



**AGENDA
BELOIT CITY COUNCIL
100 State Street, Beloit WI 53511
City Hall Forum – 7:00 p.m.
Monday, July 15, 2013**

1. CALL TO ORDER AND ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. SPECIAL ORDERS OF THE DAY/ANNOUNCEMENTS
 - a. Proclamation declaring October 7-13, 2013, as **Beloit Memorial High School Class of 1963 50th Reunion Week** (Tom Nightingale)
4. PUBLIC HEARINGS
 - a. Public Hearing to solicit input on Community Development, Housing, and Homeless needs in the City for incorporation in the City's **Community Development Block Grant Annual Plan** (Christensen)
5. CITIZENS PARTICIPATION
6. CONSENT AGENDA

All items listed under the Consent Agenda are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which event the item will be removed from the General Order of Business and considered at this point on the agenda.

- a. Approval of the **Minutes** of the Regular Meeting of July 1, 2013 (Elson)
- b. Resolution awarding **Public Works Contract C13-05**, Rock River Bank Protection (Boysen)
- c. Resolution authorizing **Final Payment of Public Works Contract C12-01**, New HVAC for Beloit Transit (Boysen)
- d. Application for **Zoning Map Amendment** to change the zoning district classification of the properties located at 1536 Forest Avenue; 1537 and 1543 W. Grand Avenue; and 1650 and 1654 Porter Avenue from R-1B, Single-family Residential District, to PLI, Public Lands and Institutions District (Christensen) Refer to Plan Commission
- e. Resolution authorizing the City of Beloit to apply for and enter into a Grant Agreement for the **JAG Crisis Intervention Team Training 2013 Grant** and partner with Rock County policing agencies through a Regional Application (Jacobs)
- f. Resolution approving **Class "B" Beer and Reserve "Class B" Liquor License** for Hourglass Media, LLC, d/b/a/ The Castle at 501 Prospect, John Wittnebel, Agent, 501 Prospect Street (Krueger) ABLCC recommendation for approval 3-1

7. ORDINANCES – none

8. APPOINTMENTS – none

9. COUNCILOR ACTIVITIES AND UPCOMING EVENTS

10. CITY MANAGER'S PRESENTATION

- a. 2012 **Audit Report** Presentation (York)
- b. Presentation by the City Manager and Human Resources followed by Council discussion regarding extending **employee benefits to recognized same sex couples** (Arft)
- c. Presentation by the City Manager and Council discussion regarding **residency requirements for City employees** (Arft)

11. REPORTS FROM BOARD AND CITY OFFICERS

- a. Resolution authorizing the City Manager to Accept Michael L. Ross' Commercial **Offer to Purchase** the City-owned land located at 2525 Kennedy Drive and 1475 Office Park Lane (Janke)
- b. Resolution authorizing the City Manager to Accept V Bros LLC's (Christofferson Moving and Storage) Commercial **Offer to Purchase** the City-owned land located at 2525 Kennedy Drive (Janke)
- c. Resolution authorizing a **Conditional Use Permit** to allow a wireless communications tower in a C-2, Neighborhood Commercial District, and MRO, Milwaukee Road Overlay District, for the property located at 2600 Cranston Road (Casper)
Plan Commission recommendation for approval 5-0.
- d. Resolution amending the 2013 Capital Improvements Budget for the **Purchase of the Stryker Cot System**; authorizing the sole source purchase of this equipment and further authorizing the City Manager to enter into a financing agreement (Liggett)

12. ADJOURNMENT

** Please note that, upon reasonable notice, at least 24 hours in advance, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information to request this service, please contact the City Clerk's Office at 364-6680, 100 State Street, Beloit, WI 53511.

Dated: July 10, 2013
Rebecca Houseman LeMire
City of Beloit City Clerk
<http://www.ci.beloit.wi.us>

You can watch this meeting live on Charter PEG channel 98 or digital channel 992. Meetings are rebroadcast during the week of the Council meeting on Tuesday at 1:00 p.m., Thursday at 8:30 a.m. and Friday at 1:00 p.m.

WHEREAS, the Beloit Memorial High School Class of 1963 will celebrate the 50th anniversary of its graduation with reunion activities October 11-12, 2013; and

WHEREAS, in their years at Beloit Memorial, the members of the Class of 1963 brought recognition, distinction, and honors to the High School and to the Beloit community through superior academic, musical, artistic, theatrical, and conference athletic achievement; and

WHEREAS, their education and training at Beloit Memorial High School helped prepare its 1963 graduates for successful futures in academia, art, commerce, education, engineering, entertainment, finance, government service, information technology, journalism, law, medicine and nursing, military leadership, professional sports, and above all, parenthood and citizenship; and

WHEREAS, scores of Class of 1963 graduates have served our Country in uniform, often in theaters of active combat, sometimes at the cost of their lives; and

WHEREAS, members of the Class of 1963 have been and continue to be in active in the civic, charitable, cultural, religious, and other service organizations of Beloit and the many local communities where they reside; and

WHEREAS, member of the Class of 1963, wherever they now may live, maintain a deep affection for and an abiding loyalty to the school and city of their youth, not least as evidenced by their continuing efforts to provide scholarship assistance to succeeding generations of Beloit Memorial graduates.

NOW THEREFORE, BE IT PROCLAIMED, that the President of the Beloit City Council hereby declares the week of October 7-13, 2013, as “**BELOIT MEMORIAL HIGH SCHOOL CLASS OF 1963 50th REUNION WEEK**” in the City of Beloit and commends this observance to all of its citizens.

Dated this 15th day of July 2013.

BELOIT CITY COUNCIL

Charles M. Haynes, President

ATTEST:

Judith A. Elson, Deputy City Clerk

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL

Topic: Public Hearing to Solicit Input on Community Development, Housing and Homeless Needs in the City for Incorporation in the 2014 Annual Action Plan

Date: July 15, 2013

Presenter(s): Julie Christensen

Department: Community Development Authority

Overview/Background Information:

The Department of Housing and Urban Development requires that we provide an opportunity each year for citizens to give input on public housing, community development, homeless and housing needs and to prepare an Annual Action Plan in order to qualify to receive its CDBG funding.

Key Issues (maximum of 5):

1. Each year, the City is required to hold a public hearing to seek input on community development, housing, homeless, and public housing needs for incorporation into the CDBG Annual Action Plan.
-

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

- o Consideration of this request supports Strategic Goal #4.
-

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- **Reduce dependence upon fossil fuels** – Not applicable
 - **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature** – Not Applicable
 - **Reduce dependence on activities that harm life sustaining eco-systems** – Not Applicable
 - **Meet the hierarchy of present and future human needs fairly and efficiently** – The public hearing will give the public an opportunity to communicate present and future needs of our low and moderate income population.
-

Action required/Recommendation:

Hold the public hearing.

Fiscal Note/Budget Impact:

None

Attachments:

None



CITY HALL • 100 STATE STREET • BELOIT, WI 53511

PUBLIC NOTICE

The City of Beloit is in the process of preparing its 2013 Annual Action Plan for submittal to the Department of Housing and Urban Development. This plan allows the City to maintain its eligibility for Community Development Block Grant funding.

The following public hearing will be held to give citizens and other interested parties an opportunity to give input on community development, housing, public housing and homeless needs in the City.

City Council: Monday, July 16, 2012, at 7:00 PM or as soon thereafter as the matter can be heard, in The Forum, Beloit City Hall, 100 State Street, Beloit.

The public is invited to attend these hearings.

We are interested in your opinion.

For further information, call Teri Downing in the Community Development Department at (608) 364-6705 or via e-mail at downingt@ci.beloit.wi.us.



PROCEEDINGS OF THE BELOIT CITY COUNCIL
100 State Street, Beloit WI 53511
Monday, July 1, 2013

Presiding: Charles M. Haynes
Present: Sheila De Forest, Chuck Kincaid, Kevin D. Leavy, David F. Luebke, Mark Spreitzer, and James E. Van De Bogart
Absent: None

1. The meeting was called to order at 7:05 p.m. in the Forum at Beloit City Hall.
2. PLEDGE OF ALLEGIANCE
3. SPECIAL ORDERS OF THE DAY/ANNOUNCEMENTS
 - a. Vice President Mark Spreitzer presented a Proclamation recognizing July as **Park and Recreation Month** to Parks and Leisure Services Director Brian Ramsey.
4. PUBLIC HEARINGS
 - a. Community Development Director Julie Christensen presented a resolution authorizing a **Conditional Use Permit** to allow a conversion from one legal nonconforming use (passenger vehicle storage) to another nonconforming use (motor vehicle wholesale sales) in a R-1B, Single-family Residential District, for the property located at 920 Keeler Avenue. It was noted that the Plan Commission recommended approval 4-0. Ms. Christensen said that the applicant proposes to store between six and eight passenger vehicles on the property at any one time. President Haynes opened and closed the public hearing without participation. Councilor Luebke made a motion to adopt the resolution, and Councilor Leavy seconded. The motion carried 7-0. File 6749
5. CITIZENS PARTICIPATION – none
6. CONSENT AGENDA

Councilor De Forest requested that item 6.b. be removed from the Consent Agenda. Councilor Leavy made a motion to adopt the Consent Agenda, which consists of item 6.a. Councilor Luebke seconded, and the motion carried that the Consent Agenda be accepted, approved, adopted, or referred and acted upon as required by state and local codes by a vote of 7-0.

 - a. The **Minutes** of the Regular Meeting of June 17, 2013, were approved.
 - b. Public Works Director Gregory Boysen presented a resolution awarding **Public Works Contract C13-02**, Sixth Street Resurfacing. He indicated that the project was bid, and only one bid was received. He said that the bidder has been deemed responsible and that staff recommends the contract be awarded. Councilor De Forest asked if staff had any concerns that only one bid was received and that it was over the Engineer's estimate. Mr. Boysen state that the bid was analyzed and that staff is comfortable its award to Rock Road Companies, Inc. Councilor Leavy made a motion to adopt the resolution, and Councilor Luebke seconded. The motion carried 7-0. File 8600
7. ORDINANCES – none
8. APPOINTMENTS – none
9. COUNCILOR ACTIVITIES AND UPCOMING EVENTS

- Councilor De Forest said that she attended Strawberry Fest and thanked Sun Valley for sponsoring the event. She said that she received a compliment from a resident regarding the courteous service of the public works tree trimming crew.
- Councilor Van De Bogart reminded the public that they should start organizing block parties now for National Night Out on August 6th. He encouraged the public to be safe while celebrating the 4th of July.
- Councilor Luebke thanked the City staff and volunteers who participated in the Krueger Triathlon. He said that he received compliments on the event from residents and non-residents.
- Councilor Haynes reminded the public of the concert and fireworks that will take place on July 4th at Riverside Park.

10. CITY MANAGER'S PRESENTATION

- a. Fire Chief Brad Liggett presented an annual **Fireworks Safety Presentation**. He presented the various state statutes and local ordinances regarding fireworks. He offered suggestions and encouraged the public to have safe and fun Fourth of July celebrations.

11. REPORTS FROM BOARD AND CITY OFFICERS

- a. Resolution authorizing a **Conditional Use Permit** to allow a wireless communications tower in a C-2, Neighborhood Commercial District and MRO, Milwaukee Road Overlay District, for the property located at 2600 Cranston Road. Councilor Haynes stated that staff has requested the Council not take action on this item until they determine the feasibility of placing this wireless facility on an existing water tower. File 7948
- b. Parks and Leisure Services Director Brian Ramsey presented a resolution approving the **2012-2016 Parks, Open Space & Recreation Plan**. It was noted that the Plan Commission recommended approval 4-0, and the Parks, Recreation, and Conservation Advisory Commission recommended approval 5-0. It was also noted that the Plan is available for review on the City's website at www.ci.beloit.wi.us. Mr. Ramsey presented the format of the Plan and the results of the community survey. He indicated that this Plan is more comprehensive than any other plan and that the consultants did a great job. Councilor De Forest asked about the recommendation of making the Parks and Leisure Services division into a department. Mr. Ramsey said that recommendation would require additional consultation and discussion with the administration. Councilor De Forest indicated that she would like this matter to be reviewed and discussed by the Council at some point. Councilor Luebke made a motion to adopt the resolution, and Councilor De Forest seconded. The motion carried 7-0. File 5555
- c. Mr. Boysen presented a resolution amending the **2013 Capital Budget** for the Installation of Sewer and Water in the Gateway Business Park. Mr. Boysen indicated that this project will facilitate a new building for a local company in an area that will be requested to be annexed into the City. Councilor De Forest made a motion to adopt the resolution, and Councilor Spreitzer seconded. The motion carried 7-0. File 7938/8570
- d. Mr. Boysen presented a resolution authorizing the City Manager to enter into a **Cooperative Agreement** with the Ho-Chunk Nation for the Colley Road and Willowbrook Road TIGER Grant Project. Councilor Luebke made a motion to adopt the resolution, and Councilor Van De Bogart seconded. Councilor Spreitzer asked about the contingencies and whose money is at stake if the City does not receive the grant. City Attorney Tom Casper stated that there are contingencies built into the agreement and that this project will only cost the City the staff time to manage the project if the grant is awarded. Councilor De Forest asked for clarification regarding the contingencies, and City Manager Larry Arft stated that either party can terminate the agreement if the grant is not awarded. The motion carried 7-0. File 8525
- e. Mr. Boysen presented a resolution amending the **2013 Capital Budget** for the TIGER Grant Project, 30% Design. Councilor Luebke made a motion to adopt the resolution, and Councilor Leavy second. The motion carried 7-0. File 8570/8525
- f. Mr. Boysen presented a resolution approving a **Contract** with Jewell Associates Engineers, Inc. for TIGER Grant Project 30% Design Engineering. Councilor Van De Bogart asked Mr. Boysen why the City did not request bids for this consulting contract. Mr. Boysen explained that this firm is already working with the Ho-Chunk Nation; the firm is familiar with the TIGER Grant process and requirements; and due to time constraints, the City would not be able to bid the contract in

time to apply for the Grant. Mr. Boysen also indicated that local firm R. H. Batterman has been contracted as a local sub-consultant for this project. Councilor De Forest asked Mr. Casper if the City is on sound legal footing without bidding this project, and Mr. Casper said that the City has no legal requirement to publically bid design projects. Mr. Arft said that the City does have a policy for purchasing which includes seeking proposals for these types of projects; however, it is not practical to follow it in this particular case. Councilor Luebke made a motion to adopt the resolution, and Councilor Spreitzer seconded. The motion carries 7-0. File 8525

12. At 8:06 p.m., Councilor De Forest made a motion to adjourn the meeting, and Councilor Spreitzer seconded. The motion carried 7-0.

Rebecca Houseman LeMire, City Clerk

www.ci.beloit.wi.us

Date approved by Council:

**RESOLUTION
AWARDING PUBLIC WORKS CONTRACT C13-05
ROCK RIVER BANK PROTECTION**

WHEREAS, on June 27, 2013, two competitive bids were received, the low bid being from Corporate Contractors, Inc.; and

WHEREAS, Corporate Contractors, Inc. is a qualified bidder.

THEREFORE, BE IT RESOLVED by the City Council of the City of Beloit, that Public Works Contract C13-05, Rock River Bank Protection, is hereby awarded to Corporate Contractors, Inc., Beloit, Wisconsin, in the following amounts:

Corporate Contractors, Inc.
655 Third Street
Beloit, WI 53511

| | |
|---|---------------------|
| Base Bid: | \$441,426.67 |
| <u>Allowance for Change Orders and/or Extra Work:</u> | <u>\$ 65,573.33</u> |
| TOTAL PROJECT COST: | \$507,000.00 |

BE IT FURTHER RESOLVED that the amount of \$507,000.00 be, and hereby is, funding as follows:

| | |
|---|---------------------|
| <u>94506522-5513-3595E Community Development Block Grant:</u> | <u>\$507,000.00</u> |
| TOTAL: | \$507,000.00 |

Dated at Beloit, Wisconsin, this 15th day of July 2013.

City Council of the City of Beloit

Charles M. Haynes, President

ATTEST:

Judith A. Elson, Deputy City Clerk

CITY OF БЕЛОIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Award of Contract C13-05, Rock River Bank Protection

Date: July 15, 2013

Presenter(s): Michael F. Flesch P.E., City Engineer

Department(s): Public Works/ Engineering

Overview/Background Information:

This project will restore and protect eroded shoreline areas with rip rap, river vista points, and native plantings along the east bank of the Rock River between Turtle Point and the Hendricks Bridge and also around the Lagoon.

Key Issues (maximum of 5):

1. Two bids were received for this project. The low bid of \$441,426.67 was from Corporate Contractors, Inc. and is 1.0% less than the engineer's estimate of \$446,103.36.
2. Corporate Contractors, Inc. is considered a responsible bidder for this project.
3. The costs for this project are as follows: \$441,426.67 for construction, \$ 65,573.33 for Change Orders or extra work, for a total of \$507,000.00.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

1. **Develop a high quality community through the responsible stewardship and enhancement of City resources to further Beloit's resurgence as a gem of the Rock River Valley.**

This project will sustain the shoreline at Riverside Park, will preserve and protect the existing shoreline trees, and will enable patrons to enjoy the riverfront thereby improving the area.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- **Reduce dependence upon fossil fuels**
n/a
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature**
n/a
- **Reduce dependence on activities that harm life sustaining eco-systems**
n/a
- **Meet the hierarchy of present and future human needs fairly and efficiently**
This project will protect the riverfront property from flooding.

If any of the four criteria are not applicable to your specific policy or program, an N/A should be entered in that space.

Action required/Recommendation:

The Engineering Division recommends awarding this Public Works Contract to Corporate Contractors, Inc. in the amount of \$441,426.67.

Fiscal Note/Budget Impact:

This project is funded through the Community Development Block Grant - Emergency Assistance Program as a result of the 2008 flood. The City is reimbursed for 100% of the project cost.

CITY OF BELOIT

DEPARTMENTAL CORRESPONDENCE

TO: Mike Flesch
FROM: Andy Hill, Project Engineer 
DATE: June 27, 2013
SUBJECT: Bid Results for Contract C13-05
Rock River Bank Protection

Pursuant to advertisements placed June 12 and June 19, bids were received until 3:00 PM on June 27 for the Rock River Bank Protection. A tabulation of bids is attached.

Two bids were received for this project as follows:

- | | | | |
|--------------------------------|---------------|---------------|-----------|
| 1. Corporate Contractors, Inc. | Beloit, WI | \$ 441,426.67 | *Low Bid* |
| Engineer's Estimate | | \$ 446,103.36 | |
| 2. Merryman Excavation | Woodstock, IL | \$ 519,877.35 | |

Upon review of the Contractor's Proof of Responsibility Statement, Corporate Contractors, Inc. is determined to be a responsible bidder.

I recommend that the contract be awarded to Corporate Contractors, Inc. of Beloit, WI. The following is a breakdown of the proposed project cost:

COSTS

| | |
|---|----------------------|
| Corporate Contractors, Inc. Base Bid | \$ 441,426.67 |
| Allowance for Change Orders and/or Extra Work | \$ 65,573.33 |
| TOTAL PROJECT COST | \$ 507,000.00 |

PROJECT INFORMATION

This project will restore and protect eroded shoreline areas with rip rap, river vista points, and native plantings along the east bank of the Rock River between Turtle Point and the Hendricks Bridge and also around the Lagoon.

