

Item 25-0021 Request to accept Non-State Grant Award of \$274,000 and approve the following 2025 Budget Amendment Misc State Aids +\$274,000 Library Project +\$274,000

Finance Committee

Mon, Jan 20, 2025 5:30PM

Aldersperson Brad Firkus (District 3) 13:16

25—02—sorry, 0021, request to accept non-state grant award for \$274,000 and approve the following 2025 budget amendment, which is adding \$274,000 in miscellaneous state aids to the library project.

Aldersperson Denise Fenton (District 6) 13:34

Move to approve.

Aldersperson Chris Croatt (District 14) 13:35

Second.

Aldersperson Brad Firkus (District 3) 13:36

All right we have a motion a second. I don't know if Directors—okay, Director Rortvedt, go ahead.

Executive Director Colleen Rortvedt (Library) 13:43

All right. Well, as I wrote in the memo, in 2023, actually, the state legislature approved what's called Act 19, and that authorized the State Building Commission to award funds for the non-state grants. It's a somewhat confusing title for a grant, but that is the name of the grants that the grant that we were awarded. So, we submitted for that grant about a year ago, and in November, we learned we were one of the selected recipients for the library project. So, I have the details of the grant, of accepting the grant, included, and I request your approval, but happy to answer any questions you have.

Aldersperson Brad Firkus (District 3) 14:27

Alder Hartzheim.

Aldersperson Sheri Hartzheim (District 13) 14:28

Thank you, Chair. Either of you directors, whether you have the answer to this question, I hope so. What—does this \$274,000 go against what has already been budgeted for the city portion of the library project, or are you counting it towards the public contributions portion of the library project? Or is this going to be we're going to spend an additional \$274,000 on this library project?

Aldersperson Sheri Hartzheim (District 13) 14:59

So

Executive Director Colleen Rortvedt (Library) 15:00

So, when this was submitted a year ago, we requested a million dollars in the grant, and we were awarded \$274,000. That award was based off of providing the state the information about what the city had budgeted and approved which exceeded the minimum requirements for the cost share that the grant had. So, this is this is not an offset to the city's portion. So, it would either be a way to get to the \$12 million or it would be a way for us to also ensure that we can cover any additional costs of the project. We don't have plans that in the project, those costs have come up, but there's still a lot of invoicing to go.

Aldersperson Sheri Hartzheim (District 13) 15:51

So, director Ohman would—how would we—how would we think about this as we look this?

Director Jeri Ohman (Finance) 16:02

So, we have it set up—the budget amendment set up to increase the spending for the library project. However, we have not recorded the budget amendment related to any of the donations from the Friends of the Library. So, what we're doing with the donations I'll come before the committee before we close out the year to see how much that we've billed and been paid for by the Friends and that will then have a budget amendment just like this. This won't necessarily—depending on how it all plays out with cost in the end, would, I would work with the other directors on that as far as down the road, but for now, it's just also covering the invoices that we have coming in right now.

Aldersperson Sheri Hartzheim (District 13) 16:53

Thank you. I'm very uncomfortable approving this without the caveat that this is not an additional \$274,000 of spending in the library project. If it were to specifically be against whatever private funding may be required, I would be more amenable to that. But at this point, I'm—and I don't want to look a grant in the eye and say no, but I I'm not willing to approve an additional \$274,000 in spending for this project. Thank you.

Aldersperson Brad Firkus (District 3) 17:26

Anyone else? I guess I'll ask this question just more or less to make, looking more or less for confirmation my thinking is correct here. So these funds could offset if there's unexpected overtures or if the fundraising efforts of the Friends of Appleton Public Library were to come up short of their goal, or barring that neither those end up being issues of concern, this could then—it's kind of either or, either we could be presented within something for this committee in the future to say, hey, we want to do this extra thing and want to use this money towards it, or it would offset some of the borrowing. The borrowing that's already occurred would then kind of shift into other projects that are not the public library. Is that a fair kind of laying of the land of how this money would trickle in? Or I'm getting some looks at I am not correct, so I would appreciate some correction here, then.

