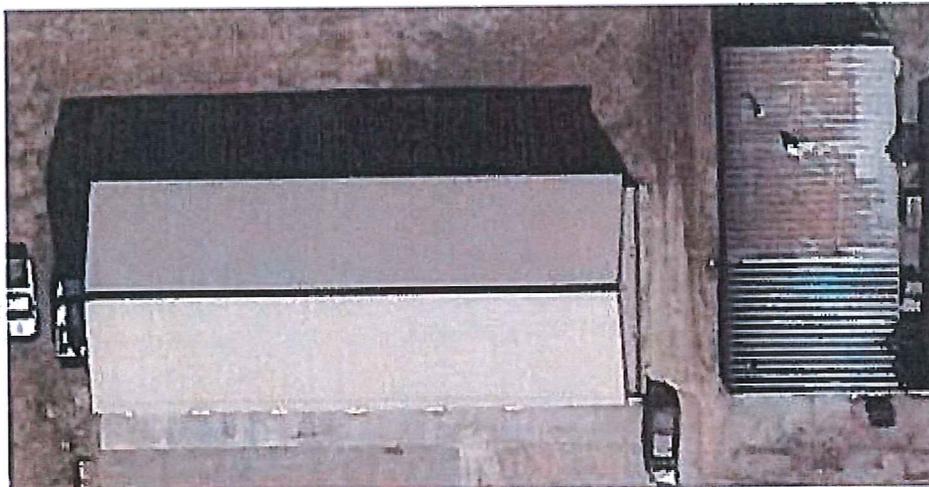
Water/Plumbing

Electrical hot water heater used in the Vehicle Maintenance building

Public Works Buildings



Public Works Buildings – Aerial view



SCOPE OF WORK: PUBLIC WORKS

I. ECM-1: BUILDING AUTOMATION RETROFIT

- a. This single UC600 will communicate to the SC installed at the City Hall-Library using IP communications
 - i. (1) UC600 and enclosure for:
- b. (3) Radiant Heat zones: start-stop, status and space sensors
 - i. (1) With override
- c. (2) CO and NO2 sensors for monitoring only

ECM-1 PRICE: \$ 13,171.00

II. ECM-2: LIGHTING RETROFIT

- a. Total Number of Fixtures = 48 (Detail in attached appendix)
 - i. Existing Kwh = 12,140
 - ii. Proposed Kwh = 4,147
 - iii. Percent Reduction = 65.8%

ECM-2 Price: \$ 18,348.00

III. ECM-3: SOLAR PCV

- A. Install PCV Solar Array
 - a. Provide and Install Solar Array with Capacity of 22.7 KW on roof

ECM-3 Price: \$ 88,834.00

IV. ECM-4: BUILDING ENVELOPE

- A. Exterior Walls, Window sealing
 - a. Seal around windows and doors

ECM-4 Price: \$ 5,860.00

PROJECT: PUBLIC WORKS	PRICE	ROI (YEARS)	INITIAL FOR APPROVAL
ECM-1: BUILDING AUTOMATION RETROFIT	\$ 13,171.00	17.2	
ECM-2: LIGHTING RETROFIT	\$ 18,348.00	20.5	
ECM-3: SOLAR PCV	\$ 88,834.00	11.7	
ECM-4: BUILDING ENVELOPE	\$ 5,860.00	14.9	

Police and Ambulance Building

The Prescott police station is a one-level, 13,000 square foot building composed of three usage types: offices, two garage areas, living, and meeting areas.

Envelope

The building envelope is a frame wall style construction with steel exterior and double-pane windows. Garage doors consist of insulated panels.

Mechanical/HVAC

The office and living spaces are served by two furnaces with DX cooling served by exterior condensing units. The garages are conditioned by two separate heating-only make-up air units

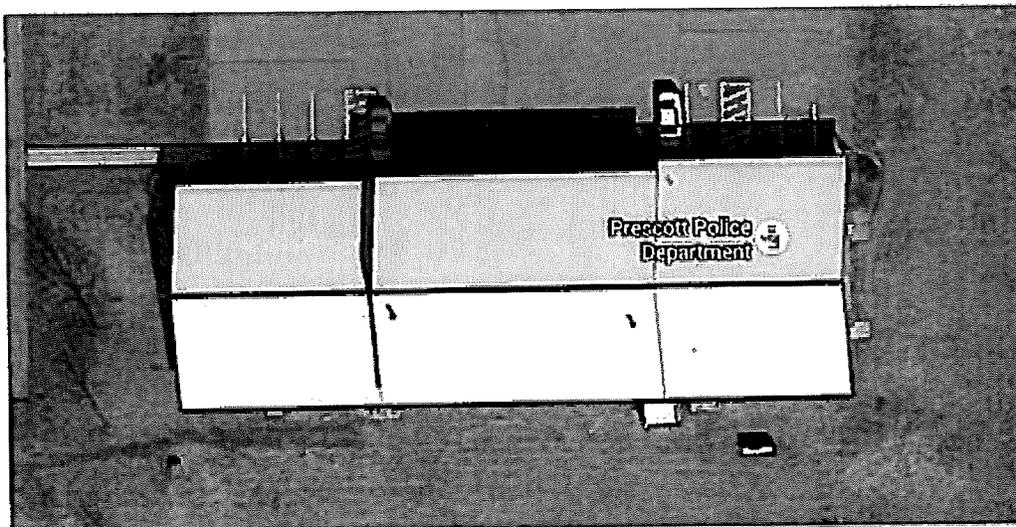
Electrical & Lighting

Lighting is provided by T8 32W fluorescent bulbs throughout the building and connected to occupancy sensors in most cases.

Police and Ambulance Building



Police and Ambulance Building – Aerial view



SCOPE OF WORK: POLICE AND AMBULANCE BUILDING

I. ECM-1: HVAC UPGRADE

A. INSTALLATION OF THE FOLLOWING EQUIPMENT:

- a. Four (4) Ameristar Split Systems

B. PROJECT INSTALLATION

- a. Demo four (4) existing furnaces
- b. Install four (4) new Ameristar split systems
 - i. Two stage heating (95% Efficiency)
 - ii. Variable speed fan furnaces
 - iii. 15 Seer Condensing Unit
- c. Provide and install refrigerant line set
- d. Complete electrical installation as required
- e. Complete ductwork modifications to set new units as required
- f. Rezone system for increased comfort and control
 - i. Control system to be modified as needed
- g. Provide start up and verify proper operation
 - i. Maintenance and Inspection of ERV units are included

ECM-1 Price: \$ 37,481.00

II. ECM-2: Building Automation Retrofit

A. Integrate Trane Building Automation for Split System Control

- a. This single UC600 will communicate to the SC installed at the City Hall-Library using IP communications
 - i. (1) UC600 and enclosure for:
 - ii. (4) Furnace start-stop, status and space sensor
 - iii. Ethernet drop will be provided by owner
- b. Install (1) Programmable Stat with averaging sensor
 - i. This will control the unit for the Chief's office and Lobby

ECM-2 Price:\$ 13,711.00

III. ECM-3: Lighting Retrofit

A. Replace existing Metal Halide, Fluorescent, Incandescent and CFL Lighting

- a. Total Number of Fixtures = 143 (Detail in attached appendix)
 - i. Existing Kwh = 34,029
 - ii. Proposed Kwh = 10,027
 - iii. Percent Reduction = 70.5%

ECM-3 Price: \$ 27,735.00

IV. ECM-4: Solar PCV

A. Install PCV Solar Array

- a. Provide and Install Solar Array with Capacity of 35.1 KW on roof

ECM-4 Price: \$ 129,742.00

V. ECM-5: Building Envelope

A. Exterior Walls, Roofing and Window Improvements (Study Only)

- a. Drafts from receptacles
- b. Door Seals and Concrete Heaving
- c. Mildew Smell
- d. Chimney leaking off of MUA

ECM-5 Price: \$ 15,159.00

PROJECT: POLICE AND AMBULANCE BUILDING	PRICE	ROI (YEARS)	INITIAL FOR APPROVAL
ECM-1: HVAC UPGRADE	\$ 37,481.00	N/A	
ECM-2: BUILDING AUTOMATION RETROFIT	\$ 13,711.00	9.9	
ECM-3: LIGHTING RETROFIT	\$ 27,735.00	10.5	
ECM-4: SOLAR PCV	\$ 129,742.00	8.1	
ECM-5: BUILDING ENVELOPE	\$ 15,159.00	25.5	

Heritage Center

The Heritage center is a historical building with two conditioned zones and a basement used primarily for storage.

Envelope

The building is made of an old brick style construction and has retained single-pane windows with the addition of removable additional window panes.

Mechanical/HVAC

Two furnaces with DX cooling and two outdoor condensing units condition the building. The two zones on the upper level are not isolated from one another and are served by the furnaces are controlled by individual thermostats.

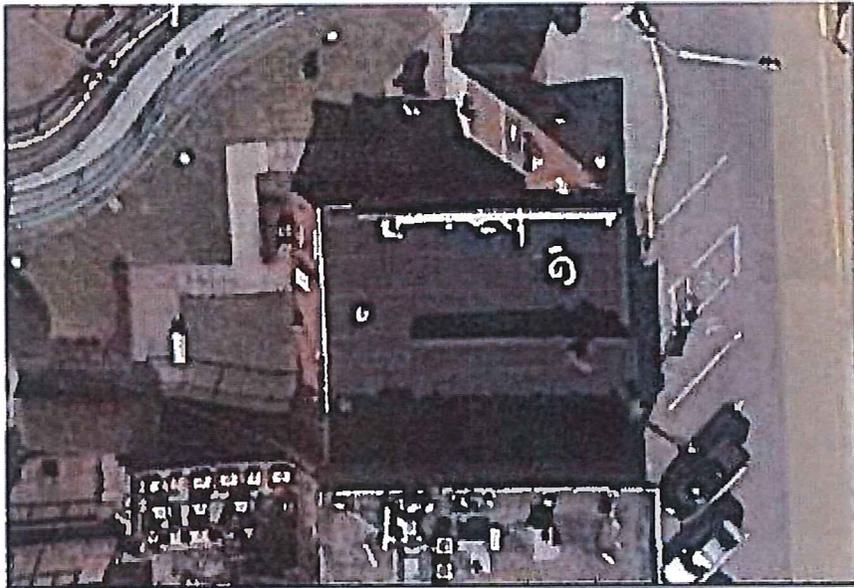
Electrical & Lighting

Lighting consists of a mix of fluorescent tube, CFL, and incandescent bulbs.