**Tabulation of Bids
Contract C13-05
Rock River Bank Protection
Bids Opened June 27, 3:00 PM**

| Item No. | Bid Item Description | Quantity | Unit | Engineer's Estimate | | Corporate Contractors, Inc. | | Beloit, WI | | Merryman Excavation | | Woodstock, IL |
|------------------------|---|----------|------|---------------------|-------------|-----------------------------|--------------|------------|--------------|---------------------|----------|---------------|
| | | | | Price | Extended | Price | Extended | Price | Extended | Price | Extended | |
| 1 | Turbidity Barrier | 4,200 | LF | \$16.87 | \$70,854.00 | \$13.04 | \$54,768.00 | \$30.23 | \$126,966.00 | | | |
| 2 | Danger Buoys | 166 | Each | \$222.73 | \$36,973.18 | \$185.00 | \$30,710.00 | \$499.15 | \$82,858.90 | | | |
| 3 | Traffic Control - See Article X and Section XXVII | 1 | LS | \$200.00 | \$200.00 | \$29,364.25 | \$29,364.25 | \$1,911.08 | \$1,911.08 | | | |
| 4 | Tracking Pad | 9 | Each | \$1,727.62 | \$15,548.58 | \$1,950.00 | \$17,550.00 | \$941.44 | \$8,472.96 | | | |
| 5 | Excavation - Includes root balls, existing concrete removal and miscellaneous | 500 | Ton | \$30.00 | \$15,000.00 | \$19.50 | \$9,750.00 | \$52.29 | \$26,145.00 | | | |
| Quarry Products | | | | | | | | | | | | |
| 6 | Medium Rip Rap | 1,100 | Ton | \$26.91 | \$29,601.00 | \$33.80 | \$37,180.00 | \$35.84 | \$39,424.00 | | | |
| 7 | Glacial Erratic Boulder Edge | 1,017 | LF | \$15.00 | \$15,255.00 | \$33.13 | \$33,693.21 | \$16.43 | \$16,709.31 | | | |
| 8 | Limestone Boulder Edge | 3,117 | LF | \$11.00 | \$34,287.00 | \$33.13 | \$103,266.21 | \$16.00 | \$49,872.00 | | | |
| 9 | Imported soil | 480 | Ton | \$7.00 | \$3,360.00 | \$11.50 | \$5,520.00 | \$23.34 | \$11,203.20 | | | |
| 10 | Rip Rap amendments - See special provisions | 80 | LF | \$65.00 | \$5,200.00 | \$15.00 | \$1,200.00 | \$23.27 | \$1,861.60 | | | |
| Roll Products | | | | | | | | | | | | |
| 11 | Geotextile Fabric Type HR | 5,000 | SY | \$3.01 | \$15,050.00 | \$2.45 | \$12,250.00 | \$2.64 | \$13,200.00 | | | |
| 12 | Erosion Mat Class I, Urban, Type A | 4,300 | SY | \$2.10 | \$9,030.00 | \$1.25 | \$5,375.00 | \$1.83 | \$7,869.00 | | | |
| 13 | Erosion Mat Class II, Type C | 2,800 | SY | \$2.10 | \$5,880.00 | \$3.25 | \$9,100.00 | \$3.91 | \$10,948.00 | | | |
| Improvements | | | | | | | | | | | | |
| 14 | Relocate Bench on new slab | 13 | Each | \$925.00 | \$12,025.00 | \$835.00 | \$10,855.00 | \$389.52 | \$5,063.76 | | | |
| 15 | New Bench and Slab | 2 | Each | \$1,700.00 | \$3,400.00 | \$2,200.00 | \$4,400.00 | \$2,665.43 | \$5,330.86 | | | |
| 16 | Conduit Repair | 20 | LF | \$8.00 | \$160.00 | \$40.00 | \$800.00 | \$54.26 | \$1,085.20 | | | |
| 17 | Asphalt Path Repair | 1,420 | SY | \$65.00 | \$92,300.00 | \$18.25 | \$25,915.00 | \$32.27 | \$45,823.40 | | | |
| 18 | Sawcutting | 80 | LF | \$2.25 | \$180.00 | \$7.50 | \$600.00 | \$11.13 | \$890.40 | | | |
| Landscape | | | | | | | | | | | | |
| 19 | Nyssa Sylvatica, Black Tupelo, 2" DBH B&B | 2 | Each | \$322.00 | \$644.00 | \$500.00 | \$1,000.00 | \$489.68 | \$979.36 | | | |
| 20 | Acer Saccharum - Sugar Maple, 2.5" DBH | 2 | Each | \$322.00 | \$644.00 | \$500.00 | \$1,000.00 | \$428.47 | \$856.94 | | | |
| 21 | Fagus Grandifolia - American Beech, 2.5" DBH | 2 | Each | \$322.00 | \$644.00 | \$600.00 | \$1,200.00 | \$489.68 | \$979.36 | | | |
| 22 | Salix Sepulcralis - Weeping Willow | 1 | Each | \$362.00 | \$362.00 | \$1,750.00 | \$1,750.00 | \$383.95 | \$383.95 | | | |
| 23 | Celtis occidentalis L. - Common Hackberry, 2" DBH | 1 | Each | \$322.00 | \$322.00 | \$950.00 | \$950.00 | \$489.68 | \$489.68 | | | |
| 24 | Quercus Alba - White Oak, 2" DBH B&B | 1 | Each | \$362.00 | \$362.00 | \$950.00 | \$950.00 | \$489.68 | \$489.68 | | | |
| 25 | Native Seed Mix | 2,800 | SY | \$4.00 | \$11,200.00 | \$2.00 | \$5,600.00 | \$2.17 | \$6,076.00 | | | |
| 26 | Seed Lawn Restoration - 6 lbs per 1000 sf | 4,300 | SY | \$3.45 | \$14,835.00 | \$1.50 | \$6,450.00 | \$1.50 | \$6,450.00 | | | |
| Maintenance | | | | | | | | | | | | |
| 27 | Goose exclusion (snow) fencing | 8,840 | LF | \$2.25 | \$19,890.00 | \$2.00 | \$17,680.00 | \$2.73 | \$24,133.20 | | | |
| 28 | Keep Out Sign | 14 | Each | \$80.00 | \$1,120.00 | \$100.00 | \$1,400.00 | \$161.37 | \$2,259.18 | | | |
| 29 | Temporary Watering system and operation | 1 | LS | \$4,655.00 | \$4,655.00 | \$5,250.00 | \$5,250.00 | \$4,451.65 | \$4,451.65 | | | |
| 30 | 1st Year Maintenance | 1 | LS | \$7,288.00 | \$7,288.00 | \$500.00 | \$500.00 | \$5,564.56 | \$5,564.56 | | | |

**Tabulation of Bids
 Contract C13-05
 Rock River Bank Protection
 Bids Opened June 27, 3:00 PM**

| Item No. | Bid Item Description | Quantity | Unit | Engineer's Estimate | | Corporate Contractors, Inc. | Beloit, WI | Merryman Excavation | Woodstock, IL |
|-----------------------|----------------------|----------|------|---------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
| | | | | Price | Extended | | | | |
| 31 | 2nd Year Maintenance | 1 | LS | \$11,431.56 | \$11,431.56 | \$2,700.00 | \$2,700.00 | \$5,564.56 | \$5,564.56 |
| 32 | 3rd Year Maintenance | 1 | LS | \$8,402.04 | \$8,402.04 | \$2,700.00 | \$2,700.00 | \$5,564.56 | \$5,564.56 |
| Total Proposal | | | | | \$446,103.36 | | \$441,426.67 | | \$519,877.35 |

**RESOLUTION
AUTHORIZING FINAL PAYMENT OF PUBLIC WORKS
CONTRACT C12-01
NEW HVAC FOR BELOIT TRANSIT**

WHEREAS, work under this contract has been completed satisfactorily and in conformance with the requirement of the contract; and

WHEREAS, the City Engineer, Comptroller, and Attorney recommend final payment be made to the contractor.

THEREFORE, BE IT RESOLVED by the City Council of the City of Beloit, that Tri-Cor Mechanical, LLC, be paid \$12,010.45 as the final payment for Public Works Contract C12-01, New HVAC for Beloit Transit, as recommended by the City Engineer.

Dated at Beloit, Wisconsin, this 15th day of July 2013.

City Council of the City of Beloit

Charles M. Haynes, President

ATTEST:

Judith A. Elson, Deputy City Clerk

CITY OF БЕЛОIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Final Payment for Contract C12-01, New HVAC for Beloit Transit

Date: July 15, 2013

Presenter(s): Mike Flesch

Department(s): Public Works/ Engineering

Overview/Background Information:

This project replaced the HVAC on the roof of Beloit Transit Operations Building.

Key Issues (maximum of 5):

1. The requirements of the contract have been completed to the satisfaction of the City.
 2. The awarded contract amount was \$ 65,375.00
Quantity increases and change orders \$ 794.00
Net payment due contractor \$ 66,169.00
 3. The City Engineer, City Attorney, and Director of Accounting recommend that a final payment be made to Tri-Cor Mechanical, LLC in the amount of \$12,010.45
-

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

1. **Develop a high quality community through the responsible stewardship and enhancement of City resources to further Beloit's resurgence as a gem of the Rock River Valley.**
 - Replacement of this unit was identified in the 2010 Energy Efficiency Assessment report prepared by Shaw Environmental.
-

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- **Reduce dependence upon fossil fuels**
The energy consumed will be more efficiently utilized.
 - **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature**
n/a
 - **Reduce dependence on activities that harm life sustaining eco-systems**
n/a
 - **Meet the hierarchy of present and future human needs fairly and efficiently**
Replacement of equipment is necessary in accordance with the service life schedule.
-

If any of the four criteria are not applicable to your specific policy or program, an N/A should be entered in that space.

Action required/Recommendation:

Approval of the Resolution authorizing the Final Payment.

Fiscal Note/Budget Impact:

Adequate funding is available in the Capital Improvement Plan. The project is being funded at the rate of 80% by an FTA Capital Grant.

CITY OF BELOIT
DEPARTMENTAL CORRESPONDENCE

TO: Mike Flesch

FROM: Andy Hill, Project Engineer 

DATE: June 10, 2013

SUBJECT: Final Payment Contract C12-01
New HVAC for Beloit Transit

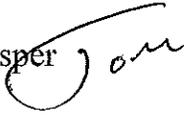
The work on this project was completed on April 9, 2013. I have inspected the work and find it to be satisfactory and in compliance with the requirements of the contract. The contractor has asked for final payment. The project was inspected by city staff and Grumman / Butkus Associates. The final payment quantities have been approved by the contractor.

The original contract amount was for \$65,375.00, and the final contract amount is \$66,169.00. The increase in cost was due to the engineer's request to interlock an existing fan to the new controls. Payments to date under this contract total \$54,158.55, and all lien waivers from subcontractors are on file.

Therefore, I recommend a final payment in the amount of \$12,010.45 be made to Tri-Cor Mechanical, LLC

CITY OF BELOIT
DEPARTMENTAL CORRESPONDENCE

TO: Andy Hill

FROM: Thomas R. Casper 

DATE: June 25, 2013

SUBJECT: **Final Payment Public Works Contract C12-01**
Tri-Cor Mechanical, LLC
HVAC for Beloit Transit

I have reviewed the materials you sent over for final payment approval on the above contract. Everything appears in order and you may process the matter in your normal fashion.

/tdh
encs.

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Zoning Map Amendment Application for the properties located at 1536 Forest Avenue; 1537 & 1543 W. Grand Avenue; and 1650 & 1654 Porter Avenue – Council Referral to the Plan Commission

Date: July 15, 2013

Presenter(s): Julie Christensen

Department: Community Development

Overview/Background Information:

The School District of Beloit has submitted an application for a Zoning Map Amendment to change the zoning district classification from R-1B, Single-Family Residential District to PLI, Public Lands & Institutions District, for the properties located at 1536 Forest Avenue; 1537 & 1543 W. Grand Avenue; and 1650 & 1654 Porter Avenue.

Key Issues (maximum of 5):

- This request is related to the proposed expansion of Gaston Elementary School and Merrill Elementary School. All of the subject properties must be rezoned to PLI before the school grounds may be expanded as planned. This is the second rezoning request related to the Gaston site, as the City Council approved the applicant's request to rezone three properties located between the school building and the properties included in this request on May 6, 2013.
 - If this request is approved, the applicant intends to use the properties located at 1537 & 1543 W. Grand Avenue as open/recreational space, while the property located at 1536 Forest Avenue will be developed as a parking lot. The properties located at 1650 & 1654 Porter Avenue will be used as open/recreational space.
 - Planning staff has already approved a full set of site plans for the additions to both existing school buildings. Therefore, if this request is approved, the applicant will need to submit a new site plan for the proposed Gaston parking lot.
 - The PLI district is a special purpose district that is intended to accommodate major public and quasi-public uses. This application is being considered in accordance with the Zoning Map Amendment procedures contained in Section 2-300 of the Zoning Ordinance.
-

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

- Consideration of this request supports Strategic Goal #5.
-

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- Reduce dependence upon fossil fuels – N/A
 - Reduce dependence on chemicals and other manufacturing substances that accumulate in nature – N/A
 - Reduce dependence on activities that harm life sustaining eco-systems – N/A
 - Meet the hierarchy of present and future human needs fairly and efficiently – N/A
-

Action required/Recommendation:

- Referral to the Plan Commission for the July 17, 2013 meeting
 - This item will most likely return to the City Council for a public hearing and possible action on August 5, 2013
-

Fiscal Note/Budget Impact: N/A

Attachments: Application

CITY of BELOIT

PLANNING & BUILDING SERVICES DIVISION

100 State Street, Beloit, WI 53511

Phone: (608) 364-6700

Fax: (608) 364-6609

Zoning Map Amendment Application Form

(Please Type or Print)

File No.: ZMA-2013-09

1. Address of subject property: 15378 1543 W. Grand Ave, 1536 Forest
2. Legal description: Lot: Block: 1650 & 1654 Subdivision: Porter
(If property has not been subdivided, attach a copy of the complete legal description from deed.)
Property dimensions are: 30 feet by 132 feet = 6600 square feet.
If more than two acres, give area in acres: 124 49 126 130 41 16,368 5,174 acres.
3. Tax Parcel Number(s): 1343-1070, 1343-1065, 1343-1100, 1252-0500,
4. Owner of record: School District of Beloit Phone: 608-361-4015 1252-0505
1633 Keeler Ave Beloit WI 53511
(Address) (City) (State) (Zip)
5. Applicant's Name: Janelle Marotz, Exec Dir of Business
1633 Keeler Ave Beloit WI 53511
(Address) (City) (State) (Zip)
608-361-4015 715-577-8367 jmarotz@sb.k12.wi.us
(Office Phone #) (Cell Phone #) (E-mail Address)

6. **THE FOLLOWING ACTION IS REQUESTED:**

Change zoning district classification from: Residential to: PLI

All existing uses on this property are: residential use

7. All the proposed uses for this property are:

Principal use(s): Green/playspace and/or parking lot.

Secondary use(s): Campus Expansion

Accessory use(s): n/a

8. I/we represent that I/we have a vested interest in this property in the following manner:

- Owner
- Leasehold, Length of lease: _____
- Contractual, Nature of contract: _____
- Other, explain: _____

9. Individual(s) responsible for compliance with conditions (if any), if request is granted:

Name(s): Janelle Harotz Phone: 608-361-4015
1633 Keeler Ave Beloit WI 53511
(Address) (City) (State) (Zip)

The applicant's signature below indicates the information contained in this application and on all accompanying documents is true and correct.

I/we, the undersigned, do hereby respectfully make application for and petition the City Plan Commission and City Council to grant the requested action for the purpose stated herein. I/we represent that the granting of the proposed request will not violate any of the required standards of the Zoning Ordinance of the City of Beloit. I/we also agree to abide by all applicable federal, state and local laws, ordinances, rules, and regulations.

[Signature] Janelle Harotz 6-
(Signature of Owner) (Print name) (Date)

(Signature of Applicant, if different) (Print name) (Date)

In order for your request to be heard and considered in a timely manner, you must submit the completed application and all accompanying documents to the Division for acceptance by the filing deadline date prior to a scheduled Plan Commission meeting. This application must be submitted with the \$275.00 application fee. Applicants will also be charged a fee for mailing public notices at the rate of \$0.50 per notice. An invoice for this fee will be sent to the applicant, and it is typically between \$5.00 and \$20.00.

CHK. NO. _____
DATE: _____

To be completed by Planning Staff

Filing Fee: \$275.00 Amount Paid: \$275.00 Meeting Date: July 17, 2013 *

Number of notices: _____ x mailing cost (\$0.50) = cost of mailing notices: \$ _____

Application accepted by: [Signature] Date: 6/4/13

Date Notice Published: _____ Date Notice Mailed: _____

* To match Comp Plan Amendment @ CC

**RESOLUTION AUTHORIZING THE CITY OF BELOIT TO APPLY FOR AND ENTER
INTO A GRANT AGREEMENT FOR THE JAG CRISIS INTERVENTION TEAM
TRAINING 2013 GRANT AND PARTNER WITH ROCK COUNTY POLICING
AGENCIES THROUGH A REGIONAL APPLICATION**

WHEREAS, the City of Beloit is eligible for a local JAG grant to support Crisis Intervention Training for Police First Responders; and

WHEREAS, the City of Beloit intends to use these funds to defray the cost of such training; and

WHEREAS, the City of Beloit intends to use these funds to train line officers and supervisors in basic information about mental illnesses and how to recognize them; information about local mental health system and local laws; learning first hand from consumers and family members about their experiences; verbal de-escalation training, and role-plays; and

WHEREAS, the Police Department application is benefitted by the grantees forming a partnership with local jurisdictions; and

WHEREAS, the Rock County Sheriff's Department will administer the grant as part of the agreement.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Beloit authorizes the Beloit Police Department to pursue a JAG Crisis Intervention Team Training Grant, providing temporary funding to support training for officers to better deal with mental health issues in our community.

BE IT FURTHER RESOLVED that the City Manager of the City of Beloit is hereby authorized to execute the attached Interlocal Agreement and is further authorized to execute such contracts in the future, provided they remain substantially unchanged, except for the grant amount, technical modifications and clarifications.

Adopted this 15th day of July, 2013.

City Council of the City of Beloit

Charles M. Haynes, President

Attest:

Judith A. Elson, Deputy City Clerk

CITY OF БЕЛОIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Resolution authorizing the police department to apply for and enter into an agreement for receiving reimbursement funds to receive Crisis Intervention Training and the City Manager to do all other things necessary to implement the plan.

Date: July 15, 2013

Presenter(s): Chief Norm Jacobs

Department(s): Police

Overview/Background Information:

The Wisconsin Office of Justice Assistance is offering one-time competitive grants for up to \$50,000 to assist in training law enforcement personnel in Crisis Intervention Training. The training will help officers recognize mental illness and possibly divert persons from the criminal justice system. Collaboration of jurisdictions is a benefit to receiving a grant award. The Rock County Sheriff has offered to administer the grant. Jurisdictions that have shown interested are Beloit, Janesville, Rock County, and the Town of Beloit. Funding will pay for the training, most overtime, and the backfilling of positions.

Key Issues (maximum of 5):

1. The grant is a one-time competitive grant based on specific criteria.
2. The grant awards including multiple jurisdictions tend to be more successful.
3. The grant will provide overtime funds for replacement of officers attending the training and the actual training.
4. The grant will be administered by the Rock County Sheriff's Office, no MOU required.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

1. Proactively collaborate with individuals and businesses to promote a safe and healthy community, minimize personal injury, prevent loss of life, and protect property and natural resources.
2. Communicate and partner with other jurisdictions and organizations to coordinated effective and efficient service delivery and stimulate regional prosperity.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- Reduce dependence upon fossil fuels
N/A
- Reduce dependence on chemicals and other manufacturing substances that accumulate in nature
N/A
- Reduce dependence on activities that harm life sustaining eco-systems
N/A
- Meet the hierarchy of present and future human needs fairly and efficiently
Better-trained police officers make better decision under pressure.

If any of the four criteria are not applicable to your specific policy or program, an N/A should be entered in that space.

Action required/Recommendation:

Recommending approval of a resolution authorizing the police department to partner with other jurisdictions in Rock County to obtain funds for a JAG Crisis Intervention Team training grant including any future grant applications associated with Crisis Intervention Team Training, and authorize the City Manager to do all other necessary things to implement this plan.

Fiscal Note/Budget Impact:

There will be no financial impact to the general fund. No matching funds are required.

Attachments:

Interlocal agreement between the City of Beloit, City of Janesville, Town of Beloit, and County of Rock.

THE STATE OF WISCONSIN
COUNTY OF ROCK

KNOW ALL BY THESE PRESENT

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF БЕЛОIT,
WISCONSIN, THE CITY OF JANESVILLE, WISCONSIN, THE TOWN OF БЕЛОIT,
WISCONSIN AND COUNTY OF ROCK, WISCONSIN**

OFFICE OF JUSTICE ASSISTANCE BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT
PROGRAM FOR CRISIS INTERVENTION TEAM TRAINING (CIT) AWARD (\$50,000)

This Agreement is made and entered into this ____ day of _____, 2013 by and between the County of Rock, acting by and through its governing body, the Rock County Board of Supervisors, hereinafter referred to as COUNTY, the City of Beloit, acting by and through its governing body, the City Council, hereinafter referred to as БЕЛОIT, the City of Janesville, acting through its governing body, the City Council, hereinafter referred to as JANESVILLE, and the Town of Beloit, acting by and through its governing body, the Town Board, hereinafter referred to as БЕЛОIT TOWNSHIP, all of Rock County, State of Wisconsin, witnesseth;

WHEREAS, this Agreement is made under the authority of Section 66.0301, Wis. Stats.; and

WHEREAS, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party; and

WHEREAS, each governing body finds that the performance of this Agreement is in the best interests of all parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this agreement; and

WHEREAS, in February 2013, Rock County, in collaboration with the Janesville Police Department, Beloit Police Department, and the Town of Beloit Police Department submitted an application for a grant to provide CIT training to officers from the aforementioned law enforcement agencies; and,

WHEREAS, CIT is a 40-hour training program for law enforcement officers that includes basic information about mental illnesses and how to recognize them; information about the local mental health system and local laws; learning first hand from consumers and family members about their experiences; verbal de-escalation training, and role plays; and,

WHEREAS, Rock County's application was approved by the Wisconsin Office of Justice Assistance in the amount of \$50,000; and,

WHEREAS, BELOIT, JANESVILLE, BELOIT TOWNSHIP, and the COUNTY believe it to be in their best interests to participate in CIT training; and

WHEREAS, monies provided under this grant will pay for the National Alliance on Mental Illness (NAMI) Waukesha to provide the CIT training and reimburse local law enforcement agencies for backfill or overtime wages to send law enforcement to CIT training.