Director Dean Gazza (Parks, Recreation, and Facilities) 18:31

Yeah. What I can add is, right now, just so you don't get the impression that the library is going to go over budget project, because it right now it's under budget.

Aldersperson Brad Firkus (District 3) 18:39

Okay, good.

Director Dean Gazza (Parks, Recreation, and Facilities) 18:40

So, I just want to state that. What we're—at this point, we're trending very well, despite the fact that we've had to do three moves and take on additional costs as a result of that. And there's, you know, some unanticipated things, like, we've had some soils issues in in the in regards to finding a tank in the parking lot. We had the geothermal that when we went in to bid night, when the council approved that we were at 1.2 as a placeholder, and then once Boldt was able to find a contractor, which we only could find one that was qualified to do the work here, it ended up being about 400 and some thousand higher. We've been absorbing that. So there's things like that that we've been doing. So, you know, I don't want to put my neck out and say, we're going to come—you know, we're not going to be a little bit over or under. It wouldn't be as it was as a result of the project itself. So, if one said, hey, the project—I'm not going to, I'm not going to add to the project, so to speak. We won't have to do that. The only way we'd be over is, is, is a result of trying to absorb, like, these moves and

things like that. You know, things that weren't in the original budget when you approved it originally. Some anticipated moves. The two moves were in the budget, but not three, okay? That's an example.

Aldersperson Brad Firkus (District 3) 20:14

And I—thank you for clarifying my, because I—yeah, that makes sense to me. I guess I would put the extra move and maybe the unanticipated like extra like expense. I know moving isn't part of the building project, per se, but it's kind of linked, you know. But, no, that that clarification definitely helps me understand. Alder Hartzheim.

Aldersperson Sheri Hartzheim (District 13) 20:37

Thank you, chair. Director Ohman, is there a way to amend this to make sure that it is not an overspend on the original budget of the library?

Director Jeri Ohman (Finance) 20:50

Um, we could put in phrasing that it is to be considered part of the 12 million of private funding.

Aldersperson Sheri Hartzheim (District 13) 21:14

I would like to amend to that effect.

Aldersperson Sheri Hartzheim (District 13) 21:20

All

Aldersperson Brad Firkus (District 3) 21:23

All right, so that's a motion to amend to add that language.

Aldersperson Chris Croatt (District 14) 21:26

Second for discussion. If you could expand on exactly where you're going with that.

Aldersperson Sheri Hartzheim (District 13) 21:32

The purpose of this, I think, is to make sure that our taxpayers know that we're not trying to up the budget on this library, that we made a promise that the library would not cost more than x amount of dollars. This—the way that the initial request is worded and the way that the budget amendment is noted, means it's allowable to go over that amount, and I would prefer that it not.

Aldersperson Brad Firkus (District 3) 22:00

I guess, Alder Croatt, I'll—

Aldersperson Chris Croatt (District 14) 22:02

Thank you, Chair. I just want to make sure that that doesn't put the money at risk at some point, since it's a grant, a non-state, state grant. Does something like that put us at risk of not getting the money?

Executive Director Colleen Rortvedt (Library) 22:21

Well, the requirements of the grant were about a—it was—the cost share was—I mean, we're substantially over proving the cost share. I mean, it was at least 50% of the project had to be a cost share, which, I mean, obviously \$274,000 is nothing close to 50% of \$40.4 million. I can't think of anything off the top of my head. But again, that wasn't—I haven't reviewed the grant criteria with that with that in mind.

Aldersperson Brad Firkus (District 3) 23:05

Alder Fenton.

Alderson Denise Fenton (District 6) 23:07

Thank you, Chair. Can I direct this to director Rortvedt? So, these numbers really struck me, because \$274,000 is pretty darn close to where as of December 30, we were 98% of our goal, which would have been 11,760, leaving us 240,000 on the private share. Do you have an—I mean, are we still about there? Are we...?

