

**Finance Committee**

Mon, Mar 06, 2023 5:30PM • 22:10

**Aldersperson Brad Firkus (District 3) 00:00**

And here we go. Call this meeting to order of the Finance Committee on Monday, March 6, 2023 at 5:30pm. Roll Call of membership. All members are present.

**Aldersperson Brad Firkus (District 3) 00:10**

Approval of minutes from the previous meeting, item 23-0228, the February 20 2023 Finance Committee meeting minutes.

**Aldersperson William Siebers (District 1) 00:19**

Move for approval.

**Aldersperson Vered Meltzer (District 2) 00:20**

Second

**Aldersperson Brad Firkus (District 3) 00:21**

All right. We have a motion—oh, you might want to move those two mics a little further away there [indecipherable]. Alright, so we have a motion a second. Any comments or questions? All right. All in favor, aye. Opposed? Abstentions. Motion passes five zero.

**Aldersperson Brad Firkus (District 3) 00:37**

There are no public hearings or appearances. So, we will move on to action items starting with 23-0229. Request to award the 2023 Appleton Wastewater Treatment Plant hardscape renovation project contract to Vinton construction Corporation Incorporated, or company incorporated in the amount of \$499,980.65 with a 12 percent contingency of \$60,000 for a project total not to exceed \$559,980.65 along with the following budget amendment, which is moving \$150,000 from the roof replacement project for the Appleton wastewater treatment plant and adding it to the hardscape renovation project.

**Aldersperson William Siebers (District 1) 01:17**

Move for approval.

**Aldersperson Katie Van Zeeland (District 5) 01:19**

Second.

**Aldersperson Brad Firkus (District 3) 01:20**

All right, any? Okay. Alder Fenton, go ahead.

**Aldersperson Denise Fenton (District 6) 01:24**

Thank you, chair. And I'd like to direct my question to either Director Gazza or—and this is, this would apply to really all the action items we have. I'm seeing a kind of—a trend of getting very few bids on these projects, and they're all coming in high. And so, I don't, I'm not asking you to predict the future, but I am asking you to what do you feel like the trend is? Because we—I mean, we could keep moving money around and moving things off. But obviously, we can't do it forever.

**Director Dean Gazza (Parks, Recreation, and Facilities) 02:06**

Yeah, I wish I had a crystal ball. But my guess is that the prices will not go down substantially. Inflation is now—as we know, kind of inflation goes up. It will stagnate, possibly, and then go up at a slower rate, but you never see it going back down. So, the wages that were increased for these workers that are out there, the equipment they purchased, will continue to remain high. And I just think it's something that—well, we talk about it every day. We said this probably the worst we've ever seen it even outside of the couple recessions we went through in the last decade. And it's unfortunate.

**Director Dean Gazza (Parks, Recreation, and Facilities) 02:51**

Some contractors are starting to close down, some of them are just saying you're too busy to do work. I was happy to see in my case that the two quotes came back very similar. But this was a result of a project that was already too high. It would have went out as one phase, and it was over bid. So, we brought it back already and split it into two. And even after splitting it into two, the project then bid high. And now we're having to take project—money from a roof project, which was postponed till next year, which hopefully won't come in higher than we bid. So, it's getting to be, I guess, difficult and frustrating. But we don't want to stop maintaining the infrastructure. Need to move forward, and we don't see no path where, you know, the prices are gonna go down. So just move forward with the resources we have at this time and hope that things get better.

**Aldersperson Denise Fenton (District 6) 03:53**

Can I follow up? And, Director, again, do you have any concerns that delaying the roof replacement is going to open us up to more repairs? Or are we—are you confident that we're gonna get by another year with that?

**Director Dean Gazza (Parks, Recreation, and Facilities) 04:10**

Yeah. What had happened—so what we do in many cases, we're responsible for taking care of the facilities. But in this case, this isn't—with this being an enterprise fund being the wastewater plant, we also work closely with the director and the finance team over there, for example, Kelli Rindt in this case. And we did—it was interesting, for example, the roof. We opened the roof up, showed both of the both Kelli and Chris just so they understand what we're talking about, because it's a big decision for them because they're looking at the bigger picture of the financing for the entire enterprise over there.