Heritage Center



Heritage Center – Aerial view



SCOPE OF WORK: HERITAGE CENTER

I. ECM-1: HVAC AND BUILDING AUTOMATION UPGRADE

A. INSTALLATION OF THE FOLLOWING EQUIPMENT:

- a. One (1) Ameristar Split System
- b. Two (2) Variable Air Volume Boxes

B. PROJECT INSTALLATION

- a. Demo Two (2) existing furnaces
- b. Install One (1) new Ameristar split systems
 - i. Two stage heating (95% Efficiency)
 - ii. Variable speed fan furnaces
 - iii. 15 Seer Condensing Unit
- c. Provide and install refrigerant line set
- d. Install Two (2) VAV Boxes for comfort cooling
- e. Install Tracer System Controller (SC), enclosure and required license
 - i. Install one (1) UC600 Controller for:
 - 1. Furnace control – fan, heating and cooling
 - 2. Two (2) Zone Sensors to be used with new VAV boxes
- f. Complete electrical installation as required
- g. Complete ductwork modifications to set new units as required
- h. Rezone system for increased comfort and control
- i. Provide start up and verify proper operation

ECM-1 Price: \$ 26,353.00

II. ECM-2: LIGHTING RETROFIT

- a. Total Number of Fixtures = 83 (Detail in attached appendix)
 - iv. Existing Kwh = 4,530
 - v. Proposed Kwh = 886
 - vi. Percent Reduction = 80.4%

ECM-2 Price: \$ 5,372.00

III. ECM-3: WINDOW REPLACEMENT

A. REPLACE STORE FRONT WINDOWS

ECM-3 Price: \$ 14,050.00

IV. ECM-4: BUILDING ENVELOPE

- a. Seal around windows and doors

ECM-4 Price: \$ 3,168.00

PROJECT: HERITAGE CENTER	PRICE	ROI (YEARS)	INITIAL FOR APPROVAL
ECM-1: HVAC AND BUILDING AUTOMATION UPGRADE	\$ 26,353.00	N/A	
ECM-2: LIGHTING RETROFIT	\$ 5,372.00	12.0	
ECM-3: WINDOW REPLACEMENT	\$ 14,050.00	40.7	
ECM-4: BUILDING ENVELOPE	\$ 3,168.00	13.8	

Wastewater Treatment Center (WWTC)

The wastewater Treatment facility has three buildings dedicated to treating gravity-fed wastewater that is then discharged into the Mississippi river.

Envelope

Building envelope is cinder block style construction with metal doors and metal-framed windows.

Mechanical/HVAC

Gas-fired and electric unit heaters condition the buildings. Wastewater process equipment includes UV disinfection, sludge thickening and storage equipment.

Electrical & Lighting

Lighting is provided by a mix of T12 and T8 fluorescent units as well as compact fluorescent bulbs and High Pressure Sodium units

SCOPE OF WORK: WASTEWATER TREATMENT CENTER

- I. **ECM-1: HVAC UPGRADE**
 - A. **INSTALLATION OF THE FOLLOWING EQUIPMENT:**
 - a. One (1) 3 ton mini-split with dual head fan coils with zone sensor
 - b. One (1) radiant tube heater for load out bay

ECM-1 Price: \$ 17,535.00

- II. **ECM-2: LIGHTING RETROFIT**
 - a. Total Number of Fixtures = 83 (Detail in attached appendix)
 - i. Existing Kwh = 35,988
 - ii. Proposed Kwh = 8,442
 - iii. Percent Reduction = 76.6%

ECM-2 Price: \$ 18,335.00

- III. **ECM-3: VFD'S ON AIR PUMPS**
 - a. Provide and Install two (2) VFD's on existing air pumps

ECM-3 Price: \$ 16,289.00

PROJECT: WASTEWATER TREATMENT PLANT	PRICE	ROI (YEARS)	INITIAL FOR APPROVAL
ECM-1: HVAC UPGRADE	\$ 17,535.00	7.9	
ECM-2: LIGHTING RETROFIT	\$ 18,335.00	5.8	
ECM-3: VFD'S ON AIR PUMP	\$ 16,289.00	3.2	

Freedom Park

Freedom park has a single climate-controlled building and it has 6,000 square feet of conditioned area. The primary spaces are on the first floor and mechanical equipment and storage is in the basement.

Envelope

The building was constructed in 2005 and has double-pane windows.

Mechanical/HVAC

Four air-handling units condition the building using two condensing boilers for heating and four DX condensers for cooling. In-floor radiant heating is divided into 5 separate zones in combination with the forced air heating system. Two air exchange energy recovery units recover energy from outgoing exhaust air to pre-condition fresh incoming outdoor air

BAS & Controls

Programmable thermostats control air-handling units and radiant heating.

Electrical & Lighting

Lighting is provided primarily by T8 32W fluorescents in the interior spaces and compact fluorescent bulbs on the exterior. A low-voltage lighting system is installed but is not operational.

Freedom Park



Freedom Park – Aerial view



SCOPE OF WORK: FREEDOM PARK

I. ECM-1: HVAC RECOMMISSIONING AND BUILDING ENVELOPE

- a. Recommission HVAC Equipment
 - i. Four (4) Split Systems
 - ii. Two (2) Boilers
 - iii. Two (2) Venmar Units
- b. Seal Windows and Doors

ECM-1 PRICE: \$ 6,273.00

II. ECM-2: BUILDING AUTOMATION RETROFIT

- a. Tracer System Controller (SC), enclosure and required license
- b. (4) UC400 Controller and enclosure for:
 - i. (4) Magic Air AHU with single condensing unit
 - ii. (4) In floor heating zone
 - iii. (4) Interior Lighting zone
 - iv. (1) Outdoor lighting zone
 - v. (1) Outdoor Air Temperature
 - vi. (1) Outdoor Humidly Sensor
- c. (1) Electrical Meter

ECM-2 PRICE: \$ 36,106.00

III. ECM-3: LIGHTING RETROFIT

- a. Total Number of Fixtures = 143 (Detail in attached appendix)
 - i. Existing Kwh = 17,810
 - ii. Proposed Kwh = 6,937
 - iii. Percent Reduction = 61.1%

ECM-3 Price: \$ 19,325.00

IV. ECM-4: SOLAR PCV

A. INSTALL PCV SOLAR ARRAY

- a. Provide and Install Solar Array with Capacity of 11.7 KW as Required

ECM-4 Price: \$ 59,620.00

PROJECT: FREEDOM PARK	PRICE	ROI (YEARS)	INITIAL FOR APPROVAL
ECM-1: HVAC RECOMMISSIONING AND BUILDING ENVELOPE	\$ 6,273.00	16.7	
ECM-2: BUILDING AUTOMATION RETROFIT	\$ 36,106.00	34.7	
ECM-3: LIGHTING RETROFIT	\$ 19,325.00	7.0	
ECM-4: SOLAR PCV	\$ 59,620.00	13.3	

Fire Hall

The fire station building was originally built in the 1960's and received an addition in the 1980's and has a total of 9,700 square feet of conditioned area. There is a large garage for vehicle storage, a locker room, and a meeting room.

Envelope

The building possesses fiberglass batt roof-insulation.

Mechanical/HVAC

The garage area is heated with infra-red heaters and two furnaces condition all other building areas.

BAS & Controls

Electrical & Lighting

Lighting is provided by T12 fluorescent units in the garage and a mix of T12 and T8 units in the other building areas. Some lighting is controlled by motion sensors

Fire Hall



Fire Hall – Aerial View



SCOPE OF WORK: FIRE HALL

I. ECM-1: HVAC UPGRADES

- a. Provide and Install one (1) DX Furnace with Two (2) VAV Boxes
 - i. Controls will be integrated per ECM-2
 - ii. VAV Boxes will create two Zones of comfort cooling
 - 1. Gathering Space
 - 2. Locker Area
- b. Existing units to be demoed and removed from premises
- c. Ductwork to be modified as applicable
- d. Electrical installation is included
- e. Provide startup and verify proper operation

ECM-1 PRICE: \$ 17,311.00

II. ECM-2: BUILDING AUTOMATION RETROFIT

- a. Tracer System Controller (SC), enclosure and required license
 - i. UC600 Controller for:
 - 1. Furnace control – fan, heat, cool
 - 2. Zone Sensors to be used with new Variable Air Volume (VAV) boxes

ECM-2 PRICE: \$ 11,902.00

III. ECM-3: LIGHTING RETROFIT

- a. Total Number of Fixtures = 143 (Detail in attached appendix)
 - i. Existing Kwh = 36,359
 - ii. Proposed Kwh = 11,601
 - iii. Percent Reduction = 68.1%

ECM-3 Price: \$ 25,554.00

IV. ECM-4: SOLAR PCV

- a. Provide and Install Solar Array with Capacity of 27.3 KW as Required

ECM-4 Price: \$ 100,203.00

V. ECM-5: BUILDING ENVELOPE

ECM-5 Price: \$ 10,344.00

VI. ECM-7: ROOF AND INSULATION

ECM-7 Price: \$ 72,970.00

PROJECT: FIRE HALL	PRICE	ROI (YEARS)	INITIAL FOR APPROVAL
ECM-1: HVAC MECH UPGRADES	\$ 17,311.00	35.8	
ECM-2: BUILDING AUTOMATION RETROFIT	\$ 11,902.00	20.2	
ECM-3: LIGHTING RETROFIT	\$ 25,554.00	9.3	
ECM-4: SOLAR PCV	\$ 100,203.00	8.8	
ECM-5: BUILDING ENVELOPE	\$ 10,344.00	24.1	
ECM-7: ROOF AND INSULATION	\$ 72,970.00	N/A	

SCOPE OF WORK: OUTDOOR LIGHTING – MAINSTREET AND FREEDOM PARK

II. ECM-1: LIGHTING RETROFIT

- a. Total Number of Fixtures = 30 (Detail in attached appendix)
 - i. Existing Kwh = 38,763
 - ii. Proposed Kwh = 14,454
 - iii. Percent Reduction = 63%

ECM-1 Price: \$ 22,124.00

PROJECT: OUTDOOR LIGHTING – MAINSTREET AND FREEDOM PARK	PRICE	ROI (YEARS)	INITIAL FOR APPROVAL
ECM-1: LIGHTING RETROFIT	\$ 22,124.00	8.3	