NOW, THEREFORE, the COUNTY, BELOIT, JANESVILLE, and BELOIT TOWNSHIP agree as follows:

Section 1:

COUNTY agrees to reimburse BELOIT, JANESVILLE, and BELOIT TOWNSHIP for actual backfill and overtime wages in an amount not to exceed what has been allocated by the grant award for law enforcement to attend CIT training.

Section 2:

It is estimated that the following allocation of personnel to attend the training will be as follows:

COUNTY: 7 Deputies and 1 Sergeant

JANESVILLE: 7 Officers and 2 Sergeants

BELOIT: 7 Officers and 2 Sergeants

TOWN OF BELOIT: 3 Officers and 1 Sergeant

Personnel allocation may be adjusted upon agreement from all of the law enforcement agencies listed on this document.

Section 3:

BELOIT, JANESVILLE, and BELOIT TOWNSHIP agree to provide COUNTY with program data and financial data required for reporting purposes, by the last business day of each quarter until their programs are complete.

Section 4:

Nothing in the performance of this Agreement shall impose any liability for claims against COUNTY other than claims for which liability may be imposed by the Wisconsin Tort Claims Act.

Section 5:

Nothing in the performance of this Agreement shall impose any liability for claims against BELOIT other than claims for which liability may be imposed by the Wisconsin Tort Claims Act.

Section 6:

Nothing in the performance of this Agreement shall impose any liability for claims against JANESVILLE other than claims for which liability may be imposed by the Wisconsin Tort Act.

Section 7:

Nothing in the performance of this Agreement shall impose any liability for claims against BELOIT TOWNSHIP other than claims for which liability may be imposed by the Wisconsin Tort Act.

Section 8:

All parties to this agreement will be responsible for its own actions in providing services under this agreement and shall not be liable for any civil liability that may arise from the furnishing of the services by the other parties.

Section 9:

The parties to this Agreement do not intend for any other party to obtain a right by virtue of this Agreement.

Section 10:

By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

CITY OF BELOIT, WISCONSIN

City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

COUNTY OF ROCK, WISCONSIN

J. Russell Podzilni, County Board Chair

ATTEST:

County Clerk

APPROVED AS TO FORM:

Corporation Counsel

CITY OF JANESVILLE, WISCONSIN

City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

TOWN OF BELOIT, WISCONSIN

Town Chair

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

**RESOLUTION APPROVING CLASS “B” BEER AND RESERVE
“CLASS B” LIQUOR LICENSE**

WHEREAS, an application has been received for a Class “B” Beer and Reserve “Class B” Liquor License for Hourglass Media, LLC, d/b/a The Castle at 501 Prospect, located at 501 Prospect Street, and

WHEREAS, the Alcohol Beverage License Control & Advisory Committee recommends approval for a Class “B” Beer and Reserve “Class B” Liquor License.

NOW, THEREFORE, BE IT RESOLVED, that the Class “B” Beer and Reserve “Class B” Liquor License for Hourglass media, LLC, d/b/a The Castle at 501 Prospect, located at 501 Prospect Street, John Wittnebel, Agent is hereby approved.

Dated this 15th day of July 2013.

Charles M. Haynes, City Council President

ATTEST:

Judith A. Elson, Deputy City Clerk



**ALCOHOL BEVERAGE LICENSE CONTROL COMMITTEE
RECOMMENDATION**

TO: Beloit City Council

FROM: Alcohol Beverage License Control Committee

DATE: July 9, 2013

**SUBJECT: Class "B" Beer and Reserve "Class B" Liquor License for
Hourglass Media, LLC**

The Alcohol Beverage License Control Committee recommends the Beloit City Council approve the application of Hourglass Media, LLC, d/b/a The Castle, 502 Prospect Street, John Wittnebel, Agent.

Motion carried 3-1, Joseph Vickerman voting no.

Rebecca Houseman LeMire
City Clerk

ORIGINAL ALCOHOL BEVERAGE RETAIL LICENSE APPLICATION

Submit to municipal clerk.

For the license period beginning July 1 20 13 ;
ending JUNE 30 20 14

TO THE GOVERNING BODY of the: Town of } BELOIT
 Village of }
 City of }

County of ROCK Aldermanic Dist. No. _____ (if required by ordinance)

1. The named INDIVIDUAL PARTNERSHIP LIMITED LIABILITY COMPANY
 CORPORATION/NONPROFIT ORGANIZATION

hereby makes application for the alcohol beverage license(s) checked above.

2. Name (individual/partners give last name, first, middle; corporations/limited liability companies give registered name): HOURLASS MEDIA, LLC

An "Auxiliary Questionnaire," Form AT-103, must be completed and attached to this application by each individual applicant, by each member of a partnership, and by each officer, director and agent of a corporation or nonprofit organization, and by each member/manager and agent of a limited liability company. List the name, title, and place of residence of each person.

| Title | Name | Home Address | Post Office & Zip Code |
|-----------------------|-----------------------|-------------------------|---|
| President/Member | <u>MEMBER</u> | <u>JOHN L WITTNEBEL</u> | <u>10320 W COUNTY RD K, BELOIT, WI, 53511</u> |
| Vice President/Member | <u>MEMBER</u> | <u>JODY L WITTNEBEL</u> | <u>10320 W COUNTY RD K, BELOIT, WI, 53511</u> |
| Secretary/Member | | | |
| Treasurer/Member | | | |
| Agent | <u>JOHN WITTNEBEL</u> | | |
| Directors/Managers | | | |

3. Trade Name THE CASTLE AT 501 PROSPECT Business Phone Number 608 346-3249
4. Address of Premises 501 PROSPECT ST Post Office & Zip Code BELOIT WI 53511

5. Is individual, partners or agent of corporation/limited liability company subject to completion of the responsible beverage server training course for this license period? Yes No
6. Is the applicant an employe or agent of, or acting on behalf of anyone except the named applicant? Yes No
7. Does any other alcohol beverage retail licensee or wholesale permittee have any interest in or control of this business? Yes No
8. (a) Corporate/limited liability company applicants only: Insert state WISCONSIN and date 11/27/2012 of registration.
(b) Is applicant corporation/limited liability company a subsidiary of any other corporation or limited liability company? Yes No
(c) Does the corporation, or any officer, director, stockholder or agent or limited liability company, or any member/manager or agent hold any interest in any other alcohol beverage license or permit in Wisconsin? Yes No

(NOTE: All applicants explain fully on reverse side of this form every YES answer in sections 5, 6, 7 and 8 above.)

9. Premises description: Describe building or buildings where alcohol beverages are to be sold and stored. The applicant must include all rooms including living quarters, if used, for the sales, service, and/or storage of alcohol beverages and records. (Alcohol beverages may be sold and stored only on the premises described.) 1906 BUILDING & 1954 ADDITION AT 501 PROSPECT ST, BELOIT

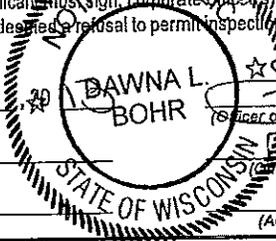
10. Legal description (omit if street address is given above): LOT 5 & 6 OF BLOCK 74, CITY OF BELOIT
11. (a) Was this premises licensed for the sale of liquor or beer during the past license year? Yes No
(b) If yes, under what name was license issued?

12. Does the applicant understand they must file a Special Occupational Tax return (TTB form 5830.5) before beginning business? [phone 1-800-937-8864] Yes No
13. Does the applicant understand a Wisconsin Seller's Permit must be applied for and issued in the same name as that shown in Section 2, above? [phone (608) 266-2776]. Yes No
14. Does the applicant understand that they must purchase alcohol beverages only from Wisconsin wholesalers, breweries and brewpubs? Yes No

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the signers. Signers agree to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted, will not be assigned to another. (Individual applicants and each member of a partnership applicant must sign; corporate officers, members/managers of Limited Liability Companies must sign.) Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

SUBSCRIBED AND SWORN TO BEFORE ME

this 22nd day of March
Dorena O. Roth
(Clerk/Notary Public)



John Wittnebel MEMBER
(Officer of Corporation/Member/Manager of Limited Liability Company/Partner/Individual)
Jody Wittnebel member
(Officer of Corporation/Member/Manager of Limited Liability Company/Partner)

My commission expires 08/31/2014

(Additional Partner(s)/Member/Manager of Limited Liability Company if Any)

| TO BE COMPLETED BY CLERK | | | |
|---|--------------------------------|---------------------------------|-----------------------------------|
| Date received and filed with municipal clerk <u>3-22-13</u> | Date reported to council/board | Date provisional license issued | Signature of Clerk / Deputy Clerk |
| Date license granted | Date license issued | License number issued | |

| Applicant's Wisconsin Seller's Permit Number: <u>456-1027928188-02</u> | |
|--|---------------------------|
| Federal Employer Identification Number (FEIN): <u>46-1472182</u> | |
| LICENSE REQUESTED | |
| TYPE | FEE |
| <input type="checkbox"/> Class A beer | \$ |
| <input type="checkbox"/> Class B beer | \$ <u>100</u> |
| <input type="checkbox"/> Class C wine | \$ |
| <input type="checkbox"/> Class A liquor | \$ |
| <input type="checkbox"/> Class B liquor | \$ <u>500</u> |
| <input checked="" type="checkbox"/> Reserve Class B liquor | \$ <u>10,000</u> |
| Publication fee | \$ <u>50-Paid 3-22-13</u> |
| TOTAL FEE | \$ |

Copy

SCHEDULE FOR APPOINTMENT OF AGENT BY CORPORATION/NONPROFIT ORGANIZATION OR LIMITED LIABILITY COMPANY

Submit to municipal clerk.

All corporations/organizations or limited liability companies applying for a license to sell fermented malt beverages and/or intoxicating liquor must appoint an agent. The following questions must be answered by the agent. The appointment must be signed by the officer(s) of the corporation/organization or members/managers of a limited liability company and the recommendation made by the proper local official.

Town

To the governing body of: Village of BELOIT County of ROCK
 City

The undersigned duly authorized officer(s)/members/managers of HOURGLASS MEDIA, LLC
(registered name of corporation/organization or limited liability company)

a corporation/organization or limited liability company making application for an alcohol beverage license for a premises known as
THE CASTLE AT 501 PROSPECT
(trade name)

located at 501 PROSPECT ST. BELOIT WI 53511

appoints JOHN WITTNEBEL
(name of appointed agent)

10320 W. COUNTY RD K, BELOIT WI 53511
(home address of appointed agent)

to act for the corporation/organization/limited liability company with full authority and control of the premises and of all business relative to alcohol beverages conducted therein. Is applicant agent presently acting in that capacity or requesting approval for any corporation/organization/limited liability company having or applying for a beer and/or liquor license for any other location in Wisconsin?

Yes No If so, indicate the corporate name(s)/limited liability company(ies) and municipality(ies).

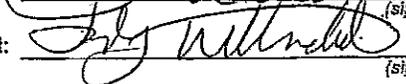
Is applicant agent subject to completion of the responsible beverage server training course? Yes No

How long immediately prior to making this application has the applicant agent resided continuously in Wisconsin? 9 yrs, 9 mos.

Place of residence last year 10320 W. COUNTY RD. K BELOIT WI 53511

For: HOURGLASS MEDIA, LLC
(name of corporation/organization/limited liability company)

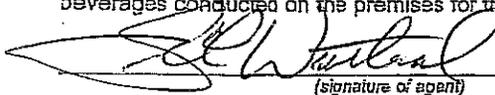
By:  MEMBER
(signature of Officer/Member/Manager)

And:  member
(signature of Officer/Member/Manager)

ACCEPTANCE BY AGENT

I, JOHN WITTNEBEL, hereby accept this appointment as agent for the
(print type agent's name)

corporation/organization/limited liability company and assume full responsibility for the conduct of all business relative to alcohol beverages conducted on the premises for the corporation/organization/limited liability company.

 3-21-13 Agent's age _____
(signature of agent) (date)

10320 W. COUNTY RD K BELOIT WI 53511 Date of birth _____
(home address of agent)

APPROVAL OF AGENT BY MUNICIPAL AUTHORITY (Clerk cannot sign on behalf of Municipal Official)

I hereby certify that I have checked municipal and state criminal records. To the best of my knowledge, with the available information, the character, record and reputation are satisfactory and I have no objection to the agent appointed.

Approved on _____ by _____ Title _____
(date) (signature of proper local official) (town chair, village president, police chief)

**AUXILIARY QUESTIONNAIRE
ALCOHOL BEVERAGE LICENSE APPLICATION**

Submit to municipal clerk.

| | | | | | |
|---|--|--------------|---------------|----------------|----------|
| Individual's Full Name (please print) (last name) | | (first name) | | (middle name) | |
| WITTMERBEL | | JOHN | | LEONARD | |
| Home Address (street/route) | | Post Office | City | State | Zip Code |
| 10320 W. COUNTY RD K | | BELOIT | BELOIT | WI | 53511 |
| Home Phone Number | | Age | Date of Birth | Place of Birth | |
| 608 346-3249 | | | | OCONOMOWOC, WI | |

The above named individual provides the following information as a person who is (check one):

- Applying for an alcohol beverage license as an individual.
- A member of a partnership which is making application for an alcohol beverage license.
- MEMBER** of **HOURLYSS MEDIA, LLC**
(Officer/Director/Member/Manager/Agent) (Name of Corporation, Limited Liability Company or Nonprofit Organization)

which is making application for an alcohol beverage license.

The above named individual provides the following information to the licensing authority:

- How long have you continuously resided in Wisconsin prior to this date? 9 YRS, 9 MOS
- Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality? Yes No
 If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. (If more room is needed, continue on reverse side of this form.)
- Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality? Yes No
 If yes, describe status of charges pending.
- Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit? Yes No
 If yes, identify. (Name, Location and Type of License/Permit)
- Do you hold and/or are you an officer, director, stockholder, agent or employe of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin? Yes No
 If yes, identify. (Name of Wholesale Licenses or Permittee) (Address By City and County)

6. Named individual must list in chronological order last two employers.

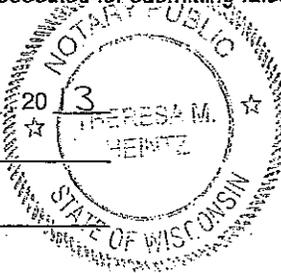
| Employer's Name | Employer's Address | Employed From | To |
|---------------------------------------|--|---------------|----------|
| AMERICAN AIRLINES, INC | 4255 AMON CARTER BLVD FT WORTH TX 75261 | FEB 1992 | PRESENT |
| NORTHWEST AIRLINK EXPRESS AIRLINES | MEMPHIS INT'L AIRPORT MEMPHIS TN 38126 | SEP 1989 | FEB 1992 |

The undersigned, being first duly sworn on oath, deposes and says that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application.

Subscribed and sworn to before me

this 21st day of March

Theresa M. Heintz
(Clerk/Notary Public)



[Signature] **MEMBER**
(Signature of Named Individual)

My commission expires 8/4/2013



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**AUXILIARY QUESTIONNAIRE
ALCOHOL BEVERAGE LICENSE APPLICATION**

Submit to municipal clerk.

| | | | | | |
|---|--|--------------|---------------|----------------|----------|
| Individual's Full Name (please print) (last name) | | (first name) | | (middle name) | |
| WITTMERBEL | | JODY | | LEE | |
| Home Address (street/route) | | Post Office | City | State | Zip Code |
| 10320 W. COUNTY RD K | | BELOIT | BELOIT | WI | 53511 |
| Home Phone Number | | Age | Date of Birth | Place of Birth | |
| 608 346-3114 | | | | ST PAUL, MN | |

The above named individual provides the following information as a person who is (check one):

- Applying for an alcohol beverage license as an individual.
- A member of a partnership which is making application for an alcohol beverage license.
- MEMBER of HOURLASS MEDIA, LLC
(Officer/Director/Member/Manager/Agent) (Name of Corporation, Limited Liability Company or Nonprofit Organization)

which is making application for an alcohol beverage license.

The above named individual provides the following information to the licensing authority:

- How long have you continuously resided in Wisconsin prior to this date? 9 yrs, 9 mo
- Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality? Yes No
 If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. (If more room is needed, continue on reverse side of this form.)
- Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality? Yes No
 If yes, describe status of charges pending.
- Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit? Yes No
 If yes, identify. (Name, Location and Type of License/Permit)
- Do you hold and/or are you an officer, director, stockholder, agent or employe of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin? Yes No
 If yes, identify. (Name of Wholesale Licensee or Permittee) (Address By City and County)

6. Named individual must list in chronological order last two employers.

| Employer's Name | Employer's Address | Employed From | To |
|-----------------|------------------------------|---------------|---------|
| SELF EMPLOYED | | | |
| HOURLASS MEDIA | 10320 W. COUNTY RD K, BELOIT | 1985 | PRESENT |
| Employer's Name | Employer's Address | Employed From | To |

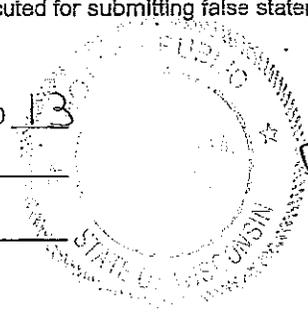
The undersigned, being first duly sworn on oath, deposes and says that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application.

Subscribed and sworn to before me

this 2nd day of March, 2013

[Signature]
(Clerk/Notary Public)

My commission expires 8/4/2013



[Signature]
(Signature of Named Individual)



Printed on Recycled Paper

2nd Request

CITY PLAN/ZONING

POLICE DEPARTMENT

FIRE DEPARTMENT

HOUSING SERVICES

a. Building Inspection

b. Property Maintenance

ALCOHOLIC BEVERAGE NEIGHBORHOOD IMPACT COMMENT REPORT

An application has been filed for a Class "B" Beer and Reserve "Class B" Liquor License with the City Clerk

By: Hourglass Media, LLC - John Wittnebel, Agent

Located at: 501 Prospect Street

Date: June 13, 2013

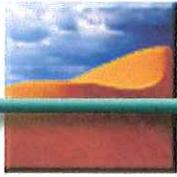
Notice of this application is being submitted to you for *comment*.

Please comment below and return to the City Clerk's Office

IMPACT SURVEY WAS COMPLETED AND
 TURNED IN. THERE WERE NO OPPOSITION
 TO THIS BUSINESS BEING ABLE TO
 SELL LIQUOR AT THIS LOCATION.

DATE: 06-20-13

SIGNED: JWC-JWT



Hourglass

MEDIA

608 346-3249

10320 W. County Rd. K, Beloit

City of Beloit Liquor Commission
Beloit City Hall

6/26/2013

Per our meeting with the city attorney and city clerk, we have amended our business use plan and application for a class B reserve liquor license to comply with state statutes.

Changes to our original application include the provision for a private, street level entrance for the manager's suite that will be completely separated from public areas of the building at 501 Prospect St., and the elimination of The Youth Unite, Inc, as a permanent tenant on the property.

The changes depicting the private entrance are shown on the Main Level floor plan. Thank you for your consideration.

John Wittnebel, Member
Hourglass Media, LLC

**Liquor License Application Addendum by
Hourglass Media, LLC for The Castle at 501 Prospect
Amended 6/26/2013**

**Overview of Facility
Use Plan for Facility
Types of Events without Alcohol Sales
Types of Events with Alcohol Sales
Dispensing of Alcohol
Storage of Alcohol
Floorplans**

Overview of Facility

Our building is located at 501 Prospect street in Beloit and occupies the southwest quarter of the block (lots 5 & 6 of block 74). The building was previously owned by the First Presbyterian Church congregation and also housed National Louis University. We purchased the property in November, 2012.

The facility comprises two buildings, a structure built in 1906 as the church, and an addition completed in 1954 that consists of office, conference room and classroom space. A private entry is located on the east side of the building at the street level. The two buildings are connected via doorways at the lower and main levels, and we propose to incorporate another doorway between the upper level of the 1954 building and the loft space above the existing sanctuary for ADA access. Restrooms are located on all three levels of the 1954 addition, and on the lower level of the 1906 building.

