

Finance Committee
Mon, Mar 20, 2023, 5:30PM • 12:40

Aldersperson Brad Firkus (District 3) 00:00

Good evening. I'm going to call this meeting to order of the finance committee on Monday, March 25, 2023, at 5:39pm. Roll call of membership. Since we do have guests in the audience, we will do introductions starting to my left.

Aldersperson Vered Meltzer (District 2) 00:15

Vered Meltzer district two.

Aldersperson William Siebers (District 1) 00:17

Bill Siebers District One.

Aldersperson Brad Firkus (District 3) 00:19

Brad Firkus District Three.

Aldersperson Katie Van Zeeland (District 5) 00:21

Katie van Zeeland, district five.

Aldersperson Denise Fenton (District 6) 00:23

Denise Fenton District Six.

Aldersperson Brad Firkus (District 3) 00:26

We'll move on to approval the minutes from the previous meeting. Item-0293 Finance—oh, go ahead.

Aldersperson Vered Meltzer (District 2) 00:34

I move to approve.

Aldersperson William Siebers (District 1) 00:35

Second.

Aldersperson Brad Firkus (District 3) 00:35

All right, we have a motion and a second. Any comments or questions? 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) 00:47

We have no public hearings or appearances tonight. So we'll move on to action items starting with 23-0306 request to award unit D 23 Sidewalk construction to BMD concrete innovations in the amount not to exceed \$293,000.

Aldersperson William Siebers (District 1) 01:02

Move for approval.

Aldersperson Vered Meltzer (District 2) 01:03

Second.

Alderson Brad Firkus (District 3) 01:04

All right. We have a motion and a second on this one. Any comments or questions on this? All right, seeing none, we can go ahead and vote. All those in favor, aye. Opposed? Abstentions? Motion passes five zero.

Alderson Brad Firkus (District 3) 01:20

The next item is 23-0295 Request to award unit e-23 Miscellaneous concrete and street excavation repairs to Al Dix Concrete incorporated in an amount not to exceed \$473,850.

Alderson Denise Fenton (District 6) 01:36

Move to approve.

Alderson Vered Meltzer (District 2) 01:37

Second.

Alderson Brad Firkus (District 3) 01:37

All right. We have a motion and a second. Any comments or questions on this item? All right, seeing none. We will go ahead and vote. All those in favor? Aye. Opposed? Abstentions? Motion passes five zero.

Alderson Brad Firkus (District 3) 01:55

Next is 23-0296 Request to reject all bids for unit X 23 watermain reconstruction.

Alderson William Siebers (District 1) 02:05

Move for approval.

Alderson Katie Van Zeeland (District 5) 02:06

Second.

Alderson Brad Firkus (District 3) 02:07

All right we have a motion a second. Maybe a quick explanation on this one, Director Black or, or? Okay, which mic number do you have over there? Alright, floor is yours.

Deputy Director Ross Buetow (Public Works) 02:21

Thank you Chair. There was a memo attached which I basically tried to explain kind of the situation that that developed based on the bid opening. So we were faced with a situation where the result of the bids—the lowest bidder on the project exceeded our budget allocation. So we reviewed—so we were faced with a choice if we either try to find extra money which we've which we have done successfully in other projects. We just looked for other sources, and in this case, there was just no other available sources of money to supplement this.

Deputy Director Ross Buetow (Public Works) 02:55

So then we basically reviewed the scope of the originally bid project and found a street that would accomplish two things. Number one, it would accomplish the savings that we'll need in order to repackage rebid and hopefully successfully rebid and award the project. And number two, we picked a street that would not have major implications on any other projects that would may or may not be related to that. So in the memo, we are recommending that a portion of Linwood street, which was basically a water only reconstruction project, be pulled out of that package. We'll repackage the remaining streets as they originally were, rebid it out, and hopefully, based on the new bids, we'll be able to award a scaled back project. And then we'll reprogram that portion of Linwood in an appropriate future year.

Deputy Director Ross Buetow (Public Works) 03:42

And in the memo, I said, it doesn't have to be next year. This is—the Linwood project itself, it was just one of those watermain where there's no immediate needs. It's just an older, undersized main that that, you know, it's definitely in need of replacement, but it's not critical. So we do have a little flexibility on when we reprogram that. So based on that, we're reject—er, are requesting to reject all bids. And then we anticipate being able to rebid this and come back to committee for another award within the next couple of meeting cycles.

Alderman Brad Firkus (District 3) 04:13

All right, that sounds good. Thank you. Anyone else? Alder Hartzheim.

Alderman Sheri Hartzheim (District 13) 04:17

District 13. Thank you chair. This is not a condemnation of staff. This is not a condemnation of our budgeting abilities as a as a city. And I think that the solution posed makes sense. However, I'm still very concerned about putting off another—yet another infrastructure project in this city. Thank you.

Alderman Brad Firkus (District 3) 04:35

Thank you. Alder Doran mic—oh, you're on the same one.

Alderman Chad Doran (District 15) 04:42

Thank you. I appreciate the staff mentioned looking at other alternatives or other sources within the budget to try and find a way to still fit this project in given the costs of the bids that came in. I'm assuming though that that was limited to the Public Works Department budget, correct? Or I guess—well, I'll ask that question first. Was it just limited to Public Works that you were looking for extra revenue sources, correct?

Deputy Director Ross Buetow (Public Works) 05:12

Sorry, that's correct. This project was funded through the capital water utility accounts. So that's the funding that would typically support these types of projects.