PERFORMANCE CONTRACTING EXPENSES

I. MEASUREMENT AND VARIFICATION

A. YEARLY COST TO VERIFY SAVINGS

- a. Install meters for gas and electric on all buildings
- b. Read meters and analyze savings for all buildings

1st Year Price: \$ 52,072.00

PROJECT: MEASUREMENT AND VERIFICATION	PRICE	ROI (YEARS)	INITIAL FOR APPROVAL
M&V AND METERING	\$ 52,072.00	N/A	

II. INVESTMENT GRADE AUDIT

A. BUILDING MODELING

IGA Price: \$ 48,650.00

PROJECT: INVESTMENT GRADE AUDIT	PRICE	ROI (YEARS)	INITIAL FOR APPROVAL
IGA	\$ 48,650.00	N/A	

Cash Flow Analysis

City Hall & Library - Solar PCV (ECM3)

Year	System Cost	Federal Tax Credit ¹	Depreciation	Energy Savings	Excess Energy Revenue	Cumulative Savings
1	(\$206,089)	\$53,198	\$37,984	\$3,758	\$824	(\$110,324)
2			\$10,129	\$3,909	\$840	(\$95,447)
3			\$6,077	\$4,065	\$856	(\$84,448)
4			\$3,646	\$4,228	\$872	(\$75,702)
5			\$3,646	\$4,397	\$888	(\$66,771)
6			\$1,823	\$4,573	\$904	(\$59,472)
7				\$4,756	\$920	(\$53,796)
8				\$4,946	\$935	(\$47,915)
9				\$5,144	\$951	(\$41,820)
10				\$5,349	\$967	(\$35,504)
11				\$5,563	\$983	(\$28,958)
12				\$5,786	\$998	(\$22,174)
13				\$6,017	\$1,014	(\$15,143)
14				\$6,258	\$1,029	(\$7,856)
15				\$6,508	\$1,044	(\$303)
16				\$6,769	\$1,058	\$7,524
17				\$7,040	\$1,073	\$15,636
18				\$7,321	\$1,087	\$24,044
19				\$7,614	\$1,101	\$32,759
20				\$7,919	\$1,114	\$41,791
21				\$8,235	\$1,127	\$51,153
22				\$8,565	\$1,139	\$60,857
23				\$8,907	\$1,151	\$70,915
24				\$9,264	\$1,162	\$81,340
25				\$9,634	\$1,172	\$92,146
TOTAL	(\$206,089)	\$53,198	\$63,306	\$156,525	\$25,207	\$92,146

Notes:

1 Tax Credit is not directly applicable to the City of Prescott. A 3rd party investor will receive this tax credit and it will therefore reduce the overall cost of the installation for the City of Prescott.

Cash Flow Analysis

Police and Ambulance - Solar PCV (ECM3)

Year	System Cost	Federal Tax Credit ¹	Depreciation	Energy Savings	Excess Energy Revenue	Cumulative Savings
1	(\$129,742)	\$33,213	\$23,714	\$5,249	\$949	(\$66,617)
2			\$6,324	\$5,458	\$966	(\$53,869)
3			\$3,794	\$5,677	\$983	(\$43,414)
4			\$2,277	\$5,904	\$1,001	(\$34,233)
5			\$2,277	\$6,140	\$1,018	(\$24,798)
6			\$1,138	\$6,386	\$1,035	(\$16,239)
7				\$6,641	\$1,052	(\$8,546)
8				\$6,907	\$1,069	(\$571)
9				\$7,183	\$1,086	\$7,698
10				\$7,470	\$1,102	\$16,271
11				\$7,769	\$1,119	\$25,159
12				\$8,080	\$1,135	\$34,374
13				\$8,403	\$1,151	\$43,928
14				\$8,739	\$1,166	\$53,833
15				\$9,089	\$1,182	\$64,104
16				\$9,452	\$1,196	\$74,752
17				\$9,830	\$1,211	\$85,793
18				\$10,224	\$1,224	\$97,241
19				\$10,633	\$1,238	\$109,111
20				\$11,058	\$1,250	\$121,419
21				\$11,500	\$1,262	\$134,181
22				\$11,960	\$1,273	\$147,414
23				\$12,439	\$1,283	\$161,136
24				\$12,936	\$1,292	\$175,364
25				\$13,454	\$1,300	\$190,118
TOTAL	(\$129,742)	\$33,213	\$39,524	\$218,579	\$28,544	\$190,118

Notes:

1 Tax Credit is not directly applicable to the City of Prescott. A 3rd party investor will receive this tax credit and it will therefore reduce the overall cost of the installation for the City of Prescott.

Cash Flow Analysis

Public Works - Solar PCV (ECM3)

Year	System Cost	Federal Tax Credit ¹	Depreciation	Energy Savings	Excess Energy Revenue	Cumulative Savings
1	(\$88,834)	\$22,505	\$16,069	\$2,155	\$755	(\$47,350)
2			\$4,285	\$2,241	\$747	(\$40,077)
3			\$2,571	\$2,331	\$738	(\$34,437)
4			\$1,543	\$2,424	\$730	(\$29,740)
5			\$1,543	\$2,521	\$721	(\$24,955)
6			\$771	\$2,622	\$713	(\$20,848)
7				\$2,727	\$705	(\$17,417)
8				\$2,836	\$696	(\$13,884)
9				\$2,950	\$688	(\$10,246)
10				\$3,068	\$680	(\$6,499)
11				\$3,190	\$672	(\$2,636)
12				\$3,318	\$664	\$1,346
13				\$3,451	\$656	\$5,453
14				\$3,589	\$648	\$9,690
15				\$3,732	\$640	\$14,062
16				\$3,881	\$633	\$18,576
17				\$4,037	\$625	\$23,238
18				\$4,198	\$617	\$28,053
19				\$4,366	\$610	\$33,029
20				\$4,541	\$602	\$38,172
21				\$4,722	\$595	\$43,489
22				\$4,911	\$587	\$48,987
23				\$5,108	\$580	\$54,675
24				\$5,312	\$572	\$60,559
25				\$5,524	\$565	\$66,649
TOTAL	(\$88,834)	\$22,505	\$26,781	\$89,756	\$16,441	\$66,649

Notes:

1 Tax Credit is not directly applicable to the City of Prescott. A 3rd party investor will receive this tax credit and it will therefore reduce the overall cost of the installation for the City of Prescott.

Cash Flow Analysis

Freedom Park - Solar PCV (ECM4)

Year	System Cost	Federal Tax Credit ¹	Depreciation	Energy Savings	Excess Energy Revenue	Cumulative Savings
1	(\$59,620)	\$14,858	\$10,608	\$1,661	\$0	(\$32,493)
2			\$2,829	\$1,715	\$0	(\$27,948)
3			\$1,697	\$1,771	\$0	(\$24,480)
4			\$1,018	\$1,829	\$0	(\$21,632)
5			\$1,018	\$1,889	\$0	(\$18,724)
6			\$509	\$1,951	\$0	(\$16,264)
7				\$2,015	\$0	(\$14,249)
8				\$2,081	\$0	(\$12,168)
9				\$2,149	\$0	(\$10,019)
10				\$2,219	\$0	(\$7,800)
11				\$2,292	\$0	(\$5,508)
12				\$2,367	\$0	(\$3,141)
13				\$2,444	\$0	(\$697)
14				\$2,524	\$0	\$1,828
15				\$2,607	\$0	\$4,434
16				\$2,692	\$0	\$7,127
17				\$2,780	\$0	\$9,907
18				\$2,871	\$0	\$12,778
19				\$2,965	\$0	\$15,743
20				\$3,062	\$0	\$18,806
21				\$3,162	\$0	\$21,968
22				\$3,266	\$0	\$25,234
23				\$3,373	\$0	\$28,607
24				\$3,483	\$0	\$32,090
25				\$3,597	\$0	\$35,687
TOTAL	(\$59,620)	\$14,858	\$17,681	\$62,768	\$0	\$35,687

Notes:

1 Tax Credit is not directly applicable to the City of Prescott. A 3rd party investor will receive this tax credit and it will therefore reduce the overall cost of the installation for the City of Prescott.

Cash Flow Analysis

Fire Hall - Solar PCV (ECM4)

Year	System Cost	Federal Tax Credit ¹	Depreciation	Energy Savings	Excess Energy Revenue	Cumulative Savings
1	(\$100,203)	\$25,481	\$18,193	\$4,005	\$366	(\$52,158)
2			\$4,852	\$4,165	\$366	(\$42,775)
3			\$2,911	\$4,332	\$365	(\$35,167)
4			\$1,747	\$4,505	\$363	(\$28,552)
5			\$1,747	\$4,685	\$361	(\$21,759)
6			\$873	\$4,873	\$359	(\$15,654)
7				\$5,068	\$356	(\$10,230)
8				\$5,271	\$352	(\$4,608)
9				\$5,481	\$347	\$1,220
10				\$5,701	\$341	\$7,262
11				\$5,929	\$335	\$13,525
12				\$6,166	\$328	\$20,019
13				\$6,412	\$319	\$26,750
14				\$6,669	\$310	\$33,729
15				\$6,936	\$300	\$40,964
16				\$7,213	\$288	\$48,466
17				\$7,502	\$275	\$56,243
18				\$7,802	\$261	\$64,305
19				\$8,114	\$246	\$72,665
20				\$8,438	\$229	\$81,332
21				\$8,776	\$210	\$90,318
22				\$9,127	\$190	\$99,635
23				\$9,492	\$168	\$109,295
24				\$9,872	\$145	\$119,312
25				\$10,266	\$119	\$129,697
TOTAL	(\$100,203)	\$25,481	\$30,322	\$166,799	\$7,298	\$129,697

Notes:

1 Tax Credit is not directly applicable to the City of Prescott. A 3rd party investor will receive this tax credit and it will therefore reduce the overall cost of the installation for the City of Prescott.