**Director Dean Gazza (Parks, Recreation, and Facilities) 04:52**

And so, we showed them that, we brought the consultant in, and we did ask "Do you think the roof will get any worse in this time frame?" And he said, "No, it won't get any worse." It's already to the point where on the internal structure—the framework—some of the wood, it's all rotted out throughout. So, it ain't—it's not going to move, but it needs to be replaced. So this will give us a little bit more time to do, to work on the solution for the roof too, because it was worse than we thought it was.

**Aldersperson Denise Fenton (District 6) 05:23**

Thank you.

**Aldersperson Brad Firkus (District 3) 05:24**

All right. Alder Hartzheim.

**Aldersperson Sheri Hartzheim (District 13) 05:27**

District 13, please, chair. Oh, thank you. Might I direct to either the finance director or director Gazza? What kind of pot of money is available that we can draw the \$150,000 from in order for this transfer to occur? Is there a whole bunch more that can be given? Or are you trying to keep that roof project pot together until 2024?

**Director Dean Gazza (Parks, Recreation, and Facilities) 05:58**

No, we'll take a look at that what's left in the—I'll consult with the finance director at that time, but the money that's left in the roofing CIP would then either be carried over, or my guess is because the new project would go up in price that we would just rebudget for a new project and then prioritize that against other needs of the wastewater plant.

**Aldersperson Sheri Hartzheim (District 13) 06:21**

So, we as a Council can expect that there's likely to be an entire full new budget of 2024 for this project.

**Director Dean Gazza (Parks, Recreation, and Facilities) 06:30**

For the roof. Yes.

**Aldersperson Sheri Hartzheim (District 13) 06:31**

Yes. Okay. Thank you.

**Aldersperson Brad Firkus (District 3) 06:33**

All right. Anyone else? All right, seeing none, we'll go ahead and vote. All those in favor, aye. Opposed? Abstentions. Motion passes five to zero.

**Aldersperson Brad Firkus (District 3) 06:45**

Next item is 23-0230. Request to award unit A-23 concrete paving to Vinton construction company incorporated in the amount of \$5,331,314.05 with a 2% contingency of \$106,626.28 for a project total not to exceed \$5,437,940.33 contingent upon approval of the following, which includes postponing new concrete paving on Amethyst drive, Blue Topaz drive to Aquamarine Drive to 2024 and rebudget funds in 2004. And reallocate \$200,000 from our 2023 Lightning Dr. stream crossing pond construction project and rebudget these funds in 2024. And the rest of it just includes the moving of these to which funds to which.

**Aldersperson Katie Van Zeeland (District 5) 07:45**

Move to approve.

**Aldersperson Vered Meltzer (District 2) 07:47**

Second.

**Aldersperson Brad Firkus (District 3) 07:48**

Motion and a second. All right. I see two—so I saw alder Hartzheim first, so I'll let you go first, and then we'll bring it back up here.

**Aldersperson Sheri Hartzheim (District 13) 07:56**

Thank you, chair. Two of these adjustments affect District 13. So those are my concerns. Not that the whole city is not my concern, but District 13 in particular. I received some feedback from the emphasis drive folks and their understanding is that the road is in decent enough shape to postpone that. So, they're satisfied with that. However, there is a lot of through traffic on adjoining streets that I already talked to Deputy Director Beutow about and hopefully that can be addressed as well.

**Aldersperson Sheri Hartzheim (District 13) 08:29**

And the reallocation of the \$200,000 for the Lightning Drive stream project is a concern of mine because we're trying to develop more apple—City of Appleton lands north of where the city line is at this point. And Lightning

Drive is the contingency that is needed for another access point to that land. So, if I could, if I could ask Deputy Director Buetow to address that particular thing and let us know what how this affects the timeline of Lightning Drive's extension.

**Alderson Brad Firkus (District 3) 09:03**

Microphone number, please?