Executive Director Colleen Rortvedt (Library) 23:38

No, as of—actually, as of the library board meeting last week, Friends were at about \$11.9 million. I will say that I don't know if that includes some specific gifts. You know, there are some folks who said they only wanted to pay for, like, opening day materials collection, which I don't—I'm not sure if that got included into some of those broader capital campaign communications. I'd have to, I'd have to clarify that. I don't have that off the top of my head.

Alderson Denise Fenton (District 6) 24:09

Okay, so, so, like I said, I was just—I had that number—I had that \$240,000 number in my head, that that's where we were. And so, I'm trying to think, if, you know, if we said, can we even—in terms of the mechanics—and I'm kind of where Alder Croatt was—can we even say that we're taking a non-state, state grant and putting it into—if we were putting it into private fundraising, can we even do that for the terms of the grant?

Executive Director Colleen Rortvedt (Library) 24:46

Well, I don't think that that's a problem with the way the grant was constructed, because it was a portion of city funding, a portion of privately raised funding. Friends were—while I authored the grant, Friends were instrumental in helping with the grant. Part of the grant included proving a large amount of community support, and there was a statement of support that had many people sign on to, thanks to Friends helping do that. So, I guess I, you know, from like, an appropriateness, I don't think there's a reason you can't count it towards that, again, but I haven't reviewed the grant with either of the kind of methods that you've been talking about restricting the grant for. So, like I said, we applied for this over a year ago, and obviously a lot has changed in a year.

Alderson Denise Fenton (District 6) 25:46

Thank you.

Alderson Brad Firkus (District 3) 25:47

I don't want to dwell too much on the fundraising efforts of the Appleton—Friends of Appleton Public Library, but since that seems to be at least a consideration with these funds, and using the number that Director Rortvedt you just shared, which was there closer to 11.9 as of last week. So, we're in a spot where there's about three weeks until library opening. It's about \$100,000 gap right now from what was the goal and where they're at. And correct me if I'm wrong in assuming that they could continue to fund raise past the opening date to try and reach that goal, if they so please. Is that fair to assume as a possibility, or is that—

Executive Director Colleen Rortvedt (Library) 26:31

Well, they could. I guess they could. I mean, if the community sees that there is a grant turned down for \$274,000, they may wonder why they're being asked to continue to contribute to a project, so I guess—

Alderson Brad Firkus (District 3) 26:46

Sure.

Executive Director Colleen Rortvedt (Library) 26:47

—that may affect the fundraising stability.

Aldersperson Brad Firkus (District 3) 26:50

Sorry, sorry, I'm just trying to think through like, what does—on one hand, yes, we want to make sure that the money is available to complete the project if there were to be a short coming of that goal. I wouldn't want to create the impression that, okay, we don't have to—nobody has to think about contributing to that effort anymore because this grant just takes care of everything. And even with that, there'd still be that—I mean, using the latest number that uses just over a third of this grant. So, there's—this isn't exactly a one to one, if we're taking that into consideration as a committee here. So, I saw Alder Hartzheim first and then Alder Croatt.

Aldersperson Sheri Hartzheim (District 13) 27:35

I just think it's extremely important that we make it clear that we're not trying to create overruns and a bigger project than we already promised this community that we would do. I think this verbiage is important because it says, it specifically, then says, "We are not increasing this library project." The monies will still be there if we accept this amendment.

Aldersperson Brad Firkus (District 3) 28:01

Alder Croatt.

Aldersperson Chris Croatt (District 14) 28:03

So maybe—question for you, chair, the amendment that's in front of us, does it essentially funnel the grant money into the fundraising bucket? Is that what the amendment is doing?

Executive Director Colleen Rortvedt (Library) 28:17

Can I just clarify? The grant is a reimbursement for funds expended. So, we show we've paid for something, they provide funds for that. So, if you're thinking of a another kind of symbolic way of thinking about this funding, that may work, but I just want to be clear what the grant's requirements are. They're reimbursement for funds expended.