Cash Flow Analysis

City Hall & Library - Lighting Retrofit (ECM2)

Year	System Cost	Energy Savings ¹	Maintenance Savings ²	Cumulative Savings
1	(\$49,253)	\$3,588	\$500	(\$45,165)
2		\$3,732	\$520	(\$40,913)
3		\$3,881	\$541	(\$36,490)
4		\$4,037	\$562	(\$31,892)
5		\$4,198	\$585	(\$27,109)
6		\$4,366	\$608	(\$22,134)
7		\$4,541	\$633	(\$16,961)
8		\$4,722	\$658	(\$11,581)
9		\$4,911	\$684	(\$5,986)
10		\$5,107	\$712	(\$167)
11		\$5,312	\$740	\$5,885
12		\$5,524	\$770	\$12,179
13		\$5,745	\$801	\$18,725
14		\$5,975	\$833	\$25,533
15		\$6,214	\$866	\$32,612
16		\$6,463	\$900	\$39,976
17		\$6,721	\$936	\$47,633
18		\$6,990	\$974	\$55,597
19		\$7,270	\$1,013	\$63,880
20		\$7,560	\$1,053	\$72,493
21		\$7,863	\$1,096	\$81,452
22		\$8,177	\$1,139	\$90,768
23		\$8,504	\$1,185	\$100,458
24		\$8,845	\$1,232	\$110,534
25		\$9,198	\$1,282	\$121,014
TOTAL	(\$49,253)	\$149,444	\$20,823	\$121,014

Notes:

- 1 \$0.099/Kwh current electrical consumption cost, 4% annual inflation
- 2 Assumed savings of 50% per year based on current annual cost of \$1000. Historical maintenance costs for facilities were not available.

Cash Flow Analysis

Police and Ambulance - Lighting Retrofit (ECM2)

Year	System Cost	Energy Savings ¹	Maintenance Savings ²	Cumulative Savings
1	(\$27,735)	\$2,952	\$500	(\$24,283)
2		\$3,070	\$520	(\$20,692)
3		\$3,193	\$541	(\$16,958)
4		\$3,321	\$562	(\$13,075)
5		\$3,454	\$585	(\$9,037)
6		\$3,592	\$608	(\$4,836)
7		\$3,736	\$633	(\$468)
8		\$3,885	\$658	\$4,075
9		\$4,040	\$684	\$8,799
10		\$4,202	\$712	\$13,713
11		\$4,370	\$740	\$18,823
12		\$4,545	\$770	\$24,138
13		\$4,727	\$801	\$29,665
14		\$4,916	\$833	\$35,413
15		\$5,112	\$866	\$41,391
16		\$5,317	\$900	\$47,609
17		\$5,530	\$936	\$54,075
18		\$5,751	\$974	\$60,799
19		\$5,981	\$1,013	\$67,793
20		\$6,220	\$1,053	\$75,066
21		\$6,469	\$1,096	\$82,631
22		\$6,727	\$1,139	\$90,497
23		\$6,997	\$1,185	\$98,679
24		\$7,276	\$1,232	\$107,188
25		\$7,568	\$1,282	\$116,037
TOTAL	(\$27,735)	\$122,949	\$20,823	\$116,037

Notes:

- 1 \$0.123/kwh current electrical consumption cost, 4% annual inflation
- 2 Assumed savings of 50% per year based on current annual cost of \$1000. Historical maintenance costs for facilities were not available.

Cash Flow Analysis

Fire hall - Lighting Retrofit (ECM3)

Year	System Cost	Energy Savings ¹	Maintenance Savings ²	Cumulative Savings
1	(\$25,554)	\$3,095	\$375	(\$22,084)
2		\$3,219	\$390	(\$18,476)
3		\$3,347	\$406	(\$14,723)
4		\$3,481	\$422	(\$10,820)
5		\$3,620	\$439	(\$6,761)
6		\$3,765	\$456	(\$2,539)
7		\$3,916	\$474	\$1,851
8		\$4,072	\$493	\$6,417
9		\$4,235	\$513	\$11,166
10		\$4,405	\$534	\$16,104
11		\$4,581	\$555	\$21,240
12		\$4,764	\$577	\$26,582
13		\$4,955	\$600	\$32,137
14		\$5,153	\$624	\$37,914
15		\$5,359	\$649	\$43,923
16		\$5,573	\$675	\$50,172
17		\$5,796	\$702	\$56,670
18		\$6,028	\$730	\$63,429
19		\$6,269	\$760	\$70,458
20		\$6,520	\$790	\$77,768
21		\$6,781	\$822	\$85,371
22		\$7,052	\$855	\$93,278
23		\$7,334	\$889	\$101,501
24		\$7,628	\$924	\$110,053
25		\$7,933	\$961	\$118,947
TOTAL	(\$25,554)	\$128,884	\$15,617	\$118,947

Notes:

- 1 \$0.125/kwh current electrical consumption cost, 4% annual inflation
- 2 Assumed savings of 50% per year based on current annual cost of \$750. Historical maintenance costs for facilities were not available.

Cash Flow Analysis

Public Works - Lighting Retrofit (ECM2)

Year	System Cost	Energy Savings ¹	Maintenance Savings ²	Cumulative Savings
1	(\$18,348)	\$1,055	\$375	(\$16,918)
2		\$1,097	\$390	(\$15,431)
3		\$1,141	\$406	(\$13,884)
4		\$1,187	\$422	(\$12,275)
5		\$1,234	\$439	(\$10,602)
6		\$1,284	\$456	(\$8,862)
7		\$1,335	\$474	(\$7,053)
8		\$1,388	\$493	(\$5,171)
9		\$1,444	\$513	(\$3,214)
10		\$1,502	\$534	(\$1,178)
11		\$1,562	\$555	\$939
12		\$1,624	\$577	\$3,140
13		\$1,689	\$600	\$5,430
14		\$1,757	\$624	\$7,811
15		\$1,827	\$649	\$10,287
16		\$1,900	\$675	\$12,863
17		\$1,976	\$702	\$15,541
18		\$2,055	\$730	\$18,327
19		\$2,137	\$760	\$21,224
20		\$2,223	\$790	\$24,237
21		\$2,312	\$822	\$27,370
22		\$2,404	\$855	\$30,629
23		\$2,500	\$889	\$34,018
24		\$2,600	\$924	\$37,543
25		\$2,704	\$961	\$41,209
TOTAL	(\$18,348)	\$43,940	\$15,617	\$41,209

Notes:

1 \$0.132/kwh current electrical consumption cost, 4% annual inflation

2 Assumed savings of 50% per year based on current annual cost of \$750. Historical maintenance costs for facilities were not available.

Cash Flow Analysis

Wastewater Treatment Plant - Lighting Retrofit (ECM2)

Year	System Cost	Energy Savings ¹	Maintenance Savings ²	Cumulative Savings
1	(\$18,335)	\$2,232	\$250	(\$15,853)
2		\$2,321	\$260	(\$13,272)
3		\$2,414	\$270	(\$10,587)
4		\$2,511	\$281	(\$7,795)
5		\$2,611	\$292	(\$4,891)
6		\$2,716	\$304	(\$1,872)
7		\$2,824	\$316	\$1,269
8		\$2,937	\$329	\$4,535
9		\$3,055	\$342	\$7,932
10		\$3,177	\$356	\$11,465
11		\$3,304	\$370	\$15,139
12		\$3,436	\$385	\$18,960
13		\$3,574	\$400	\$22,933
14		\$3,717	\$416	\$27,066
15		\$3,865	\$433	\$31,364
16		\$4,020	\$450	\$35,834
17		\$4,181	\$468	\$40,483
18		\$4,348	\$487	\$45,318
19		\$4,522	\$506	\$50,346
20		\$4,703	\$527	\$55,575
21		\$4,891	\$548	\$61,014
22		\$5,086	\$570	\$66,670
23		\$5,290	\$592	\$72,552
24		\$5,501	\$616	\$78,669
25		\$5,721	\$641	\$85,032
TOTAL	(\$18,335)	\$92,955	\$10,411	\$85,032

Notes:

- 1 \$0.081/Kwh current electrical consumption cost, 4% annual Inflation
- 2 Assumed savings of 50% per year based on current annual cost of \$500. Historical maintenance costs for facilities were not available.

Cash Flow Analysis

Freedom Park - Lighting Retrofit (ECM1)

Year	System Cost	Energy Savings ¹	Maintenance Savings ²	Cumulative Savings
1	(\$22,124)	\$2,990	\$250	(\$18,884)
2		\$3,110	\$260	(\$15,514)
3		\$3,234	\$270	(\$12,010)
4		\$3,363	\$281	(\$8,365)
5		\$3,498	\$292	(\$4,575)
6		\$3,638	\$304	(\$633)
7		\$3,783	\$316	\$3,467
8		\$3,935	\$329	\$7,730
9		\$4,092	\$342	\$12,164
10		\$4,256	\$356	\$16,776
11		\$4,426	\$370	\$21,572
12		\$4,603	\$385	\$26,560
13		\$4,787	\$400	\$31,747
14		\$4,979	\$416	\$37,142
15		\$5,178	\$433	\$42,753
16		\$5,385	\$450	\$48,588
17		\$5,600	\$468	\$54,656
18		\$5,824	\$487	\$60,967
19		\$6,057	\$506	\$67,531
20		\$6,299	\$527	\$74,357
21		\$6,551	\$548	\$81,456
22		\$6,814	\$570	\$88,840
23		\$7,086	\$592	\$96,518
24		\$7,370	\$616	\$104,504
25		\$7,664	\$641	\$112,809
TOTAL	(\$22,124)	\$124,522	\$10,411	\$112,809
Notes:				
1 \$0.123/Kwh current electrical consumption cost, 4% annual inflation				
2 Assumed savings of 50% per year based on current annual cost of \$500. Historical maintenance costs for facilities were not available.				

Cash Flow Analysis

Heritage Center - Lighting Retrofit (ECM2)

Year	System Cost	Energy Savings ¹	Maintenance Savings ²	Cumulative Savings
1	(\$5,372)	\$448	\$250	(\$4,674)
2		\$466	\$260	(\$3,948)
3		\$485	\$270	(\$3,192)
4		\$504	\$281	(\$2,407)
5		\$524	\$292	(\$1,590)
6		\$545	\$304	(\$741)
7		\$567	\$316	\$143
8		\$590	\$329	\$1,061
9		\$613	\$342	\$2,017
10		\$638	\$356	\$3,011
11		\$663	\$370	\$4,044
12		\$690	\$385	\$5,119
13		\$718	\$400	\$6,237
14		\$746	\$416	\$7,400
15		\$776	\$433	\$8,609
16		\$807	\$450	\$9,866
17		\$839	\$468	\$11,174
18		\$873	\$487	\$12,534
19		\$908	\$506	\$13,948
20		\$944	\$527	\$15,419
21		\$982	\$548	\$16,949
22		\$1,021	\$570	\$18,540
23		\$1,062	\$592	\$20,195
24		\$1,105	\$616	\$21,916
25		\$1,149	\$641	\$23,706
TOTAL	(\$5,372)	\$18,666	\$10,411	\$23,706

Notes:

- 1 \$0.123/Kwh *ESTIMATED* current electrical consumption cost, 4% annual inflation
- 2 Assumed savings of 50% per year based on current annual cost of \$500. Historical maintenance costs for facilities were not available.