There are four areas of the facility that will be available for rental and where Hourglass Media, LLC proposes to offer catering service to include food and alcoholic beverages:

- The Banquet Hall of the 1954 addition w/dressing rooms/conference rooms
- The Belltower Loft in the 1906 building
- The Great Hall and main stage area of the 1906 building
- The Dragon's Cafe deli in the basement of the 1906 building

There are two areas where Hourglass Media, LLC will store alcohol the will be secured behind locked doors:

- The walk-in cooler in the basement of the 1906 building
- The kitchen area in the north tower of the 1906 building

Use Plan for the Facility - 1954 Addition

Because of the many and varied spaces available to us, we have several event and ongoing uses planned. The 1954 addition will be primarily used as office and educational space.

The upper level of the addition will be entirely dedicated to educational programs and no alcohol will be stored or sold on the upper level of the 1954 addition. Each of these rooms will be off limits and segregated from alcohol use areas by doors that tenants will have keys for, as well as master keys maintained by Hourglass Media, LLC as owners and managers of the property.

The main level of the 1954 addition will include a gift shop/ticket office, administrative and custodial space for Hourglass Media, LLC and a private residence for an on-site operations director. There are conference rooms on this level that may be used by renters, and there is a possibility that catered events and/or meetings would take place in these conference rooms. Hourglass Media, LLC would like to offer alcohol sale and consumption on the premises in these private conference rooms at the request of the customers of these spaces as a part of our catering service. Hourglass Media, LLC will not allow any alcoholic beverages to be brought onto our property by outside parties for sale, storage and/or consumption.

Banquet Hall

The lower level of the 1954 addition houses a large room with a stage that we plan to offer as a reception area for events such as weddings or private parties. There are also plans for the establishment of theater and/or musical events that would coincide with a meal and beverage service catered by Hourglass Media, LLC. The area of the lower level behind the stage was previously used as a caretaker's apartment, and will be converted to dressing room space for use by entertainers at the facility, or by bridal parties prior to and during wedding events. Hourglass Media, LLC would like to offer alcohol sale and/or consumption on the premises in the dressing room at the request of customers using the dressing room space as a part of our food and beverage catering service. Hourglass Media, LLC will not allow any alcoholic beverages to be brought onto our property by outside parties for sale, storage and/or consumption. The remainder of the lower level of the 1954 addition will be devoted to mechanical, custodial and storage space, and will not be used for the storage or consumption of alcohol.

Use Plan for the Facility - 1906 Building

The original 1906 building is also three levels, with an additional space above the upper level of the south bell tower, which will be a private administrative office for Hourglass Media, LLC. The 1906 building will be maintained as an event hosting facility for weddings, concerts, multi-media presentations and private parties and gatherings. Part of the catering service will be a limited hours take-out deli operated out of the 1906 building using the south bell tower entrance facing Public Avenue.

The Belltower Loft

The upper level of the 1906 building will be a space that overlooks the former sanctuary, that we will refer to as the Belltower Loft. The room will have space for a small stage, and plumbing exists in the north tower. Hourglass Media, LLC would like to offer alcohol sale and/or consumption on the premises in the Belltower Lounge at the request of private users and during entertainment events as a part of our catering service. Hourglass Media, LLC will not allow any alcoholic beverages to be brought onto our property by outside parties for sale, storage and/or consumption. The north tower of the 1906 building will be used as a stairway access for the staff, and will not be accessed by the public, or by private parties that may rent the Belltower Lounge. The south tower will be a public stairway up to the Belltower Lounge. The space above the Belltower Lounge in the south tower will not be accessible by the public, or by private parties that may rent the Belltower Lounge. Hourglass Media, LLC may store alcohol in the kitchen area of the north stair tower that is inaccessible to the public.

The Great Hall

The main level of the 1906 building is almost entirely devoted to the former church sanctuary space which will be used to host and cater weddings, concerts, multi-media events and private gatherings. The space will be referred to as The Great Hall, and Hourglass Media, LLC would like to offer alcohol sale and/or consumption in the Great Hall at the request of private users and during entertainment events as a part of our catering service. Hourglass Media, LLC will not allow any alcoholic beverages to be brought onto our property by outside parties for sale, storage and/or consumption. No alcohol will be stored on the main level of the 1906 building.

The Dragon's Cafe

The lower level of the 1906 building has a small chapel, which will be referred to as The Dragon's Cafe. This area will be available for rental for private parties and will be also used as a performance space for smaller entertainment programs. This space will also be open to the public during limited hours as a seating area for the take-out component of our catering business. Hourglass Media, LLC would like to offer alcohol sale and/or consumption on the premises in The Dragon's Cafe at the request of private users and during entertainment events as a part of our catering service.

Also in the lower level of the 1906 building is a kitchen space with a walk-in cooler. Hourglass Media, LLC plans to store alcoholic beverages in the walk-in cooler. The remainder of the lower level of the 1906 building will be devoted to shop space, custodial, mechanical and storage, and no alcohol will be sold, stored or consumed in these areas.

Types of Events without Alcohol Sales

There are many educational and philanthropic programs planned for The Castle at 501 Prospect, both by Hourglass Media, LLC and by outside parties that will be renting space in the facility.

Class field trips, Early Childhood Family Development classes, on-site music instruction and academies, and art appreciation classes are among the types of functions that will be served by the upper level of the 1954 addition. No alcohol will be sold or consumed at these events and no alcohol will be sold or stored on the upper level of the 1954 addition.

Types of Events With Alcohol Sales

Hourglass Media, LLC proposes to cater the events that occur at The Castle at 501 Prospect. These events will either be private functions that are contracted by individuals or corporations or hosted by Hourglass Media, LLC that may or may not be open to the public, either as a ticketed event or as an event with no charge for admission. Events such as these may include but are not limited to:

- Weddings
- Reunions
- Concerts
- Entertainment events
- Educational events
- Seminars
- Film presentations
- Private parties
- Corporate meetings and/or gatherings
- Trade shows

Hourglass Media, LLC would like to offer alcohol sale and/or consumption on the premises in the specific areas previously noted at the request of private users and during entertainment events as a part of our catering service. Hourglass Media, LLC will not allow any alcoholic beverages to be brought onto our property by outside parties for sale, storage and/or consumption.

Dispensing of Alcohol

Hourglass Media, LLC will not allow any alcoholic beverages to be brought onto our property by outside parties for sale, storage and/or consumption. At events where Hourglass Media, LLC is providing catering service where the contracting party requests alcohol be served, only staff in the employ of Hourglass Media, LLC will be allowed to dispense alcoholic beverages. All bar tending staff will be required to possess a Wisconsin Operator's license.

A member of Hourglass Media, LLC, Will be available on premises any time that a function is hosted at The Castle at 501 Prospect which will involve the sales and distribution of alcohol. This member will personally oversee any employees that may be functioning as wait staff or bartenders while they are performing their duties on the premises. Hourglass Media, LLC will further ensure that any person employed by Hourglass Media, LLC for the purpose of wait staff or bar tending service is properly trained and/or licensed in accordance with the guidelines of the State of Wisconsin and the responsible beverage server training course.

Storage of Alcohol

Hourglass Media, LLC be responsible for the purchase and storage of all alcoholic beverages at our facility, and will also be responsible for the security of our supplies when events are hosted at our facility which will not include the sale of alcoholic beverages. Areas that are approved for the storage of alcoholic beverages will be secured and accessible only by approved staff members, and secured by locking doors and/or locking cabinetry.

The attached floorplans of the building describe the areas where alcohol will be sold, consumed and stored at The Castle at 501 Prospect.

for

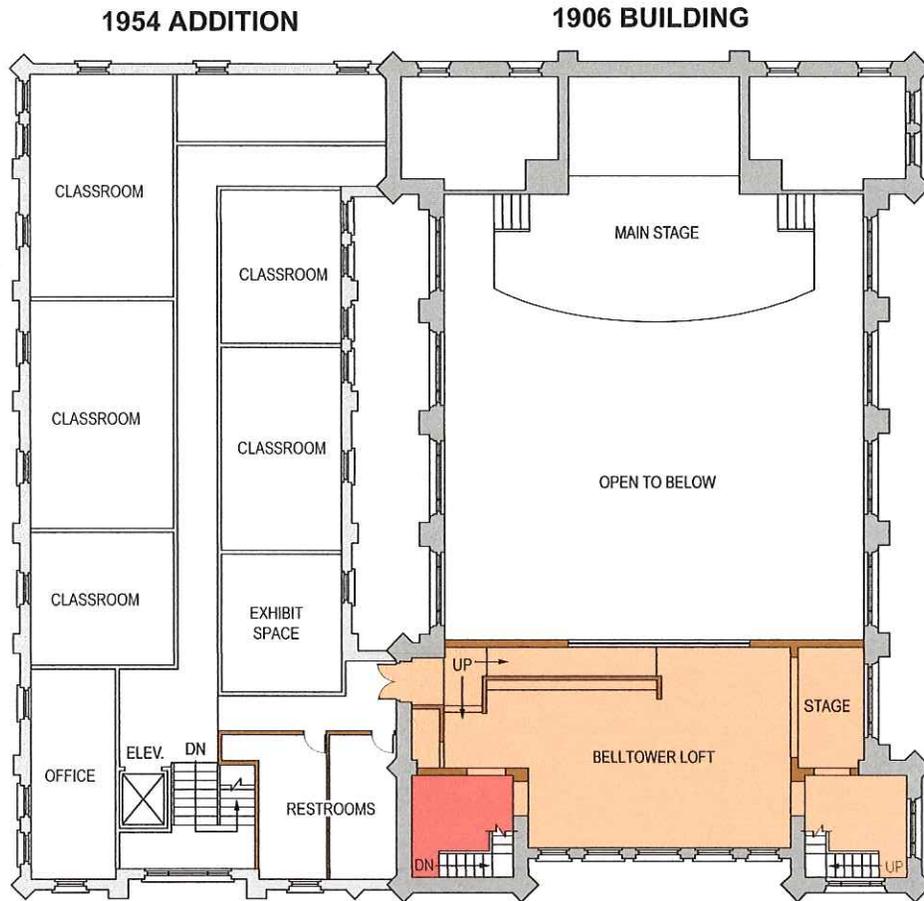
Hourglass Media, LLC

John Wittnebel, Member 608 346-3249

Jody Wittnebel, Member 608 346-3249

johnwitt@thecastlebeloit.com

Upper Level Plan



The Castle
at sol prospect

0 10 ft
Scale



UPPER LEVEL PLAN

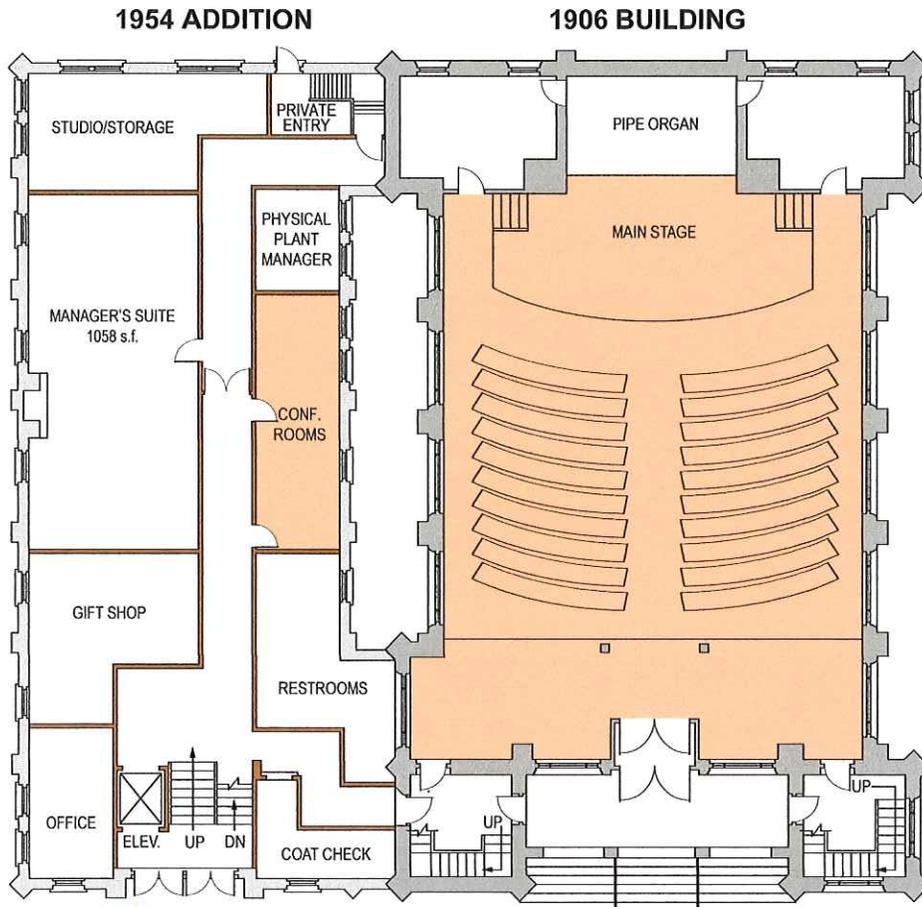


Area where alcohol may be stored



Area where alcohol may be sold/consumed

Main Level Plan



The Castle
at 601 Prospect

0 10 ft
Scale



MAIN LEVEL PLAN

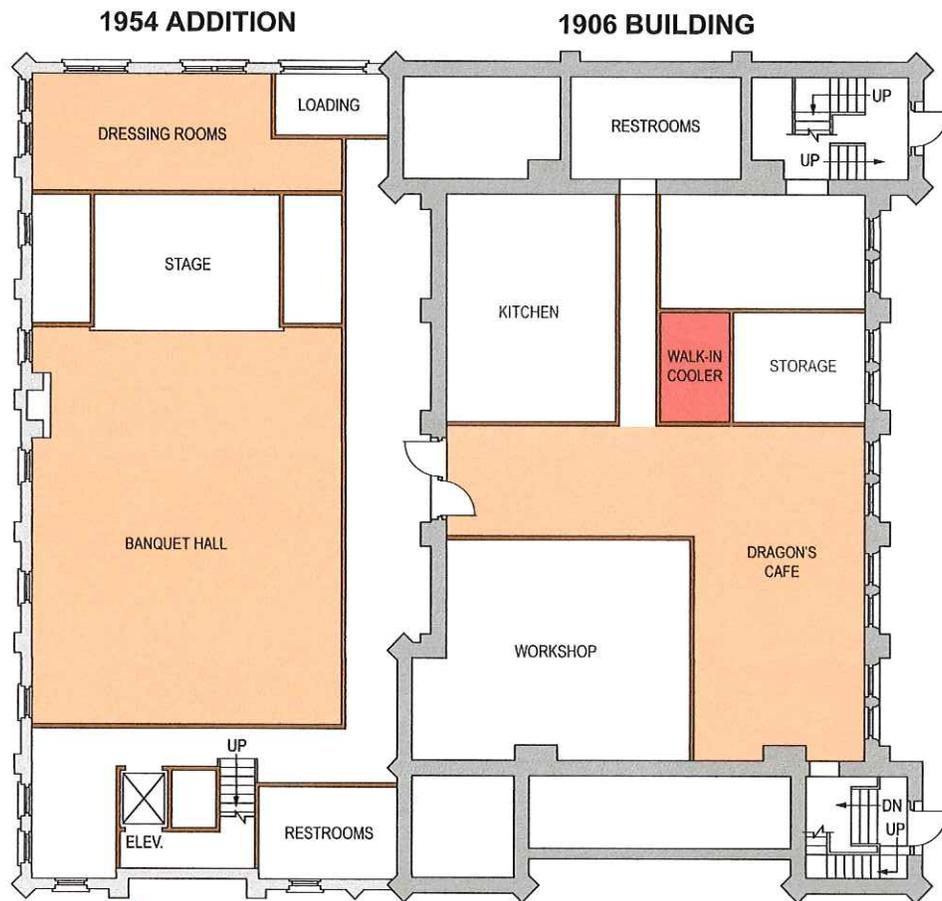


Area where alcohol may be stored



Area where alcohol may be sold/consumed

Lower Level Plan



0 10 ft
Scale



LOWER LEVEL PLAN



Area where alcohol may be stored



Area where alcohol may be sold/consumed

City of Beloit

Departmental Correspondence

To: President Charles M. Haynes and
Beloit City Councilors

From: Paul E. York, Finance and Administrative Services Director

Date: July 10, 2013

Subject: **2012 Audit Report**

The City of Beloit's 2012 comprehensive annual financial report (CAFR) has been placed on the city's website. Hard copies of the report will be available and if you would prefer a hard copy, please let me know. The City's auditors, Baker Tilly Virchow Krause, LLP, will be presenting their report on the audit to the Council at the July 15, 2013, meeting. In addition to the CAFR, I have forwarded to you the required communications to the Council from the auditors regarding their Report on Internal Control. Staff has responded to this Report and a copy of our response is included.

If you should have any questions regarding any of this information please feel free to contact me.

Cc Larry N. Arft, City Manager

CITY OF BELoit
Beloit, Wisconsin

PRELIMINARY DRAFT
FOR
DISCUSSION PURPOSES
ONLY

COMMUNICATION TO THOSE CHARGED
WITH GOVERNANCE AND MANAGEMENT

As of and for the Year Ended December 31, 2012

CITY OF BELOIT

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PRELIMINARY DRAFT
FOR
DISCUSSION PURPOSES
ONLY

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FOR
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ONLY

**REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS
IDENTIFIED IN THE AUDIT TO THOSE CHARGED WITH GOVERNANCE**

To the City Council and Management
City of Beloit
Beloit, Wisconsin

PRELIMINARY DRAFT
FOR
DISCUSSION PURPOSES
ONLY

In planning and performing our audit of the financial statements of the City of Beloit as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of its internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the City of Beloit's internal controls to be material weaknesses:

- > Internal Control Over Financial Reporting
- > Internal Control Environment

This communication is intended solely for the information and use of management, the city council and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Madison, Wisconsin
_____, 2013

PRELIMINARY DRAFT
FOR
DISCUSSION PURPOSES
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MATERIAL WEAKNESS – INTERNAL CONTROL OVER FINANCIAL REPORTING

Auditing standards require that we perform procedures to obtain an understanding of your government and its internal control environment as part of the annual audit. This includes an analysis of the City's year-end financial reporting process and preparation of your financial statements, including the schedule of expenditures of federal and state awards. A properly designed system of internal control allows for the presentation of year-end financial data, financial statements and the schedule of expenditures of federal and state awards without material errors. At this time, the City does not have internal controls in place that allow for the presentation of materially correct year-end financial statements including the schedule of expenditures of federal and state awards. As a result, we consider this absence of controls to be a material weakness in internal control over the City's financial reporting.

To provide some perspective, establishment of such internal controls can be a difficult task for governments. Many governments do rely on their auditors to prepare certain year-end adjusting entries and prepare the year-end financial statements. Because the auditors are not involved with the City's day-to-day activities, it is important that management have the skills, knowledge, and experience to review the audit adjustments and financial statements prepared by the auditors to ensure completeness, accuracy, and consistency with management's knowledge of transactions impacting the City during the year.

MATERIAL WEAKNESS – INTERNAL CONTROL ENVIRONMENT

Auditing standards require that we perform procedures to obtain an understanding of your government and its control environment as part of the annual audit. This includes an analysis of significant transaction cycles. A properly designed system of internal control includes adequate staffing, policies, and procedures to properly segregate duties. This includes systems that are designed to limit the access or control of any one individual to your government's assets, and to achieve a higher likelihood that errors or irregularities in your processes would be discovered by your staff. At this time, the City does not have internal controls in place to achieve adequate segregation of duties. As a result, there is a material weakness related to the City's internal control environment.

There are also other key controls related to significant transaction cycles that are important in reducing the risk of errors or irregularities. At this time, the City does not have the following controls in place:

CONTROLS OVER ACCOUNTS PAYABLE/DISBURSEMENTS

1. There should be an appropriate system for review and approval of new vendors.
2. Additional controls regarding check printing and processing should be developed for those instances when the City's typical controls cannot be followed. Access to check printing should be restricted from the person processing accounts payable.

CONTROLS OVER RECEIVABLES/REVENUE

1. Utility accounts receivable balances should be reconciled to the billing system on a more regular basis.

CONTROLS OVER INFORMATION TECHNOLOGY

1. There should be a formal process in place for setting up new employees in the system, changing settings for existing employees, and eliminating access for terminated employees.
2. Access rights for the network and significant applications should be reviewed at least annually by an appropriate person. This is especially important without a formal process to set up, change, and eliminate users.

MATERIAL WEAKNESS – INTERNAL CONTROL ENVIRONMENT (cont.)