Aldersperson Brad Firkus (District 3) 28:47

Okay, so if I may, so I want to ignore the amendment just for a second, but this is to help clarify maybe our decision making on the amendment. So, by—if we were to accept this amendment to the budget adding the state aids to library project, we're not changing the budget of the library project from \$40.4 million to \$40.674 million. Correct?

Unknown 29:13

Correct.

Aldersperson Brad Firkus (District 3) 29:14

All right, so barring the outcome of this amendment that we have in front of us, the amendment on the action item, to be clear, we are still not going over that \$40.4 million number. So, if the—so, if the nature of this amendment that we that is on the table right now is to make sure that we do not exceed the \$40.4 million, then my understanding, based on this discussion, is that we aren't going to go over \$40.4 million by accepting this grant in full. If for some reason, we don't—well, it's probably not helpful to talk about some reason. Like if the Friends of Appleton Public Library meets their goal and we've accepted this grant, like, what that money, how that money goes into the project, is basically just like you said, reimbursement. So, we're not even really like, oh, but if we have an extra \$200,000 at the end of the day, let's do something else. And you know, add a slide from

the balc—you know, from the second floor to the parking lot or something like that. We're not in a situation where that's what's going to happen if we accept this and also all the other funding works out, correct?

Director Dean Gazza (Parks, Recreation, and Facilities) 30:25

One thing I would add, though, just as observation, we're at basically \$40.3 million in revenue, \$40.4 million in expenses. So, without that extra fundraising, we're not there. So, this, this does help close that gap. So, I'd hate to see the whole 270 or whatever, 240 whatever goes somewhere else, because we do need to close that gap yet one way or another, because we're committed by contracts and everything else.

Alderman Brad Firkus (District 3) 30:54

Yeah, I think—yeah, I think that's definitely understood fair and definitely not trying to complicate the what ifs because obviously, we need to pay the bills. There's no question about that. I just want to under—make sure that, my understanding, I think, for the committee, rest of committee, to just to make sure that the real heart of the concern here is going over that \$40.4 million. So, I feel comfortable in my understanding now after this discussion. So, I guess if anyone else has any questions or thoughts.

Alderman Brad Firkus (District 3) 31:32

All right, then we will vote on the amendment, which is the amendment offered by Alder Hartzheim. So, all of those in favor?

Aldermen Hartzheim and Croatt 31:42

Aye.

Alderman Brad Firkus (District 3) 31:43

Opposed?

Aldermen Firkus and Fenton 31:43

Nay.

Alderman Brad Firkus (District 3) 31:45

So that is a fail on a two-to-two vote. So, we are back to the item without any amendment. So, Alder Hartzheim.

Alderman Sheri Hartzheim (District 13) 31:54

Thank you, Chair. I'm trying to understand how you believe that the item that is presented here without an amendment, does not increase the budget of the library. Where is the verbiage that states that? If that verbiage were very clearly stated, I'd be able to vote for it. But that was the purpose of my amendment, and I apologize that I'm now discussing the amendment which we just defeated.

Alderman Brad Firkus (District 3) 32:16

No, that's fair. I think it's worth having this discussion to have that clarity. But based on the statement from Director Rortvedt that the nature of this grant is a reimbursement grant not additional funding for putting on top of—like, this isn't like the grant that we were just discussing in the previous item where it's "Here, this is money for you to go do something." This is money that, like, you are doing something this will help you pay for something, is my understanding, and I'll take any correction if that. Okay, I'm getting a nod from Director Rortvedt that that's that is the case. They're kind of slightly different natures of grants is what appears to be the case here.