Final property tax numbers for 2016

Gross property taxes to be collected this year rose 2.3% to \$10.6b. School taxes, the single largest share of the levy at almost 46%, increased 2.0%, as did counties (20% of the total). Municipalities accounted for 25% of total levies and rose 2.2%. After dropping last year due to a \$400-million state “buy down” of their levies, technical colleges increased their taxes 2.4%.

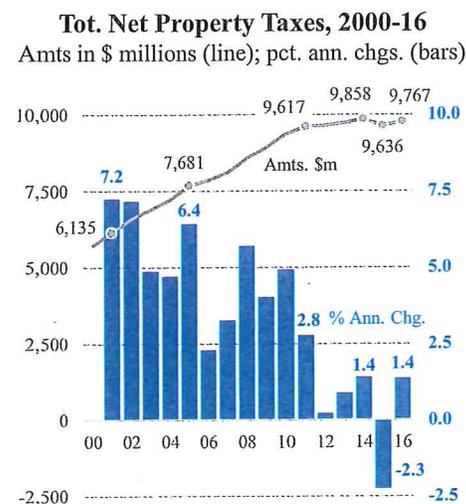
Gross property tax levies in 2015-16 totaled \$10.62 billion (b), according to final figures recently released by the state. That was 2.3% more than last year’s levy of \$10.38b.

This year’s net levy, after subtracting the state school levy credit, was \$9.77b, an increase of 1.4% over the prior year. All figures are for 2016 collections levied on 2015 tax bills. (Not included in the school credit are first-dollar and lottery credits.)

Gross or net, these figures easily make the property tax Wisconsin’s single largest tax. State income tax collections for 2015-16 are estimated at \$7.81b; state sales tax collections follow at an estimated \$5.05b.

Property tax trends

The chart below shows the net levy trend since 2000. Taxes levied that year for collection in 2001 totaled \$6.14b. From then through 2011, annual increases averaged 4.6%.



Since then, annual growth has averaged 0.3%. The largest increases (1.4%) occurred this year and two years ago. Last year, net levies fell 2.3% due to the state spending over \$400m to “buy down” technical college levies by increasing state aid to “tech” districts.

The principal reason for the slowing growth in property taxes is state-imposed limits on how fast local revenues can increase. Schools have been under revenue limits since 1993; technical colleges were added when their levies were “bought down” in 2014-15.

The state limited growth in county and municipal property tax levies beginning in 2005-06. In 2011-12 and since, the state has frozen levies with exceptions provided for new construction and for passage of local referenda.

Also a factor in the levy slowdown was new state spending that increased aid to schools (2005-06) and to technical colleges (2014-15). At the same time, their revenue growth was limited by the state, forcing the increased aid to be passed through to taxpayers, rather than be spent by districts.

Dividing the tax pie

One aspect of the Wisconsin property tax that makes it confusing to homeowners is the number and array of local governments that use it. On a statewide basis, K-12 school districts are the principal user, accounting for 45.7% of gross levies this year (see pie chart, right). Towns, villages, and cities

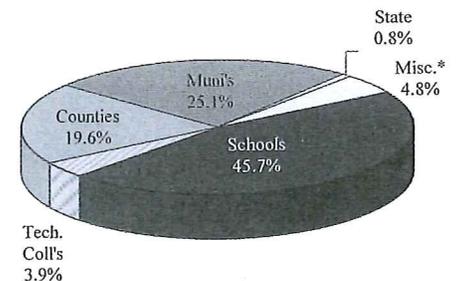
combined account for about a quarter of the total (25.1%), with counties representing about a fifth (19.6%).

Other uses are, at this point, fairly trivial. They include technical colleges (3.9%), down substantially due to the 2014-15 levy buydown, the state (0.8%), and miscellaneous special districts (4.8%).

Across all governments using the tax, gross levies this year rose 2.3% (see table below). Increases varied little by type of government, with all but one posting increases of 2.0% to 2.4%. Levies in special districts, such as those dedicated to lake improvement and tax incremental financing, grew the most (6.2%).

If a major goal were simplifying the property tax so as to increase citizen understanding and accountability of the

Who Relies Most on the Property Tax?
Share of gross levy, 2015-16 (pie chart)



Type	2014-15	2015-16	% Chg.
Schools	4,755.4	4,852.9	2.0
Tech. Coll's	407.1	416.7	2.4
Counties	2,046.5	2,086.5	2.0
Muni's	2,611.0	2,668.4	2.2
State	81.3	83.3	2.4
Misc.*	482.4	512.5	6.2
Total	10,383.7	10,620.2	2.3

* Includes special and TIF districts.

tax, an argument could be made for eliminating the technical college and state levies. That would leave only three major units of local government relying on the tax.

Changes in lead municipalities

■ *Gross levies.* Although gross levies grew 2.3% this year over 2014-15, these increases, as usual, were not uniform. The first set of columns in the table (right) shows total gross levies in the state's 20 largest cities and villages, both for this year and last, along with the percentage increases. Combined they account for over 1.9m of the state's 5.7m population.

City/ Village	Tot. Gross Levy			Munic. Levy		
	2014- 2015	2015- 2016	Pct. Chg.	2014- 2015	2015- 2016	Pct. Chg.
Appleton	113.1	115.3	1.9	38.4	39.0	1.6
Beloit	45.7	47.7	4.4	14.3	14.4	1.0
Brookfield	117.0	118.8	1.6	36.5	36.7	0.5
Eau Claire	104.5	105.9	1.3	38.2	38.6	0.9
Fond'Lac	65.7	68.7	4.6	22.9	23.9	4.6
Green Bay	143.8	147.8	2.8	52.4	52.6	0.3
Greenfield	76.6	77.0	0.5	22.8	23.1	1.3
Janesville	101.6	102.9	1.3	31.6	32.5	2.7
Kenosha	161.2	167.6	4.0	60.2	61.6	2.4
La Crosse	95.0	97.3	2.5	34.2	34.8	1.8
Madison	570.2	598.1	4.9	202.9	209.9	3.4
Milwaukee	799.6	797.9	-0.2	248.4	248.9	0.2
New Berlin	90.2	91.2	1.1	24.7	25.0	1.2
Oshkosh	98.7	97.8	-0.9	33.3	34.3	2.9
Racine	98.6	102.5	4.0	52.1	53.1	2.0
Sheboygan	68.8	67.1	-2.5	21.7	21.7	0.2
Waukesha	121.8	124.5	2.2	54.5	56.2	3.0
Wausau	71.1	72.4	1.9	22.3	22.9	2.8
West Allis	107.3	108.1	0.8	39.3	39.5	0.4
W'watosa	130.2	132.9	2.1	39.1	40.1	2.6

Total levy changes ranged from 4.9% in Madison to -2.5% in Sheboygan. Milwaukee and Oshkosh also had declines.

■ *Municipal-only levies.* The table also summarizes (col's to right) municipality-only levies for this and last year. Fond du Lac reported the largest levy increase (4.6%) followed by Madison (3.4%). All other changes shown were 3.0% or less. None of the state's most populous cities cut their municipal-purpose levies. However, four limited their growth to under 0.5%: Green Bay, Milwaukee, West Allis, and Sheboygan. □



Wisconsin Taxpayers Alliance

401 North Lawn Avenue • Madison, WI 53704-5033
608.241.9789 • www.wistax.org

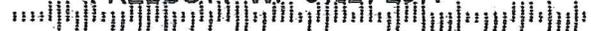
Address Service Requested

Nonprofit Org.
U.S. Postage
PAID
Madison, WI
Permit No. 271

12166 Focus #09-16 7/31/2016

CITY OF PRESCOTT
800 BORNER ST N
PRESCOTT WI 54021-2011

5402192011 0002



Capital Notes

■ The state Department of Revenue has a new deputy secretary, Eileen O'Neill, who comes to the agency from five years as a policy advisor to the governor. O'Neill previously had worked on state legislative staff since 2001. Her undergraduate degree from UW-Madison is in political science.

■ Political pundits are noting a gubernatorial change of heart over announcing a re-election bid. Gov. Scott Walker (R) now says he will decide

after work on the 2017-19 state budget is completed next summer. He had earlier said he would make a decision by year's end.

Speculative reasons given for the delay vary but include: waiting to get a better read on the state's long-term fiscal and economic health; a similar pause to see if the governor's survey ratings recover from last year's White House run; leftover debt from the short-lived 2015 campaign; and Washington op-

portunities, in or out of government, come January. Not mentioned would be possible fatigue due to four major campaigns in roughly eight years.

■ Since 2000, annual changes in gross property taxes have averaged +3.0%. However, these averages vary from 3.3% for school districts, 3.2% for municipalities, and 2.8% for counties to 2.1% for the state and -1.5% for technical colleges (due to state levy "buy down"; see above).



Has Legal Gambling Plateaued in Wisconsin?

Evidence From the State Lottery and Tribal Gaming

Beginning in 1965, voters in Wisconsin have approved five constitutional amendments allowing certain forms of gambling in Wisconsin. Today, the state lottery and tribal gaming generate the most revenue. Since 2001, the state lottery has relieved, on average, about 2% of residential property tax levies. While annual amounts fluctuate, tribes pay the state about \$50 million annually to operate casinos in the state.

Thanks to the 1848 constitution, legal gambling has a fairly brief history in Wisconsin. The state's founders, largely Protestants and Yankees prohibited the legislature from "authorizing any lottery." The provision was broadly interpreted to ban all forms of gambling, including contests, promotions, and raffles.

In 1965, voters approved a constitutional amendment legalizing promotional contests. Over the ensuing decades, voters ratified additional amendments permitting bingo (1973), raffles (1977), pari-mutuel on-track betting (1987), and a state lottery (1987). A 1993 amendment clarified that all other types of gambling would remain illegal.