**Deputy Director Ross Buetow (Public Works) 09:04**

Thank you. So, the \$200,000, which is one of the funding adjustments we're talking about, that basically is money that we're requesting to reallocate from the stormwater components of the lightning drive extension. It's a small portion of a much larger budget item that was approved as part of the 2023 budget. That that particular line item is over a million dollars. So, we're requesting to allocate a portion of that, the \$200,000, towards this project with the intent of then rebudgeting for that same 200 next year to resupplement that project. The project itself—it won't affect the timeline at all of that project. That was always intended to be a late 2022 bid, and then it would be constructed late in 2022 throughout 2023. So that won't affect the timeline. It's just the way that we're asking to fund this would be then that rather than utilizing all the funding from 2022, we would supplement with—through a budget request in 2023, to reimburse the \$200,000 that we're requesting to transfer to this project.

**Alderson Sheri Hartzheim (District 13) 10:15**

So basically, it's a short term move that will keep the project in line, but it's a short term move of funds.

**Deputy Director Ross Buetow (Public Works) 10:23**

Yep. Correct. Er, we're still moving forward. In terms of the logistics of planning that project that—nothing has changed. The funding won't affect our, the process in terms of the timing of the bidding and the construction.

**Alderson Sheri Hartzheim (District 13) 10:35**

Excellent. Thank you.

**Alderson Brad Firkus (District 3) 10:37**

Alder Fenton?

**Alderson Denise Fenton (District 6) 10:38**

Hi. And my question was to—it might be to finance director. I didn't see what bids we did get on these paving projects. I just see the request to award it to Vinton, but were there other bids? Okay.

**Deputy Director Ross Buetow (Public Works) 10:57**

So also attached after—there's a memo that I included, and hopefully that—I apologize, I tried to keep the memo as concise as possible, because it's fairly complicated because this, the, our paving project is funded through multiple accounts, and we had shortages and several of them. So, if there's questions on the memo, I can certainly answer those. But then following the memo is the actual award form in the packet, and there is a bid tab attached. And Vinton was the only the only bid we received on this, which unfortunately, we're in the in the world of concrete, which is the kind of, as Director Gazza was just saying that we're—the reality is we have a very limited supply of contractors that do this type of work. So unfortunately, Vinton was the only one that bid on this particular project. So.

**Alderson Denise Fenton (District 6) 11:45**

Thank you.

**Alderson Brad Firkus (District 3) 11:46**

And that just—oh, go ahead.

**Alderson William Siebers (District 1) 11:48**

When I see the word rebudget, my understanding that rebudgeting for 2024 any given project is possibly going to impact something that might be scheduled in 2024, and might that project then be moved to 2025? I mean, are we going to be delaying?

**Deputy Director Ross Buetow (Public Works) 12:18**

Hopefully not. And I one thing—we'll know more is when we opened bids for this project later in the year because this is a big project. So ideally, if we open bids and find that that maybe the original budget amount was sufficient, we may not even need this. But we're—we definitely will have to budget something just to replace this just as to make it whole. But I the stormwater capital budget is—hopefully we can find ways to accomplish all our projects. Can I can I say for certain that this will not displace another project? I can't say that.

**Alderson William Siebers (District 1) 12:51**

Okay.

**Deputy Director Ross Buetow (Public Works) 12:52**

That would be our—our hope would be to still complete everything in our in our current five year plan.

**Alderson William Siebers (District 1) 12:57**

Okay. Thank you.

**Alderson Brad Firkus (District 3) 13:00**

All right. And just kind of revisiting one point from before, The lack of bidders. That's been a kind of a long-term problem at this point, hasn't it? And it's just been really hard I imagine to find anyone from maybe out of the area that would take interest in doing work over here. Is there is there anything you can say on kind of the history of how we've been approaching the fact that we've had a limited number of bidders for particularly this type of work.

**Deputy Director Ross Buetow (Public Works) 13:28**

And typically, just to give you a frame of reference, there's typically—in this area, there's potentially three contractors that would bid on any given year. We've been fortunate in the last couple of years to have two, but this is one of the unfortunate years where we just had to one, and a lot of it has to do with the DOT may have a lot of work this year so that that, you know, all these contractors kind of can only take on so much work. So you know, they're putting their feelers out and bidding on the projects that they feel are that are in their best interest.