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ONLY

CONTROLS OVER INFORMATION TECHNOLOGY (cont.)

3. Security monitoring should be performed for access violations at the application and database levels and related threat events. In addition, there should be a procedure to resolve or escalate any security violations. This should be done formally on a regular basis and a process should be in place to escalate these issues.
4. A formal change management procedure should be in place for all program changes, system changes, and maintenance. Additionally, a form should be used to authorize, facilitate and document all changes. These forms should remain on file throughout the systems life.
5. Access to move programs to production should be restricted to a limited number of IT professionals or handled by an outside third party vendor. Currently, the entire IT staff and the software company have this access which does not allow for segregation of duties. As there is no active review of logs and changes to production, there is the potential for an unauthorized change or update to be installed without the proper review and approval.

ENTITY LEVEL CONTROLS

1. There is no formal risk assessment process taking place at the City. This should be done on a regular basis to identify areas of higher risk for misappropriation of assets or fraud.

The absence of these key controls is considered to be a material weakness.

Achieving adequate segregation of duties may not be cost beneficial to attain in all situations. However, it is very important that management and the governing body provide the appropriate level of financial oversight to the City's day-to-day activities. We recommend that the City consider the benefits of implementing additional policies and procedures to address key controls related to its significant transaction cycles, as noted above.

OTHER COMMUNICATIONS TO THOSE CHARGED WITH GOVERNANCE

PRELIMINARY DRAFT
FOR
DISCUSSION PURPOSES
ONLY

TWO WAY COMMUNICATION REGARDING YOUR AUDIT

PRELIMINARY DRAFT
FOR
DISCUSSION PURPOSES
ONLY

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks or material noncompliance, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material noncompliance related to the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of the financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - > Identify types of potential misstatements.
 - > Consider factors that affect the risks of material misstatement.
 - > Design tests of controls, when applicable, and other substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.
- d. We address the significant risks or material noncompliance, whether due to fraud or error, through our detailed audit procedures.

TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)

PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES
CITY OF BELOIT

- e. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material noncompliance related to the federal and state awards whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of the federal and state awards and to determine whether they have been implemented. We will use such knowledge to:
- > Identify types of potential noncompliance.
 - > Consider factors that affect the risks of material noncompliance.
 - > Design tests of controls, when applicable, and other audit procedures.

Our audit will be performed in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, OMB Circular A-133, and the *State Single Audit Guidelines*.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and OMB Circular A-133 in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

- f. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for reporting material noncompliance while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the entity's federal and state awards. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material noncompliance, whether caused by error or fraud, is detected.
- g. Your financial statements contain components, as defined by auditing standards generally accepted in the United States of America all of which we audit except for the Beloit Public Library Foundation.
- h. In connection with our audit, we intend to place reliance on the audit of the financial statements of the Beloit Public Library Foundation, a discretely presented component unit of the City of Beloit, Wisconsin, as of December 31, 2012 and for the year then ended completed by Siepert & Co., LLP. All necessary conditions have been met to allow us to make reference to the component auditors.

TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the City and City Council has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements or the federal or state awards?

Also, is there anything that we need to know about the attitudes, awareness, and actions of the City concerning:

- a. The City's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. We will perform preliminary financial audit work during the months of October-December, and sometimes early January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and will issue drafts of the financial statements for your review. Final copies of your financial statements and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors. We typically perform the single audit fieldwork around the same time as the financial audit. After single audit fieldwork, we wrap up our single audit procedures at our office and then issue drafts of our report for your review. Final copies of our Report on Federal and State Awards are issued after approval by your staff. This is typically 4-6 weeks after final single audit fieldwork, but may vary depending upon a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to talk with you.

**COMMUNICATION OF OTHER CONTROL DEFICIENCIES, RECOMMENDATIONS
AND INFORMATIONAL POINTS TO MANAGEMENT THAT ARE NOT
MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES**

PRELIMINARY DRAFT
FOR
DISCUSSION PURPOSES
ONLY

PRELIMINARY DRAFT
FOR
DISCUSSION PURPOSES
ONLY

DEPARTMENTAL CONTROLS

As part of our annual audit process, we focus our efforts on the primary accounting systems, internal controls, and procedures used by the City. This is in keeping with our goal to provide an audit opinion which states that the financial statements of the City are correct in all material respects.

In some cases, the primary system of accounting procedures and controls of the City are supported by smaller systems which are decentralized, and reside within a department or location. In many cases, those systems are as simple as handling cash collections and remitting those collections to the City treasurer. (For example, this would be the case in a typical municipal swimming pool.) In other cases, the department may send invoices or statements of amounts due, and track collections of those amounts in a standalone accounts receivable system. (For example, this would be the case in a typical municipal court.)

Generally, the more centralized a function is, the easier it is to design and implement accounting controls that provide some level of checks and balances. That is because you are able to divide certain tasks over the people available to achieve some segregation of duties. For those tasks that are decentralized, it is usually very difficult to provide for proper segregation of duties. Therefore, with one person being involved in most or all aspects of a transaction, you lose the ability to rely on the controls to achieve the safeguarding of assets and reliability of financial records.

As auditors, we are required to communicate with you on a variety of topics. Since there is now more emphasis on internal controls and management's responsibilities, we believe it is appropriate to make sure that you are informed about the lack of segregation of duties that may occur at departments or locations that handle cash or do miscellaneous billing. Examples in your City that fit this situation may include the following:

- Pavilion
- Senior Center
- Ice Arena
- Pool
- Boat Launch
- Picnic Shelters
- Parks and Grounds Rentals
- Baseball/Softball Field Rentals
- Recreation Activities
- Rotary River Center Rentals
- Golf Course
- Cemetery
- Transit
- Library
- Public Works – Recycling Containers and Materials
- Utilities Department – Testing and Meter Deposits
- Police Department

DEPARTMENTAL CONTROLS (cont.)

As you might expect, similar situations are common in most governments. We recommend that the City evaluate on an annual basis whether modifications to existing controls or additional controls are necessary at its decentralized departments.

As auditors, we are required to focus on the financial statements at a highly summarized level and our audit procedures support our opinion on those financial statements. Departments or locations that handle relatively smaller amounts of money are not the primary focus of our audit. Yet, because of the lack of segregation of duties, the opportunity for loss is higher there than in centralized functions that have more controls.

Because management is responsible for designing and implementing controls and procedures to detect and prevent fraud, we believe that is important for us to communicate this information to you. We have no knowledge of any fraud that has occurred or is suspected to have occurred relating to cash collections within the departments mentioned above. However, your role as the governing body is to assess your risk areas and determine that the appropriate level of controls and procedures are in place. As always, the costs of controls and staffing must be weighed against the perceived benefits of safeguarding your assets. We are aware of the public works fraud that has been disclosed to us.

Without adding staff or splitting up the duties, your own day-to-day contact and knowledge of the operation are also important mitigating factors.

PROFESSIONAL STANDARDS UPDATE/INFORMATIONAL POINTS

GASB STATEMENT NO. 61: THE FINANCIAL REPORTING ENTITY: OMNIBUS

As we reported to you last year, the Governmental Accounting Standards Board (GASB) has issued Statement No. 61, which changed governmental financial reporting for component units. These changes may affect your financial statements for the year ending December 31, 2013, primarily the government-wide financial statements, and possibly the fund financial statements.

Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations in which the primary government did not appoint a majority of the organization's board, but were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship now would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units; but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the criteria to be considered in determining whether the organization is to be reported as a blended or discretely presented component unit, as discussed below.

Statement No. 61 amends the criteria for reporting component units as if they are part of the primary government (that is, blending) or separately (that is, discretely) presented. Component units should now be reported as part of the primary government (blended) if they meet any of the following circumstances:

- > The governing bodies of both entities are substantially the same and there is a financial benefit or burden relationship, or management of the primary government has operational responsibility for the component unit

PROFESSIONAL STANDARDS UPDATE/INFORMATIONAL POINTS (cont.)

GASB STATEMENT NO. 61: THE FINANCIAL REPORTING ENTITY: OMNIBUS (cont.)

- > The component unit provides services entirely, or almost entirely, to or that benefit the primary government
- > The component unit's total debt outstanding is expected to be repaid entirely, or almost entirely, with resources of the primary government

The blending provisions are also amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government. This means that if the component unit has multiple fund types within its report, these funds should be reported within the same fund types of the primary government; except for the component unit's general fund, which should be reported as a special revenue fund. Finally, additional reporting guidance is provided for blending a component unit if the primary government is a business-type activity that uses a single column presentation for financial reporting. Component units should be consolidated into the single column presentation with condensed combining information presented in the notes to the financial statements.

This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit.

We are available to discuss these changes and the impact on your financial statements.

GASB STATEMENT NO. 65: ITEMS PREVIOUSLY REPORTED AS ASSETS AND LIABILITIES

Government Accounting Standards Board (GASB) Statement No. 65 – *Items Previously Reported as Assets and Liabilities* will result in a reclassification of some financial statement line items on the Statement of Net Position and Balance Sheet of governments. The new financial statement categories of deferred outflows of resources and deferred inflows of resources will become more commonly used upon implementation of this standard. In addition to reclassifications to these new categories, the standard will also result in a change in the accounting treatment for certain items, including debt issuance costs. This standard is effective for periods beginning after December 15, 2012, and was intended to complement Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

Some of the most significant changes of this standard that will impact many governments include:

- > Debt issuance costs previously amortized will now be expensed in the period incurred
- > Losses on refunding of debt will now be classified as a deferred outflow of resources, and consistent with the change noted previously, the formula for calculating the loss has been adjusted to exclude debt issuance costs (prospectively)
- > Regulatory credits recorded by utilities will now be recorded either as a liability or a deferred inflow of resources, depending on how the credit will be applied in the future
- > The terminology of *deferred revenue* is no longer permitted to be used. In addition, the items previously recorded as deferred revenue will need to be analyzed to determine if they now will be presented as a deferred inflow of resources or a liability
- > The major fund determination formula has been updated to include the new categories

We are available to discuss these changes and the impact on your financial statements.

PROFESSIONAL STANDARDS UPDATE/INFORMATIONAL POINTS (cont.)

GASB STATEMENT NO. 68: ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, which will change the accounting and financial reporting requirements for state and local governments that provide their employees with pensions. This Statement replaces the requirements of GASB Statement Nos. 27 and 50 as they relate to pensions that are provided through pension plans administered as trusts, or equivalent arrangements that meet certain criteria. These changes will affect your financial statements for the year ended December 31, 2015.

This Statement applies specifically to governments that provide their employees with pensions through pension plans in which a government's contributions to the trust used to administer a pension plan are (1) irrevocable, (2) restricted to paying pension benefits, and (3) beyond the reach of creditors.

Government employers that provide their employees with a defined benefit pension are classified in one of the following categories for this Statement:

- > Single employer – is an employer whose employees are provided with a defined benefit pension through a single employer pension plan
- > Agent employer – is an employer whose employees are provided with a defined benefit pension through an agent multiple employer pension plan
- > Cost-sharing employer – is an employer whose employees are provided with a defined benefit pension through a cost-sharing multiple employer pension plan

Under the new standards, in financial statements prepared using the economic resources measurement focus (accrual basis of accounting), the single or agent employer is required to recognize a liability equal to the net pension liability. The net pension liability is defined as the present value of projected benefit payments to be provided through the pension plan, to current and inactive employees, that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's net position. A cost-sharing employer is required to recognize its proportionate share of the net pension liability of the Wisconsin Retirement System.

The new Statement contains requirements related to the actuarial cost method and certain other assumptions used in the preparation of an actuarial valuation. The Statement also requires that an actuarial valuation of the total pension liability be performed at least every two years, with more frequent valuations encouraged. In addition, this Statement also requires disclosing certain information in the notes to the financial statements, as well as presenting certain required supplementary information (RSI) for the ten most recent fiscal years.

For government employers that provide their employees with a defined contribution pension, the new standards generally carry forward the existing financial reporting requirements.

We are available to further discuss these changes and the impact on your financial statements.

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FRAUD RISK ASSESSMENT

The City does not have a formal fraud risk evaluation process in place which has been identified as a material weakness. The following provides some additional information in developing a fraud risk assessment.

Assessing risks related to fraud is essential for the operation of every organization regardless of size. Fraud could occur at any location, by any individual, and for any reason. There are essential steps that can be utilized to assist in fraud risk assessment. First, determining where fraud can occur. Specifically, are there departments or processes that may be susceptible to fraud? In addition to determining where the fraud may occur, the assessment should include other factors such as understanding the likelihood and the magnitude of the potential fraud and what consequences could result. Consequences from fraud include financial statement misstatements, misappropriation of assets and/or noncompliance with laws and regulations.

Often, fraud risks can be identified by determining the opportunity, motivation, and rationalization for an individual to commit fraud. If combined, these three factors greatly increase the probability of fraud occurring. The first factor is employees having access or the opportunity to commit fraud. This includes having access to the assets, with limited controls, allowing for an individual to perpetrate the fraud. In addition to the opportunity to commit fraud is the individual's motivation for perpetrating the act. These motivations often include the individual experiencing financial difficulties. Finally, the last component is the rationalization that the individual has for executing the fraud. The rationalization typically includes feeling that the fraud is acceptable because it was "owed" to or "deserved" by the individual for their hard work and perceived unfair pay. These three characteristics can be a very useful tool to use when identifying where fraud may occur and who may perpetrate the fraud.

After determining the areas that could be vulnerable to fraud, the next step is to identify the internal controls in place to mitigate fraud, and assess their functionality as it pertains to their design and implementation. In other words, are the controls designed effectively to prevent and detect fraud or error, and are they functioning properly to allow either errors or fraud to be identified and corrected in a timely manner?

Following the identification of the existing internal controls and their effectiveness, the organization should determine if new or updated controls should be designed and implemented to help mitigate the fraud risks that have been assessed. A useful tool in determining if new or additional controls should be in place is the COSO (Committee of Sponsoring Organizations) internal controls framework.

Assessing fraud risk is an ongoing process and is essential for organizations to manage their overall risks, evaluate the cost of additional controls while considering the likelihood and magnitude of each potential risk, while ensuring transparency throughout the process.

CUSTODIAL CREDIT

Governmental Accounting Standards Board (GASB) Statement No. 40 requires disclosures about deposits and investments. One of the main purposes of GASB Statement No. 40 is to indicate to users of financial statements the custodial risks involved with an entity's deposits and investments. These disclosures are included in the notes to your financial statements.

PROFESSIONAL STANDARDS UPDATE/INFORMATIONAL POINTS (cont.)

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CUSTODIAL CREDIT (cont.)

With regard to deposits at banks, the FDIC coverage has changed once again. On January 1, 2013, the temporary unlimited coverage for non-interest bearing transaction accounts expired. The rules now also distinguish between in-state and out-of-state accounts. Here are the new rules.

- > In-state accounts (deposits are held in an institution in the same state where the government is located)
 - Up to \$250,000 for the combined amount of all time (CDs) and savings deposits (includes NOW accounts and money market deposit accounts)
 - Up to \$250,000 for all demand deposit accounts (defined as “deposits payable on demand and for which the depository institution does not reserve the right to require advanced notice of withdrawal”)
- > Out-of-state accounts (deposits are held in an institution outside of the state where the government is located)
 - Up to \$250,000 for the combined total of all deposit accounts

These rules are in effect as of January 1, 2013. You will need to consider whether the new rules affect your deposit and investment policies or practices.

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REQUIRED COMMUNICATIONS BY THE AUDITOR TO THOSE CHARGED WITH GOVERNANCE

To the City Council and Management
City of Beloit
Beloit, Wisconsin

PRELIMINARY DRAFT
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DISCUSSION PURPOSES
ONLY

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of the City of Beloit for the year ended December 31, 2012 and have issued our report thereon dated _____, 2013. This letter presents communications required by our professional standards.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, OMB Circular A-133 and the State Single Audit Guidelines. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or those charged with governance of their responsibilities.

We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal or major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Guidelines.

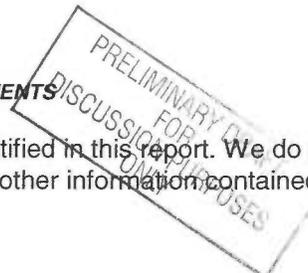
As part of obtaining reasonable assurance about whether the City of Beloit's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133 and the State Single Audit Guidelines, we examined, on a test basis, evidence about the City of Beloit's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the State Single Audit Guidelines applicable to each of its major federal and state programs for the purpose of expressing an opinion on the City of Beloit's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City of Beloit's compliance with those requirements.

We have issued a separate document which contains the results of our audit procedures to comply with OMB Circular A-133 and the *State Single Audit Guidelines*.

To the City Council and Management
City of Beloit

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to, and have not performed any, procedures to corroborate other information contained in client-prepared documents, such as official statements related to debt issues.



PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you in our Report on Internal Control dated June 29, 2012 and our meeting with the City Council on July 16, 2012.

QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES

Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City of Beloit are described in Note 1 to the financial statements. As described in Note I to the financial statements, the City of Beloit changed accounting policies related to deferred outflows of resources, deferred inflows of resources, and net position by adopting Statement of Governmental Accounting Standards (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in 2012. We noted no transactions entered into by the City during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of incurred but not recorded health insurance claims is based on historical claims. We evaluated the key factors and assumptions used to develop the incurred but not reported claim liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the Other Post-Employment Benefits (OPEB) liability is based on information provided to activities contracted by the City. We evaluated the key factors and assumptions used to develop the OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of allowance for doubtful ambulance receivables and municipal court receivables is based on historical revenues, historical loss levels, and an analysis of individual account collections.

Financial Statement Disclosures

The disclosures in the financial statements are neutral, consistent, and clear.

To the City Council and Management
City of Beloit

PRELIMINARY DRAFT
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DISCUSSION PURPOSES
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DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatement identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

A summary of uncorrected financial statement misstatements follows this required communication. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The following is a summary of material financial statement misstatements (audit adjustments):

| | | |
|--|----|------------|
| Record utility tax equivalent in General and Water Funds | \$ | 788,993 |
| Adjust special assessments that were recorded twice as receivables and deferred revenue | | 94,864 |
| Adjust transfers between the General and Debt Service Funds | | 1,684,041 |
| Adjust liability for IBNR | | 365,768 |
| Record investment income | | 62,992 |
| Reclass payroll related revenue and expenditures by the City for the CDA and BID | | 953,516 |
| Record joint metering costs allocated from water to sewer utility | | 236,583 |
| Record capitalized interest in the water utility | | 195,070 |
| Reduce insurance charges relating to 2013 | | 209,895 |
| Recognize sewer clean water fund program grant revenue | | 531,663 |
| Record water utility depreciation | | 1,302,372 |
| Record sewer utility depreciation | | 2,518,136 |
| Record various projects to utility capital asset accounts | | 10,343,713 |
| Reclassify debt issuance costs | | 150,154 |
| Adjust special assessments for amounts recorded that are still contingent on hookup | | 1,163,597 |
| Reclassify invoices in the Water Fund | | 209,568 |
| Reclassify a principal payment for the clean water fund program from interest expense | | 130,030 |
| Record amortization for debt issuance costs, discounts and losses on refundings for the water, sewer and transit funds | | 165,824 |

In addition, we prepared GASB No. 34 conversion entries which are summarized in the "Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position" and the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" in the financial statements.

To the City Council and Management
City of Beloit

PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES
ONLY

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter. This letter follows this required communication.

INDEPENDENCE

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the City of Beloit that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of the City of Beloit for the year ended December 31, 2012, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to the City in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants, and provided no services to the City other than audit services provided in connection with the audit of the current year's financial statements and nonaudit services which in our judgment do not impair our independence.

- > Financial statement preparation
- > Adjusting journal entries
- > SEFSA revisions
- > Continuing property records consulting

None of these nonaudit services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the City Council and Management
City of Beloit

OTHER MATTERS

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We welcome the opportunity to discuss the information included in this letter and any other matters. Thank you for allowing us to serve you.