Alderpersion Sheri Hartzheim (District 13) 32:53

Thank you. I'm clear on that. However, with my amendment, we could say—and this is just all brain, brain, brain, brain spill right now—the \$274,000 would come in, just as Director Ohman stated with my amendment, and that would be the first chunk that would come off of the 11 million—or the \$12 million that is coming in from private funding. Then the private funding comes in, and it's more than the \$12 million. Excellent. This—we have still kept our promise to the city, and this money has still gone to reimbursements for things that have occurred. But it is clear that we have not allowed more than 40,000—er \$40,400,000 in budget spending for this library. And without it—I apologize, and without that, would—what we see today on the table, I don't believe that's clear, and I don't believe that's fair to our taxpayers to not have that been made clear, unless you watch this meeting.

Alderpersion Brad Firkus (District 3) 33:57

Sure, I think I understand where you're coming from. But we can't just—any project in the city in general, no project can just go and spend more money than what we've already authorized through budgeting without coming back to this body and getting—so like to go from \$40.4 to say \$40.5 or \$40.6, like, say, this grant applied to this project more than makes up, say, any shortcoming from the fundraising effort, and there is—you know, just to make it easy, \$100,000 more in this grant than needed through the fundraising funds. That doesn't mean that the project has been authorized to spend \$100,000 more, unless they come back to this body, is that—I mean, that's

Alderpersion Sheri Hartzheim (District 13) 34:45

But that is not made clear by this particular item that's on the table as far as I'm understanding it. It's look—it's going right to library project. So, if the numbers do go above that, we've already said in this particular item number 25-0021 that it can go to the library project. And that's—the decision is being made right now, not an overrun decision later that would come to this table. Am I correct?

Director Jeri Ohman (Finance) 35:11

So, the way we account for donations and grants as we come with those budget amendments once we receive those funds, so as of this point in time, what we have budgeted on our books is only the city portion of it. This that we're adding here, will tack on to the city portion, because we're receiving the grant. As we receive those donations in, when we have to receive the reimbursements for invoices that we paid from Friends, then we will make the have the budget amendments come forward to increase the project expense at that point.

Alderpersion Sheri Hartzheim (District 13) 35:49

So, what you're saying is my amendment would have allowed that to happen and not make taxpayers think, holy crap, the finance committee just allowed \$274,000 more in library spending?

Director Jeri Ohman (Finance) 36:03

Correct.

Alderpersion Sheri Hartzheim (District 13) 36:04

Thank you.

Alderpersion Brad Firkus (District 3) 36:06

Director Gazza.

Director Dean Gazza (Parks, Recreation, and Facilities) 36:07

A couple things, that I don't know maybe these have been answered now by now, but by policy we can't go over a project budget, as you were saying, Chair.

Director Dean Gazza (Parks, Recreation, and Facilities) 36:18

Two, I was just kind of think from a perspective, that the taxpayers, the commitment that they have is \$26.4 million. I believe it was. So, if we got 10 million in grants, the commitment ain't changing for them, regardless. So, so the commitment remains the same to the taxpayers. So, they could be confused by the fact that they might assume that it went up by 300 or 200 and some thousand, but the reality is, no matter whether we take this grant or not, the commit—their amount still remains the same.

Alderman Brad Firkus (District 3) 36:57

All right, thank you. Because, I mean, like the first remarks I made at the beginning of this meeting were very much confused and in that same vein of like, "Oh, well, this could be more money for things at the library," but it is, in fact, not the case, correct?

Director Dean Gazza (Parks, Recreation, and Facilities) 37:11

And the third thing I was going to say is that the donations that that are being collected are not coming in first year. So, these donations, some of them are being spread over five years, so a lot of that money is not going to be coming in for some period of time. And you know, it's meant that all that money will come in, but there could be—who knows, there could be a default, you don't know. So, I don't know how that works from the accounting perspective that you know, if you got money right now to put against it, you want to put that whatever money you have right now against it, and then if there's extra to end then make sure, you know.

Alderman Brad Firkus (District 3) 37:55

Okay, that makes sense—right? Because it's not going to be like somebody from Friends of Appleton public libraries showing up on the February 15, like they're Ed McMahon from Publishing Clearinghouse with a giant check. Like, here's, you know.