Alderman Chad Doran (District 15) 05:21

Okay, thank you. And I guess the follow up there is just sort of echoing what other Hartzheim said that, you know, the—it seems like it's a project that makes sense that we could potentially put off, but we know that in the future, it's most likely going to end up costing more. And this is one of those one of those areas that already has an undersized main. So sort of level of service below what maybe some other members of the community are getting. And, and I guess, just, you know, would encourage staff to look broader and in terms of, you know, potential options, and other budgets for trying to make this a bigger priority for the city going forward, when we continue to put off projects. It's—it's instances just like this, that have gotten us to this point over the years, where we're now so far behind replacing our infrastructure even with the best intentions. And a solution's got to be found, so that we don't keep digging this hole deeper. Thank you.

Alderman Brad Firkus (District 3) 06:24

Thank you. Just—excuse me—I think in that with a project like this—and maybe it applies to other projects, correct me if I'm wrong, but—a project like this is budgeted out in the as part of the 2023 budgets. So trying to come up with what the cost of these projects are going to be that we're right now out there bidding. This was an exercise done last summer, correct? Or around those times? Because that had to be ready by October 1 for it to come to Council. So when we're trying to, you know, ask why something like this could have such—and other projects, as well, perhaps—are having such discrepancy between what we budget and what the bids are coming in. And we know that there are a lot of factors still pushing costs with inflation and labor and stuff like that. So really, I mean, a lot of this is we're trying to guess what a project is going to costs 9-10 months in advance of

when we actually even go out to bid, even with the feedback from the people who are most likely going to be the companies that bid—working with them. They're still you know—they're trying to give us the best numbers. We're trying to come up with the best numbers as a as a city. But am I miss characterizing this at all?

Deputy Director Ross Buetow (Public Works) 07:37

No, that's entirely accurate. We basically the—in order to get our budget assembled, we're basically putting these numbers together probably in the middle of summer, in order to get everything assembled and into the budget document that's presented to Council. And as part of last year's budget exercise, we were aware, even last year that we had noticed a pretty marked increase in prices. So we actually did try to account for that and actually built-in additional costs into our budget, assuming that we were going to continue to experience those increases, but nothing like we are experiencing now. So we had no indication that there the bid prices were going to be increasing as much as they have this year. So.

Deputy Director Ross Buetow (Public Works) 08:23

And now, which—just need to expand. Now we're kind of in that predicament because we're gonna be starting putting our budget together next year. So now it's, we're in that situation, how do we how do we approach this budget season? Do we assume that these prices are still going to continue to increase at this rapid rate? Are they going to stabilize? Are they gonna go down? So we're, it's—it's a difficult process to try to predict what's going to happen a year from now.

Alderman Brad Firkus (District 3) 08:43

All right. Thank you. I just think it's helpful to have that understanding, as we talk about this, that this is not just, you know, "Man, how are we? How's the city missing the mark so often?" There's a reason for this. It's an extremely challenging and rather unique situation that we face—not just Appleton, but other communities as well, when we're talking about how we budget and prepare for funding these projects. Alder van Zeeland.

Alderman Katie Van Zeeland (District 5) 09:05

Thank you chair. Wasn't this project—wasn't the funding for this project carved out of finding the new route for the water line? Didn't we find—is that the is that where we applied this? It's a different water main program? Okay. I just wanted to double check. Thank you.

Alderman Brad Firkus (District 3) 09:27

All right. Go ahead.

Deputy Director Ross Buetow (Public Works) 09:30

A portion of this project was, but you're correct that's—because we actually break some of that up into multiple different separate bid packages. But you're correct that some of this was that funding that was utilized from the good bids we received on the rebid—re-bidding of the raw waterline.

Alderman Katie Van Zeeland (District 5) 09:49

Thank you.

Alderman Brad Firkus (District 3) 09:52

Alder Hartzheim. Okay.

Alderman Sheri Hartzheim (District 13) 09:54

Thank you, Chair. While I appreciate your questions and your sentiment in regards to, umm, "this isn't something that is unique." Appleton is unique, should be unique, should be known for prioritizing, and doing

better about finding ways to fill those gaps. So that's what I'm asking. I'm not asking how did this happen or why did this happen or blaming anyone for it happening because we all know that these are factors that are beyond our control, but we have to do better to figure out how to fill those gaps. Thank you.

Aldersperson Brad Firkus (District 3) 10:28

Thank you. 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) 10:41

The next item is 23-0298 Request to approve the 2022/2023 budget carryover appropriations for items not under contract \$39,533,841 and items requesting special consideration \$293,616.

Aldersperson Denise Fenton (District 6) 11:02

Move to approve.

Aldersperson Vered Meltzer (District 2) 11:03

Second.

Aldersperson Brad Firkus (District 3) 11:04

All right. We have a motion and a second. Anyone that would like to make any comments or questions on this? Director Ohman, anything? Okay. 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) 11:26

The next item is 23-0303 request to approve the following budget—2022 budget amendments. There are several listed here pertaining to receive—receiving grants, collection of various taxes and fees. So...

Aldersperson William Siebers (District 1) 11:47

Move for approval.

Aldersperson Denise Fenton (District 6) 11:48

Second.

Aldersperson Brad Firkus (District 3) 11:49

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

Aldersperson Brad Firkus (District 3) 12:06

That is it for action items tonight. We have a couple of information items. So I will ask committee and others in attendance, do you have any comments or questions on any of the items listed? All right, seeing none. We'll move on to item number 7.

Aldersperson William Siebers (District 1) 12:27

Move for adjournment.

Aldersperson Vered Meltzer (District 2) 12:28

Second.

Aldersperson Brad Firkus (District 3) 12:28

All right. We have a motion and a second. All those in favor? Aye. Opposed? Abstentions? Motion passes five to zero. We are adjourned. Good night, everyone.