Madison, Wisconsin
_____, 2013

PRELIMINARY DRAFT
FOR DISCUSSION
ONLY

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DISCUSSION PURPOSES
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SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS

CITY OF BELOIT

**SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS
FOR COMMUNICATION TO MANAGEMENT AND GOVERNING BODY FOR DISCUSSION PURPOSES ONLY**

As of and for the Year Ended December 31, 2012

PRELIMINARY DRAFT
FOR DISCUSSION PURPOSES ONLY

| | Total Assets | Total Liabilities | Total Net Position/ Fund Balances | Total Revenues | Total Expenses/ Expenditures | Change in Net Position/ Fund Balances |
|---------------------------|-----------------|----------------------|---|-------------------|------------------------------------|---|
| Governmental Activities | \$ (138,441) | \$ 219,342 | \$ (80,901) | \$ - | \$ 72,569 | \$ (80,901) |
| Business-Type Activities | - | 44,384 | (44,384) | - | (44,384) | (44,384) |
| General Fund | (78,458) | 76,470 | 1,998 | 1,998 | - | 1,998 |
| Capital Improvements Fund | - | 4,166 | (4,166) | - | (4,166) | (4,166) |
| Water Fund | - | 11,606 | (11,606) | - | (11,606) | (11,606) |
| Sewer Fund | - | 32,778 | (32,778) | - | (32,778) | (32,778) |
| Remaining Funds | - | 26,024 | (26,024) | 63,867 | (89,891) | (26,024) |

PRELIMINARY DRAFT
FOR
DISCUSSION PURPOSES
ONLY

MANAGEMENT REPRESENTATIONS



July 10, 2013

To the City Council
City of Beloit
Beloit, WI

In performing the audit of the city's financial statements each year, and in accordance with auditing standards generally accepted in the United States of America, the auditors are required to evaluate the city's internal control systems and communicate to the governing body any deficiencies in internal control which they believe to be material control weaknesses.

Because of these requirements, our auditors have prepared the attached Communication to Those Charged with Governance and Management which identifies those areas where they believe a control deficiency exists as of December 31, 2012. Also attached is management's response to their findings.

Respectfully submitted,

Paul E. York
Finance and Administrative Services Director

Cc: Larry N. Arft, City Manager

**CITY OF БЕЛОIT, WISCONSIN
MANAGEMENT'S RESPONSE TO MATERIAL WEAKNESS INTERNAL
CONTROL
FOR THE YEAR ENDED DECEMBER 31, 2012**

Finding 12-1 Material Weakness - Internal Control Over Financial Reporting

1. **Auditor's Recommendation:** We recommend that the City consider preparing its annual financial statements and the schedule of expenditures of federal and state awards to include all federal and state awards.

Management's Response: Given our current staffing complement, it would be extremely difficult for the City to prepare its annual financial statements without the addition of professional staff within the finance department. For efficiency, cost effectiveness and convenience, the City has chosen to include in its annual financial audit engagement, that the auditor prepare the City's financial statements. With significant limitations placed on the City from a budget perspective, there is no immediate plan to deviate from this practice.

Finding 12-2 Material Weakness – Internal Control Environment

Controls Over Accounts Payable/Disbursements

1. **Auditor's Comment:** There should be an appropriate system for review and approval of vendors.

Management's Response: The City of Beloit has implemented additional review and approval of vendors. In 2012, in addition to requirements of vendors to submit an IRS form W-9 to validate authenticity, vendors are being validated by searches on the internet. Department Heads are also, approving new vendor requests.

2. **Auditor's Comment:** Additional controls regarding check printing and processing should be developed for those instances when the City's typical controls cannot be followed. Access to check printing should be restricted from the person processing accounts payable.

Management's Response: The Accounting Division Director will approve cash disbursements and check printing in those instances when normal controls cannot be followed.

Controls Over Receivables/Revenue

1. **Auditor's Comment:** Utility accounts receivable balances should be reconciled to the billing system on a more regular basis.

Management's Response: The City reconciles utility accounts receivable balances to the billing system on a quarterly basis.

Controls Over Information Technology

1. **Auditor's Comment:** There should be a formal process in place for setting up new employees in the system, changing settings for existing employees, and eliminating access for terminated employees.

Management's Response: The City has established procedures for setting up new employees in the system, changing settings for existing employees, and eliminating access for terminated employees.

2. **Auditor's Comment:** Access rights for the network and significant applications should be reviewed at least annually by an appropriate person. This is especially important without a formal process to set up, change, and eliminate users.

Management's Response: The Information Systems Division annually reviews the network user access rights (NTFS permissions) which are verified by the Information Systems Division Director.

3. **Auditor's Comment:** Security monitoring should be performed for access violations at the application and database levels and related threat events. In addition, there should be a procedure to resolve or escalate any security violations. This should be done formally on a regular basis and a process should be in place to escalate these issues.

Management's Response: The review of access violations at the application and database levels occurs annually and is verified by the Information Systems Division Director.

4. **Auditor's Comment:** A formal change management procedure should be in place for all program changes, system changes, and maintenance. Additionally, a form should be used to authorize, facilitate and document all changes. These forms should remain on file throughout the systems life.

Management's Response: The City will develop and implement a change management policy including forms to document and log all program and system changes and maintenance. This documentation will remain on file for the life of the system.

5. **Auditor's Comment:** Access to move programs to production should be restricted to a limited number of IT professionals or handled by an outside third party vendor. Currently, the entire IT staff and the software company have this access which does not allow for segregation of duties. As there is no active review

of logs and changes to production, there is the potential for an unauthorized change or update to be installed without the proper review and approval.

Management's Response: Access to the system including its hardware and software applications is limited and not all IT staff and third party vendors have total access. Third party vendors can only access the network if permitted and approved, by IT staff. The IT staff is developing a third party access policy to document and log all third party vendor work that occurs on the network.

Entity Level Controls

1. **Auditor's Comment:** There is no formal risk assessment process taking place at the City. This should be done on a regular basis to identify areas of higher risk for misappropriation of assets or fraud.

Management's Response: The City will develop a risk assessment process that can be implemented for the purpose of identifying areas of high risk in an effort to minimize the potential for misappropriation of assets or fraud.

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Discussion Regarding Providing Employee Benefits, Particularly Group Health Insurance, to Same Sex Couples that Meet Certain Standards

Date: July 15, 2013

Presenter(s): Larry N. Arft and Florence Haley

Department(s): City Manager and Human Resources

Overview/Background Information:

The issue of providing group health benefits and equalizing other personnel related fringe benefits for same sex couples is a contemporary topic of discussion throughout the United States. Many states have already statutorily permitted full marriage between committed same sex couples, and other states have either a lesser variant recognizing some type of partnership arrangement. This trend is likely to continue. In Wisconsin, we have a constitutional amendment which prohibits recognition of any type of same sex partnership or marriage (including legal marriages from other states). Despite the constitutional amendment, a registry has been established where committed same sex couples can register their relationship.

Many communities around the United States, including within the State of Wisconsin as well as numerous private corporations, have been moving to equalize benefits among all committed couples, be they in a more traditional marriage, or same sex couples that are recognized as having a committed relationship and living together in a single domestic household. The recent Supreme Court decision has shed additional light on the issue of equal protection for these individuals.

Key Issues (maximum of 5):

1. Although the issue of same sex marriage has been, and is still a significant component of the culture wars which seem to rage on a regular basis in the United States, the trends seem to be moving each year toward a point where there will be some recognition of committed same sex couples forming a permanent relationship equal to marriage, which has existed for centuries for heterosexual couples.
2. The recent Supreme Court decision places additional focus on the issues of equal protection and the need to treat all employees fairly and equitably.
3. Many cities in the State of Wisconsin, along with numerous private corporations, have already made the adjustment to recognize same sex couples living in domestic households, including our neighboring City of Janesville.
4. While the City has no list or idea of how many such couples may currently be employed, we do believe in the future this could be an issue in both recruiting and retaining employees and is an issue that must be addressed at some time.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

- **Apply sound, sustainable practices to promote a high quality community through historic preservation, community revitalization and successful new development.**

We do not anticipate any impact on implementation of the Strategic Plan should this policy be changed.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- **Reduce dependence upon fossil fuels**
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature**
- **Reduce dependence on activities that harm life sustaining eco-systems**
- **Meet the hierarchy of present and future human needs fairly and efficiently**

Once again, we do not foresee any impact on the City's sustainability program or its green initiatives as a result of any proposed change.

If any of the four criteria are not applicable to your specific policy or program, an N/A should be entered in that space.

Action required/Recommendation:

It is the recommendation of the City Manager that the City amend its policies to recognize same sex couples that are listed on the Wisconsin Registry. Such couples would be afforded the same benefit structure as is provided to heterosexual couples, including the ability to participate in the City's group health insurance plan, as well as have equal benefit eligibility for family and medical leave, sick leave for dependency care, and funeral leave rights.

Fiscal Note/Budget Impact:

It is virtually impossible to predict the budget impact of this change. Other jurisdictions have placed it at somewhere less than 1% of health costs. At the current time, we have no idea whether we have any same sex couples within the corporate structure that would access the benefit. Our health care consultant has expressed some concern about what's called "adverse selection" by same sex partners. This phenomenon would occur because the City still does not charge a premium for employee participation, including dependent coverage, so that some same sex partners may opt out of their employer's coverage in order to take advantage of the City's attractive benefit program.

Once again, only couples that are eligible would be able to make this selection and we do not have a hard number on how many such individuals may opt into coverage should it be extended to same sex couples. The cost for extending other benefits would be relatively minimal and generally reflected in lost time due to the use of leave benefits as opposed to out of pocket expense.

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Changes in State Law Related to Residency for Municipal Employees

Date: July 15, 2013

Presenter(s): Larry N. Arft

Department(s):

City Manager

Overview/Background Information:

The recent biennial budget adopted by the State legislature and signed by Governor Walker included a pre-emption of rights regarding the establishment of residency standards for municipal employees. All local governing boards are prohibited from establishing residency requirements that exceed the State standard which is a radius of 15 miles from the City for public safety workers and others deemed necessary for emergency response. No residency standards can be maintained for any employees, including top managers and executives. The City currently has a residency requirement in place for the City Manager, as well as all Department and Division Directors. Council debated this requirement several months ago and provided a modest hardship waiver for some Division Director level personnel. To date, no hardship waivers have been requested and obviously, none have been granted.

Key Issues (maximum of 5):

1. Residency has been preempted, so the City's Ordinance must be amended, as well as its various Personnel Policies put in place to implement the residency standard previously established by Council.
2. There is no waiver or "executive exemption" built into the statute, so the Council may no longer continue to require residency for managerial level employees.
3. The League of Wisconsin Municipalities believes the general language in the statute related to employees required for emergency response could be broadly defined by a City Council to include key managers, public works employees or other individuals who are either "on call" or who normally respond during an emergency situation. Unfortunately, you still cannot require residency, but could require those individuals reside within a distance of 15 miles from the City.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

The current residency policy and any changes made subsequent to the new State regulatory standard would have little impact upon the City's continued commitment to its Strategic Plan.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- Reduce dependence upon fossil fuels
- Reduce dependence on chemicals and other manufacturing substances that accumulate in nature
- Reduce dependence on activities that harm life sustaining eco-systems
- Meet the hierarchy of present and future human needs fairly and efficiently

Once again, the changes in this particular policy would not likely impact the City's commitment to sustainability or any of the "green" initiatives currently underway.

If any of the four criteria are not applicable to your specific policy or program, an N/A should be entered in that space.

Action required/Recommendation:

I, as City Manager, have given this matter a great deal of thought over the last several months. Councilors will recall that we did an extensive amount of lobbying, both individually, as well as through the League of Wisconsin Municipalities in an effort to get the entire matter removed from the State budget. Since those efforts were unsuccessful, we have only two options at this time:

1. We can simply remove the residency standards, since under current law Councilors cannot provide a residency requirement for any municipal employee.
2. Put in the 15-mile limit provided for in the statute for certain employees that the Council would deem as "emergency responders." Since all of our public safety employees, except for the managers, are already covered by collective bargaining agreements, the policy would not be relevant to those individuals.

Since the only way that we can get new management level, or for that matter, any new City employee to reside within the community is through suggestion, I think it would be easier to do that without a local ordinance or a personnel policy in place. In my opinion, it would be very difficult to approach an incoming Department Director with a strong appeal and a communicated expectation that individuals of that rank and stature in the corporation are expected to be City residents. In my opinion, that type of discussion would be more effective when there is no contradicting policy in place set by the City Council. Consequently, our recommendation would be to repeal the City's existing

residency requirements to bring the community into compliance with the new State law. Obviously, the City Manager's office as well as the Human Resources office will continue to urge and encourage incoming employees to establish residency within the City. We would make it perfectly clear that statutorily we cannot require residency and that these comments are suggestions, only. We would not allow a residency commitment to be a condition of appointment, nor in any way impact an employee's working relationship because of their selected residency.

Fiscal Note/Budget Impact:

There would be no fiscal impact upon the City's budget as a result of this decision.

**RESOLUTION AUTHORIZING THE CITY MANAGER
TO ACCEPT MICHAEL L. ROSS' COMMERCIAL OFFER TO PURCHASE
THE CITY-OWNED LAND LOCATED AT 2525 KENNEDY DRIVE
AND 1475 OFFICE PARK LANE**

WHEREAS, the City has received a Commercial Offer to Purchase City-owned land from Michael L. Ross; and

WHEREAS, the offer is contingent upon the buyer obtaining a building permit by October 1, 2013 for an 18,000-square-foot building to expand the current operations of Beloit Precision located at 1525 Office Park Lane; and

WHEREAS, it is deemed in the best interest of the City of Beloit to incentivize this project by transferring the land for nominal consideration.

NOW, THEREFORE, BE IT RESOLVED that the City Manager is hereby authorized to execute the attached Commercial Offer to Purchase and to do all other things necessary to meet the terms and conditions set forth in said purchase offer.

Adopted at Beloit, Wisconsin, this 15th day of July, 2013.

CITY COUNCIL OF THE CITY OF БЕLOIT

Charles M. Haynes, President

Attest:

Judith A. Elson, Deputy City Clerk
130708 1037 (13-1069)

CITY OF БЕЛОIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Resolution authorizing the City Manager to accept Michael L. Ross's Commercial Offer to Purchase the City owned land located at 2525 Kennedy Drive and 1475 Office Park Lane.

Date: July 15, 2013

Presenter(s): Andrew Janke **Department(s):** Economic Development

Overview/Background Information: Beloit Precision has been located at 1525 Office Park Lane in the Beloit I-90 Business Park since 1998. The company specializes in custom metal stampings along with other metal fabrication applications. Beloit Precision serves the automotive, electronics, consumer products, medical, and agricultural industries. The company currently has fifteen employees two of which were added at the end 2012. The company's production facility is at full capacity and they need to expand to meet current and future customer needs. The Company would like to purchase a portion (2.177 acres) of the City owned 2.5 acre lot located at 2525 Kennedy Drive and the 1.12 acre lot located at 1475 Office Park Lane. This acquisition will allow the company to construct an 18,000 square foot building and provide additional land for potential future building additions. The City is proposing to sell the remaining .0327 portion of the lot to a company looking to purchase the adjoin building at 2555 Kennedy Drive. The 2.5 acre lot will be sub-divided via a Certified Survey Map prior to/or at closing.

Key Issues (maximum of 5):

1. Staff is proposing to sell the property included in the combined lots for One Dollar (\$1.00) in consideration of the company's long history in Beloit and as an incentive for them to construct a new building and create new jobs.
2. The City will close on the land when the company is issued building permits for the new building.
3. The company expects to create 3-4 new jobs within one year on completing construction of the new building.
4. As a water main is located on both lots a General Utility Easement will be recorded on the property prior to closing.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

Approval of this resolution would focus and support sustainable stewardship of City resources.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- **Reduce dependence upon fossil fuels** N/A
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature** N/A
- **Reduce dependence on activities that harm life sustaining eco-systems** N/A
- **Meet the hierarchy of present and future human needs fairly and efficiently** The project will create and retain jobs.

If any of the four criteria are not applicable to your specific policy or program, an N/A should be entered in that space.

Action required/Recommendation:

Staff recommends approval of the resolution.

Fiscal Note/Budget Impact: The City currently bares the cost of mowing these two lots. Once the lots are sold the City will no longer have this liability.

COMMERCIAL OFFER TO PURCHASE

1 BROKER DRAFTING THIS OFFER ON 06/27/2013 [DATE] IS (AGENT OF SELLER) ~~(AGENT OF BUYER)~~ ~~(BUYER)~~ ~~(SELLER)~~ STRIKE TWO

2 GENERAL PROVISIONS The Buyer, Michael L. Ross
3 offers to purchase the Property known as [Street Address] See attached Exhibit A in the
4 City Beloit of Beloit County of Rock, Wisconsin, (Insert additional
5 description, if any, at lines 293 - 297 or attach as an addendum per line 298), on the following terms:

6 PURCHASE PRICE: One Dollar and 00/100
7 _____ Dollars (\$ 1.00).

8 FARNEST MONEY of \$ _____ accompanies this Offer and earnest money of \$ _____
9 will be paid within _____ days of acceptance.

10 THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.
11 ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE: Seller shall include in the purchase price and transfer, free and clear of encum-
12 brances, all fixtures, as defined at lines 117 - 120 and as may be on the Property on the date of this Offer, unless excluded at lines 15 - 16, and
13 the following additional items: _____

14 _____
15 ITEMS NOT INCLUDED IN THE PURCHASE PRICE: *CAUTION: Address rented fixtures or trade fixtures owned by tenants, if*
16 *applicable.*

~~17 All personal property included in purchase price will be transferred by bill of sale or~~

18 ACCEPTANCE Acceptance occurs when all Buyers and Sellers have signed an identical copy of the Offer, including signatures on separate
19 but identical copies of the Offer. *CAUTION. Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term*
20 *deadlines running from acceptance provide adequate time for both binding acceptance and performance.*

21 BINDING ACCEPTANCE This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or before
22 07/16/2013. *CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.*

23 DELIVERY OF DOCUMENTS AND WRITTEN NOTICES Unless otherwise stated in this Offer, delivery of documents and written notices
24 to a Party shall be effective only when accomplished by one of the methods specified at lines 25 - 34.

25 (1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or fees prepaid or charged to an account with a com-
26 mercial delivery service, addressed either to the Party, or to the Party's recipient for delivery designated at lines 28 or 30 (if any), for delivery to
27 the Party's delivery address at lines 29 or 31.

28 Seller's recipient for delivery (optional): Thomas Casper, City Attorney
29 Seller's delivery address: 100 State Street, Beloit, WI 53511

30 Buyer's recipient for delivery (optional): Rodney W. Kimes, Bolgrien, Koepke & Kimes, S.C.
31 Buyer's delivery address: 542 East Grand Avenue, Beloit, WI 53511

32 (2) By giving the document or written notice personally to the Party or the Party's recipient for delivery if an individual is designated at lines 28 or 30.
33 (3) By fax transmission of the document or written notice to the following telephone number:

34 Buyer: (608) 365-3263 Seller: (608) 364-6718

~~35 LEASED PROPERTY If Property is currently leased and lease(s) extends beyond closing, Seller shall assign Seller's rights under said lease(s)
36 and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral) STRIKE ONE lease(s), if any,
37 are~~

38 RENTAL WEATHERIZATION This transaction (is) (is not) STRIKE ONE exempt from State of Wisconsin Rental Weatherization Standards
39 (Wisconsin Administrative Code, Comm 67). If not exempt, (Buyer) (Seller) STRIKE ONE will be responsible for compliance, including all costs.
40 ~~If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at closing.~~

41 PLACE OF CLOSING This transaction is to be closed at the place designated by Buyer's mortgagee or Brabazon Title Co., Inc.
42 _____ no later than see Addendum 1 unless another date or place is agreed to in writing.

