

<p><b>APPROVAL</b></p> <p><i>Slw</i></p>	<p><b>REQUEST FOR COUNCIL ACTION</b></p>	<p><b>MEETING DATE</b></p> <p>October 7, 2003</p>
<p><b>REPORTS &amp; RECOMMENDATIONS</b></p>	<p><b>AWARD OF CONTRACT TO DEMOLISH HOUSE AND GARAGE LOCATED AT 8015 W. BEACON HILL DRIVE</b></p>	<p><b>ITEM NUMBER</b></p> <p><i>G, 7,</i></p>

The Inspection Department has sent out Requests for Proposals for the demolition and cleanup at a house and attached garage located at 8015 W. Beacon Hill Drive. The Department sent requests to eight contractors, two of which returned proposals. Those contractors are American Demolition and Robbie's Grading & Landscaping.

The proposal includes the following:

- Demolition of the structure,
- Removal and disposal of debris,
- Backfill with clean earth, topsoil and seed,
- Seal sewer and municipal water laterals within lot line,
- Diggers hotline will be notified to properly mark the site,
- All inspections will be called by bidder,
- Utility shutoff will be called in by bidder,
- Wrecking and plumbing permits,
- Asbestos sampling shall be done,

If asbestos containing materials are found, the removal of those materials would require a separate estimate and would be an additional cost.

The proposals for demolition are from:

Robbie's Grading & Landscaping	\$14,800.00
American Demolition	\$15,999.00

These quotations appear to be in line with other demolition bids received for properties in the City of Franklin.

**COUNCIL ACTION REQUESTED**

Award the bid for \$14,800.00 to Robbie's Grading and Landscaping, to raze the building and attached garage on the property located at 8015 W. Beacon Hill Drive for \$14,800.00.

Removal of any asbestos containing materials would require an additional contract to be submitted and awarded by the Council.

**ROBIE'S**  
Grading &  
Landscaping



**PROPOSAL**

PHONE (414) 421-2030

2830 WEST ACRE AVENUE - FRANKLIN, WI. 53132

PROPOSAL SUBMITTED TO:		DATE: April 15 <sup>th</sup> , 2015	
NAME:	City of Franklin	JOB NAME: Building Demolition	
STREET:	Attention: City Clerk 9229 W. Loomis Road	STREET: 8015 Beacon Hill Drive	
CITY:	Franklin, WI 53132	CITY:	8015 Beacon Hill Drive
STATE:	Franklin, WI 53132	STATE:	
		ARCHITECT:	DATE OF PLANS:

We hereby submit specifications and estimates for:

Building Demolition – 8015 Beacon Hill Drive  
 Bid for Building Demolition and Removal of Debris  
 Bid due on Wednesday, April 15<sup>th</sup> 2015 at 10:00 AM

Razing a wood frame tri-level single family dwelling located at 8015 W. Beacon Hill Drive in the City of Franklin, WI per plans and specifications provided by the City of Franklin Inspection Department and a site visit.

We hereby propose to furnish labor and materials — complete in accordance with the above specifications, for the sum of:  
 Fourteen Thousand Eight Hundred Dollars, \$14,800.00 dollars (\$ \_\_\_\_\_ ) with payment to be made as follows:

Within 30 days of billing

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature \_\_\_\_\_

*Robert D. Gajewski*  
 Robert D. Gajewski, President  
 Robie's Grading, LLC

**Acceptance of Proposal**

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

**Accepted**

Signature \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

# PROPOSAL

## AMERICAN DEMOLITION

9168 N 124<sup>th</sup> Street

Milwaukee, WI 53224

414-355-1400 Fax: 414-355-1405

Location of Project Site:

8015 West Beacon Hill Drive - Franklin

Owner's Agent for Project Site:

Frederick Baumgart – City of Franklin

Prime Contractor:

American Demolition

Address:

9168 N. 124<sup>th</sup> Street

Milwaukee, WI 53224

Prime Contractor's Agent:

Emily J. Huf

Date of Proposal:

April 14<sup>th</sup>, 2015

AMERICAN DEMOLITION hereby proposes to perform all the work required for the following: Demolition and compete foundation removal per specification and with a soil backfill and seed/mulch of a wood frame, tri-level, single family home with two car attached garage located at above referenced address. Contractor will provide demolition and plumbing permits, all labor, machinery, and standard insurance necessary for site clearance. Price quoted does NOT include driveway removal. All Salvage rights are retained by the contractor upon contract signing.

### Owner Agrees:

- \* To call WE Energies at 1-866-423-0364 and arrange for gas & electric disconnection for the demolition, & provide Contractor with a letter of completion of disconnection. May take 8 weeks.
- \* Any/All costs for asbestos inspection or abatement is the Owner's responsibility. Inspections can be done by us for approximately \$500-\$800. Abatement is to be done by others if required.
- \* Price includes disconnect of sewer and water at the lot line only. If disconnection in the main or videotaping of the disconnection is required, that cost is not included and will be charged as an extra.
- \* Does not include removal or pumping of oil tanks, septic tanks, or well abandonment (if any).
- \* Prices quoted are for empty buildings & slab removal based on 4" thickness unless otherwise noted.
- \* Contractor not responsible for damages due to normal use of demolition equipment.

This proposal includes the terms and conditions on the reverse side hereof and any documents specifically referred to above. All work to be performed in accordance with the drawings and specifications (if any) specifically referred to above and to be completed in a substantial and workmanlike manner for the sum of: **\$15,999.00**

**(Fifteen Thousand Nine Hundred Ninety Nine Dollars & 00/100-----)**

AMERICAN DEMOLITION

*Emily J. Huf*

Office Manager

### ACCEPTANCE:

The above proposal, including the terms on the reverse side hereof, are accepted. You are authorized to do the work as specified.

Date: \_\_\_\_\_

Signature

Printed

## General Conditions

**Time for acceptance:** This proposal shall expire if not accepted within 5 days of this proposal.

**Performance:** Where no specific date is fixed, we shall be allowed reasonable time to perform the work. The contract price shall be subject to reasonable adjustment if Shoreline is not permitted to commence or continue work for periods of 60 days or longer in the aggregate as a result of delays caused in whole or in part by others. We shall not be responsible for default, damage, loss or delay in performance due to labor trouble, fires, accidents, floods, collapse or other causes beyond our control or due to shortages of materials or transportation facilities.

**Insurance:** We carry public damage and workmen's compensation insurance and consequently will not honor any charges against us for such and similar coverage. Any expense incurred by us for insurance or bond to cover our liability under any "hold harmless" or "indemnity" clause or clause of a similar nature in any contract, specifications, letter of acceptance or notice submitted by you or your contractors which in any way requires us to assume any liability which is not imposed on us by law, shall be paid by you.

**Over-Time:** Unless specifically contracted otherwise, the work is to be performed during regular working hours and upon regular work days.

**Changes in Plans or Specification:** No credit or allowance shall be granted for alterations or modifications in work or materials, unless such credit allowance has been agreed to by us in writing before such alterations or modifications are made. All change shall be in writing.

**Work Not Conforming By Law:** Owner and/or Prime Contractor agree to indemnify and save Shoreline harmless from any damage or loss Shoreline may sustain, directly or indirectly by reason of inaccurate or unlawful plans or specifications or by reason of Owners and/or Prime Contractors failure to comply with any laws, rules or regulations in connection with the performance of this matter.

**Clean Air Requirements:** It is the responsibility of the Owner and/or Prime Contractor who has accepted this contract to advise Shoreline of any conditions known to exist which would subject Shoreline to the EPA rules and regulations dealing with asbestos, beryllium, mercury and any other hazardous substances. It is agreed that failure to so notify Shoreline in writing of known conditions shall subject the Owner and/or Prime Contractor to indemnify and save Shoreline from the requirements and penalties of the Act which may eventuate in connection with this project. Shoreline shall promptly notify the Owner and/or Prime Contractor if it discovers such conditions.

**Acceptance of Work:** Work performed hereunder shall be deemed accepted by the purchaser unless we are notified in writing to the contrary within ten days following completion of the job.

**Other Conditions:** This proposal is based on items visible on site or explicitly specified herein. Any unusual items discovered such as those listed below, but not limited to same, shall be the responsibility of the owner. Such work to be done by Shoreline on a time and material basis or as otherwise agreed. 1) Abandoning hollow walks under sidewalks. 2) Abandoning hollow walks projecting under streets. 3) Sewer and water seals except those located in a single trench. 4) Concrete floors, footings and walls thicker or reinforced more than normal or more than specified. 5) Cutting, shoring or bracing if required, unless specified. 6) Handwork because of common walls, or to protect adjacent property unless specified. 7) Municipal or private utility replacements or relocations, temporary or permanent. 8) Ecological requirements not specifically included in contract. For example: unless explicitly addressed, work does not include removal of paint cans, fuel barrels, contaminated soil, asbestos, etc.

**Miscellaneous:** If acceptance of this offer is made on other than this form, such acceptance shall be subject to the conditions herein. There are no representations, promises, warranties, agreements or understandings not expressed herein. Headings are used for convenience only and are not part of this contract.

## Notice of Lien Rights

As required by Wisconsin construction lien law, Shoreline hereby notifies owner that persons or companies furnishing labor or materials for the construction on owner's land may have lien rights on owner's land and buildings if not paid. Those entitled to lien rights, in addition to Shoreline are those who contract directly with the owner or those who give the owner notice within 60 days after they furnish labor or materials for the construction. Accordingly, owner probably will receive notices from those who furnish labor or materials for the construction and should give a copy of each notice received to his mortgage lender, if any. Shoreline agrees to cooperate with the owner and his lender, if any, to see that all potential lien claimants are duly paid.

Bond No. \*\*\*\*\*

**BID BOND**  
The American Institute of Architects,  
AIA Document No. A310 (February, 1970 Edition)

KNOW ALL MEN BY THESE PRESENTS, that we Shoreline Contracting Services Inc. dba  
American Demolition

as Principal hereinafter called the Principal, and Old Republic Surety Company  
a corporation duly organized under the laws of the state of Wisconsin as Surety, hereinafter called the Surety,  
are held and firmly bound unto City of Franklin - 9229 West Loomis Road, Franklin, WI 53132

as Obligee, hereinafter called the Obligee, in the sum of ten percent of principal's bid

Dollars (\$ 10% ), for the payment of which sum well and truly to be made, the said Principal and the  
said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly  
by these presents.

WHEREAS, the Principal has submitted a bid for demolition of wood frame tri-level single-family dwelling  
located at 8015 W. Beacon Hill Drive in the City of Franklin

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract  
with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the  
bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for  
the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the  
Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference  
not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the  
Obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation  
shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 14th day of April, 2015

Emily Haf  
Witness

Anton J. Matuszczak  
Principal (Seal)

By: Anton J. Matuszczak, president  
Name/Title

Jan S. Jackson  
Surety



Victoria Schwarz  
Witness

By: Jan S. Jackson, Attorney in Fact  
Attorney-in-Fact

# OLD REPUBLIC SURETY COMPANY

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That OLD REPUBLIC SURETY COMPANY, a Wisconsin stock insurance corporation, does make, constitute and appoint:

JAN S. JACKSON, PAUL J. POLASKI, VICTORIA K SCHWARTZ, STEPHANIE RINTELMAN, OF WAUWATOSA, WI

its true and lawful Attorney(s)-in-Fact, with full power and authority, not exceeding \$50,000,000, for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto (if a seal is required), bonds, undertakings, recognizances or other written obligations in the nature thereof, (other than bail bonds, bank depository bonds, mortgage deficiency bonds, mortgage guaranty bonds, guarantees of installment paper and note guaranty bonds, self-insurance workers compensation bonds guaranteeing payment of benefits, asbestos abatement contract bonds, waste management bonds, hazardous waste remediation bonds or black lung bonds), as follows:

ALL WRITTEN INSTRUMENTS IN AN AMOUNT NOT TO EXCEED AN AGGREGATE OF TWO HUNDRED FIFTY THOUSAND DOLLARS(\$250,000)----- FOR ANY SINGLE OBLIGATION, REGARDLESS OF THE NUMBER OF INSTRUMENTS ISSUED FOR THE OBLIGATION.

and to bind OLD REPUBLIC SURETY COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are ratified and confirmed. This document is not valid unless printed on colored background and is multi-colored. This appointment is made under and by authority of the board of directors at a special meeting held on February 18, 1982. This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of the OLD REPUBLIC SURETY COMPANY on February 18, 1982.

RESOLVED that, the president, any vice-president, or assistant vice president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any Power of Attorney previously granted to such person.

- RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company
- (i) when signed by the president, any vice president or assistant vice president, and attested and sealed (if a seal be required) by any secretary or assistant secretary; or
  - (ii) when signed by the president, any vice president or assistant vice president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or
  - (iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the Power of Attorney issued by the company to such person or persons.

RESOLVED FURTHER, that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, OLD REPUBLIC SURETY COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be affixed this 2ND day of FEBRUARY, 2015.

OLD REPUBLIC SURETY COMPANY

*Phyllis M. Johnson*  
Assistant Secretary



*Alan Pavlic*  
President

STATE OF WISCONSIN, COUNTY OF WAUKESHA-SS

On this 2ND day of FEBRUARY, 2015, personally came before me, Alan Pavlic and Phyllis M. Johnson, to me known to be the individuals and officers of the OLD REPUBLIC SURETY COMPANY who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say, that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.



*Kathryn R. Pearson*  
Notary Public  
My commission expires: 9/28/2018

### CERTIFICATE

(Expiration of notary commission does not invalidate this instrument)

I, the undersigned, assistant secretary of the OLD REPUBLIC SURETY COMPANY, a Wisconsin corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.

24-5009

Signed and sealed at the City of Brookfield, WI this 14th day of April, 2015.



*Jan E. Sherman*  
Assistant Secretary

REPUBLIC ASSOCIATES OF WI, INC

THIS DOCUMENT HAS A COLORED BACKGROUND AND IS MULTI-COLORED ON THE FACE. THE COMPANY LOGO APPEARS ON THE BACK OF THIS DOCUMENT AS A WATERMARK. IF THESE FEATURES ARE ABSENT, THIS DOCUMENT IS VOID.