At the time the lottery amendment passed, tribal gaming was a small industry nationally. However, that year the U.S. Supreme Court ruled that states regulating certain forms of gambling could not prevent tribes from also offering them. Instead, governments would have to negotiate compacts with tribes, detailing how gaming would function in the state. Thus, when Wisconsin voters authorized a state lottery, they opened the door to tribal casinos.

Years later, gaming remains controversial here. The lottery provides millions of dollars each year in property tax relief, and tribal revenues help pay for state general fund programs. However, compared to other states, our lottery is played

relatively less, and the amount of property tax relief it generates is modest. It remains an inefficient and regressive way to generate state revenues.

REGULATION

Three state agencies regulate gaming in Wisconsin. The Lottery Division of the Department of Revenue (DOR) specifies the lottery games played and regulates the retailers selling tickets.

The Department of Administration (DOA) oversees other gaming. In addition to coordinating the state's

Also in this issue:

County Sales Tax Collections Up • High School Graduation

role in tribal gaming, DOA's Division of Gaming regulates bingo, raffles, and pari-mutuel wagering.

Once laws are passed and rules are in place, a third agency comes into play. Through its Gaming Enforcement Bureau, the Department of Justice ensures that these provisions are followed.

WISCONSIN LOTTERY

The constitutional amendment permitting the state lottery passed in 1987, and the first drawing occurred in September 1988.

Overview

The lottery offers a combination of instant and lotto (on-line) games, some exclusive to the state and some multistate. Instant games include "scratch" ticket games and pull-tab games. New instant games are introduced as old ones expire. Currently, 63 instant games are offered, with prices ranging from \$1 to \$30.

Lotto games include five daily draw games (SuperCash, Daily Pick 3, Daily Pick 4, Badger 5, and 5 Card Cash) and four jackpot games (Powerball, Wisconsin's Megabucks, MegaMillions, and Monopoly Millionaires' Club). Powerball, MegaMillions, and Monopoly Millionaires' Club are multi-state games, while the others are played only in state. Prices range from 50¢ (Daily Pick 3 and 4) to \$2.00 (5 Card Cash and Powerball).

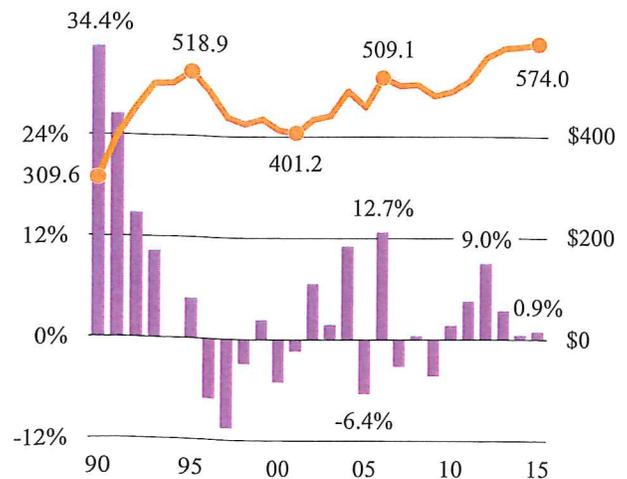
Sales

In 2015, Wisconsin state lottery sales totaled \$574.0 million, with instant games comprising the largest share (see Table 1). In 2014 (the latest year with detailed sales figures), instant games raised \$339.0 million, nearly 60% of total sales. Powerball accounted for the second largest portion (\$86.9 million, or 15.3%). Remaining games contributed just over 25% of sales.

Table 1: Instant Game Sales Soar
Ticket Sales by Game, \$ Millions, 2001 vs. 2009 vs. 2014

Game	2001	2009	2014	01-09		% Total
				% Chg.	% Chg.	
Instant	\$238.0	\$276.8	\$339.0	16.3%	22.5%	59.6%
Powerball	67.1	85.4	86.9	27.3%	1.8%	15.3%
Pick 3/4	35.4	38.3	37.0	8.2%	-3.4%	6.5%
SuperCash	29.2	27.4	24.5	-6.2%	-10.6%	4.3%
Megabucks	22.9	20.7	18.0	-9.6%	-13.0%	3.2%
Badger 5	0.0	24.8	23.8	na	-4.0%	4.2%
Mega Mill.	0.0	0.0	33.9	na	na	6.0%
Others	8.6	0.0	5.7	-100.0%	na	1.0%
Total	401.2	473.4	568.8	18.0%	20.2%	

Figure 1: Wisconsin Lottery Growth Modest
Lottery Sales, \$ Millions and % Chg., 1990-2015



Trends. Though annual increases are at times small, lottery sales have increased for six consecutive years, the longest stretch since the early 1990s when the lottery was in its infancy. After reaching \$518.9 million in 1995, sales declined in five of the next six years (see Figure 1). During 1995-2001, sales fell 22.7% to \$401.2 million, and then fluctuated in ensuing years. A 6.4% decline in 2005 was followed

THE WISCONSIN TAXPAYER

May 2016 Vol. 84 Number 5

Publication Number USPS 688-800
Periodical postage paid at Madison, Wisconsin

Subscription Price:

\$17.97 per year
Published each month, except July, by the Wisconsin Taxpayers Alliance,
401 North Lawn Avenue, Madison, Wisconsin 53704-5033

Postmaster:

Send address changes to *The Wisconsin Taxpayer*,
401 North Lawn Avenue, Madison, Wisconsin 53704-5033
Phone: 608.241.9789 Fax: 608.241.5807
Email: wistax@wistax.org Website: www.wistax.org

Officers and Board of Directors:

T. L. Spero, Chair, Milwaukee; K. D. Nunley, Vice-Chair, Milwaukee;
D. L. Hughes, Secretary-Treasurer, Milwaukee.

J. L. Adams, Beloit; C. D. Fortner, Milwaukee; J. J. Kita, Milwaukee;
Carol Ward Knox, Fort Atkinson; R. A. Meeusen, Milwaukee; H. C.
Newell, Mosinee; T. M. Rettler, Neenah; J. R. Riordan, Madison;
C. A. Rooks, Milwaukee; D. R. Schuh, Stevens Point; M. D. Simmer,
Green Bay.

Staff:

Todd A. Berry, President; Dale Knapp, Research Director; Melissa
Minkoff, Executive Assistant; Stephanie Rubin, Research Analyst;
Gina Staskal, Business Manager.

Reproduction:

Media is encouraged to quote contents, with credit to WISTAX.
Electronic reproduction or forwarding is prohibited unless prior
permission is granted. Send requests to wistax@wistax.org.

by a 12.7% increase in 2006, before sales dropped again the next year, a pattern that continued until 2010. Sales have increased each year since, peaking at \$574.0 million in 2015.

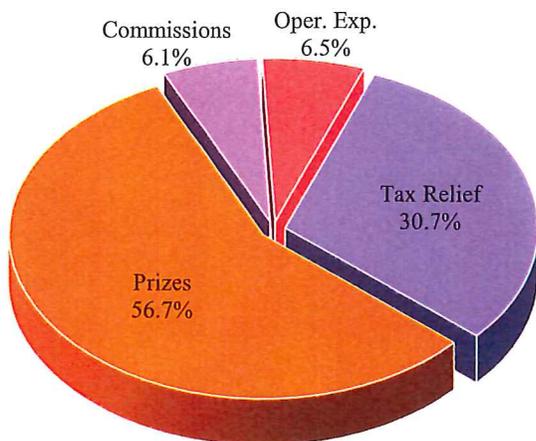
The majority of the recent increase can be attributed to sales of instant lottery tickets. Between 2009 and 2014, instant ticket sales rose \$65.2 million, two-thirds of the total increase (\$95.4 million). Addition of new games, most notably Mega Millions, generated most of the remaining growth.

Sales of Powerball, possibly the most well known game, are volatile, as they are driven by large jackpots. For example, they rose 45.5% in 2013, only to drop 23.6% in 2014. Despite a price increase from \$1 to \$2 in 2012, sales grew modestly (1.8%, or \$1.5 million) during 2009-15.

Proceeds

From inception through June 2015, the state sold \$12.47 billion in lottery tickets. As required by law, over half (56.7%) of these proceeds were returned to players in the form of payouts (see Figure 2): The state has distributed \$7.1 billion in prize winnings since 1988. Another 12.6%, or \$1.6 billion, went to retailer commissions and operational expenses. The remaining 30.7% (\$3.8 billion) was used by the state for tax relief.

Figure 2: Majority of Lottery Proceeds Go To Prizes
Wisconsin Lottery Proceeds, 1989-2015, \$12.5 Billion Total



Tax Relief

The lottery was “pitched” to voters as property tax relief. Since 1989, the state provided relief in six ways. Today, only one remains due largely to a 1992 state Supreme Court decision holding that programs funded with lottery money must explicitly reduce property taxes.

Table 2:
Lottery Tax Relief
By Category, \$ Millions, 1989-2015

Program	Lottery Proceeds
District Attorney Salaries	\$13.4
School Levy Credit	\$44.6
General Fund	\$54.1
School Equalization Aids	\$136.1
Farmland Tax Credit	\$294.3
Lottery Credits	\$3,285.9
Total	\$3,828.4

Payments to School Districts. During the lottery’s first two years (1989-1990), the majority the proceeds went to equalization school aids, freeing up state tax dollars for other programs. The state distributed \$136.1 million in lottery revenues to schools during those years.

District Attorneys. Formerly county employees, district attorneys, their deputies, and assistants became state employees in 1990. A small amount (\$13.4 million) of the proceeds went to pay their salaries in 1990 and 1991.

General Fund Transfer. In 1991, the governor ordered the transfer of lottery money to the state general fund to increase that year’s school aid appropriation. However, a circuit court ruled that the transfer would not meet the property tax relief requirement. When the court announced its decision, \$54.1 million had already been transferred to the general fund. The Court’s decision prevented transfer of the remaining \$29.1 million.

Farmland Tax Credit. Beginning in 1990, some proceeds were used to help fund the state’s farmland tax credit. Between 1990 and 2015, \$294.3 million were used for this purpose. Farm owners were reimbursed for a percentage of the first \$10,000 they paid in property taxes. The percentage was determined by DOR so that all allotted funds were spent. The credit was ended in the 2009-11 state budget, but expenditures continued until 2014-15 due to amended prior tax year claims.