43 CLOSING PRORATIONS The following items shall be prorated at closing: real estate taxes, rents, water and sewer use charges, garbage pick-
44 up and other private and municipal charges, property owner's association assessments, fuel, payments under governmental agricultural programs
45 and no others. Any income, taxes or expenses shall accrue to Seller and be prorated through
46 the day prior to closing. Net general real estate taxes shall be prorated based on (the net general real estate taxes for the current year, if known,
47 otherwise on the net general real estate taxes for the preceding year) (

48 _____). STRIKE AND COMPLETE AS APPLICABLE *CAUTION. If Property has not been fully assessed for*
49 *tax purposes (for example, recent land division or completed/pending reassessment) or if proration on the basis of net general real*
50 *estate taxes is not acceptable (for example, changing mill rate), insert estimated annual tax or other basis for proration.*

51 PROPERTY CONDITION PROVISIONS
~~52 PROPERTY CONDITION REPRESENTATIONS. Seller represents to Buyer that as of the date of acceptance Seller has no notice or
53 knowledge of conditions affecting the Property or transaction other than those identified in Seller's Real Estate Condition Report
54 dated _____, which was received by Buyer prior to Buyer signing this Offer and which is made a part of this Offer by reference~~

55 COMPLETE DATE OR STRIKE AS APPLICABLE and _____
56 _____ INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT

57 ~~■ A "condition affecting the Property or transaction" is defined as follows:~~

- 58 ~~(a) planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property or the~~
- 59 ~~present use of the Property;~~
- 60 ~~(b) government agency or court order requiring repair, alteration or correction of any existing condition;~~
- 61 ~~(c) completed or pending reassessment of the Property for property tax purposes;~~
- 62 ~~(d) structural inadequacies which if not repaired will significantly shorten the expected normal life of the Property;~~
- 63 ~~(e) any land division involving the Property, for which required state or local approvals were not obtained;~~
- 64 ~~(f) construction or remodeling on the Property for which required state or local approvals were not obtained;~~
- 65 ~~(g) any portion of the Property being in a 100 year floodplain, a wetland or shoreland zoning area under local, state or federal regulations;~~
- 66 ~~(h) that a structure on the Property is designated as a historic building or that any part of the Property is in a historic district;~~
- 67 ~~(i) material violations of environmental laws or other laws or agreements regulating the use of the Property;~~
- 68 ~~(j) conditions constituting a significant health or safety hazard for occupants of the Property;~~
- 69 ~~(k) underground or aboveground storage tanks for storage of flammable, combustible or hazardous materials including but not limited to gasoline~~
- 70 ~~and heating oil, which are currently or which were previously located on the Property; NOTE: The Wisconsin Administrative Code contains~~
- 71 ~~registration and operation rules for such underground storage tanks.~~
- 72 ~~(l) high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property;~~
- 73 ~~(m) material levels of hazardous substances located on Property or previous storage of material amounts of hazardous substances on Property;~~
- 74 ~~(n) other conditions or occurrences which would significantly reduce the value of the Property to a reasonable person with knowledge of the~~
- 75 ~~nature and scope of the condition or occurrence.~~

76 ~~■ **PROPERTY DIMENSIONS AND SURVEYS:** Buyer and Seller acknowledge that any Property, building or room dimensions, or total acreage~~
 77 ~~or building square footage figures, provided to Buyer or Seller may be approximate because of rounding or other reasons, unless verified by~~
 78 ~~survey or other means. Buyer also acknowledges that there are various formulas used to calculate total square footage of buildings and that total~~
 79 ~~square footage figures will vary dependent upon the formula used. CAUTION: Buyer should verify total square footage formula, Property, A~~
 80 ~~building or room dimensions, and total acreage or square footage figures, if material to Buyer's decision to purchase.~~

81 ~~■ **INSPECTIONS:** Seller agrees to allow Buyer's inspectors reasonable access to the Property upon reasonable notice if the inspections are~~
 82 ~~reasonably necessary to satisfy the contingencies in this Offer. Buyer agrees to promptly provide copies of all such inspection reports to Seller, and~~
 83 ~~listing broker if Property is listed. Furthermore, Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections are~~
 84 ~~completed, unless otherwise agreed with Seller. An "inspection" is defined as an observation of the Property which does not include testing of the~~
 85 ~~Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized.~~

86 ~~■ **TESTING:** Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property. A~~
 87 ~~"test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory or other~~
 88 ~~analysis of these materials. If Buyer requires testing, testing contingencies must be specifically provided for at lines 293 - 297 or in an addendum~~
 89 ~~per line 298. Note: Any contingency authorizing such tests should specify the areas of the Property to be tested, the purpose of the test, (e.g., to~~
 90 ~~go determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency (e.g.,~~
 91 ~~Buyer's obligation to return the Property to its original condition). Seller acknowledges that certain inspections or tests may detect environmental~~
 92 ~~pollution which may be required to be reported to the Wisconsin Department of Natural Resources.~~

93 ~~■ **PRE-CLOSING INSPECTION:** At a reasonable time, pre-approved by Seller or Seller's agent, within 3 days before closing, Buyer shall have the~~
 94 ~~right to inspect the Property to determine that there has been no significant change in the condition of the Property, except for ordinary wear and~~
 95 ~~tear and changes approved by Buyer, and that any defects Seller has elected to cure have been repaired in a good and workmanlike manner.~~

96 ~~■ **ENVIRONMENTAL SITE ASSESSMENT:** An "environmental site assessment" (also known as a "Phase I Site Assessment") (see lines 279 to~~
 97 ~~283) may include, but is not limited to: (1) an inspection of the Property; (2) a review of the ownership and use history of the Property, including a~~
 98 ~~search of title records showing private ownership of the Property for a period of 80 years prior to the visual inspection; (3) a review of historic and~~
 99 ~~recent aerial photographs of the Property, if available; (4) a review of environmental licenses, permits or orders issued with respect to the Property;~~
 100 ~~(5) an evaluation of results of any environmental sampling and analysis that has been conducted on the Property; and (6) a review to determine~~
 101 ~~if the Property is listed in any of the written compilations of sites or facilities considered to pose a threat to human health or the environment includ~~
 102 ~~ing the National Priorities List, the Department of Natural Resources' (DNR) registry of Abandoned Landfills, the DNR's Registry of Leaking~~
 103 ~~Underground Storage Tanks, the DNR's most recent remedial response site evaluation report (including the Inventory of Sites and Facilities Which~~
 104 ~~May Cause or Threaten to Cause Environmental Pollution). Any "environmental site assessment" performed under this Offer shall comply with~~
 105 ~~generally recognized industry standards (e.g. current American Society of Testing and Materials "Standards for Environmental Site Assessments for~~
 106 ~~Commercial Real Estate"), and state and federal guidelines, as applicable. CAUTION: Unless otherwise agreed an~~
 107 ~~"environmental site assessment" does not include subsurface testing of the soil or groundwater or other testing of the Property for~~
 108 ~~environmental pollution.~~

109 ~~■ **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING:** Seller shall maintain the Property until the earlier of closing or occupancy~~
 110 ~~of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior to closing, the~~
 111 ~~Property is damaged in an amount of not more than five per cent (5%) of the selling price, Seller shall be obligated to repair the Property and~~
 112 ~~restore it to the same condition that it was on the day of this Offer. If the damage shall exceed such sum, Seller shall promptly notify Buyer in writ-~~
 113 ~~ing of the damage and this Offer may be canceled at the option of Buyer. Should Buyer elect to carry out this Offer despite such damage, Buyer~~
 114 ~~shall be entitled to the insurance proceeds relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of~~
 115 ~~Seller's deductible on such policy. However, if this sale is financed by a land contract or a mortgage to Seller, the insurance proceeds shall be~~
 116 ~~held in trust for the sole purpose of restoring the Property.~~

117 ~~**FIXTURES** A "Fixture" is an item of property which is physically attached to or so closely associated with land and improvements so as to be~~
 118 ~~treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the Property, items~~
 119 ~~specifically adapted to the Property, and items customarily treated as fixtures. A "fixture" does not include trade fixtures owned by tenants of the~~
 120 ~~Property. See Lines 11 to 17.~~

121 ~~**OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer at lines 293 -~~
 122 ~~297 or in an addendum per line 298. Occupancy shall be given subject to tenant's rights, if any.~~

123 ~~**SPECIAL ASSESSMENTS** Special assessments, if any, for work actually commenced or levied prior to date of this Offer shall be paid by Seller~~
 124 ~~no later than closing. All other special assessments shall be paid by Buyer. CAUTION: Consider a special agreement if area assessments, prop-~~
 125 ~~erty owner's association assessments or other expenses are contemplated. "Other expenses" are one-time charges or ongoing use fees for pub-~~
 126 ~~lic improvements (other than those resulting in special assessments) relating to curb, gutter, street, sidewalk, sanitary and stormwater and storm~~
 127 ~~sewer (including all sewer mains and hook-up and interceptor charges), parks, street lighting and street trees, and impact fees for other public~~
 128 ~~facilities, as defined in Wis. Stat. § 66.55(1)(c) & (f).~~

129 PROPERTY ADDRESS: See Exhibit A [page 3 of 5]

130 OPTIONAL FINANCING CONTINGENCY: THE CONTINGENCY AT LINES 132 THROUGH 160 IS A PART OF THIS OFFER IF MARKED, SUCH
131 AS WITH AN "X," AT LINE 132. IT IS NOT PART OF THIS OFFER IF IT IS MARKED N/A OR LEFT BLANK.

132 FINANCING CONTINGENCY: This Offer is contingent upon Buyer being able to obtain: CHECK APPLICABLE FINANCING BELOW

133 land contract financing from Seller at closing as further described at lines 136 to 153 and 161 to 168.

134 a INSERT LOAN PROGRAM (fixed) (adjustable) STRIKE ONE rate first mort-
135 gage loan commitment as further described at lines 136 to 149 and 154 to 178, within _____ days of acceptance of this Offer.

136 The financing selected shall be in an amount of not less than \$ _____ for a term of not less than _____ years, amortized
137 over not less than _____ years. If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be
138 adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to main-
139 tain the term and amortization stated above.

140 IF FINANCING IS FIXED RATE the annual rate of interest shall not exceed _____ % and monthly payments of principal and interest shall
141 not exceed \$ _____.

142 IF FINANCING IS ADJUSTABLE RATE the initial annual interest rate shall not exceed _____ %. The initial interest rate shall be fixed for
143 _____ months, at which time the interest rate may be increased not more than _____ % per year. The maximum interest rate during the
144 mortgage term shall not exceed _____ %. Initial monthly payments of principal and interest shall not exceed \$ _____ Monthly
145 payments of principal and interest may be adjusted to reflect interest changes.

146 MONTHLY PAYMENTS MAY ALSO INCLUDE 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private
147 mortgage insurance premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay a loan fee in an amount not
148 to exceed _____ % of the loan. (Loan fee refers to discount points and/or loan origination fee, but DOES NOT include Buyer's other closing
149 costs.) Note: Unless otherwise agreed, Buyer's delivery of any document labeled a loan commitment will satisfy this contingency.

150 IF FINANCING IS BY LAND CONTRACT \$ _____ shall be paid at closing (in addition to earnest money), interest rate following payment
151 default shall be _____ %, the default period shall be _____ days for payments and _____ days for performance of any other
152 obligations. Interest shall be calculated on a prepaid basis. Any amount may be prepaid on principal without penalty at any time. Buyer under-
153 stands that if the term of the land contract is shorter than the amortization period a balloon payment will be due at the end of the term.

154 LOAN COMMITMENT: Buyer agrees to pay all customary financing costs (including closing fees), to apply for financing promptly, and to provide
155 evidence of application promptly upon request by Seller. If Buyer qualifies for the financing described in this Offer or other financing acceptable
156 to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no later than the deadline for loan commitment at line 135.
157 Buyer's delivery of a copy of any written loan commitment (even if subject to conditions) shall satisfy the Buyer's financing contingency
158 unless accompanied by a notice of unacceptability. CAUTION: BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER
159 SHOULD NOT DELIVER A LOAN COMMITMENT TO SELLER WITHOUT BUYER'S PRIOR APPROVAL OR UNLESS ACCOMPANIED BY A
160 NOTICE OF UNACCEPTABILITY.

161 LAND CONTRACT: If this Offer provides for a land contract both Parties agree to execute a State Bar of Wisconsin Form 11 Land Contract, the
162 terms of which are incorporated into this Offer by reference. Prior to execution of the land contract Seller shall provide the same evidence of mer-
163 chantable title as required above and written proof, at or before execution, that the total underlying indebtedness, if any, is not in excess of the pro-
164 posed balance of the land contract, that the payments on the land contract are sufficient to meet all of the obligations of Seller on the underlying
165 indebtedness, and that all creditors whose consent is required have consented to the land contract sale. Seller may terminate this Offer if creditor
166 approval cannot be obtained. Seller may terminate this Offer if Buyer does not provide a written credit report which indicates that Buyer is credit
167 worthy based upon reasonable underwriting standards within 15 days of acceptance. Buyer shall pay all costs of obtaining creditor approval and
168 the credit report. Seller shall be responsible for preparation and the expense of preparation of all closing documentation, including the land contract.

169 FINANCING UNAVAILABILITY: If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable
170 loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)' rejection
171 letter(s) or other evidence of unavailability. Unless a specific loan source is named in the financing contingency, Seller shall then have 10 days to
172 give Buyer written notice of Seller's decision to finance this transaction on the same terms set forth in the financing contingency, and this Offer
173 shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and
174 void. Buyer authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

175 SELLER TERMINATION RIGHTS: If Buyer does not make timely delivery of the loan commitment, Seller may terminate this Offer provided that
176 Seller delivers a written notice of termination to Buyer prior to Seller's actual receipt of a copy of Buyer's written loan commitment.

177 NOTE: IF PURCHASE IS CONDITIONED ON BUYER OBTAINING FINANCING FOR OPERATIONS OR DEVELOPMENT CONSIDER ADDING
178 A CONTINGENCY FOR THAT PURPOSE.

179 TITLE EVIDENCE

180 CONVEYANCE OF TITLE: Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or other conveyance as
181 provided herein) free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under them,
182 recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, general taxes
183 in the year of closing and _____

184 _____ (provided none of the
185 foregoing prohibit present use of the Property), which constitutes merchantable title for purposes of this transaction. Seller further agrees to com-
186 plete and execute the documents necessary to record the conveyance. WARNING: If Buyer contemplates improving or developing Property,
187 or a change in use, Buyer may need to address municipal and zoning ordinances, recorded building and use restrictions, covenants
188 and easements which may prohibit some improvements or uses. The need for building permits, zoning variances, environmental audits,

189 etc., may need to be investigated to determine feasibility of improvements, development or use changes for Property. Contingencies
190 for investigation of these issues may be added to this offer. See lines 293 to 298.

191 **FORM OF TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the purchase
192 price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. **CAUTION: IF TITLE EVIDENCE WILL BE GIVEN**
193 **BY ABSTRACT, STRIKE TITLE INSURANCE PROVISIONS AND INSERT ABSTRACT PROVISIONS.**

194 **PROVISION OF MERCHANTABLE TITLE:** Seller shall pay all costs of providing title evidence. For purposes of closing, title evidence shall be
195 acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less than 3 business days before clos-
196 ing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable, subject only to liens
197 which will be paid out of the proceeds of closing and standard abstract certificate limitations or standard title insurance requirements and excep-
198 tions, as appropriate. **CAUTION: BUYER SHOULD CONSIDER UPDATING THE EFFECTIVE DATE OF THE TITLE COMMITMENT PRIOR TO**
199 **CLOSING, A "GAP ENDORSEMENT" TO THE TITLE COMMITMENT OR AN ESCROW CLOSING.**

200 **TITLE ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by the time set for
201 closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections, and the time for closing shall be extend-
202 ed as necessary for this purpose. In the event that Seller is unable to remove the objections, Buyer shall have 5 days from receipt of notice thereof, to
203 deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer
204 shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

205 **DELIVERY/RECEIPT** Unless otherwise stated in this Offer, any signed document transmitted by facsimile machine (fax) shall be treated in all man-
206 ner and respects as an original document and the signature of any Party upon a document transmitted by fax shall be considered an original sig-
207 nature. Personal delivery to, or actual receipt by, any named Buyer or Seller constitutes personal delivery to, or actual receipt by Buyer or Seller.
208 Once received, a notice cannot be withdrawn by the Party delivering the notice without the consent of the Party receiving the notice. A Party may
209 not unilaterally reinstate a contingency after a notice of a contingency waiver has been received by the other Party. The delivery/receipt provi-
210 sions in this Offer maybe modified when appropriate (e.g., when mail delivery is not desirable (see lines 25 - 31)). Buyer and Seller author-
211 ize the agents of Buyer and Seller to distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies and any other settle-
212 ment service providers for the transaction.

213 **DATES AND DEADLINES** Deadlines expressed as a number of "days" from an event, such as acceptance, are calculated by excluding the day the
214 event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines expressed as a specific num-
215 ber of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and other day designated by the President
216 such that the postal service does not receive registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours"
217 from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours per calendar day.
218 Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

219 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A material
220 failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability for damages or other legal remedies.

221 If Buyer defaults, Seller may:

- 222 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
- 223 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) direct Broker to return the
224 earnest money and have the option to sue for actual damages.

225 If Seller defaults, Buyer may:

- 226 (1) sue for specific performance; or
- 227 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

228 In addition, the Parties may seek any other remedies available in law or equity.

229 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the discretion of the courts.
230 If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of the remedies outlined above. By agreeing
231 to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes covered by the arbitration agreement. NOTE: IF
232 ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT BOTH PARTIES SHOULD READ THIS DOCUMENT
233 CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW
234 FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT
235 CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.

236 **EARNEST MONEY**

237 **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (buyer's agent if Property
238 is not listed or seller if no broker is involved), until applied to purchase price or otherwise disbursed as provided in the Offer. **CAUTION: Should**
239 **persons other than a broker hold earnest money, an escrow agreement should be drafted by the Parties or an attorney. If someone other**
240 **than Buyer makes payment of earnest money, consider a special disbursement agreement.**

241 **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance from payor's
242 depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest money shall be disbursed
243 according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according to a written disbursement
244 agreement signed by all Parties to this Offer (Note: Wis. Adm. Code § RL 18.09(1)(b) provides that an offer to purchase is not a written disbursement
245 agreement pursuant to which the broker may disburse). If the disbursement agreement has not been delivered to broker within 60 days after the date
246 set for closing, broker may disburse the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer
247 or Seller; (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4) any other
248 disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and
249 broker may deduct from the earnest money any costs and reasonable attorneys fees, not to exceed \$250, prior to disbursement.

250 **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in relation to this Offer.
251 Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to disbursement per (1) or (4) above, broker
252 shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or Seller disagree with broker's proposed disbursement, a lawsuit
253 may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the
254 sale of residential property with 1-4 dwelling units and certain other earnest money disputes. The Buyer and Seller should consider consulting attor-
255 neys regarding their legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith
256 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing regulations concerning earnest
257 money. See Wis. Adm. Code Ch. RL 18. NOTE: WISCONSIN LICENSE LAW PROHIBITS A BROKER FROM GIVING ADVICE OR OPINIONS CON-
258 CERNING THE LEGAL RIGHTS OR OBLIGATIONS OF PARTIES TO A TRANSACTION OR THE LEGAL EFFECT OF A SPECIFIC CONTRACT OR
259 CONVEYANCE. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS REQUIRED.

260 PROPERTY ADDRESS: See Exhibit A

[page 5 of 5]

261 ~~TIME IS OF THE ESSENCE~~ "TIME IS OF THE ESSENCE" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy;
262 (4) date of closing; (5) contingency deadlines ~~STRIKE AS APPLICABLE~~ and all other dates and deadlines in this Offer except:

263 ~~If "Time is of the Essence"~~
264 ~~applies to a date or deadline, failure to perform by the exact date or deadline is a breach of contract.~~ If "Time is of the Essence" does not apply
265 to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

266 DOCUMENT REVIEW CONTINGENCY: This Offer is contingent upon Seller delivering the following documents to Buyer within
267 _____ days of acceptance: CHECK THOSE THAT APPLY

- 268 Documents evidencing that the sale of the Property has been properly authorized, if Seller is a business entity.
- 269 A complete inventory of all furniture, fixtures and equipment included in this transaction which is consistent with
270 representations made prior to and in this Offer.
- 271 Uniform Commercial Code lien search as to the personal property included in the purchase price, showing the Property
272 to be free and clear of all liens, other than liens to be released prior to or at closing.
- 273 Other _____

274 _____
275 This contingency shall be deemed satisfied unless Buyer, within _____ days of the earlier of receipt of the final record to be delivered or the dead-
276 line for delivery of the documents, delivers to Seller a written notice indicating that this contingency has not been satisfied. The notice shall iden-
277 tify which document(s) have not been timely delivered or do not meet the standard set forth for the document(s).

278 ENVIRONMENTAL EVALUATION/INSPECTION CONTINGENCY: This Offer is contingent upon: CHECK THOSE THAT APPLY

- 279 A qualified independent environmental consultant of Buyer's choice conducting an environmental site assessment of the Property (see
280 lines 96 to 108), at (Buyer's) (Seller's) expense STRIKE ONE, which discloses no defects. A defect is defined as a material violation of
281 environmental laws, a material contingent liability affecting the Property arising under any environmental laws, the presence of an
282 underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a significant risk of contaminating the
283 Property due to future migration from other properties.

- 284 A qualified independent inspector of Buyer's choice conducting an inspection of the Property and _____
285 _____, at (Buyer's) (Seller's) expense STRIKE ONE, which discloses no defects.
286 A defect is defined as a structural, mechanical or other condition that would have a significant adverse effect on the value of the Property; that
287 would significantly impair the health and safety of future occupants of the Property; or that if not repaired, removed or replaced would
288 significantly shorten or have a significantly adverse effect on the expected normal life of the Property.

289 This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller a copy of the environmental site
290 assessment/ inspection report(s) and a written notice listing the defect(s) identified in the environmental site assessment /inspection report(s) to
291 which Buyer objects. Defects do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before
292 signing the Offer. Buyer agrees to deliver a copy of the report and notice to listing broker, if Property is listed, promptly upon delivery to Seller.