<b>APPROVAL</b> <i>Slw</i>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MTG. DATE</b> <b>4/21/15</b>
<b>Reports &amp; Recommendations</b>	<b>SUBJECT:</b> Resolution authorizing certain officials to accept a Landscape Maintenance Access Easement for and as part of the review and approval for Avian Estates Subdivision located at W. Avian Ct. off of W. Puetz Road	<b>ITEM NO.</b> <i>6.8</i>

City Development staff recommends approval of a resolution authorizing certain officials to accept a Landscape Maintenance Access Easement for and as part of the review and approval of a Final Plat for Avian Estates Subdivision (at approximately 7120 to 7400 West Puetz Road) Avian Estates, LLC, Applicant), subject to technical corrections by the City Attorney.

**RECOMMENDATION**

Motion to adopt Resolution 2015-\_\_\_\_\_, a resolution authorizing certain officials to accept a Landscape Maintenance Access Easement for and as part of the review and approval for Avian Estates Subdivision located at W. Avian Ct. off of W. Puetz Road.

MB/db

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

RESOLUTION NO. 2015 - \_\_\_\_\_

A RESOLUTION AUTHORIZING CERTAIN OFFICIALS TO ACCEPT  
A LANDSCAPE MAINTENANCE ACCESS EASEMENT  
FOR AND AS PART OF THE REVIEW AND APPROVAL FOR  
AVIAN ESTATES SUBDIVISION  
LOCATED AT W. AVIAN CT. OFF OF W. PUETZ ROAD

---

WHEREAS, easements are required to install, maintain and operate a Landscape Maintenance Access Easement for Avian Estates Subdivision, and:

NOW, THEREFORE BE IT RESOLVED by the Mayor and Common Council of the City of Franklin that it would be in the best interest of the City to accept such easement and therefore the Mayor and City Clerk are hereby authorized and directed to execute the easement accepting it on behalf of the City.

BE IT FURTHER RESOLVED, that the City Clerk is directed to record said easement with the Register of Deeds for Milwaukee County.

Introduced at a regular meeting of the Common Council of the City of Franklin the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by Alderman \_\_\_\_\_.

PASSED AND ADOPTED by the Common Council of the City of Franklin on the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

APPROVED:

\_\_\_\_\_  
Stephen R. Olson, Mayor

ATTEST:

\_\_\_\_\_  
Sandra L. Wesolowski, City Clerk

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSENT \_\_\_\_\_

MB/db

resolutions\ easement for Landscape Maintenance Access Easement for Avian Subdivision 2015

## ASSIGNMENT AND ASSUMPTION OF STORM WATER MANAGEMENT AND LANDSCAPE MAINTENANCE ACCESS EASEMENT

This Assignment and Assumption of Storm Water Management and Landscape Maintenance Access Easement (the “**Assignment**”) is entered into by and among **Avian Estates Owners Association**, an unincorporated association (“**Assignor**”), **Avian Estates Owners Association, Inc.**, a Wisconsin nonstock corporation (“**Assignee**”), **Avian Estates LLC**, a Wisconsin limited liability company (“**Avian**”) and the **City of Franklin**, a municipal corporation of the State of Wisconsin (the “**City**”).

### Recitals

The parties acknowledge the following:

- A. Assignor, the City and Avian entered into that certain Storm Water Management and Landscape Maintenance Access Easement which was recorded with the office of the Milwaukee County Register of Deeds on July 1, 2014, as Document No. 10372563 (the “**Easement**”) affecting certain real estate described on **Exhibit A** attached hereto and incorporated herein.
- B. Assignor desires to assign its rights and obligations under the Easement to Assignee and Assignee desires to assume Assignee’s rights and obligations under the Easement.
- C. The City and Avian desire to consent to this Assignment.

### Agreements

Now therefore, in consideration of the Recitals, the mutual agreements which follow and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agree to the following:

1. Assignor hereby assigns to Assignee, and Assignee hereby assumes from Assignor, all of Assignor’s rights, title, interests and obligations under the Easement. Assignee shall indemnify and hold Assignor and Assignor’s principals and agents harmless from and against any and all claims, damages, liabilities, losses and expenses (including reasonable attorneys’ fees) which accrue or have accrued at any time with respect to the Easement.
2. The City hereby consents to the assignment of all of Assignor’s rights, title,





**CITY OF FRANKLIN**

By: \_\_\_\_\_  
Stephen R. Olson, Mayor

Attest: \_\_\_\_\_  
Sandra L. Wesolowski, City Clerk

STATE OF WISCONSIN    )  
                                  ) SS.  
COUNTY OF \_\_\_\_\_ )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 2014, the above-named Stephen R. Olson, as the Mayor of the City of Franklin and Sandra Wesolowski, as the City Clerk of the City of Franklin, to me known to be the persons who executed the foregoing instrument in such capacities and acknowledged the same.

\_\_\_\_\_  
Notary Public, State of Wisconsin  
Print Name: \_\_\_\_\_  
My Commission: \_\_\_\_\_

**(Signatures continue on the following page)**



Exhibit A

(Description of the Property)

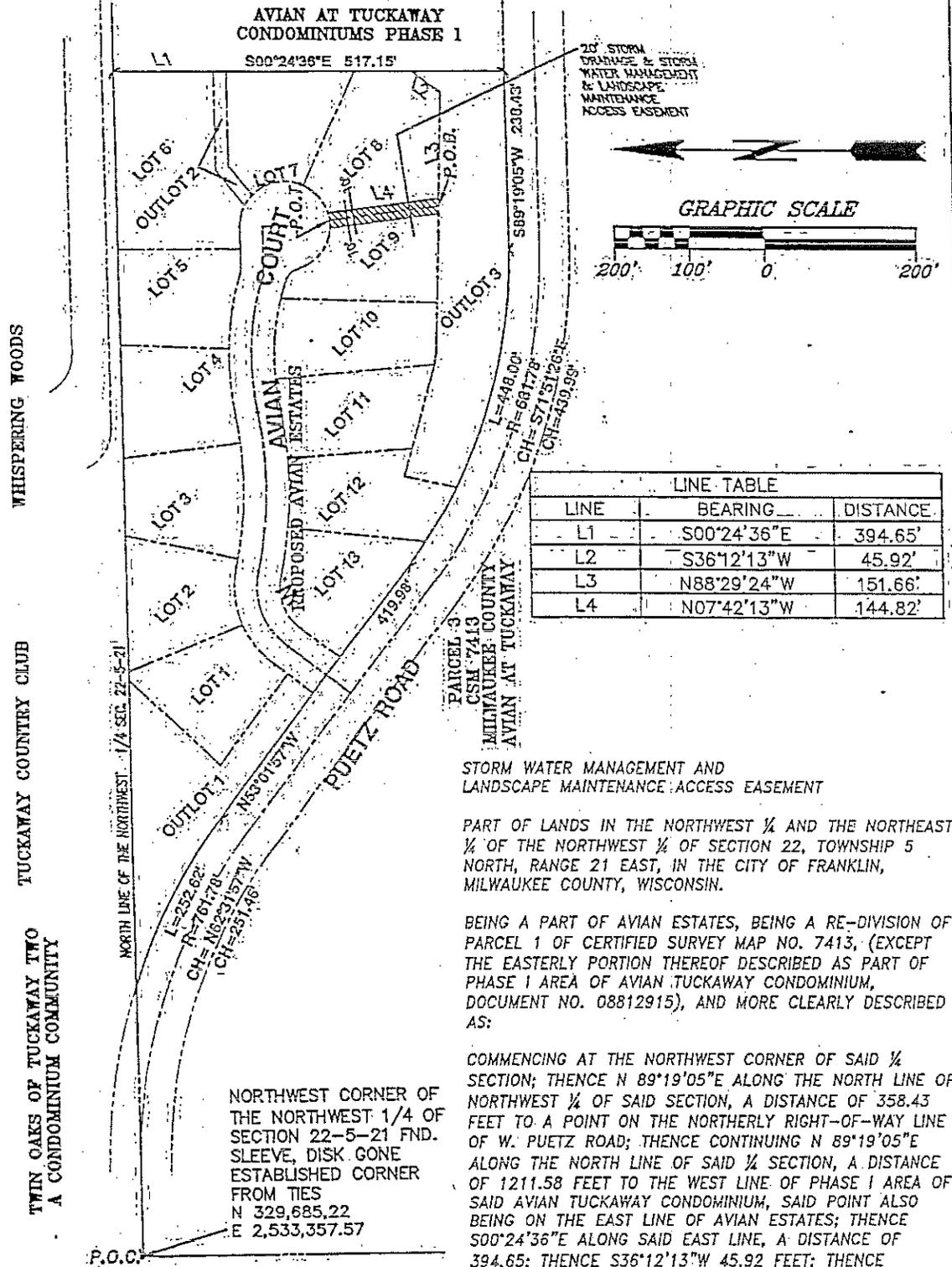
BEING A PART OF LANDS IN THE NORTHWEST ¼ AND THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 22, TOWNSHIP 5 NORTH, RANGE 21 EAST, IN THE CITY OF FRANKLIN, MILWAUKEE COUNTY, WISCONSIN.

PARCEL 1 OF CERTIFIED SURVEY MAP NO. 7413, (EXCEPT THE EASTERLY PORTION THEREOF DESCRIBED AS PART OF PHASE I AREA OF AVIAN AT TUCKWAY CONDOMINIUM, DOCUMENT NO. 08812915), AND MORE CLEARLY DESCRIBED AS;

COMMENCING AT THE NORTHWEST CORNER OF SAID ¼ SECTION; THENCE N 89-19'05"E ALONG THE NORTH LINE OF NORTHWEST ¼ OF SAID SECTION, A DISTANCE OF 358.43 FEET TO THE POINT OF BEGINNING, SAID POINT ALSO BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF W. PUETZ ROAD; THENCE CONTINUING N 89-19'05" E ALONG THE NORTH LINE OF SAID ¼ SECTION, A DISTANCE OF 1211.58 FEET TO A POINT ON THE WEST LINE OF PHASE I AREA OF SAID AVIAN AT TUCKAWAY CONDOMINIUM; THENCE S 00-24'36" E ALONG SAID WEST LINE OF PHASE I AREA, A DISTANCE OF 517.15 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF W. PUETZ ROAD; THENCE S 89-19'05" W ALONG THE NORTH LINE OF SAID ROAD, A DISTANCE OF 238.43 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG AN ARC OF A CURVE AND THE NORTH RIGHT-OF-WAY LINE OF SAID ROAD, WHOSE CENTER LIES TO THE NORTH, WHOSE RADIUS IS 681.78 FEET, WHOSE CHORD BEARS N 71-51'26" W 439.99 FEET, A DISTANCE OF 448.00 FEET TO A POINT OF TANGENCY; THENCE N 53-01'57" W ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID ROAD, A DISTANCE OF 419.98 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG AN ARC OF CURVE AND THE NORTH RIGHT-OF-WAY LINE OF SAID ROAD, WHOSE CENTER LIES TO THE SOUTH, WHOSE RADIUS IS 761.78 FEET, WHOSE CHORD BEARS N 62-31'57" W 251.46 FEET, A DISTANCE OF 252.62 FEET TO THE POINT OF BEGINNING.

# EXHIBIT B - STORM WATER MANAGEMENT AND LANDSCAPE MAINTENANCE ACCESS EASEMENT

BEING A PART OF LANDS IN THE NORTHWEST ¼ AND THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 22, TOWNSHIP 5 NORTH, RANGE 21 EAST, IN THE CITY OF FRANKLIN, MILWAUKEE COUNTY, WISCONSIN.



## STORM WATER MANAGEMENT AND LANDSCAPE MAINTENANCE ACCESS EASEMENT

PART OF LANDS IN THE NORTHWEST ¼ AND THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 22, TOWNSHIP 5 NORTH, RANGE 21 EAST, IN THE CITY OF FRANKLIN, MILWAUKEE COUNTY, WISCONSIN.

BEING A PART OF AVIAN ESTATES, BEING A RE-DIVISION OF PARCEL 1 OF CERTIFIED SURVEY MAP NO. 7413, (EXCEPT THE EASTERLY PORTION THEREOF DESCRIBED AS PART OF PHASE I AREA OF AVIAN TUCKAWAY CONDOMINIUM, DOCUMENT NO. 08812915), AND MORE CLEARLY DESCRIBED AS:

COMMENCING AT THE NORTHWEST CORNER OF SAID ¼ SECTION; THENCE N 89°19'05"E ALONG THE NORTH LINE OF NORTHWEST ¼ OF SAID SECTION, A DISTANCE OF 358.43 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF W. PUETZ ROAD; THENCE CONTINUING N 89°19'05"E ALONG THE NORTH LINE OF SAID ¼ SECTION, A DISTANCE OF 1211.58 FEET TO THE WEST LINE OF PHASE I AREA OF SAID AVIAN TUCKAWAY CONDOMINIUM, SAID POINT ALSO BEING ON THE EAST LINE OF AVIAN ESTATES; THENCE S00°24'36"E ALONG SAID EAST LINE, A DISTANCE OF 394.65; THENCE S36°12'13"W 45.92 FEET; THENCE N88.29'24"W 151.66 FEET TO THE POINT BEGINNING AND THE CENTERLINE OF A 20 FOOT EASEMENT, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF LOT 8 AND THE SE CORNER OF LOT 9; THENCE N07°42'13"W, ALONG THE LOT LINE BETWEEN LOTS 8 AND 9, 144.82 FEET TO THE POINT OF TERMINUS AND THE SOUTHERLY RIGHT-OF-WAY LINE OF W. AVIAN COURT.