School Levy Credit. The 2009-11 state budget also allocated \$14.9 million annually in lottery and gaming funds to school levy tax credit payments. The credits are paid to all local property taxpayers, including nonresidents. However, the state’s constitution limits use of net lottery and gaming funds to property tax relief for state residents (see below).

Thus, DOR was required to ensure that payments went exclusively to state residents. Lottery funding for the school levy tax credit ended in 2013 after a total of \$44.6 million was disbursed.

Lottery Property Tax Credit. By far the largest use of lottery revenues has been for lottery property tax credits. Since 1992, \$3.83 billion has been distributed through this program.

Table 3: Lottery Property Tax Credits
Total Credits Distributed, 1992-2016, \$ Millions

Yr.	Total Credits						
92	\$173.4	99	\$142.7	05	\$131.9	11	\$129.2
93	203.7	00	216.2	06	119.9	12	134.8
94	128.7	01	90.6	07	144.7	13	141.5
95	136.0	02	105.0	08	129.6	14	171.4
96	155.6	03	105.1	09	118.1	15	166.5
97	0.0	04	\$118.2	10	113.2	16	155.6
98	205.8						

The lottery credit appears on December property tax bills for all primary residences in the state. The amount is determined by a formula that multiplies the local school district property tax rate by the lesser of a base value (\$11,000 in 2015) or the property's value.

The credit has not always applied only to primary residences. Although it was originally so structured, a 1996 court ruled that differing treatment of various classes of property violated the "uniformity clause" of the Wisconsin constitution.

Because of the ruling, no credits were distributed in fiscal 1997, and when payments resumed the following year, money was distributed to all taxable properties. This new formula was used in fiscal years 1998 and 1999, at which point voters amended the constitution to restore the original system.

Total lottery credits fluctuate with lottery sales. With the exception of 1997, the total credit was never less than \$128 million in the first nine years (see Table 3). In 2001, however, the credit dropped to \$90.6 million, and did not reach \$128 million again until 2005 (\$131.9 million). Total credits exceeded \$130 million in each of the last five years, reaching \$171.4 million in 2014.

The average individual credit paid to homeowners has also fallen since the early 1990s, when it peaked at \$167. It ranged from \$105 to \$167 until 1997 (tax bills issued in December 1996, payable in 1997), when the circuit court ruling went into effect. Since more

taxpayers had to be compensated, the average credit fell from \$125 to \$77, even though total distributions were more than ever that year (\$205.8 million). The following year, the average credit fell again to an all-time low of \$52.

With a new constitutional amendment in effect and an additional \$76 million made available from the state's general fund, the average credit increased to \$166 in 2000. The following year, it fell to \$67. Since then, the average credit has ranged from \$74 (2010) to \$113 (2014 and 2015).

Another view of the lottery's impact compares the size of the credit to property tax levies. Even if the credit increases, its impact is smaller if property taxes increase more.

In the early days of the tax credit, it averaged between 3.7% and 6.2% of residential levies (see Figure 3). However, with lottery sales failing to keep pace with property taxes, the credit dropped to 2.0% of residential levies in 2001. Since then, it has reached 2.3% of levies in four years: 2005, 2007, 2014, and 2015. The credit was just 1.6% of levies in 2010.

LOTTERY HERE VS. ELSEWHERE

Despite recent growth, lottery sales here are low relative to other states. An overview of lottery sales nationally puts this in perspective.

Per Capita Sales

On a per capita basis, lottery revenues in Wisconsin are among the lowest nationally. Of 41 lottery states in 2013, Wisconsin ranked 32nd (see Figure 4, page 5). Sales here were about half the national average.

Several factors play a role in Wisconsin's low per capita sales. One may be history and culture.

Figure 3: Property Tax Relief Plateaus
Lottery Credit % of Residential Levies, 1992-2016

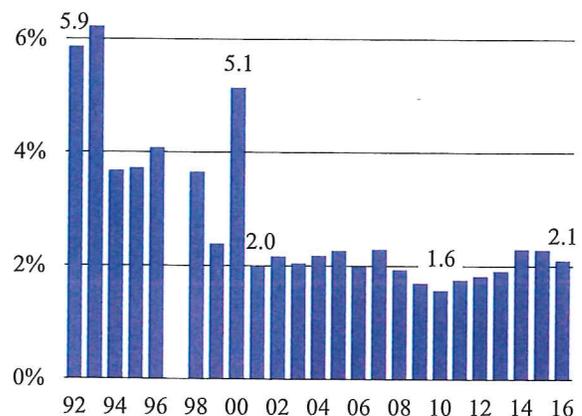


Figure 4: Wisconsin Sales Low vs. Elsewhere
Per Capita Lottery Sales, 2013



Like Wisconsin, neighboring Iowa and Minnesota also have relatively low per capita sales. However, sales are higher in Illinois and Michigan. A second factor may be Wisconsin's prohibition of "promotional" advertising; only informational ads for the lottery are permitted. To the extent that promotional advertising promotes sales, Wisconsin is at a disadvantage compared with other states.

Finally, some observers note that extensive tribal gaming competes with the lottery for entertainment dollars. During 1992-2008, tribal gaming revenues increased more than 700%, while lottery sales rose just 8%.

Sales Trends

During the 1990s, while lottery sales declined in Wisconsin, they surged nationally. From 1992 to 2001, total lottery sales in the U.S. grew at an average annual rate of 6.9%, rising a total of 81.9% from \$19.7 billion to \$35.9 billion. Over the same period, Wisconsin sales fell 11.9%, or an average of 1.4% per year.

The gap between Wisconsin and other states then narrowed. Between 2001 and 2013, total sales nationally increased another 70.2%, or 4.5% per year, to \$61.1 billion. Lottery sales here rose 50.8% (3.5% annually) but remained below the national average. During 2009-13, however, Wisconsin sales outpaced the nation, growing 19.6% (4.6% annually) versus 19.1%, or 4.5% per year, elsewhere.

The large increases nationally are partly explained by the addition of new state lotteries over the years. In 1992, just 33 states had legal lotteries. Texas added one the following year, followed by Georgia and Nebraska (1994), New Mexico (1997), South Carolina (2002), North Carolina and Oklahoma (2006), and finally Arkansas (2010). All told, 41 states now have lotteries.

Per capita. Accounting for population and the addition of new lotteries clarifies Wisconsin's position compared to the rest of the nation. Figure 5 shows per capita lottery sales both nationally and in Wisconsin. Between 1992 and 2001, per capita sales growth nationally averaged 4.0% per year, rising from \$106 to \$151 per resident. Sales here declined an average of 2.3% per year, from \$86 to \$70. Of 33 states with a lottery in each of those years, only Louisiana (-4.0% per year) and Arizona (-2.5% per year) performed worse.

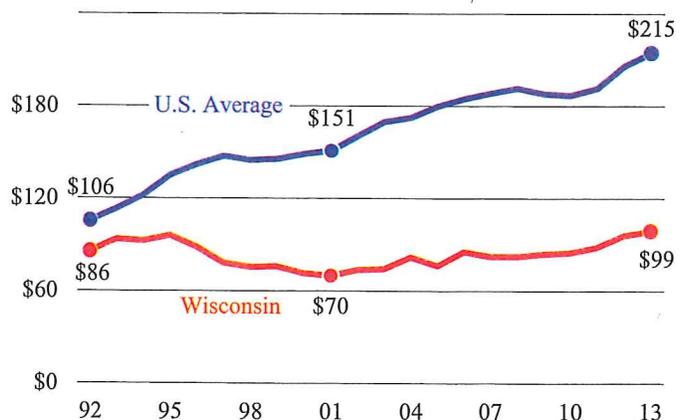
Growth nationally has slowed since, increasing an average of 3.0% annually during 2001-13, reaching \$215 per person in 2015. Average annual increases here (2.9%) were similar to the U.S. average. Wisconsin's growth rate ranked 20th among the 37 states with lotteries during all these years.

EFFICIENCY

Many property owners appreciate the revenues generated by the lottery. However, a lottery is an inefficient way to generate government revenues.

In 2014, Wisconsin's lottery generated about \$241 million to pay for property tax credits and administrative costs, including payments to retailers. The remainder was paid to winners, simply a transfer of wealth from players to winners. Administrative

Figure 5: National Lottery Sales On The Rise
Per Capita Lottery Sales, Wisconsin vs. U.S., 1992-2013



costs totaled \$73 million. In other words, 30% (\$73 ÷ \$241) of the revenues kept by government went toward “administration.”

This is rather inefficient. Wisconsin’s individual income, corporate income, and state sales tax generated \$12.7 billion in 2014. But DOR spent just under \$50 million, or 0.4% of the total, to collect those taxes.

TRIBAL GAMING

Since the U.S. Supreme Court opened the door to tribal gaming, the industry has grown significantly. In Wisconsin, it has expanded from a few bingo properties into a billion-dollar industry.

History of State-Tribal Negotiations

As gaming has become vital to tribal economies, its appeal as a source of revenue for cash-strapped state budgets has also increased. As a result, negotiating revenue-sharing arrangements with tribes has often been tricky.

1991-1992. In Wisconsin, the first tribal compacts were negotiated in 1991, and 11 tribal agreements were signed in 1991 and 1992. These required tribes to pay the state a collective \$350,000 per year for seven years to cover administrative costs.

1998-1999. A second set of compacts were signed in 1998 and 1999, with the tribes agreeing to pay an average of \$23.7 million per year, in addition to the administrative payments, for four years.

2003. In 2003, amendments to tribal gaming compacts significantly increased payments for those tribes with large casino operations. Initially, the combined annual payments from all tribes were expected to exceed \$100 million, due to significant lump-sum payments by certain tribes scheduled to be made in 2003-04 through 2005-06. During this period, set payments were to be phased out and replaced with payments equal to a percentage of gaming revenues.

The Potawatomi and Ho-Chunk tribes, which operate the largest casinos in Wisconsin, agreed to pay the state 6% to 8% of their gross revenues. Tribes with smaller casinos agreed to pay a lesser percentage that grew with revenues. The percentages ranged from 1.5% to 6.0%.

The 2003 compacts included provisions the tribes wanted in exchange for increased payments. First, the new compacts had no fixed end date. Instead they remained in effect until terminated by mutual

agreement. Negotiation on most compact issues could occur every 25 years.