**Deputy Director Ross Buetow (Public Works) 13:59**

And to be honest, this year's project was a challenging one. It involves a lot of the downtown streets which have a lot of unique characteristics. We've got a lot of raised crosswalks. We've got raised intersections. We have a lot of stamped and colored, a lot of bump outs. So this is not the most appealing type of work for contractors—the large paving contractors. They prefer the kind where they can just pull their paver up and just drive down the street and pave miles each day. So, this is, it's a lot of handwork. So, that particular element, I mean, it's unique things that I think are gonna be great for the downtown, but there's a price to pay for those. So, and I think that we saw that this year.

**Deputy Director Ross Buetow (Public Works) 14:32**

So but just in a bigger picture there is definitely a shortage of concrete contractors, not just the big contractors that do the paving but also the flatwork contractors. We had a bid opening today and for our annual street patch and we only received one bid on that so—and again, and whatever it is with the industry that the pricing is has been escalated and it remains that way.

**Deputy Director Ross Buetow (Public Works) 14:58**

In comparison we have a lot of sewer and water projects and we have an abundance of sewer and water contractors in our area. So, it's typical to get seven bids on a sewer and water project. So, it's just a unique characteristic. And we've actually reached out to the Wisconsin Concrete Paving Association and let them know of our concerns. And it's a concern when we only are getting like one contractor because it doesn't—it doesn't look good for the industry. So, they're aware of it, and they're concerned as well. It's just, there's just it's kind of a factor that there's just not a lot of, they—it's a tough industry. It requires a huge capital investment for the equipment that's needed, so there's just unfortunately, not a lot of contractors that do that. And the ones that do it, they kind of hang out in their areas. So, there's a lot of contractors in Milwaukee, but they tend to bid in Milwaukee area. And we just have—fortunately, we have Vinton in our area that they're a consistent bidder and so they've been pretty good to work with for us. So.

**Aldersperson Brad Firkus (District 3) 15:55**

Thank you for all that information. I imagine the same reason why we don't have a plethora of concrete pavers around here are the same reasons why we couldn't say bring some of this functionality in house as much as we get use out of it. Because, again, finding the people, affording the equipment, those aren't even—I can't imagine those would be even viable alternatives to our current situation.

**Deputy Director Ross Buetow (Public Works) 16:16**

Yeah, correct.

**Aldersperson Brad Firkus (District 3) 16:18**

All right. Anyone else? Alder Fenton.

**Aldersperson Denise Fenton (District 6) 16:21**

I just have one more question. Sorry. Um, with regard to the concrete, the contractors bidding, are you aware if they're still having supply issues? Because I understood at one point it was the raw materials were really a problem for people who were working with concrete.

**Deputy Director Ross Buetow (Public Works) 16:40**

It's my understanding that the cement is the issue, the actual—it's the cement material that that is one component of concrete. That is still what's driving a lot of the high prices and a lot of the scheduling issues. It's still difficult to come by.

**Aldersperson Denise Fenton (District 6) 16:55**

Thank you.

**Aldersperson Brad Firkus (District 3) 16:57**

All right, anyone else? Okay, seeing none, we'll go ahead and vote. All those in favor. Aye. Opposed? Abstentions. Motion passes five zero.

**Alderman Brad Firkus (District 3) 17:08**

Moving along to 23-0234. Request to award unit B-23 asphalt pavement reconstruction to Vinton construction company incorporated in the amount of \$684,731.28 with a 4% contingency of \$27,500 for a project total not to exceed \$712,231.28 contingent upon approval of the following: postponed asphalt paving on Helen street, Pauline to Glendale, to 2024 and rebudget funds in 2023. Do we have a motion?

**Alderman Denise Fenton (District 6) 17:45**

Move to approve.

**Alderman Katie Van Zeeland (District 5) 17:47**

Second.

**Alderman Brad Firkus (District 3) 17:47**

All right. We have a motion and a second on this one. Any comments or questions? Alder Meltzer first and then...