**McClure**  
Engineering Associates, Inc.

5417 North 118th Court,  
TEL (414)-616-4880

Milwaukee, WI. 53225  
FAX (414)-616-4885

Project: 08-15-13-014

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<p style="text-align: center;"><b>APPROVAL</b></p> <p style="text-align: center;"><i>slw</i></p>	<p style="text-align: center;"><b>REQUEST FOR COUNCIL ACTION</b></p>	<p style="text-align: center;"><b>MEETING DATE</b></p> <p style="text-align: center;"><b>04/21/2015</b></p>
<p style="text-align: center;"><b>REPORTS &amp; RECOMMENDATIONS</b></p>	<p>AT&amp;T Work Order For Relocation Of Cable at Franklin Water and Wastewater Operations and Maintenance Facility Site</p>	<p style="text-align: center;"><b>ITEM NUMBER</b></p> <p style="text-align: center;"><i>69.</i></p>

**BACKGROUND**

The new Franklin Water and Wastewater Operations and Maintenance Facility (5550 W. Airways Avenue) is under construction. After the contractor started work, an AT&T phone cable was discovered running through the site. The cable was not in an easement nor was it marked during utility locate services.

Staff and the Contractor unsuccessfully attempted to have AT&T relocate the cable at their expense given the circumstances that the cable was not in an easement nor was it marked. This issue was finally dealt with by City legal staff and AT&T's corporate legal staff. It is understood that this cable is in a prescriptive easement and the City must abide by AT&T's procedures to have the cable relocated.

**ANALYSIS**

To keep the construction of our project on track, the attached "AT&T Custom Work Order" with a check in the amount of \$20,075.14 needs to be submitted as soon as possible.

**OPTIONS**

Approve or Deny

**FISCAL NOTES**

The 2015 Sewer & Water budgets include appropriations sufficient to cover this cost. The Sewer and Water utilities will split the cost evenly.

**REMMENDATIONS**

Authorize Mayor to sign AT&T Work Order for the relocation of a cable at the new Franklin Water and Wastewater Operations and Maintenance Facility site and send check in amount of \$20,075.14.

STATE OF WISCONSIN: CITY OF FRANKLIN: MILWAUKEE COUNTY

RESOLUTION NO. 2015 - \_\_\_\_\_

A RESOLUTION TO SIGN AT&T WORK ORDER  
FOR RELOCATION OF CABLE AT FRANKLIN WATER AND WASTEWATER  
OPERATIONS AND MAINTENANCE FACILITY SITE

-----  
WHEREAS, the City of Franklin in constructing a Water and Wastewater Operations and Maintenance Facility at 5550 W. Airways Avenue; and

WHEREAS, AT&T previously installed a cable not within an easement; and

WHEREAS, the cable was discovered during construction; and

WHEREAS, AT&T has legal right to current location through prescriptive easement procedures; and

WHEREAS, an AT&T work order needs to be authorized to relocate the cable outside of new construction; and

WHEREAS, payment in the amount of \$20,075.14 to AT&T to cover expected cost to design and relocate cable needs to be submitted with authorization;

NOW, THEREFORE, BE IT RESOLVED, The City of Franklin will authorize AT&T to design and relocate a cable at 5550 W. Airways Avenue and reimburse for efforts.

Introduced at a regular ORder meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2015 by \_\_\_\_\_.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

APPROVED:

\_\_\_\_\_  
Stephen R. Olson, Mayor

ATTEST:

\_\_\_\_\_  
Sandra L. Wesolowski, City Clerk

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSENT \_\_\_\_\_



**Estimate of Cost and Authority to Work  
Special Construction Charge and Invoice**

**ACTUAL COST BASIS**

Customer Request Number : 179477  
Project Number : A0052X1

Date : 04/14/2015  
Customer ID : 137628

**Billing Information**

Billing Party's Name : CITY OF FRANKLIN  
Phone : (414) 415-7510  
Billing Address : 9229 WEST LOOMIS ROAD  
CITY OF FRANKLIN  
FRANKLIN, WI 53130  
Contact Name : GLEN MORROW  
Phone : (414) 425-7510

Work Description & Engineering Remarks : RELOCATE AT&T FACILITIES AT 5550 AIRWAYS AVE., FRANKLIN, WI. WORK REQUESTED BY NATE GEBERT. AUTHORIZED BY GLEN MORROW.

THIS IS ACTUAL COST BILLING, PLEASE CAREFULLY READ PARAGRAPH 3 OF THE CONTRACT. THIS IS ONLY AN ESTIMATED COST.

THIS QUOTE DOES NOT INCLUDE ANY EXPEDITE FEES TO IMPROVE THE TIMELINE. FOR THE CONTRACTOR NOR AT&T LABOR. WE ARE UTILIZING A QUICK BID PROCESS FOR A FASTER TURNAROUND FOR AN AWARDED CONTRACTOR. DEPENDING ON THE BID RETURNED, ANY ADDITIONAL VENDOR FEES ABOVE THE AMOUNT ITEMIZED WILL BE BILLABLE. ANY EXTRA LABOR FEES ABOVE THE QUOTED PRICE WILL ALSO BE CALCULATED AT PROJECT COMPLETION AND WILL BE BILLABLE.

THIS WORK REQUIRES UP-FRONT PAYMENT AND SIGNED CONTRACT.

TO PROCEED, SEND PAYMENT AND A SIGNED COPY OF PAGE 2 ATTACHED TO: AT&T, CWO CENTER, 220 WISCONSIN AVE./2ND FLR., WAUKESHA, WI 53186.

<b>Expenses</b>	<b>Amount</b>
Engineering Labor	\$ 3,196.69
Material Cost	\$ 977.32
Construction Labor	\$ 2,589.54
Contractor Cost	\$ 13,311.59
Misc. Tax	\$0.00
<b>Total Estimated Costs</b>	<b>\$ 20,075.14</b>

OSPE Representative: STEVE PIETTE  
Title: Customer Contracts Specialist  
Phone #: (262) 970-8412



# Estimate of Cost and Authority to Work Special Construction Charge and Invoice

## ACTUAL COST BASIS

Customer Request Number : 179477  
Project Number : A0052X1

Date : 04/14/2015  
Customer ID : 137628

### DESCRIPTION OF CUSTOM WORK:

RELOCATE AT&T FACILITIES AT 5550 AIRWAYS AVE., FRANKLIN, WI. WORK REQUESTED BY NATE GEBERT. AUTHORIZED BY GLEN MORROW.

THIS IS ACTUAL COST BILLING, PLEASE CAREFULLY READ PARAGRAPH 3 OF THE CONTRACT. THIS IS ONLY AN ESTIMATED COST.

THIS QUOTE DOES NOT INCLUDE ANY EXPEDITE FEES TO IMPROVE THE TIMELINE. FOR THE CONTRACTOR NOR AT&T LABOR. WE ARE UTILIZING A QUICK BID PROCESS FOR A FASTER TURNAROUND FOR AN AWARDED CONTRACTOR. DEPENDING ON THE BID RETURNED, ANY ADDITIONAL VENDOR FEES ABOVE THE AMOUNT ITEMIZED WILL BE BILLABLE. ANY EXTRA LABOR FEES ABOVE THE QUOTED PRICE WILL ALSO BE CALCULATED AT PROJECT COMPLETION AND WILL BE BILLABLE.

THIS WORK REQUIRES UP-FRONT PAYMENT AND SIGNED CONTRACT.

TO PROCEED, SEND PAYMENT AND A SIGNED COPY OF PAGE 2 ATTACHED TO: AT&T, CWO CENTER, 220 WISCONSIN AVE./2ND FLR., WAUKESHA, WI 53186.

TYPICAL TURN AROUND TIME IS 6 TO 8 WEEKS AFTER RECEIPT OF SIGNED CONTRACT AND PREPAYMENT.

### ESTIMATED COST FOR CUSTOM WORK: \$ 20,075.14

Applicant understands that pursuant to the tariffs on file with the FCC and with the State of Wisconsin and/or in order to induce AT&T to relinquish or modify its property right, it is my responsibility to pay these costs incurred by Wisconsin Bell, Inc., d/b/a SBC Wisconsin, a Wisconsin corporation to complete the work requested.

Applicant has asked AT&T to perform the above-described custom work for which Applicant shall pay AT&T the contract price of Twenty Thousand Seventy-Five Dollars And Fourteen Cents/ \$20,075.14 in advance of the start of any AT&T work.

Applicant shall pay for the work on an "Actual Cost" basis. Upon completion of the work, AT&T will compute the actual cost of the work. Any difference between the amount of advance payment and the actual cost will be either paid by the Applicant to AT&T or refunded to Applicant by AT&T as the case may be. Applicant understands that this amount is only an estimate of approximate costs, and that the actual cost incurred by AT&T and for which the Applicant is responsible may be different.

Charges are calculated in accordance with AT&T's ordinary accounting practices under the Uniform System of Accounts for Class A telephone companies and include allocated costs for labor, engineering, materials, transportation, motor vehicles, tool and supply expenses and corporate overhead loadings.

**The estimated amount of Twenty Thousand Seventy-Five Dollars And Fourteen Cents/ \$20,075.14 is valid for only sixty (60) days and is therefore subject to change/cancellation after June 13, 2015 if AT&T has not received an executed copy of the Application and advance payment by that date.**

If Applicant cancels the work prior to completion, Applicant shall pay AT&T for all costs AT&T has incurred before being notified in writing to cease work.

### ACCEPTED FOR APPLICANT:

### SEND PAYMENT PAYABLE TO:

BY: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

AT&T Midwest - CWO Center  
220 Wisconsin Avenue - Floor 2,  
Waukesha, WI 53186

APPROVAL <i>Slw</i>	REQUEST FOR COUNCIL ACTION	MTG. DATE 4/21/15
Reports & Recommendations	<b>SUBJECT:</b> A resolution approving a Contract Change Order No. 1 with Payne & Dolan, Inc. in the amount of \$51,235.80 for the 2015 Local Street Improvement Program	<b>ITEM NO.</b> <i>G.10.</i>

**BACKGROUND**

The 2015 Paving Program was developed as follows:

The original 2015 Program (Listing of Streets)	\$1,265,308.00
Sent to Mayor and Council last September	
Establish 2015 Budget Program	\$ 960,000.00
Engineers Estimate	\$ 919,975.00
Defined from Preliminary (Includes \$40,000 for walk)	
Payne & Dolan	\$ 771,116.95
Contract Awarded on 3/17/2015	

In addition to the bid there is a need for approximately \$10,000 for compaction inspection services and potential contingency. The difference between budget \$960,000 and anticipated actual is approximately \$179,000.

**ANALYSIS**

It has been suggested that given the extraordinary low bid prices received and resulting cost below budget that the program be expanded by adding several streets.

Upon review of Program Streets there are several street extensions that could be added to the Program Streets. These extensions will serve to end common work on several streets at logical terminus. These streets have estimated and program (contract/contingency/inspection) costs as follows:

S. Elm Leaf Lane	\$14,780
W. Forest Meadows Drive and Beacon Hill Drive	\$13,980
S. 68th Street – South of Puetz Road to north limits of Milwaukee	\$27,600
County Lands extended	
<b>TOTAL:</b>	<b><u>\$56,360</u></b>

**OPTIONS**

Approve or Deny Contract Change Order No. 1.

**FISCAL NOTE**

It should be noted that common practice for contract change is a 15% maximum increase or decrease. Using this practice the City could potentially increase the contract from: \$771,116.95 x 1.15 to \$886,784.00  
Acceptable maximum increase \$115,667.05

**RECOMMENDATION**

Motion to adopt Resolution No. 2015-\_\_\_\_\_ a resolution approving contract a Change Order No. 1 work Payne & Dolan, Inc. in the amount of \$51,235.80 for the 2015 Local Street Improvement Program

RJR/sg

STATE OF WISCONSIN: CITY OF FRANKLIN: MILWAUKEE COUNTY

RESOLUTION NO. 2015 - \_\_\_\_\_

A RESOLUTION APPROVING A CONTRACT CHANGE ORDER NO. 1  
WITH PAYNE & DOLAN, INC. IN THE AMOUNT OF \$51,235.800  
FOR THE 2015 LOCAL STREET IMPROVEMENT PROGRAM

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WHEREAS, the City of Franklin received bids for the 2015 Local Street Improvement Program; and

WHEREAS, the City Common Council at their meeting on March 17, 2015 awarded a contract to Payne & Dolan, Inc., the low bidder, in the amount of \$771,116.95; and

WHEREAS, Payne & Dolan, Inc.'s bid prices were extremely competitive; and

WHEREAS, it is believed to be in the best interest of the City as recommended by the City's staff to add several streets to the program and approve a contract change order in the amount of \$51,235.80 to Payne & Dolan, Inc.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the City of Franklin, that a contract Change Order No. 1 be approved to Payne & Dolan, Inc. in the amount of \$51,235.80 for the 2015 Local Street Improvement Program.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are authorized and directed to execute a contract Change Order No. 1 with Payne & Dolan, Inc. on behalf of the City.

Introduced at a regular meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2015 by Alderman \_\_\_\_\_.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

APPROVED:

\_\_\_\_\_  
Stephen R. Olson, Mayor

ATTEST:

\_\_\_\_\_  
Sandra L. Wesolowski, City Clerk

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSENT \_\_\_\_\_

RJR/sg

CHANGE ORDER  
CITY OF FRANKLIN  
DEPARTMENT OF ENGINEERING

Change Order No: 1

Dated: 4/3/2015

PROJECT NAME 2015 Local Street Improvement Program

PROJECT LOCATION Various Locations

CONTRACTOR: Payne & Dolan, Inc.

Contract For City of Franklin

You are directed to make the changes noted below:

To add to the program the following extension with quantities on attached sheet.