Alderman Brad Firkus (District 3) 38:04

that

Director Dean Gazza (Parks, Recreation, and Facilities) 38:05

Some of that money isn't coming for quite a while. Yeah. So that's why, I think, just wanted to point out.

Alderman Brad Firkus (District 3) 38:11

Alder Hartzheim, please.

Alderman Sheri Hartzheim (District 13) 38:12

Thank you, chair. Director Ohman, will this item as it is written correctly right now, without any amendment, add to the taxpayer portion of the library project?

Director Jeri Ohman (Finance) 38:25

No.

Alderman Sheri Hartzheim (District 13) 38:27

And how is that possible? Because you're saying plus \$274,000 to library project.

Director Jeri Ohman (Finance) 38:42

It's not adding to the taxpayer portion because we have designated the amount that's being spent by the taxpayers by the debt that was taken out.

Aldersperson Sheri Hartzheim (District 13) 38:57

Okay, I'm still very uncomfortable with this, and I'm going to prefer that it be amended. Thank you.

Aldersperson Brad Firkus (District 3) 39:04

Anyone else? Alder Croatt.

Aldersperson Chris Croatt (District 14) 39:08

Thanks. I do I do share some of the concerns that Alder Hartzheim has, but I'm going to vote for this to move this along to the Council, and if someone wants to refer it back to committee or clarify some of the things on the Council floor, so be it.

Aldersperson Brad Firkus (District 3) 39:24

Alder Fenton.

Aldersperson Denise Fenton (District 6) 39:25

Just one comment, and I think Director Gazza said, actually, what I've been thinking is my commitment to my constituents was that the we would not change the taxpayer burden from that 26.4 million. If, by some miracle, we'd gotten a grant for a million dollars, or if some anonymous person decided that they wanted to give the library \$5 million, the taxpayer's commitment maybe there would be some budget alterations there. But the—you know, I will never vote for the city to take on or to spend more than that 26.4 that we committed to and budgeted to, but in terms of the library project, as Director Ohman said, when the Friends of Appleton Public Library come forward with whatever the, over the five year, they if—say some of it's not five years, if they say \$9 million, we will vote on another budget amendment that would say donations from Friends of Appleton public library Building Beyond Words, \$9 million library, project, \$9 million so you'd have 26.4, plus 275, plus the 9 million so we're eventually the library project is going to get to 40.4, but the sources are different. That that's my understanding. I mean, our commitment is that the taxpayers will never be on the hook for more than \$26.4 million. And I am in support of this. I am grateful for any grants that we could get, just like I'm grateful for every \$20 contribution that anybody made online to get this library going. Thank you.

Aldersperson Brad Firkus (District 3) 41:22

Alder Hartzheim.

Aldersperson Sheri Hartzheim (District 13) 41:23

Thank you, Chair. I made a promise that \$26.4 million would be the maximum that taxpayers in this city would pay for this library as well. However, if \$274,000 comes in, I want them to pay less than \$26.4 million out of their pockets. Thank you.

Aldersperson Brad Firkus (District 3) 41:44

All right, I think we've had really good discussion. I think this helps with the clarity. I can understand the questioning of this, because I mean I see how looking at like the agenda of this of the on the meeting, how that looks a certain way. But then getting the extra clarification, it makes the first bullet point in the attachment make a little more sense of what exactly that means there when it says the state will reimburse construction expense, and that meaning just paying back what's part of the project, not adding on to the project. So, I think we feel good now. I think we can go ahead and have the vote here. So with that, all in favor?

Alderspersons Firkus, Fenton, and Croatt 42:27

Aye.

Alderson Brad Firkus (District 3) 42:28
Opposed?

Alderson Sheri Hartzheim (District 13) 42:28
Nay.

Alderson Brad Firkus (District 3) 42:29
No abstentions. So that passes three to one and will be before the Council on February 5.