**Alderman Vered Meltzer (District 2) 17:55**

Thank you. So, postpone the asphalt paving on Helen Street. Helens Street is in district two, my district. I was just wondering what was the process by which it was determined that Helen Street would be the portion that was postponed?

**Deputy Director Ross Buetow (Public Works) 18:15**

Primarily it was a financial decision because we basically had a choice of certain streets. Helen is a partial asphalt reconstruct which one of the reasons we chose that is because it did not have a significant amount of sewer and water work done last year, so it doesn't have a lot of the trenches that you'd see on a on a total reconstruct where we go in and do all the underground. So that was one of the factors that led to our decision, because it basically had very little work done. So, it's basically in the same condition that had been for the previous years.

**Deputy Director Ross Buetow (Public Works) 18:44**

Plus this—I mentioned that financially it worked. It worked best in terms of eliminating one that, rather than some of those other ones that were reconstructed with the underground last year, then we—it would be kind of the situation we're dealing with on Alvin street where we got some frustrated people because we tore it up and we have temporary asphalt patches that were intended to last for one year, and now they're having to last longer. So that was primarily the reason that we chose.

**Alderman Vered Meltzer (District 2) 19:11**

Thank you.

**Alderman Sheri Hartzheim (District 13) 19:17**

Thank you, Chair. I grabbed the old budget book, but I wasn't fast enough. Do we have a dollar figure on what is being required in order to—like what is the postponement costing in order to make up the difference for this particular contract?

**Deputy Director Ross Buetow (Public Works) 19:39**

So the dollar amount basically is listed in the memo. It would be the \$40,000. There's two components. So.

**Alderman Sheri Hartzheim (District 13) 19:47**

I apologize that I missed that. Thank you.

**Alderson Brad Firkus (District 3) 19:54**

Alderson Siebers.

**Alderson William Siebers (District 1) 19:55**

Once again, this is my concern. We postpone something for a year later, and then something that was scheduled for that year we risk postponing, again. And we were pushing projects off and off, and that's a concern of mine.

**Deputy Director Ross Buetow (Public Works) 20:18**

And our—believe me, our preference would have been to complete the project as bid. The unfortunate part about this particular street is that if you'll notice the funding source is a general fund account. So, with a concrete unit A award that we just discussed earlier, our first option was we went to look for additional funding, which TIF was an option. After we consulted with finance and economic development, we found that TIF adding funding was an option. In this case, being a general fund account, for we're—our hands are fairly tied.

**Deputy Director Ross Buetow (Public Works) 20:49**

So, in this case, we—you know, again, we're, the same thing I mentioned before. Our goal would be to still accomplish our full five-year plan. But that's an exercise that we'll go through as part of this year's budget development as far as bringing—this will be this first street brought back in obviously, and then we'll evaluate that along with all the other streets and try to present a five year plan that that fits within our funding parameters. So.

**Alderson William Siebers (District 1) 21:11**

Thank you.

**Alderson Brad Firkus (District 3) 21:13**

All right. Anyone else? Seeing none, we'll go ahead and vote. All in favor? Aye. Opposed? Abstentions? Motion passes five zero.

**Alderson Brad Firkus (District 3) 21:24**

Last item action item on the agenda 23-0235 request to award unit C 23 sidewalk saw cutting to ASTI sign incorporated in the amount not to exceed \$30,000.

**Alderson William Siebers (District 1) 21:37**

Move for approval.

**Alderson Denise Fenton (District 6) 21:39**

Second.

**Alderson Brad Firkus (District 3) 21:40**

Motion and a second. Any questions on this item? Okay, seeing none, then we'll go ahead and vote. All those in favor? Aye. Opposed? Abstentions? Motion passes five zero.

**Alderson Brad Firkus (District 3) 21:55**

We have no information items. So that brings us to item number seven.

**Alderson William Siebers (District 1) 21:58**

Move for approval—move for adjournment.



**Aldersperson Denise Fenton (District 6)** 21:59

Second.

**Aldersperson Brad Firkus (District 3)** 22:02

All right. A motion and a second. All in favor? Aye. All right, that's five ayes. We're adjourned have a good night, everyone.