Nature of the Changes:

	<u>Price</u>
• S. Forest Meadows Drive – 120' north of W. Beacon Hill Drive	\$12,786.80
• W. Beacon Hill Drive – 125' west of S. Forest Meadows Drive	
• S. 68 <sup>th</sup> Street – south of W. Puetz Road, 565' south	25,019.00
• W. Elm Leaf Lane – Margaret Lane 355' south	<u>13,430.00</u>
	<u>\$51,235.80</u>

Enclosures: Detail Sheets

These changes result in the following adjustment of Contract Price and Contract Time: (CITY CONTRACT ONLY)

Contract price prior to this Change Order \$ 771,116.95 (Award Amount)

Net Increase resulting from this Change Order \$ 51,235.80

Current contract price including this Change Order \$ 822,352.75

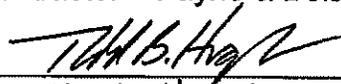
Net Increase resulting from this Change Order None

The above changes are Approved:

City Engineer

Contractor – Payne & Dolan, Inc.

By: Glen Morrow

  
By: Todd Hughes

Date: \_\_\_\_\_

Date: 4-15-15

# 2015 LOCAL STREET IMPROVEMENT PROGRAM - ADDITIONS

Sheet 1 of 1

ITEM NO.	BID ITEM UNITS	STREET LOCATIONS				SHEET TOTAL	UNIT PRICE	PRICE
		Forest Meadows Dr./ Beacon Hill Dr.	S. 68th Street	W. Elm Leaf Lane				
1	Pulverize Existing Pavement (SQ YD)		1,700	860		2,560	\$1.43	\$3,660.80
2	Mill Existing Pavement (SQ YD)	820				820	\$0.85	\$697.00
3	Binder Pavement (TONS)		220	115		335	\$48.40	\$16,214.00
4	Surface Pavement (TONS)	125	140	75		340	\$54.95	\$18,683.00
5	Limestone Base (TONS)		75	50		125	\$27.75	\$3,468.75
6	Remove/Replace Bituminous Binder (TONS)	40				40	\$67.40	\$2,696.00
7	Remove/Replace Curb/Gutter (LF)	50				50	\$33.25	\$1,662.50
8	Replace Curb/Gutter (LF)					0		
9	Sanitary Manhole Adjustments and Seals (EA)	1				1	\$420.00	\$420.00
10	Water Valve Box Adjustments and Repairs (EA)	3				3	\$75.00	\$225.00
11	Stone Shoulder (TONS)		100	50		150	\$21.00	\$3,150.00
12	Tack Coat (GAL)	50	75	50		175	\$2.05	\$358.75

**TOTAL: \$51,235.80**

APPROVAL	REQUEST FOR COUNCIL ACTION	MTG. DATE
<i>Slw</i> Reports & Recommendations	<b>SUBJECT:</b> Reject bids for the purchase of water main and service items and manhole frame and cover and rebid	4/21/15 <b>ITEM NO.</b> <i>6.11.</i>

**BACKGROUND**

The Department of Transportation (WDOT) has contracted the reconstruction of S. 27<sup>th</sup> Street, from W. College Avenue to south of W. Drexel Avenue starting this spring. The reconstruction will alter (lower) the grade of the road and expand the width. This change in cross section will affect the Utility water system and sanitary sewer system which lies along the west side of S. 27<sup>th</sup> Street within the City of Franklin.

**ANALYSIS**

The preliminary estimated cost of sewer and water revision was \$659,755. Bids were recently received by WDOT which total \$421,704 for this work. This bid amount, however, did not include water main and service items and manhole frame and cover materials. The City has chosen taking separate material bids to allow the specifying of selective material manufacturers consistent with material used inventoried by the City. The Water Commission, based on staff recommendation, acknowledged the resulting advantage. The estimated cost of these materials being \$30,400.

Two (2) bids were received. Neither furnished a bid bond. Both bidders were called and indicated bonding for material was somewhat uncommon to them, but could comply on a rebid.

Recommendation from staff to rebid.

**OPTIONS**

Motion to rebid with bonding compliance.

**FISCAL NOTE**

The modification to sewer and water systems was included as part of S. 27<sup>th</sup> Street reconstruction. A budget was developed in 2014. The funds will flow through T.I.F. No. 3

**RECOMMENDATION**

Motion to reject bids for the purchase of water main and service items and manhole frame and cover and rebid.

RJR/sg

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<b>APPROVAL</b> 	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> <b>4/21/2015</b>
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<b>REPORTS &amp; RECOMMENDATIONS</b>	<b>Discussion to Provide Guidance to the Classification &amp; Compensation Study Consultant on Pay Philosophy &amp; Pay Plan Structure</b>	<b>ITEM NUMBER</b> <i>G.12.</i>
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(This item was tabled from the 4/7/2015 Common Council Meeting.)

At the March Committee of the Whole meeting the Common Council received a presentation from Joellen Earl and Lee Szymborski of GovHR USA relative to pay philosophy and pay plan structure. The intent is for the Common Council to provide them with guidance so that they may incorporate those positions into the initial recommendations that are to be provided by the consultant. At that meeting, the Common Council requested input from Department Heads on these topics. Council members were to submit additional questions to the Director of Administration for the consultant to address in writing. The issue was scheduled to return to the April Committee of the Whole and the first Common Council meeting in April for a final, initial determination.

**Attached are the following documents:**

- "Pay Philosophy and Pay Plan Structure Summary Points Prepared by the Director of Administration" – this packet was discussed at and distributed to the Personnel Committee at their meeting of March 30, 2015. It includes the recommendation of the Department Heads, the Director of Administration, and discussion on cautions – or pros and cons – associated with merit pay.
- The additional questions provided to GovHR USA, along with GovHR USA's responses.
- The relevant pages from the March Committee of the Whole meeting, for your convenience.

**Personnel Committee:** The Personnel Committee, who was present at the March Committee of the Whole meeting, met to discuss the issue and has made the following motions. The first has a slight deviation from the motion as recommended by the Director of Administration. The added words are shown as underlined. The second motion is exactly as recommended.

**Recommended Motion:** Motion that the Personnel Committee recommends that the Common Council directs the consultant to establish recommended an initial, starting pay philosophy at the 70<sup>th</sup> percentile, consistent with the recommendation of the Department Heads, but that calculations for the 60<sup>th</sup> and 55<sup>th</sup> percentile also be provided for a matter of context and consideration, that the consultant be directed to recommend policy or implementation strategies to ensure flexibility in initial hiring wages, and that consideration for an initial salary adjustment should be given to long-term employees who are placed near the bottom of a newly established range.

**Recommended Motion:** Motion that the Personnel Committee recommends that the Common Council direct the Director of Administration to work with the consultant to devise a plan for initial implementation of an incremental-based system with a planned transition to a merit-based system for FLSA-exempt employees and a hybrid system for FLSA non-exempt Employees.

**Additional Information:** Based upon the discussion at the Personnel Committee, three additional items are worth addressing.

First, it is worth noting that any determination at this time is not a final determination that adopts a final pay plan philosophy or policy. The consultant is looking for guidance as to what the Common Council believes they would want to implement. After the initial report is provided to the Common Council, the Common Council will be provided an ample opportunity to review the detail, evaluate the results, and finalize a policy. If, for example, the initial recommendation yields results that fall within scheduled and

available resources, the Common Council could take the final actions to implement the pay plan and philosophy as presented. If, on the other hand, the initial recommendation yields results that exceed the available resources, the Common Council will be able to consider modifying the policy or philosophy recommendation, delaying the implementation date, altering the implementation plan, or finding additional resources in order to retain the initial recommended philosophy. As such, the recommendation at this time should be what the Common Council would conceptually like to implement. After the Council receives the detailed results and impacts, the Common Council will get to finalize or revisit the initial direction given to the consultant.

Second, the second motion from Personnel for devising a general plan for a transitional implementation strategy does not specify a timeline. This was done intentionally with the understanding that until the recommended plan and steps are identified, specifying a timeframe was premature. Nonetheless, the Director of Administration noted that he presumes that the plan will provide steps and each step will have general timeframes for execution based upon need and resources allocated. Together, one could then see the full timeline that would result, provided all of the resources and commitments are met. This staged process is recommended because of the level of detail that would need to be developed following establishing the general, transitional strategy, as is suggested in the motion.

Third, the attached document entitled "Pay Philosophy and Pay Plan Structure Summary Points Prepared by the Director of Administration," in the first paragraph about "Input from Department Heads," talks about some percentages relative to where the City would be if, for example, 10 communities are positioned below us. The purpose of that example was to give some context as to where different percentages fit into the group from a holistic perspective. The bottom line, however, is that the consultant actually calculates a percentage placement applying a mathematical formula that is allowable for interpolation based upon the standards used by the National Institute of Standards and Technology, a Division of the U.S. Department of Commerce. Effectively a mathematical interpolation is made from the complete data set based on minimum and maximums of the comparable ranges. For your purposes, the result is that the Common Council can pick any percentage points they want and each will yield slightly different results: 66% will yield different results than 68%. The consultant notes that small deviations in percentages tend to have limited impacts in the ranges.

**Recommendation:** The recommended motions below reflect those as forwarded by the Personnel Committee, with one minor grammatical correction.

## COUNCIL ACTION REQUESTED

**Recommended Motion:** Move that the Common Council directs the consultant to establish an initial, starting pay philosophy at the 70<sup>th</sup> percentile, consistent with the recommendation of the Department Heads, but that calculations for the 60<sup>th</sup> and 55<sup>th</sup> percentile also be provided for a matter of context and consideration, that the consultant be directed to recommend policy or implementation strategies to ensure flexibility in initial hiring wages, and that consideration for an initial salary adjustment should be given to long-term employees who are placed near the bottom of a newly established range.

**Recommended Motion:** Motion that the Personnel Committee recommends that the Common Council direct the Director of Administration to work with the consultant to devise a plan for initial implementation of an incremental-based system with a planned transition to a merit-based system for FLSA-exempt employees and a hybrid system for FLSA non-exempt Employees.

## Pay Philosophy and Pay Plan Structure

### Summary Points Prepared by the Director of Administration, City of Franklin

Support Documentation for the Personnel Committee, March 30, 2015

#### Pay Philosophy

**Input from Department Heads:** In summary, the department heads generally believe that competitive pay is essential in attracting and retaining the most qualified and capable employees. As such, they believe that the City should pay as competitively as it can within its ability to pay. This is particularly important given the loss of competitiveness due to the City's absence from participation in WRS for non-public safety employees. Therefore, the City should clearly strive to exceed the 50<sup>th</sup> percentile in the market place and should target more in the range of the 70<sup>th</sup> percentile. Given 14 comparable communities, targeting Franklin as the 5<sup>th</sup> most competitive would place Franklin just inside the top third, with 10 communities – or two-thirds of the pool of comparables – below Franklin. Depending upon how you look at the numbers, that would place us just above the 67<sup>th</sup> percentile (11<sup>th</sup> out of 15) or the 71<sup>st</sup> percentile (ahead of 10 of 14 comparables).

**Recommendation of the Director of Administration:** **The Director of Administration concurs with the Department Head's recommendation.** The organization is very labor intensive. Vacancies and difficulties in hiring quality employees have significant direct operational costs and severe productivity costs. Numerous examples of these impacts could be cited.

Additionally, **the Director of Administration recommends considering greater variability in the philosophy and/or administration of the pay plan at the entry level**, particularly if the higher recommended overall standard is not approved. Generally, the consultant has recommended one, single percentage as the link to competitiveness in the market place. At the 70<sup>th</sup> percentile, the City would be competitive for new hires; however, if the 70<sup>th</sup> percentile is not in place for the full plan, discussions should be held with the consultant to retain such a higher level for starting wages. The point of hiring is, obviously, the most critical point for attracting the best, most experienced employees. Therefore, stronger starting wages and the ability to hire experienced applicants above the minimum is operationally beneficial and cost effective in the long run.

Furthermore, please be advised that the **Director of Administration recommends the following consideration in implementing any pay plan: a long-term employee who is found to be in the market range, but just barely, should be given some consideration for an initial, nominal adjustment.** For example, in implementing the plan, individuals who are not in the top half (or some other established standard) of their current range, have not made any progress against the range in the last 8-10 years, and are below the market-rate should be given some consideration for an additional small bump at implementation, not just slotted in their range as is. The costing could be prepared prior to award or implementation.

Note that the consultant indicated an ability to calculate multiple market linkage points. In order to put the impact of the Department Head's recommendation in context, **the consultant should be given multiple linkage points to calculate as a base.**

**Recommended Motion:** Motion that the Personnel Committee recommends that the Common Council directs the consultant to establish recommended pay philosophy at the 70<sup>th</sup> percentile, consistent with the recommendation of the Department Heads, but that calculations for the 60<sup>th</sup> and 55<sup>th</sup> percentile also be provided for a matter of context and consideration, that the consultant be directed to recommend policy or implementation strategies to ensure flexibility in initial hiring wages, and that consideration for an initial salary adjustment should be given to long-term employees who are placed near the bottom of a newly established range.

## Pay Plan Structure

The following discussions provide a summary of traditional concerns or cautions with implementing merit pay in an organization, along with the traditional Human Resource's rebuttal to such concerns. For the purposes of the following discussion, the term "merit-based" is used to reflect a pay plan structure that incorporates performance-based wage and salary adjustments. (Note: The "Cautions" are in no particular order but are numbered for the sake of convenience.)

**Caution #1 -- Motivation versus Morale:** Generally it is considered a positive motivational factor that an individual that is a strong performer can be rewarded. As such, one is motivated to perform. For others, perceived differences between rewards and performance can create morale problems.

**Rebuttal:** A well devised, implemented, and communicated performance management system can align perception with actual results and expectations. In doing so, motivation is maintained, and the morale problems are only with those who are not able to perform or meet expectations.

**Caution #2 -- Competition versus Collaboration and Teamwork:** Friendly competition is healthy in most work environments, but fierce competition can disrupt working relationships and cause tension among colleagues. As such, some organizations express concern that a merit-based pay compensation program may encourage competition rather than collaboration and teamwork. This may be more prevalent when pay is disclosed, as is common in the public sector. Although many employers favor teamwork as a means to accomplish organizational goals, one can argue that it's difficult for a team-centered work force to co-exist with an individual-performance-based work environment. The Police Chief and Fire Chief note that this may be even more of an issue in a paramilitary-type organization such as a Police or Fire Department. (Note: portions of the wording excerpted from <http://smallbusiness.chron.com/pros-cons-variable-pay-plan-57089.html>)

**Rebuttal:** Collaboration among employees is critical and, by design, any performance-based criteria should expect/include a component on collaboration. Therefore, if an employee is not collaborating and showing teamwork, their evaluation will suffer. As such, managing for collaboration is viable.