Second, the new compacts gave tribes the right to offer games—such as poker, craps, and roulette—that were illegal elsewhere in the state. Until 2003, the casinos could offer only blackjack, slot machines, and electronic games. The 2003 compacts permitted them to add poker, roulette, and craps, in exchange for higher payments to the state.

2006. A Wisconsin Supreme Court ruling invalidated portions of those compacts, including those allowing tribes to offer new games. However, in its 2006 *Dairyland vs. Doyle* decision, the court withdrew its decision, ruling that amendments to the original compacts, even those that expanded the scope of games, were constitutionally protected under state and federal constitutions.

Further amendments in 2009 specified that a tribe may allow tournament play that permits players to compete against other players in an authorized game.

Today, Wisconsin tribes operate 25 gaming establishments. Seventeen are full casinos, while eight offer only electronic games.

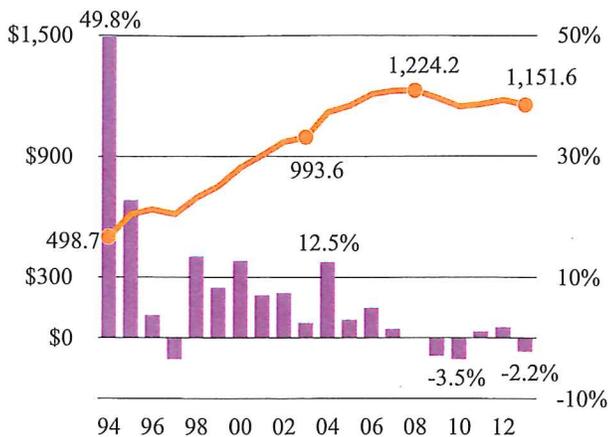
Tribal Finances

In 1992, when the first compacts were signed, tribal casinos in Wisconsin collectively realized \$142.7 million in net revenue (revenue after paying winnings), and paid \$350,000 to the state. Today, casinos collect eight times what they did in 1992, and pay 150 times as much. In the past few years, however, tribal revenues have declined and—due to tension between the state and tribes—payments to the state have fluctuated.

Declining Revenue. Between 1994 and 2007, net tribal gaming revenue increased 145.4%, or an average of 7.2% per year (see Figure 6, page 7). Casinos have seen unprecedented stagnation and decline since. Revenues stalled at \$1.22 billion in 2008 before falling in three of the next five years. Since 2008, revenues declined 5.9% (1.2% annually) to \$1.15 billion in 2013.

National Trends. By contrast, tribal gaming nationally has expanded considerably in the past decade. In 1997, gaming revenue nationally totaled \$7.5 billion; by 2014, it reached \$28.5 billion, a nearly four-fold increase. Wisconsin’s increase was less than half that.

Figure 6: Net Tribal Gaming Revenue Falls
Tribal Revenue in Wisconsin, \$ Millions, 1994-2013



In 2014, tribes across the nation operated 459 casinos, a 6.4% increase from 422 in 2010. Wisconsin has added one casino in the last ten years.

As tribal gaming grew nationally, Wisconsin's share dwindled. In 2013, Wisconsin's tribal gaming revenues accounted for 4.1% of the U.S. total, down from 4.6% in 2008.

Payment Fluctuations. Negotiating difficulties have made tribal revenues a somewhat unreliable source of state revenue. The state's general fund has been particularly affected by delays in tribal payments.

For example, under the 2003 amendments, the Ho-Chunk agreed to make annual payments of \$30.0 million in 2003-04, 2004-05, and 2005-06, before shifting to percentage-of-revenue payments in 2006-07. When the state Supreme Court invalidated the compact amendments, the tribe refused to pay, making one \$30 million payment in 2006. After the dispute was resolved and the 2003 amendment reinstated, the Ho-Chunk paid the remaining \$60 million in December 2008 (fiscal 2009).

Because state officials believed this conflict would be resolved quickly, the Ho-Chunk payments were included in revenue estimates for the state budget. The delayed payments led to state revenue shortfalls in each year during 2004-08. The \$60 million payment in 2009 generated tribal revenues that exceeded estimates. Figure 7 shows payment volatility during these years.

A similar situation played out in 2014, when the Potawatomi withheld a payment to the state in anticipation of approval of a Kenosha casino operated by the Menominees. The payment was made

the following year, after the casino proposal was denied, but the delay caused a shortfall of \$25 million in for 2013-14. In 2013-14 revenues received by the state totaled \$25.0 million, less than half of what was received the previous year (\$52.6 million).

OTHER GAMING REVENUE

Although the state lottery and tribal gaming are the largest sources of gambling revenue, they are not the only ones that have generated revenue for the state.

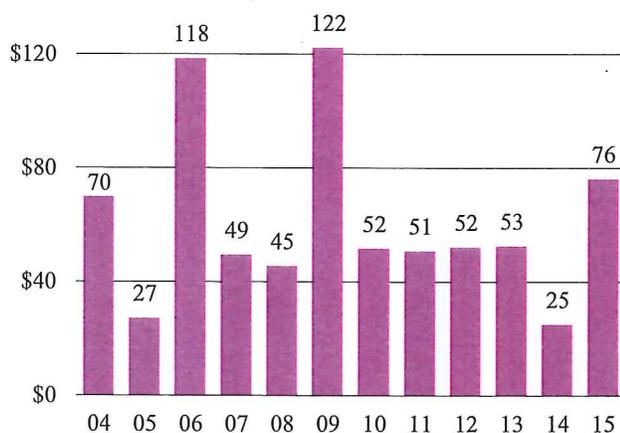
Pari-mutuel

In 1990, five Greyhound tracks opened, where individuals bet on live greyhound dog races and on televised dog and horse racing. All five are now closed. The last to close, Dairyland Greyhound Park, shut its doors in 2009. All told, pari-mutuel wagering generated \$110.63 million for the state government between 1990 and 2009.

All other gaming-related revenue comes from "charitable gaming." Licenses are required to run bingo games and raffles. The Division of Gaming collects small fees and taxes from organizations to regulate these games: In fiscal 2014, it collected \$349,500 in fees and taxes on bingo and \$250,200 from raffles. Any money beyond what is needed for administration goes to property tax relief.

Prior to the 2013-15 state budget, crane games were also regulated by the state and required a license. Beginning in 2013-14, these games are no longer regulated by the state. □

Figure 7: Payments to State Fluctuate
Annual Tribal Payments, \$ Millions, 2004-15



DATA SOURCES: National Indian Gaming Commission; Wisconsin Departments of Administration and Revenue; Wisconsin Legislative Audit Bureau; Wisconsin Legislative Fiscal Bureau; Wisconsin Lottery; U.S. Census Bureau.



Wisconsin Taxpayers Alliance

401 North Lawn Avenue • Madison, WI 53704-5033
608.241.9789 • www.wistax.org

PERIODICALS
USPS 688-800



12166 7/31/2016
CITY OF PRESCOTT
800 BORNER ST N
PRESCOTT WI 54021-2011

WISTAX NOTES

■ **County Sales Tax Collections Up.** Total revenues from Wisconsin’s optional 0.5% county sales tax rose 3.4% in 2015, though changes varied by county. Collections rose the most in Forest (12.3%), Door (9.2%), Kenosha (8.9%), Sawyer (8.8%), and Vilas (7.9%) counties. Collections declined in six counties.

Sixty-two of the 72 counties impose the optional tax. In eight, 2015 collections were more than \$100 per capita: Dane, Door, Eau Claire, La Crosse, Oneida, Sauk, Sawyer, and Vilas (see map, right). In three (Lafayette, Oconto, and Pierce), they were less than \$50 per capita.

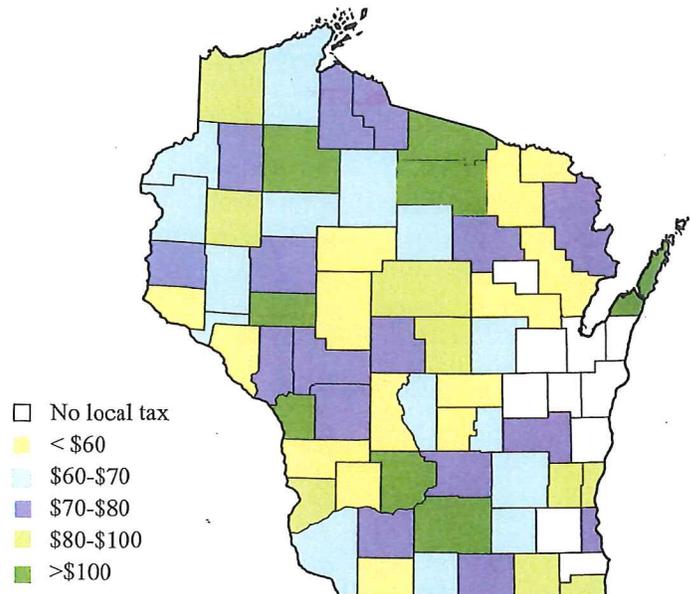
The first counties to impose a sales tax were Barron and Dunn in 1986. State law allows counties to adopt the tax only for the purpose of directly reducing property taxes. A 2002 WISTAX study found that, on average, less than 30% of the tax was used for that purpose.

■ **High School Graduation.** Wisconsin’s four-year high school graduation rate was 88.4% in 2015, down 0.2 percentage points from 2014 but significantly above the national rate (82.3%). Graduation rates had increased each year during 2011-14.

Due to unforeseen circumstances, some students take additional time to graduate. In 2015, the state's five-year graduation rate was 91.6% and its six-year rate was 92.1%, according to new figures from the Department of Public Instruction.

Graduation rates varied by student characteristics. Females were more likely to graduate in four years than males (90.6% vs. 86.4%). Economically disadvantaged students graduated at lower rates than others (77.3% vs.

County Sales Tax Collections Vary
Collections Per Capita, 2015



93.7%). Only two-thirds of disabled students (67.5%) graduated in four years, compared to 91.1% of students without disabilities. □

In FOCUS . . . recently in our biweekly newsletter

- School districts exceeding state revenue limits by referendum, or . . . (#7-16)
- “Scoop and toss:” State again uses financial move to push debt into future (#8-16)

The Wisconsin Taxpayers Alliance, founded in 1932, is the state’s oldest and most respected private government-research organization. Through its publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support. In accordance with IRS regulations, WISTAX financial statements are available on request.