**Caution #3 -- Defining Exemplary Behavior versus Fear of Subjectivity and Favoritism – OR – The Relationship of a Performance Evaluation to Performance and Goals.** A study prepared for Beloit noted that "The majority [of employees] believed that since there were no specific criteria needed to be awarded merit; it was a system where supervisor's utilized merit to either reward favorite employees, or to give individuals more money regardless of performance." As such, the ability or inability to define and explain performance standards (exemplary behavior) can be the difference between success and failure. To achieve the positive results requires an emphasis on such efforts; an emphasis that is sometimes thwarted by new, upcoming projects.

**Rebuttal:** There is a presumption in Human Resources that these negative aspects can be trained and programmed away with the proper dedication of effort and resources, including time. The consultant will confirm that good forms, good process, and good training will enable managers to implement merit-based pay if allowed sufficient resources.

**Example:** Department and individual goals must be clearly defined and at the center of the process, so that merit is not just the extra work people will do to be a bosses favorite.

**Example:** If supervisor opinions are the sole basis of the merit-based evaluation, favoritism and bias can come into play. The consultant will confirm that good forms, good process, and good training will reduce this; however, they believe strongly that central oversight and regulation of exemplary determinations is essential.

**Caution #4 -- Supervisors Are Not Prepared for a Merit-Based System.** The Beloit study noted that there was a strong perception among formerly union employees that this system would be riddled with favoritism

as most believed that their supervisor was incapable of “managing.” Not that these were “bad” individuals, but when managing under a union contract environment, and now thrust into a supervisory role, they did not have the skill necessary to make a merit-based program work. An example of a poor practice is called a “recency error,” a tendency for an evaluator to focus on the near term and not the full evaluation period. Similarly, Beloit reported that a vast majority of Department Supervisors felt that the supervisory staff within the City did not want to provide employees with negative feedback; thus, questioning the legitimacy of the program.

**Rebuttal:** Managers can be trained. Again, there is a presumption in Human Resources that these negative aspects can be trained and programmed away with the proper dedication of effort and resources, including time. The consultant will confirm that good forms, good process, and good training will enable managers to implement performance-based pay if allowed sufficient resources.

**Caution #5 – Planning Versus Implementation:** No matter how well the City plans, if the City does not truly fund excellence, the effort will be wasted, and the entire process becomes a morale detriment. Similarly, if the City does not allow for supervisory time to train on and implement a complete performance management system, the entire process can be compromised.

**Rebuttal:** Success is primarily a matter of organizational effort and support, including sufficient time, resources, and training.

Additionally, it is fair to admit to a change in philosophy from initially implemented.

**Input from Department Heads:** In summary, the department heads generally believe that the City is not in a position to implement a merit-based system at this time. In general, they recommended developing and providing the documents, policies, methods, and implementation strategy to be used prior to adopting a merit-based plan. With this information in hand, department heads would then be able to provide a more specific recommendation as to whether such a plan could work. In short, without plan specifics, details, and training, supervisors did not believe that the City was in a place to implement a merit-based plan in the near term. There was, however, a predominant sense that it should be possible with proper design, training, time, and central policy support.

It should be noted that the Police Chief and Fire Chief felt more strongly that a merit-based system is not appropriate for a paramilitary organization. Although they believe they can distinguish the stronger employees from the weaker, the nature of their operations and the critical dependence on teamwork and collaboration warranted a pay structure with equality between individuals in the same position.

**Input from Employees:** I held two meetings where employees could meet with me to discuss the general topics of pay plan philosophy and structure. I provided them a run-through of the consultant’s original presentation and answered questions. My goal was to inform and to get input from employees relative to the pay philosophy and structure. A total of 17 employees participated. Uniformly the employees believed a merit-based system could work if properly supported and sufficient training was provided. Positive comments were provided about the hybrid system for FLSA non-exempt employees, but most employees seemed to think it was more of an issue for new employees and was less likely to impact them directly. Although the general reaction supported a merit-based system, the mood and tenor of the meeting was more informative and the positions taken were not, I would say, firm and were a little dispassionate. The small size of the group also suggests it may not be representative of all employees.

**Recommendation of the Director of Administration:** On its face, the ability to reward the best employees with higher wage increases is logical and should be a positive motivator. Each of the cautionary statements discussed above has a legitimate rebuttal to the stated concern. The bottom line is that many organizations, public and private, have adopted a merit-based pay structure. If Franklin wishes to do so, it can.

However, the key to success is clearly in the design, implementation, and, importantly, in the organizational support for the system and its success. For a merit-based system to work, the following items must be in place:

- the documentations and policies of a performance management system need to be created;
- supervisors must be well trained in its implementation and in the ability to specify and identify clear performance measures and standards;
- employees must be trained on how the performance measurement system works and their role in the process, as well as what, specifically, are their individual and departmental performance expectations; and
- organizational policies must be in place to ensure top-level support for a merit-based system, including expectations for annual funding of merit awards and sufficient time for supervisors to implement the merit-based system, as it is a time-intensive process.

The recommendation of the department heads indicates a reticence to proceed with a merit-based system until the details are in place. Furthermore, the discussion on “cautions” above notes that unless the organizational requirements are addressed, the system can fail. Failure can lead to significant morale issues and organizational tension, which impacts turnover.

**The Director of Administration recommends that a merit-based system is, generally, the best pay system if well implemented and organizationally supported.** Furthermore, a merit-based system that is not well implemented and organizationally supported is worse than an incremental system. [An incremental system, effectively, is simply a merit-based system with only two gradients – 1) an employee is good enough to be retained and gets a raise or 2) an employee is not good enough to be retained, doesn’t get a raise, and is placed in an improve-or-get-fired path.]

As such, the Director of Administration concurs with the predominant department head position, that the details of a merit-based system be developed for policy approval and then training of both supervisors and employees can occur. After that point, the City should be able to implement a merit-based system. As part of that process, more specific information and/or strategies can be considered for how such a system could be made to work within a paramilitary organization. **Therefore, the Director of Administration should be directed to work with the consultant to devise a plan for initial implementation of an incremental-based system with a planned transition to a merit-based system.** The transition plan, for example, could set forth that the Common Council would annually determine if the City’s performance management system is sufficiently robust such that increases for those above the market point are merit-based or across-the-board.

**Additionally, the eventual merit-based system for FLSA non-exempt Employees should consider a hybrid system,** where an increment plan remains in place at the introductory steps and an open, merit-based plan is in place for the remainder of the range. For example, fixed steps could be used up to the market-point or for an initial 2-4 year period. This will enable new, hourly-based employees to have some commitment to initial wage increases. Steps and policies should be set so that individuals achieve the market point in 4-5 years if starting at the entry level.

**Additionally, the Director of Administration recommends that the transition plan and the eventual merit-based plan shall annually restate the market position, to the point possible.** This means that the Common Council should annually determine 1) the percentage adjustment of the pay ranges to establish/confirm the competitiveness with the market place and 2) the across-the-board market-adjustment to wages. Generally

these should be the same number, in which case the plan and employee actual wages maintain pace with the market place thereby re-confirming established pay philosophy. If #2 exceeds #1, then market competitiveness is increasing. If #1 exceeds #2, then market competitiveness is decreasing. To ensure long-term consistency, annual adjustments should be reconciled over time or estimates will be made within the annual budget process for 1/1 implementation with actual comparable adjustments verified later, for example 7/1, with reconciliation determination to be made based upon the results. This component can be addressed with the initial plan adoption and, without objection, will be considered with the implementation strategy to be provided.

**Recommended Motion:** Motion that the Personnel Committee recommends that the Common Council direct the Director of Administration to work with the consultant to devise a plan for initial implementation of an incremental-based system with a planned transition to a merit-based system for FLSA-exempt employees and a hybrid system for FLSA non-exempt Employees.

The following questions were provided to GovHR USA. Their answers are provided. Although the answers themselves may evoke additional questions, debate, or discussion, the answers do provide additional understanding of the issues of pay philosophy and pay plan structure.

1. Are the width of the ranges (from minimum to maximum) part of the policy decision or is it generally based upon or reflective of the market practices across the comparable communities?

ANSWER: *The ranges are generally based on what we find in the market.*

2. Are the widths of the ranges consistent across the entire plan or can they vary for different grades?

ANSWER: *It depends on the data we receive and the plan design we construct for Franklin. Ranges for defined increment plans tend to be narrower than those for open range plans. We won't know for sure until we receive the data and understand the plan design we are establishing for Franklin.*

3. When there is an adjustment to the salary ranges so that the plan keeps pace with the market place, do the individuals usually have their salary move at the same time so that they stay in the same place relative to the market place?

ANSWER: *This is a local decision. In most cases we find that communities do provide an across-the-board increase; however, in some cases we have found that increases are only based on merit and thus the employee pay levels are not changed with the market adjustment to the ranges.*

4. Is it possible in systems you typically recommend for a new supervisor to make less – for some period of time – than a long-term subordinate?

ANSWER: *No, that is a local decision. We are only recommending compensation levels for classifications, the City would have to ultimately decide how to implement the new system taking in consideration the impact it would have on incumbent employees.*

5. What is the typical gap in wages where in you typically say compression isn't occurring?

ANSWER: *We have not seen a typical gap. We will not know how to address the compression issue that has been highlighted in Franklin until we see the salary data from the survey and conduct the job evaluation and analysis. We will then make a recommendation looking at all of those factors combined.*

6. Is an annual cost-of-living increase (the change to keep pace with the market place) generally tied to merit as well?

ANSWER: *No, it is usually separate.*

7. Overtime can vary dramatically between years for some positions and between people within a position, how does an organization account for this in a plan structure design?

ANSWER: *Overtime is not tied to plan design it is related to staffing levels, that analysis is not part of this study.*

8. Should consideration be given or have you seen consideration given as to tenure when considering an individual's starting position in the new pay plan? In other words, if an individual is at the 60% mark in their current range but your study says they just squeeze into the bottom of your range based on market. Do they stay at the bottom or do some communities give some consideration and move the person to some point further along the new pay range, presumably somewhere closer to the same 60% point?

ANSWER: *Again, this is a local option and decision. However, we do not recommend tying placement in a new range to where someone was in the old range. That said, we have recommended an additional bump at implementation based on length of service – for example, 0 – 3 years – no additional pay; 4 – 8 years – 1% additional; 9 – 15 years – 2% additional; 16+ years – 3% additional.*

9. Did we understand correctly from your presentation that it would not be unreasonable to have a hybrid system for FLSA-covered employees and a fully merit based system for FLSA-exempt employees?  
ANSWER: *Yes, Exempt employees are usually paid based on merit through an open range system. We have seen either plan design (open range or defined increment) or a hybrid plan for non-exempt employees.*

10. When considering philosophy does the Common Council need to provide you with market linkage points for the min, median, and max? In other words, are you looking for a statement to the effect of the following: Franklin wants to have starting salaries at 65% of the market, median salaries at 60% of the market, and maximum salaries at 50% of the market?

ANSWER: *No, we would like direction for the entire range. We would not recommend varying the level at any point in the range for a variety of reasons including recruitment and retention of employees and ability to maintain the system going forward. Nonetheless, you can structure it any way you want, but I think it is better to use a similar percentile for your whole system, especially when you start out.*

11. Assuming a hybrid plan, what do you consider the appropriate number of years for an FLSA employee (hourly) to reach the midpoint presuming every year has been satisfactory performance? Would this be different for an FLSA-exempt employee?

ANSWER: *We do not tie the midpoint of the range to work proficiency, meaning there is not threshold that determines an employee should be paid at midpoint. In the past, we have calculated a hybrid plan with a few steps at the lower end of the range for the purpose of providing wage certainty for the new employees as they are learning their positions. The open range portion would most likely commence at a point lower than the midpoint of the range. Thus, the point of the hybrid system is to guarantee some pay early on while a person is learning a new position. After that, movement is solely based on merit and the person may or may not progress through the range.*

*For an exempt employee, the midpoint is generally used as a gauge in hiring. Some jurisdictions use the midpoint to set a starting salary intending to hire new staff somewhere in the bottom half of the range depending upon experience and qualifications. In some cases, employees are hired above the midpoint if they are exceptional. That would be a local decision.*

## Pay Plan Design

### ▶ Defined Merit vs. Open Range Merit

- ▶ *Defined merit increment plans* are pay plans that have salary ranges with a minimum and a maximum with defined percentage increments (e.g., 2%) in between. If an employee has a satisfactory performance evaluation, he/she systematically advances through the pay range. This performance evaluation, and resulting salary increment increase, usually occurs annually.
- ▶ *Open-range merit plans* also have salary ranges with minimums and maximums, but without defined percentage increments in between. Employees are advanced through the pay range based on annual satisfactory performance evaluation, with the “percentage” of their increase determined by their supervisor and/or the City Administrator.

▶ 3

## Pay Plan Design

- **Defined Merit Increment Plan**
- **Advantages:**
  - City: Creates financial predictability.
  - Employees: Offers security and predictability for advancement through the range. Offers a high degree of internal equity and fairness.
- **Disadvantages:**
  - City: May feel that increment plans simply reward pay increases on a routine basis.
  - Employees: May feel unmotivated to perform at an above average or superior level, knowing their salary increase amount is pre-determined.

▶ 4

## Pay Plan Design

- **Open Range Merit Plan:**
- **Advantages**
  - City: Tends to motivate employees to perform at a higher level. Also enables the City Administrator and Department Directors to reward high performing employees with a salary increase greater than a defined increment.
  - Employees: High performers like working under this plan as they can “earn” a higher percentage salary increase.
- **Disadvantages:**
  - City: Less financial predictability.
  - Employees: Can create a *perceived* inequity regarding how individuals are granted salary increases.

▶ 5

## Pay Plan Design – Defined Merit

### Grades 1 - 4 - Defined Merit - Clerical/Service

11 Defined Merit Increments; 5% between grades; 2.75% between increments; 30% range

Grade	Min	Prob.	a	b	c	d	e	f	g	h	Max
1	\$38,028	\$39,074	\$40,148	\$41,252	\$42,387	\$43,552	\$44,750	\$45,981	\$47,245	\$48,544	\$49,879
2	\$39,929	\$41,027	\$42,156	\$43,315	\$44,506	\$45,730	\$46,988	\$48,280	\$49,608	\$50,972	\$52,373
3	\$41,926	\$43,079	\$44,263	\$45,481	\$46,731	\$48,017	\$49,337	\$50,694	\$52,088	\$53,520	\$54,992
4	\$44,022	\$45,233	\$46,477	\$47,755	\$49,068	\$50,417	\$51,804	\$53,228	\$54,692	\$56,196	\$57,742

▶ 6



## Pay Plan Design - Hybrid

### Grades 1-6 - Defined Merit/Open Range Blend - General Staff - Non-Exempt

3 Defined Merit Increments to open range; 3% between increments

Open Range from the final increment to the max

5% between grades; 45% total range

Grade	Minimum	a	b	c	Open Range	Maximum
1	\$30,000	\$30,900	\$31,750	\$32,623		\$43,500
2	\$31,500	\$32,445	\$33,337	\$34,254		\$45,675
3	\$33,075	\$34,067	\$35,004	\$35,967		\$47,959
4	\$34,729	\$35,771	\$36,754	\$37,765		\$50,357
5	\$36,465	\$37,559	\$38,592	\$39,653		\$52,875
6	\$38,288	\$39,437	\$40,522	\$41,636		\$55,518

▶ 7



## Pay Plan Design – Open Range

### Grades 7-8 - Open Range - Specialists/Technical Supervisors - Exempt

45% range

5% between grades

7	\$50,000	Open Range	\$72,500
8	\$52,500	Open Range	\$76,125

▶ 8

## Pay Philosophy

- ▶ City's approach to employee compensation:
  - ▶ Equal pay for equal work – Pay Equity – determined through job evaluation and salary survey
  - ▶ Retention – institutional knowledge, productivity and savings
- ▶ Philosophy:
  - ▶ Total Compensation – base pay, benefits, recognition - scan
  - ▶ Percentile – 50<sup>th</sup>, 65<sup>th</sup>, 75<sup>th</sup> percentile – competitiveness
  - ▶ Specific numbers – after achievements
  - ▶ Non-specific – open plan based on ideals

## Pay Philosophy - Example

- ▶ Our Compensation Plan will:
  - ▶ Attract and retain the highest performers
  - ▶ Pay market rates competitively at the 50th percentile for behavior that meets expectations and at the 75th percentile for behavior that exceeds expectations
  - ▶ Provide pay levels that are externally competitive among peers within our comparable communities
  - ▶ Provide internal equity by considering differences in skill, effort, responsibility, and working conditions among jobs
  - ▶ Provide compensation and benefits levels within the City's financial ability to pay
  - ▶ Encourage competency building by better linking career development, performance management and rewards

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<p><b>APPROVAL</b></p> <p><i>Slw</i> </p>	<p><b>REQUEST FOR COUNCIL ACTION</b></p>	<p><b>MEETING DATE</b></p> <p><b>04/21/2015</b></p>
<p><b>REPORTS &amp; RECOMMENDATIONS</b></p>	<p><b>Report on Status of Bidding Out Insurance Broker Services</b></p>	<p><b>ITEM NUMBER</b></p> <p><i>G.13.</i></p>

On 11/18/2014 the Director of Administration provided the Council with a memo that provided the background information as to why insurance broker services were not bid out in 2014 and that the City was not negatively impacted by this action. The Common Council approved the following motion at their meeting of 11/18/2014:

“To postpone implementing the practice of bidding out the insurance broker services every 3 years until 2015 and that a status report shall be provided to the Common Council at or prior to April 2015.”

The remainder of this action sheet constitutes that status report.

The issue of Insurance Brokers has been interrupted by addressing a related health insurance issue that arose during the first quarter. The City currently contracts with Humana for a predominant spectrum of our health insurance related costs. We are in the second year of a planned three-year term. As part of the Humana contract, the City was required to join the Business Health Care Group, which is a significant consortium of large, prominent, Milwaukee-area businesses and local governments. That participation has saved us significant dollars during its initial year. Early this year, however, the Business Health Care Group announced that it would be terminating its long-term relationship with Humana to pursue a more performance and consumer driven model created with United Health Care beginning 1/1/16. As such, the majority of time invested in health insurance management during the first quarter has been invested in multiple meetings with the Business Health Care Group, Humana, and United Health Care, as well as our current broker. This underlying issue needed to be investigated and addressed before consideration of an RFP for broker services could be advanced. Those meetings completed, I am now at a point where I can begin to compile an RFP for broker services. I intend to meet with another large broker in the next two weeks to review their service offering. This is the first step in identifying the specific scope of services needed for an RFP. The November memo went into detail as to the significance of a clear scope of services (November 18, 2014, Item G17, online).

As was noted in the November 18, 2014 packet, where the Common Council pushed back the proposed timeline for this project, there are a number of projects that remain a higher priority than this effort. For example, shortly after the November 18th action, the contract was finalized and executed for the Classification and Compensation study. That study has dominated our workload and must precede an RFP at this time. Impact fees and park projects have also taken a lot of time. I will continue to move this project forward, but in the context of the overall priorities I have been given, particularly since an RFP for services that match our current services are unlikely to result in savings, if any, that exceed \$8,000 for a year. (The November 18 memo addressed potential cost impacts as well.)

**COUNCIL ACTION REQUESTED**

No action required.



## MEMORANDUM

Date: November 12, 2014

To: Mayor and Aldermen

From: Mark W. Luberdá   
Director of Administration

RE: Update on Bidding Out Broker Services

On 12/3/13 the Common Council approved the following motion:

“to approve that the City adopt a practice of bidding out insurance broker services every 3 years starting at a point as determined by the Common Council (and that the Director of Administration is hereby directed to initially implement the practice in 2014, unless otherwise postponed by the Common Council following its consideration of a report on workload, projects, and outstanding Common Council directives).”

The time has come for insurance renewals again; the broker services, however, were not bid out. Workload and priorities forced that result. Obviously, staff's number one priority is accomplishing the directives of the Common Council. In doing so, we are also forced to focus on priorities and potential impacts. Bidding of the broker services did not occur largely due to other Common Council directives and other, unanticipated bid processes that did get accomplished for the year. I recognize that the motion approved last year contemplated that the report would be provided in advance of the current timeline so that the Council could confirm the priorities as addressed. As such, I apologize that this report is only being presented at this time. Nonetheless, I believe it is clear that an evaluation of the overall circumstances, as discussed below, would have led the Common Council to the same conclusion.

For 2014, it was initially contemplated that the classification and compensation study would be bid out in the early part of the year. The minor league baseball stadium project, which I estimate took nearly 200 hours of my time, pushed that far back. As such, the point at which bidding out of broker services would have occurred, I instead bid out the classification and compensation study, as well as completed an RFP for a consultant to fill Jack's vacancy and completed that hiring process. Those projects, particularly the classification and compensation RFP and review, involved over another 120 hours of work. All of this occurred while significant work was being done on the new economic development initiatives. There simply was not time to add another RFP process into this year.

The process to bid out such a service is involved because of the need to develop a clear scope of services. Communities use brokers in different ways, and obviously, what a community pays is based upon the services they demand. Franklin's broker is historically very engaged in traditional broker services as well as assistance down to the employee level. They attend employee meetings, prepare some draft documents for distribution, and have a team (called Team Red) of staff who assist employees directly with problematic claims. For example, Team Red has recorded 1,104 contact tickets with City staff. Many of those are with Dana and I on general administration, plan renewal discussions, plan design issues, etc., but many are questions from employees on benefits, claim resolution, help with providers, etc. 90 contacts on bill coding issues alone were addressed in the first 6 months of this year.

In short, Diversified provides a higher level of service than simply bidding out and negotiating insurances, so a defined scope of services would need to be worked out and thorough background and performance check would need to be done. Any such bid process is a substantial project if done correctly.

The scope addresses the issue of "you get what you pay for." To that end, the City converted Diversified from a percentage fee to a lower, flat monthly fee for their services a number of years ago as stop loss costs were rising. Our fee has been fixed at that level, \$4,408.33 per month or \$52,899.96 per year, since 2011. Compared to 2010 claims levels, which was the point at which the determination was made, their payment was less than 1.7% of claims, which is a very favorable rate. Very similar results occurred for 2012 and 2013, while 2011 and, likely, 2014 will be closer to 2%, which is not a bad thing because that means claims are down.

I did meet with one other insurance broker recently who noted that standard commission is approximately 3% or more. They offered to negotiate a lower fee as we are self insured, but indicated 3% was, otherwise, standard. I contacted some peer communities to put this into perspective. Oak Creek is paying \$25,000 for broker services, but has a separate contract for a "patient advocate vendor." At less than .5%, I would need to investigate the scope of services, because their claims, at 5.6 million, are about twice our expected level for this year. Brookfield is paying \$112,000, or about 2.9%. Shorewood is also at 3%. Germantown is paying a fee equal to 10% of their stop loss premium. Compared to Brookfield's 12% of stop loss, Germantown's fee is probably around 2.75%, but they are also paying an additional flat fee of \$2.63 per employee per month; so the total fee is likely in the 3% range. Wauwatosa does not generally use their broker for the employee contacts to the extent we do, and as such has a fee of only \$32,000, a rate similar to Oak Creek's. Their total claims are \$1 million more than Oak Creek's. Wauwatosa and a number of the communities indicated that they have been with their brokers for a long time because those stable relationships have been beneficial.

Given the broader service we get, the 2% or less we have paid is clearly not unreasonable. If we bid it out and saved as much as 15%, bringing the rate back under 1.7% of expected 2014 claims, the savings would be under \$8,000. (I would be surprised if the savings were that great given that we are already at or under 2%.) Given the important work that occurred this year, as discussed above, I would not have recommended forgoing any of those other projects to bid out broker services for this potential savings. This is particularly true since we are in a year where we did not expect to change health networks given last year's re-bidding and our move to Humana with a three-year fixed contract on administrative fees.

It is worth noting that some communities I contacted didn't know their fees and were only concerned about the final monthly premiums. This point was emphasized a few times, "Why do I care what they make if I'm getting the best rate?" The following communities, not self insured, fell into that example, or also provided premiums.

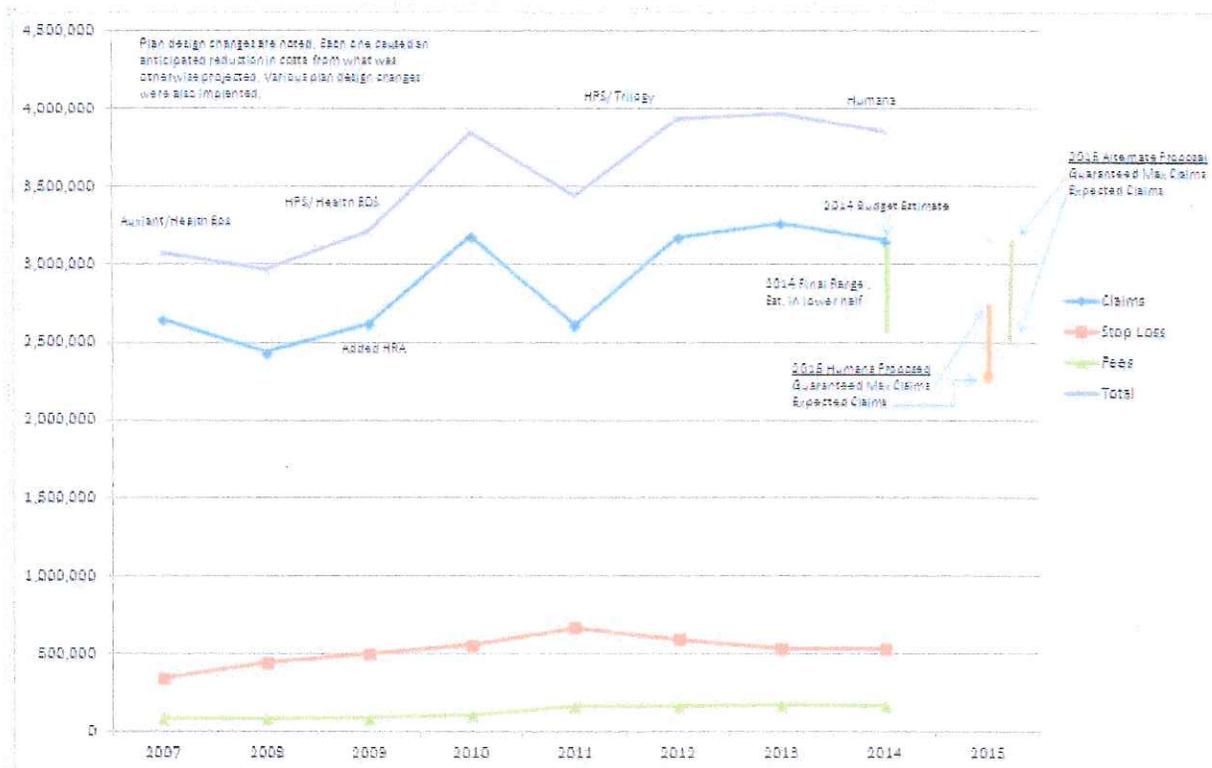
	Single	Family
Muskego	\$794.13	\$2,371.42
Greenfield	\$612.35	\$1,769.
South Milwaukee	\$692.80	\$1,724.50 (State Plan, Mequon is also in the state plan)
Franklin	\$676.80	\$1,636.80

These communities' point of view suggests performance is really the measure, and compared to these communities, our broker has served us well. In fact, our broker has been instrumental in negotiating favorable rates when we renewed, in identifying new networks when appropriate, and in managing our benefit levels to maintain costs. Our premium history shows this.

	Medical	
	Single	Family
2005	520.00	1,200.00
2006	600.00	1,380.00
2007	696.00	1,584.00
2008	732.00	1,716.00
2009	754.00	1,788.00
2010	732.00	1,716.00
2011	750.00	1,812.50
2012	750.00	1,812.50
2013	705.00	1,705.00
2014	676.80	1,636.80

So, from a perspective of performance, I have worked, with our broker, to manage medical costs such that our premiums have been declining. Our premiums have dropped to below 2006 levels. The attached table that tracks claims activities shows that as claims have risen we have taken steps to impact costs. Granted, costs are always variable and dependent upon the medical conditions of your covered individuals; nonetheless, insurance company track these items overtime and our trend is better than average. From 2007 through 2013 the average rate of increase is only 3.5%, and claims have gone down for 2014 more than expected. 2015 claims are expected to go down as well. Initially Humana proposed an 8.01% increase in our total expected cost. Diversified negotiated this down to 3.65%. Although most stop loss carriers elected not to participate anticipating they could not be competitive, QBE submitted a proposal with a total expected cost approximately \$162,000 higher and guaranteed total maximum cost almost \$340,000 higher. That provides another perspective of what our claims history and current covered lives would require in costs and what impact Diversified has had on the process and our potential costs. Compared to the savings in claims expenditures, \$8,000 in broker costs is nominal.

### HEALTH INSURANCE CLAIMS AND COSTS



As one side note, the actuary we use to analyze our pension trust has been reducing those costs the last couple of years because of our claims history. He noted to the Finance Director that no other client of his is experiencing the health insurance cost constraints that we are. Whereas the industry has seen a 26% premium growth from 2009 to 2014, our premiums have gone down and our costs have returned to those levels through plan management and brokered contracts.

**Conclusion:** I recognize the importance of periodically bidding out professional services. That is important when costs have changed a lot over time or appear not to be competitive. It is particularly important if the provider's performance is in question, or the provider is not performing as well as the market place. None of those examples apply to this instance. Diversified has performed well and their costs are more than competitive. Their size gives us multiple people to contact when needed and has proven to be beneficial in their negotiations on our behalf. Given the priorities for the year and the limited potential savings involved, other tasks took precedence and opportunity to bid out the service never arose during the year.

<p><b>APPROVAL</b></p> <p><i>Slw</i> </p>	<p><b>REQUEST FOR COUNCIL ACTION</b></p>	<p><b>MEETING DATE</b></p> <p><b>04/21/2015</b></p>
<p><b>REPORTS &amp; RECOMMENDATIONS</b></p>	<p><b>Resolution No. 2015-____, A Resolution Opposing LRB-1183/LRB-2009 that would Eliminate the Property Tax on Personal Property and the Computer State Aid Payments Made to Local Governments</b></p>	<p><b>ITEM NUMBER</b></p> <p><i>G.14.</i></p>

(This item was tabled from the 4/7/2015 Common Council Meeting.)

Representative Bob Kulp (R-Stratford) and Senator Tom Tiffany (R-Hazelhurst) plan to introduce legislation through LRB-1183/LRB-2009 (copy attached) that would eliminate both the personal property tax and the computer aid payments made to local governments. Below is the "Analysis by the Legislative Reference Bureau" on this bill.

*Analysis by the Legislative Reference Bureau*

This bill eliminates the property tax on personal property beginning in 2020. The bill also eliminates, in 2016, the state aid payments to taxing jurisdictions based on the value of computers and computer-related equipment that are exempt from the personal property tax and that are located in the taxing jurisdictions. Under the bill, personal property placed in service on or after January 1, 2016, is not subject to the property tax. Personal property placed in service before January 1, 2016, is subject to the property tax based on the actual depreciated value of the property. Beginning with the assessments as of January 1, 2020, no personal property is subject to the property tax. Under the bill, real property that was assessed as personal property prior to January 1, 2020, will be assessed as real property and real property placed in service on or after January 1, 2020, that would have been assessed as personal property prior to that date will be assessed as real property. Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

Below is information taken from a memo dated March 20, 2015 to Members of the Wisconsin State Legislature from Curt Witynski, Assistant Director of the League of Wisconsin Municipalities, and Kyle Christianson, Director of Government Affairs of the Wisconsin Counties Association, related to LRB-1183/LRB-2009.

"Representative Kulp and Senator Tiffany are seeking co-sponsors to a bill they plan on introducing that would eliminate both the personal property tax and the computer aid payments local governments receive for tax-exempt computer and related equipment. Significantly, the proposed legislation provides no payments to local governments to compensate for the reduced tax base. The legislation, if enacted, will result in more of the property tax burden being shifted to homeowners. Both the Wisconsin Counties Association (WCA) and the League of Wisconsin Municipalities (LWM) ask that you carefully consider the following facts about the negative impact of this bill on homeowners and local government services before signing on. At a minimum, the loss in local tax revenue and tax shift must be addressed before moving forward with this legislation.

**Negative ramifications of eliminating the personal property tax without a state payment holding local governments harmless:**

1. The total statewide personal property tax levy in 2013 (collected in 2014) was \$290 million.

2. The state has been making computer aid payments to local governments since 2001 to offset the personal property tax exemption for computer equipment that was created that year. The total payment for 2015 is set at \$83.8 million.

3. Elimination of the personal property tax on businesses will result in even more of the property tax burden shifting to residential homeowners, who already pay 70% of the statewide property tax levy. How much more?

a. According to Legislative Fiscal Bureau (LFB) testimony, the share of net property taxes borne by residential property owners would increase on average by two percentage points statewide. The net tax bill on a median valued home taxed at statewide average tax rates would increase from \$2,926 to \$3,006 or by \$80 (2.7%). Remember, this is the median. It will be higher in many communities, where most taxable personal property exists.

4. The impact of eliminating the personal property tax will be greatest in cities and villages where most of the personal property tax base is located. 82% of the state's personal property tax base is located in cities and villages. Consequently, city and village residential home owners will bear most of the burden of the tax shift. For example, in the City of Fond du Lac this would result in the loss of \$127,669,520 in the City's property tax base, representing 4.9% of the City's total taxable property tax base. The results would be a shift of \$1,516,494 for just the City's portion of property taxes from the personal property taxpayers to other classes of property taxpayers, primarily residential taxpayers (63% of the total). Also, the loss of the state aid for exempt computers would mean \$253,604 less in Fond du Lac's general fund and \$12,099 less for its TIF districts (for a total of \$265,703)." [For the City of Franklin, this would result in the loss of \$57,854,000 in the City's property tax base, representing 1.8% of the City's total taxable property tax base. The results would be a shift of \$363,354 for just the City's portion of property taxes from the personal property taxpayers to other classes of property taxpayers, primarily residential taxpayers (71% of the total). Also, the loss of the state aid for exempt computers would mean \$345,000 less in Franklin's general fund and \$432,128 less for its TIF districts (for a total of \$777,128).]

"5. Fully exempting all personal property from the property tax will likely result in a reduction in the incremental levy for many tax incremental finance districts. TIF districts, with only a few exceptions, are exclusively located in cities and villages.

6. When the Legislature has exempted large amounts of personal property in the past, it has typically offset the reduction in the property tax base and avoided a tax shift by reimbursing local governments the lost tax revenue. The tax shifting and the tax increase for homeowners discussed above could be avoided if repeal of the personal property tax was paired with an expansion of the current aid payment for computers and related property. Under this scenario, rather than shifting the personal property taxes to residential home owners, the state would make annual payments to local governments (totaling \$268 million based on 2013(14) values and rates) to compensate them for the lost tax base."

Attached is a resolution defining the City of Franklin's opposition to the elimination of personal property tax and the computer aid payments made to local governments as is being introduced through LRB 1183/LRB 2009.

## **COUNCIL ACTION REQUESTED**

Motion to adopt Resolution No. 2015-\_\_\_\_, A Resolution Opposing LRB-1183/LRB-2009 that would Eliminate the Property Tax on Personal Property and the Computer State Aid Payments made to Local Governments, and to further direct staff to forward a signed version of this Resolution to State Assembly and Senate representatives as determined by the Mayor.

A STATE OF WISCONSIN: CITY OF FRANKLIN: MILWAUKEE COUNTY

RESOLUTION NO. 2015-\_\_\_\_\_

A RESOLUTION OPPOSING LRB-1183/LRB-2009 THAT WOULD  
ELIMINATE THE PROPERTY TAX ON PERSONAL PROPERTY AND THE  
COMPUTER STATE AID PAYMENTS MADE TO LOCAL GOVERNMENTS

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WHEREAS, Representative Bob Kulp (R-Stratford) and Senator Tom Tiffany (R-Hazelhurst) plan to introduce legislation that would eliminate both the personal property tax and the computer aid payments made to local governments; and

WHEREAS, the total statewide personal property tax levy in 2013 (collected in 2014) was \$290 million; and

WHEREAS, the State has been making computer aid payments to local governments since 2001 to offset the personal property tax exemption for computer equipment that was created that year, with the total payment for 2015 set at \$83.8 million; and

WHEREAS, elimination of the personal property tax on businesses will result in even more of the property tax burden shifting to residential homeowners, who, on average, already pay 70% of the statewide property tax levy; and

WHEREAS, the impact of eliminating the personal property tax will be greatest in the cities and villages where most of the personal property tax base is located; and

WHEREAS, fully exempting all personal property from the property tax will likely result in a reduction in the incremental levy for many tax incremental finance districts; and

WHEREAS, in the City of Franklin, the loss of computer aid payment for exempt computers would mean \$345,000 less for the City's General Fund and \$432,128 less for the City's TIDs, for a total decrease in state aid payments of \$777,128; and

WHEREAS, in the City of Franklin, the shift to residential homeowners would be \$1,151,300 of tax levy for just the City portion of property taxes and the resulting equalized tax rate increase will be \$0.39 per \$1,000 valuation.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the City of Franklin that the City of Franklin opposes any attempt by the State Legislature to eliminate the personal property tax and the computer aid payments local governments receive for tax-exempt computer and related equipment and, at a minimum, that the loss in local tax base and resulting tax shift must be addressed before moving forward with the legislation.

Introduced at a regular meeting of the Common Council of the City of Franklin this 21st day of April, 2015, by Alderman \_\_\_\_\_.

RESOLUTION NO. 2015-\_\_\_\_\_  
PAGE 2

Passed and adopted by the Common Council of the City of Franklin this 21st day of April, 2015.

APPROVED:

ATTEST:

\_\_\_\_\_  
Stephen R. Olson, Mayor

\_\_\_\_\_  
Sandra L. Wesolowski, Director of Clerk Services

AYES \_\_\_ NOES \_\_\_ ABSENT \_\_\_



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-1183/1  
JK:kjf:cs

**2015 BILL**

1     **AN ACT to repeal** 20.835 (1) (e), 79.095, 121.06 (4) and 121.90 (2) (am) 2.; **to**  
2             **amend** 70.11 (39), 70.17 (1), 73.06 (3), 121.004 (6), 121.15 (4) (a), 174.06 (5),  
3             174.065 (3), 174.08 (1), 198.10 (1) and 200.13 (2); and **to create** 70.135 of the  
4             statutes; **relating to:** eliminating the personal property tax.

---

***Analysis by the Legislative Reference Bureau***

This bill eliminates the property tax on personal property beginning in 2020. The bill also eliminates, in 2016, the state aid payments to taxing jurisdictions based on the value of computers and computer-related equipment that are exempt from the personal property tax and that are located in the taxing jurisdictions.

Under the bill, personal property placed in service on or after January 1, 2016, is not subject to the property tax. Personal property placed in service before January 1, 2016, is subject to the property tax based on the actual depreciated value of the property.

Beginning with the assessments as of January 1, 2020, no personal property is subject to the property tax. Under the bill, real property that was assessed as personal property prior to January 1, 2020, will be assessed as real property and real property placed in service on or after January 1, 2020, that would have been assessed as personal property prior to that date will be assessed as real property.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

**BILL**

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 20.835 (1) (e) of the statutes is repealed.

2           **SECTION 2.** 70.11 (39) of the statutes is amended to read:

3           **70.11 (39) COMPUTERS.** If the owner of the property fulfills the requirements  
4 under s. 70.35, mainframe computers, minicomputers, personal computers,  
5 networked personal computers, servers, terminals, monitors, disk drives, electronic  
6 peripheral equipment, tape drives, printers, basic operational programs, systems  
7 software, and prewritten software. The exemption under this subsection does not  
8 apply to custom software, fax machines, copiers, equipment with embedded  
9 computerized components or telephone systems, including equipment that is used  
10 to provide telecommunications services, as defined in s. 76.80 (3). ~~For the purposes~~  
11 ~~of s. 79.095, the exemption under this subsection does not apply to property that is~~  
12 ~~otherwise exempt under this chapter.~~

13           **SECTION 3.** 70.135 of the statutes is created to read:

14           **70.135 Personal property tax; sunset.** (1) Personal property placed in  
15 service on or after January 1, 2016, is not subject to the property tax imposed under  
16 this chapter.

17           (2) Subject to the exemptions under ss. 70.11 and 70.111, personal property  
18 placed in service before January 1, 2016, is subject to the property tax imposed under  
19 this chapter based on the property's depreciated value as reported under s. 70.35 or  
20 as determined by the department of revenue.

**BILL**

1           (3) Beginning with the assessments as of January 1, 2020, no personal property  
2 is subject to the property tax imposed under this chapter, except that real property  
3 that was assessed as personal property prior to January 1, 2020, and real property  
4 that is placed in service on or after January 1, 2020, that would have been assessed  
5 as personal property prior to January 1, 2020, shall be assessed as real property.

6           **SECTION 4.** 70.17 (1) of the statutes is amended to read:

7           70.17 (1) Real property shall be entered in the name of the owner, if known to  
8 the assessor, otherwise to the occupant thereof if ascertainable, and otherwise  
9 without any name. The person holding the contract or certificate of sale of any real  
10 property contracted to be sold by the state, but not conveyed, shall be deemed the  
11 owner for such purpose. The undivided real estate of any deceased person may be  
12 entered to the heirs of such person without designating them by name. The real  
13 estate of an incorporated company shall be entered in the same manner as that of an  
14 individual. Improvements on leased lands ~~may, including all permanent fixtures,~~  
15 shall be assessed either as real property or personal property, but leased lands are  
16 not subject to liens for any unpaid taxes on the improvements.

17           **SECTION 5.** 73.06 (3) of the statutes is amended to read:

18           73.06 (3) The department of revenue, through its supervisors of equalization,  
19 shall examine and test the work of assessors during the progress of their assessments  
20 and ascertain whether any of them is assessing property at other than full value or  
21 is omitting property subject to taxation from the roll. The department and such  
22 supervisors shall have the rights and powers of a local assessor for the examination  
23 of persons and property and for the discovery of property subject to taxation. If any  
24 property has been omitted or not assessed according to law, they shall bring the same  
25 to the attention of the local assessor of the proper district and if such local assessor

**BILL****SECTION 5**

1 shall neglect or refuse to correct the assessment they shall report the fact to the board  
2 of review. If it discovers errors in identifying or valuing property that is exempt  
3 under s. 70.11 (39) or (39m), the department shall change the specification of the  
4 property as taxable or exempt and shall change the value of the property. All  
5 disputes between the department, municipalities and property owners about the  
6 taxability or value of property ~~that is reported under s. 79.095 (2) (a) that is exempt~~  
7 ~~under s. 70.11 (39) or (39m)~~ or of the property under s. 70.995 (12r) shall be resolved  
8 by using the procedures under s. 70.995 (8).

9 **SECTION 6.** 79.095 of the statutes is repealed.

10 **SECTION 7.** 121.004 (6) of the statutes is amended to read:

11 121.004 (6) NET COST. The "net cost" of a fund means the gross cost of that fund  
12 minus all nonduplicative revenues and other financing sources of that fund except  
13 property taxes, and general aid, ~~and aid received under s. 79.095 (4).~~ In this  
14 subsection, "nonduplicative revenues" includes federal financial assistance under 20  
15 USC 236 to 245, to the extent permitted under federal law and regulations.

16 **SECTION 8.** 121.06 (4) of the statutes is repealed.

17 **SECTION 9.** 121.15 (4) (a) of the statutes is amended to read:

18 121.15 (4) (a) In this subsection, "state aid" has the meaning given in s. 121.90  
19 (2) ~~except that it excludes aid paid to school districts under s. 79.095 (4).~~

20 **SECTION 10.** 121.90 (2) (am) 2. of the statutes is repealed.

21 **SECTION 11.** 174.06 (5) of the statutes is amended to read:

22 174.06 (5) RECORDS. The listing official shall enter ~~in the records for personal~~  
23 ~~property assessments, or~~ in a separate record, all dogs in the district subject to tax,  
24 to whom they are assessed, the name, number, sex, spayed or unspayed, neutered or

**BILL**

1 unneutered, breed and color of each dog. The listing official shall make in triplicate  
2 a list of the owners of all dogs assessed.

3 **SECTION 12.** 174.065 (3) of the statutes is amended to read:

4 174.065 (3) COLLECTION OF DELINQUENT DOG LICENSE TAXES. Delinquent dog  
5 license taxes may be collected in the same manner as provided for small claims in s.  
6 74.55 and ch. 799 for the collecting of personal property taxes.

7 **SECTION 13.** 174.08 (1) of the statutes is amended to read:

8 174.08 (1) Except as provided in sub. (2), every collecting official shall pay all  
9 dog license taxes to the town, village, or city treasurer or other tax collecting officer  
10 who shall deduct any additional tax that may have been levied by the municipal  
11 governing body and pay the remainder to the county treasurer at the time settlement  
12 is made with the county treasurer for collections of ~~personal~~ property taxes, and shall  
13 at the same time report in writing to the county clerk the licenses issued. The report  
14 shall be in the form prescribed by the department, and the forms shall be furnished  
15 by the county clerks.

16 **SECTION 14.** 198.10 (1) of the statutes is amended to read:

17 198.10 (1) TAXABLE PROPERTY, TAXES. All real property situated in ~~and all~~  
18 ~~personal property the situs of which for purposes of general property taxation is in~~  
19 the district shall be subject to taxation in and by the district for a direct annual tax  
20 sufficient to pay the interest on any indebtedness of the district, and to pay and  
21 discharge the principal of the indebtedness within 20 years from the time of  
22 contracting the indebtedness.

23 **SECTION 15.** 200.13 (2) of the statutes is amended to read:

24 200.13 (2) TAX LEVY. The commission may levy a tax upon the taxable property  
25 in the district as equalized by the department of revenue for state purposes for the

**BILL****SECTION 15**

1 purpose of carrying out and performing duties under this subchapter but the amount  
2 of any such tax in excess of that required for maintenance and operation and for  
3 principal and interest on bonds or promissory notes shall not exceed, in any one year,  
4 one mill for each dollar of the district's equalized valuation, as determined under s.  
5 70.57. The tax levy may be spread upon the respective real-estate and personal  
6 property tax rolls of the city, village and town areas included in the district taxes, and  
7 shall not be included within any limitation on county or municipality taxes. Such  
8 moneys when collected shall be paid to the treasurer of such district.

**SECTION 16. Initial applicability.**

9  
10 (1) This act first applies to the property tax assessments as of January 1, 2016.

**SECTION 17. Effective date.**

11  
12 (1) This act takes effect on January 1, 2016.

13 (END)

<b>APPROVAL</b> <i>Slw</i>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> 4/21/15
<b>REPORTS &amp; RECOMMENDATIONS</b>	Summer Meeting Schedule for 2015	<b>ITEM NUMBER</b> <i>G. 15</i>

The Common Council may wish to set a summer meeting schedule for the months of June, July and August. (Note: National Night Out event will be held on Monday, August 3, 2015.)

### June 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 CofW	2 CC	3	4	5	6
7	8	9	10	11	12	13
14	15	16 CC	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

### July 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3 Closed	4
5	6 CofW	7 CC	8	9	10	11
12	13	14	15	16	17	18
19	20	21 CC	22	23	24	25
26	27	28	29	30	31	

### August 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 CofW	4 CC	5	6	7	8
9	10	11	12	13	14	15
16	17	18 CC	19	20	21	22
23	24	25	26	27	28	29
30	31 CofW					

### September 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 CC	2	3	4	5
6	7 Closed	8	9	10	11	12
13	14	15 CC	16	17	18	19
20	21	22 Sp CC	23	24	25	26
27	28	29	30			

### COUNCIL ACTION REQUESTED

No action (regular meeting schedule would be 1st and 3rd Tuesdays for Common Council with Committee of the Whole on the Monday preceding the 1st Tuesday).

OR

Motion to establish the amended meeting schedule for 2015 (all meetings to begin at 6:30 p.m.) as follows: \_\_\_\_\_

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<b>APPROVAL</b> <i>Slw</i>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> <b>04/21/15</b>
<b>LICENSES AND PERMITS</b>	<b>MISCELLANEOUS LICENSES</b>	<b>ITEM NUMBER</b> <b>H.1.</b>

See attached list from meeting of April 21st, 2015.

**COUNCIL ACTION REQUESTED**



**City of Franklin**

9229 W. Loomis Road  
Franklin, WI 53132-9728

414-425-7500

**License Committee  
Agenda\*  
Aldermen's Room  
April 21, 2015 – 5:40 pm**

<b>1.</b>	<b>Call to Order &amp; Roll Call</b>	<b>Time:</b>		
<b>2.</b>	<b>Applicant Interviews &amp; Decisions</b>			
<b>License Applications Reviewed</b>		<b>Recommendations</b>		
<b>Type/ Time</b>	<b>Applicant Information</b>	<b>Approve</b>	<b>Hold</b>	<b>Deny</b>
Operator – New 2014-15	<b>Katarina M Becker</b> 8207 W Imperial Dr Franklin, WI 53132 Rock Sports Complex			
Operator – New 2014-15	<b>Paola C Fernandez</b> 2012 S 68 <sup>th</sup> St West Allis, WI 53219 Rock Sports Complex			
Operator – New 2014-15	<b>Crystal L Meyer</b> 3428 S 88 <sup>th</sup> St Milwaukee, WI 53227 Rock Sports Complex			
Operator – New 2014-15	<b>Molly J Saskowski</b> S80W16536 Pellman Ln Muskego, WI 53150 Rock Sports Complex			
Operator – New 2014-15	<b>Dakota A Slone</b> 10650 S McGraw Dr Oak Creek, WI 53154 Rock Sports Complex			
Operator – New 2014-15	<b>Jonathan J Wiemer</b> 5345 W Midland Dr Milwaukee, WI 53220 Rock Sports Complex			
Operator – New 2015-16	<b>Jenna M Calliari</b> 7133 W Wind Lake Rd Wind Lake, WI 53185 Rock Sports Complex			
Operator – Renewal 2015-16	<b>Michael D Falk</b> 10440 W Scharles Ave Hales Corners, WI 53130 Cross Roads Pizza & Subs			
Operator – Renewal 2015-16	<b>Kyle P Haley</b> 8945 S 116 <sup>th</sup> St Franklin, WI 53132 Cross Roads Pizza & Subs			
Operator – Renewal 2015-16	<b>Daniel P Hodach</b> 4520 Empire Lane Waterford, WI 53185 Hodach Citgo			
Operator – Renewal 2015-16	<b>Jacob A Koefel</b> 11507 W Church St Franklin, WI 53132 Cross Roads Pizza & Subs			

Type/ Time	Applicant Information	Approve	Hold	Deny
Operator – Renewal 2015-16	<b>Shelly L Marquardt</b> 26011 75 <sup>th</sup> St Salem, WI 53168 Hodach Citgo			
Operator – Renewal 2015-16	<b>Jenna K Rozek</b> 1531 S 98 <sup>th</sup> St, Apt. 102 West Allis, WI 53214 Cross Roads Pizza & Subs			
Operator – Renewal 2015-16	<b>Jessica L Rozek</b> 3222 S 38 <sup>th</sup> St Milwaukee, WI 53215 Cross Roads Pizza & Subs			
Operator – Renewal 2015-16	<b>Traci L Stoeger</b> 15437 Mayflower Ct New Berlin, WI 53151 Cross Roads Pizza & Subs			
Operator – Renewal 2015-16	<b>Keri A Udvere</b> W130 S8574 Durham Dr Muskego, WI 53150 Cross Roads Pizza & Subs			
Entertainment & Amusement 2015-2016	<b>Innovative Health &amp; Fitness</b> 8800 S 102 St Franklin, WI 53132 Scott Cole, Owner/Agent			
Mobile Home Court 2015-16	<b>D &amp; K Management VIII LLC</b> 6405 S 27 St Franklin, WI 53132 Wendy Winograd, Manager			
People Uniting for the Betterment of Life and Investment in the Community (PUBLIC) Grant	<b>Franklin Lacrosse Club</b> Fee Waivers: Park Permit Fees Date of the Event(s): 6/10, 6/11, 6/17, & 6/18/15 Location: Lions Legend II Vernon Barg			
3.	<b>Schedule Special Licensing Committee Meetings to review License Applications for 7/1/2015-6/30/2016</b>			
4.	<b>Adjournment</b>			
		Time		

\*Notice is given that a majority of the Common Council may attend this meeting to gather information about an agenda item over which they have decision-making responsibility. This may constitute a meeting of the Common Council per State ex rel. Badke v. Greendale Village Board, even though the Common Council will not take formal action at this meeting.

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<b>APPROVAL</b> <i>Slw Paul</i>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> <b>4/21/15</b>
<b>Bills</b>	<b>Vouchers and Payroll Approval</b>	<b>ITEM NUMBER</b> <b>I. 1</b>

Attached are vouchers dated April 3, 2015 through April 16, 2015 Nos. 155062 through Nos. 156215 in the amount of \$ 2,116,428.57 Included in this listing are EFT's Nos. 2845 through Nos. 2853 and Library vouchers totaling \$ 10,863.65. Included is a \$1,418,365.40 principal & interest payment on the Clean Water Fund Loan.

Early release disbursements under Resolution 2013-6920 in the amount of \$ 337,355.80 are provided on a separate listing and are also included on the complete disbursement listing.

The net payroll dated April 17, 2015 is \$ 361,506.13, previously estimated at \$ 345,000.00. Payroll deductions for April 17, 2015 are \$ 355,527.37, previously estimated at \$ 356,000.00.

The estimated payroll for May 1, 2015 is \$351,000.00 with estimated deductions of \$ 196,000.00.

Attached is a list of property tax settlements and refunds dated April 2, 2015 through April 16, 2015 Nos. 14854 through Nos. 14855 in the amount of \$ 9,268,453.27. Included in this listing are EFT's Nos. 45 through Nos. 51. These disbursements have been released as authorized under Resolution 2013-6920.

**COUNCIL ACTION REQUESTED**

Motion approving net general checking account City vouchers in the range of Nos. 156062 through Nos. 156215 in the amount of \$ 2,116,428.57 dated April 2, 2015 through April 16, 2015.

Motion approving the net payroll dated April 17, 2015 in the amount of \$ 361,506.13 and payments of the various payroll deductions in the amount of \$ 355,527.37 plus any City matching payments, where required.

Motion approving the net payroll dated May 1, 2015 estimated at \$ 351,000.00 and payments of the various payroll deductions estimated at \$ 196,000.00, plus any City matching payments, where required.

Motion approving property tax settlements and refunds in the range of Nos. 14854 through Nos. 14855 in the amount of \$ 9,268,453.27 dated April 2, 2015 through April 16, 2015.