293 ADDITIONAL PROVISIONS/CONTINGENCIES _____
294 _____
295 _____
296 _____
297 _____

298 ADDENDA: The attached Addendum 1 _____ is/are made part of this Offer.
299 THIS OFFER, INCLUDING ANY AMENDMENTS TO IT, CONTAINS THE ENTIRE AGREEMENT OF THE BUYER AND SELLER REGARDING
300 THE TRANSACTION. ALL PRIOR NEGOTIATIONS AND DISCUSSIONS HAVE BEEN MERGED INTO THIS OFFER. THIS AGREEMENT
301 BINDS AND INURES TO THE BENEFIT OF THE PARTIES TO THIS OFFER AND THEIR SUCCESSORS IN INTEREST.

302 This Offer was drafted on _____ [date] by [Licensee and firm]

303 (X) Michael L. Ross Michael L. Ross 7/5/2012
304 Buyer's Signature Print Name Here: Michael L. Ross _____ Date

305 (X) _____
306 Buyer's Signature Print Name Here: _____ Social Security No. or FEIN (optional) _____ Date

307 ~~EARNEST MONEY RECEIPT Broker acknowledges receipt of earnest money as per line 8 of the above Offer. (See lines 236 - 259)~~
308 _____ Broker (By) _____

309 SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING
310 AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND CONDITIONS AS
311 SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.

312 (X) By: _____ 39-6005397
313 Seller's Signature Print Name Here: Larry N. Arft, City Manager Social Security No. or FEIN (optional) _____ Date

314 (X) _____
315 Seller's Signature Print Name Here: _____ Social Security No. or FEIN (optional) _____ Date

316 This Offer was presented to Seller by _____ on _____, at _____ a.m./p.m.

317 THIS OFFER IS REJECTED _____ THIS OFFER IS COUNTERED [See attached counter] _____
318 Seller Initials Date Seller Initials Date

EXHIBIT A

LEGAL DESCRIPTION

Parcel 1:

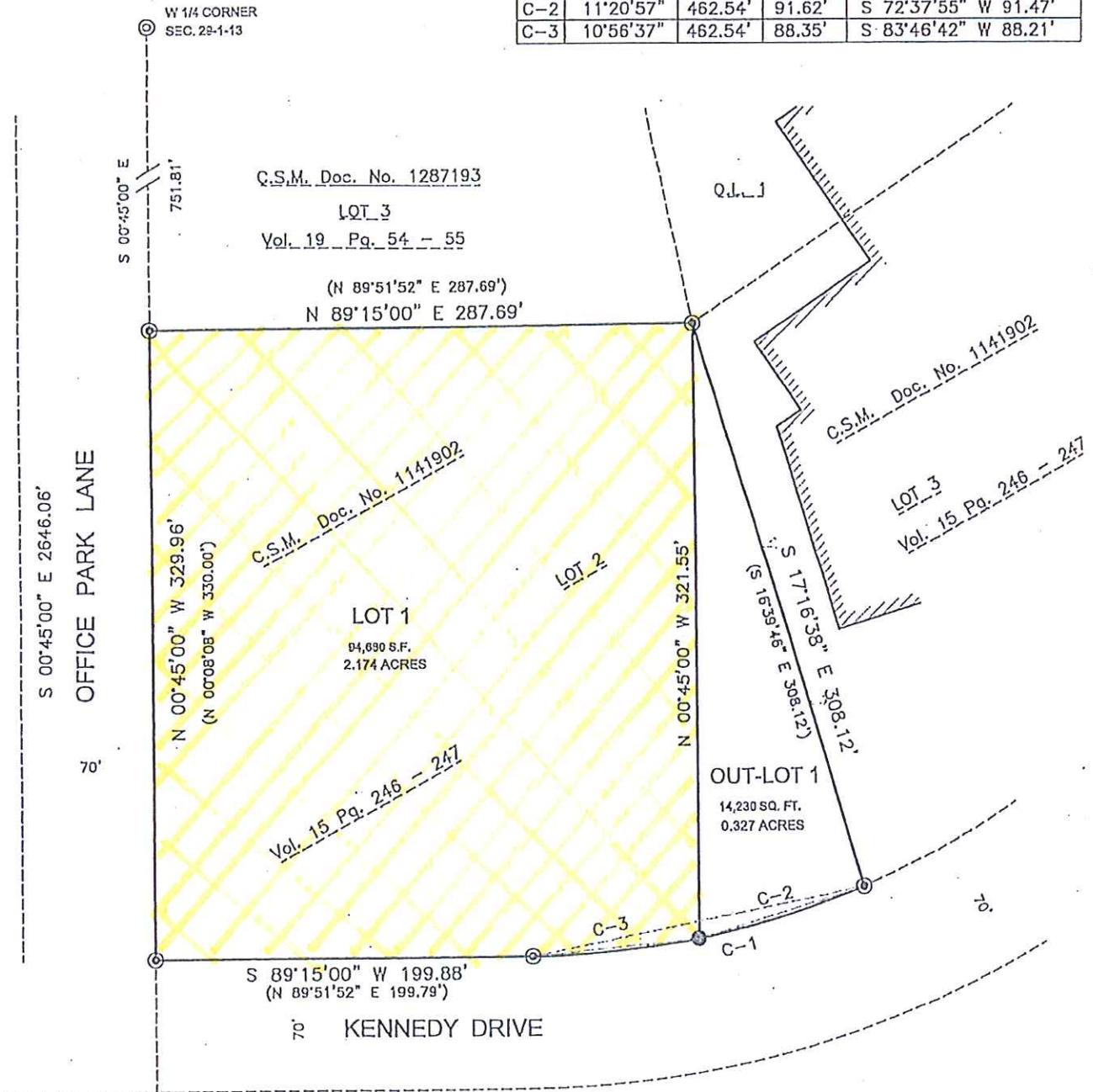
Lot 3 of Certified Survey Map recorded in the Office of Register of Deeds for Rock County, Wisconsin, as Document #1287193, in Volume 19, at Pages 54-55, being a part of the Northwest quarter of the Southwest quarter of Section 29, Township 1 North, Range 13 East, of the Fourth Principal Meridian, City of Beloit, Rock County, Wisconsin.

Parcel 2:

Lot 1 (but not Out-Lot 1) of a Certified Survey Map to be recorded prior to closing and currently pending before the Planning Commission for the City of Beloit for its July 17, 2013 meeting. Said lands are depicted in the cross-hatched area on the attached map showing said Lot 1 will consist of 94,680 square feet, or 2.174 acres, more or less.

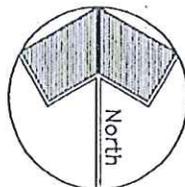
CURVE TABLE

| NO. | DELTA | RADIUS | ARC | CHORD |
|-----|-----------|---------|---------|-----------------------|
| C-1 | 22°17'34" | 462.54' | 179.97' | S 78°06'13" W 178.83' |
| REC | 22°18'15" | 462.54' | 180.06' | S 78°42'44" W 178.93' |
| C-2 | 11°20'57" | 462.54' | 91.62' | S 72°37'55" W 91.47' |
| C-3 | 10°56'37" | 462.54' | 88.35' | S 83°46'42" W 88.21' |



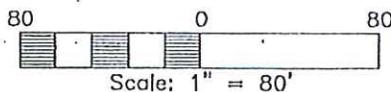
MONUMENT KEY

- ⊕— Iron Rebar Set 3/4" x 24" (1.5 Lbs./Ft.)
- ⊙— Iron Pipes Found
- ⊗— Iron Rebar Found
- ⊗— Drill Hole Found
- ▣— Fences
- ▣— Conc. Mon. Found
- ◇— C. I. Mon. Found



SW CORNER
SEC. 29-1-13

ORDER NO. 31620
DATE JUNE 25, 2013
FOR CITY OF БЕЛОIT
SHEET 1 OF 3



File Name: J:\31600-31650\31620 Christofferson\CSM.dwg

Batterman
engineers surveyors planners

2857 Bartells Drive
608.365.4464

Beloit, Wisconsin 53511
www.rhbatterman.com



**ADDENDUM 1
TO COMMERCIAL OFFER TO PURCHASE**

**by and between
Michael L. Ross, as Buyer
and
the City of Beloit, as Seller**

This Addendum is made a part of the Commercial Offer to Purchase between Michael L. Ross and the City of Beloit drafted on the 27th day of June, 2013.

1. The Seller shall have no obligation to close upon this transaction until the Buyer has obtained a valid building permit from the City of Beloit for the erection of an 18,000-square-foot building to be located on the parcels described on Exhibit A to said Commercial Offer to Purchase. Should the Buyer not obtain said building permit on or before October 1, 2013, then this transaction shall be null and void, unless extended further by written agreement of the parties. *Contingent upon the boring sample analysis.*

2. The Seller shall have no obligation to close upon this transaction unless and until the attached unrecorded certified survey map has been fully approved by the City of Beloit Planning Commission and the City of Beloit and duly recorded with the Office of Register of Deeds for Rock County, Wisconsin. The parties agree that the legal description for Parcel 2 on Exhibit A to said Commercial Offer to Purchase shall conform to the certified survey map so recorded.

3. The Buyer shall grant the Seller a permanent utility easement on parcel 22960012 for the west 35 feet of the south 120 feet measured along the westerly lot line of said parcel in the form attached to the Commercial Offer to Purchase. Should the Buyer not hold title to Parcel 22960012, the Buyer shall arrange for the current record title holder of said parcel to convey said

easement and the Seller shall have no obligation to close should the Seller deem said easement deficient in its sole judgment.

4. The Buyer agrees to pay all costs of closing, including all costs of title evidence.

5. This transaction is contingent upon the adoption of an approving resolution by the Beloit City Council and in the absence of such approving resolution, this agreement is null and void.

6. The property being conveyed by the Seller is being conveyed "as is" with no warranties, representations or covenants as to the physical condition of the property, provided this shall not limit the warranty of merchantability as to the title thereof.

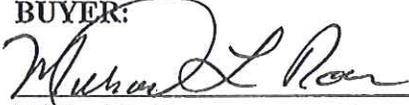
7. The Buyer is hereby given permission to take boring samples on the parcels to be conveyed for purposes of a feasibility study. The Buyer's obligation to close shall be contingent upon the Buyer's satisfaction with boring samples. This contingency shall be deemed satisfied unless the Buyer, within 90 days of acceptance, delivers to the Seller written notification that the site is deemed not to be feasible for the Buyer's purposes.

8. The parties agree that the City will reserve a perpetual utility easement over the westerly 35 feet of both Parcels 1 and 2 on Exhibit A to said Commercial Offer to Purchase.

IN WITNESS WHEREOF, the Seller and the Buyer have caused this Addendum to be executed on the date written next to their respective signatures, to be effective as of the full executed date of the Commercial Offer to Purchase.

(signature page to follow)

BUYER:



Michael L. Ross

Dated: 7/5/2013

SELLER:

CITY OF BELOIT

By _____
Larry N. Arft, City Manager

Dated: _____

Approved as to form:

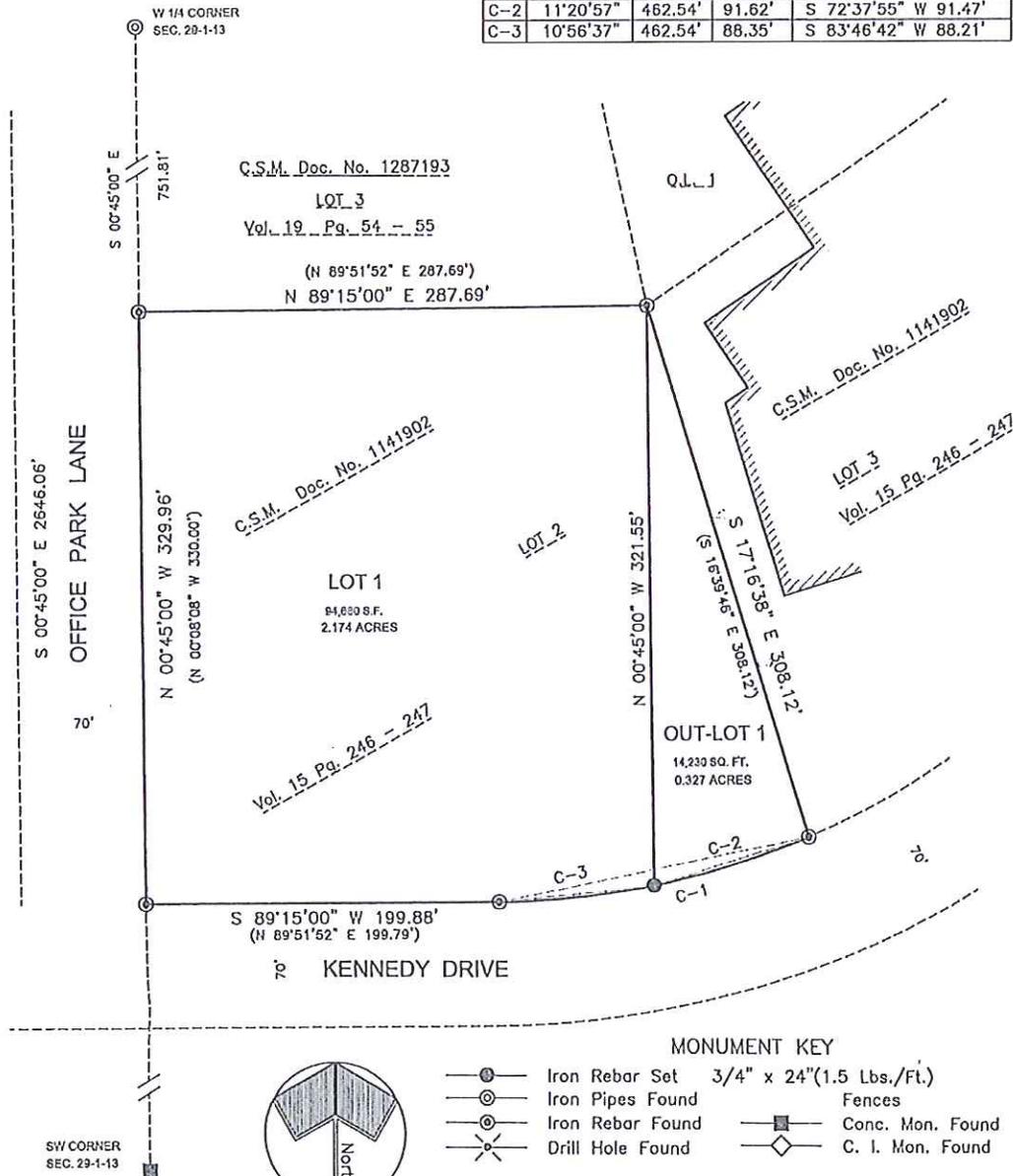
By _____
Thomas R. Casper, City Attorney
tdh/files/13-1069/130628 1105 (cln)

CERTIFIED SURVEY MAP

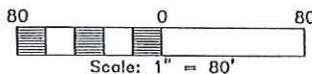
LOT 2 OF CERTIFIED SURVEY MAP DOC. NO.1141902 AS RECORDED IN VOLUME 15 ON PAGES 246 AND 247 OF CERTIFIED SURVEY MAPS BEING A PART OF THE N.W. 1/4 OF THE S.W. 1/4 OF SECTION 29, T. 1 N., R. 13 E., OF THE FOURTH P.M., CITY OF БЕЛОIT, ROCK COUNTY, WISCONSIN

CURVE TABLE

| NO. | DELTA | RADIUS | ARC | CHORD |
|-----|-----------|---------|---------|-----------------------|
| C-1 | 22°17'34" | 462.54' | 179.97' | S 78°06'13" W 178.83' |
| REC | 22°18'15" | 462.54' | 180.06' | S 78°42'44" W 178.93 |
| C-2 | 11°20'57" | 462.54' | 91.62' | S 72°37'55" W 91.47' |
| C-3 | 10°56'37" | 462.54' | 88.35' | S 83°46'42" W 88.21' |



ORDER NO. 31620
 DATE JUNE 25, 2013
 FOR CITY OF БЕЛОIT
 SHEET 1 OF 3



Batterman
 engineers surveyors planners

2857 Bartolls Drive
 608.365.4464

Beloit, Wisconsin 53511
 www.rhbatterman.com

CERTIFIED SURVEY MAP

LOT 2 OF CERTIFIED SURVEY MAP DOC. NO. 1141902 AS RECORDED IN VOLUME 15 ON PAGES 246 AND 247 OF CERTIFIED SURVEY MAPS BEING A PART OF THE N.W. 1/4 OF THE S.W. 1/4 OF SECTION 29, T. 1 N., R. 13 E., OF THE FOURTH P.M., CITY OF БЕЛОIT, ROCK COUNTY, WISCONSIN

SURVEYOR'S CERTIFICATE OF COMPLIANCE WITH STATUTE

State of Wisconsin) I, Robert Leuenberger a Registered Land Surveyor, do hereby certify that I
County of Rock) ss. have surveyed and mapped Lot 2 of Certified Survey Map Doc. No. 1141902 as recorded in volume 15 on pages 246 and 247 of Certified Survey Maps being a part of the N.W. 1/4 of the S.W. 1/4 of Section 29, T. 1 N., R 13 E. of the Fourth P.M., City of Beloit, Rock County, Wisconsin.

DESCRIBED AS FOLLOWS: Commencing at the West 1/4 corner of Section 29 aforesaid; thence South 0°45'00" East 751.81 feet to the Northwest corner of Lot 2 aforesaid; thence North 89°15'00" East 287.69 feet; thence South 17°16'38" East 308.12 feet to the curving Northerly right of way line of Kennedy Drive; thence Westerly along a curve to the right, 179.97 feet, having a radius of 462.54 feet with a chord bearing South 78°06'13" West 178.83 feet to a point of tangency; thence South 89°15'00" West 199.88 feet to the Southwest corner of said Lot 2; thence North 0°45'00" West 329.96 feet to the place of beginning. Containing 2.50 acres more or less.

Subject to any and all easements, agreements, covenants or restrictions, recorded or unrecorded.

That such map is a correct representation of all exterior boundaries of the land surveyed and the division of that land. That I have made such survey and map by the direction of the Owner of said land, and that I have complied fully with the provisions of Section 236.34 of the Wisconsin Statutes in surveying dividing and mapping the same. Given under my hand and seal, this 25th day of June, 2013 at Beloit, Wisconsin.

I hereby certify that the property taxes on the parent parcel are current and have been paid as of _____, 2013.

By: _____
Rock County Treasurer

Approved by the City of Beloit Plan Commission,
this _____ day of _____, 201__.

By: _____

Drew Pennington,
Director of Planning and Building Services



CERTIFIED SURVEY MAP

LOT 2 OF CERTIFIED SURVEY MAP DOC. NO.1141902 AS RECORDED IN VOLUME 15 ON
PAGES 246 AND 247 OF CERTIFIED SURVEY MAPS BEING A PART OF THE N.W. 1/4 OF THE
S.W. 1/4 OF SECTION 29, T. 1 N., R. 13 E., OF THE FOURTH P.M.,
CITY OF БЕЛОIT, ROCK COUNTY, WISCONSIN

CORPORATE OWNERS CERTIFICATE

The City of Beloit, a corporation duly organized and existing under and by virtue of the laws of the State of Wisconsin, as Owner, does hereby certify that said corporation caused the land described on this plat to be surveyed, divided, mapped and dedicated as represented on this plat. The City of Beloit does further certify that this plat is required by Sections 236.10 or 236.12 to be submitted to the following for approval or objection: the Plan Commission of the City of Beloit.

IN WITNESS WHEREOF, the City of Beloit has caused these presents to be signed by Larry N. Arft, its City Manager, and countersigned by Rebecca Houseman LeMire, its City Clerk, at Beloit, Wisconsin, and its corporate seal to be hereunto affixed on this _____ day of _____, 2013.

Larry N. Arft, City Manager

Rebecca Houseman LeMire, City Clerk

State of Wisconsin) Personally came before me, this _____ day of _____, 2013, Larry N. Arft,
County of Rock)ss. City Manager, and Rebecca Houseman LeMire, City Clerk, of the above-
named Corporation, to me known to be the persons who executed the foregoing instrument, and to me
known to be such City Manager and City Clerk of said corporation and acknowledged that they executed
the foregoing instrument as such officers as the deed of such corporation, by its authority.

Notary Public, Rock County, Wisconsin

My Commission Expires _____

DOCUMENT NO. _____ RECEIVED FOR RECORD THIS _____ DAY OF _____
A.D. 2013 AT _____ O'CLOCK ____M. AND RECORDED IN VOLUME _____, PAGES
_____ OF CERTIFIED SURVEY MAPS OF ROCK COUNTY, WISCONSIN.

_____ REGISTER OF DEEDS

ORDER NO. 31620
FOR THE CITY OF БЕЛОIT
DATE JUNE 25, 2013
SHEET 3 OF 3

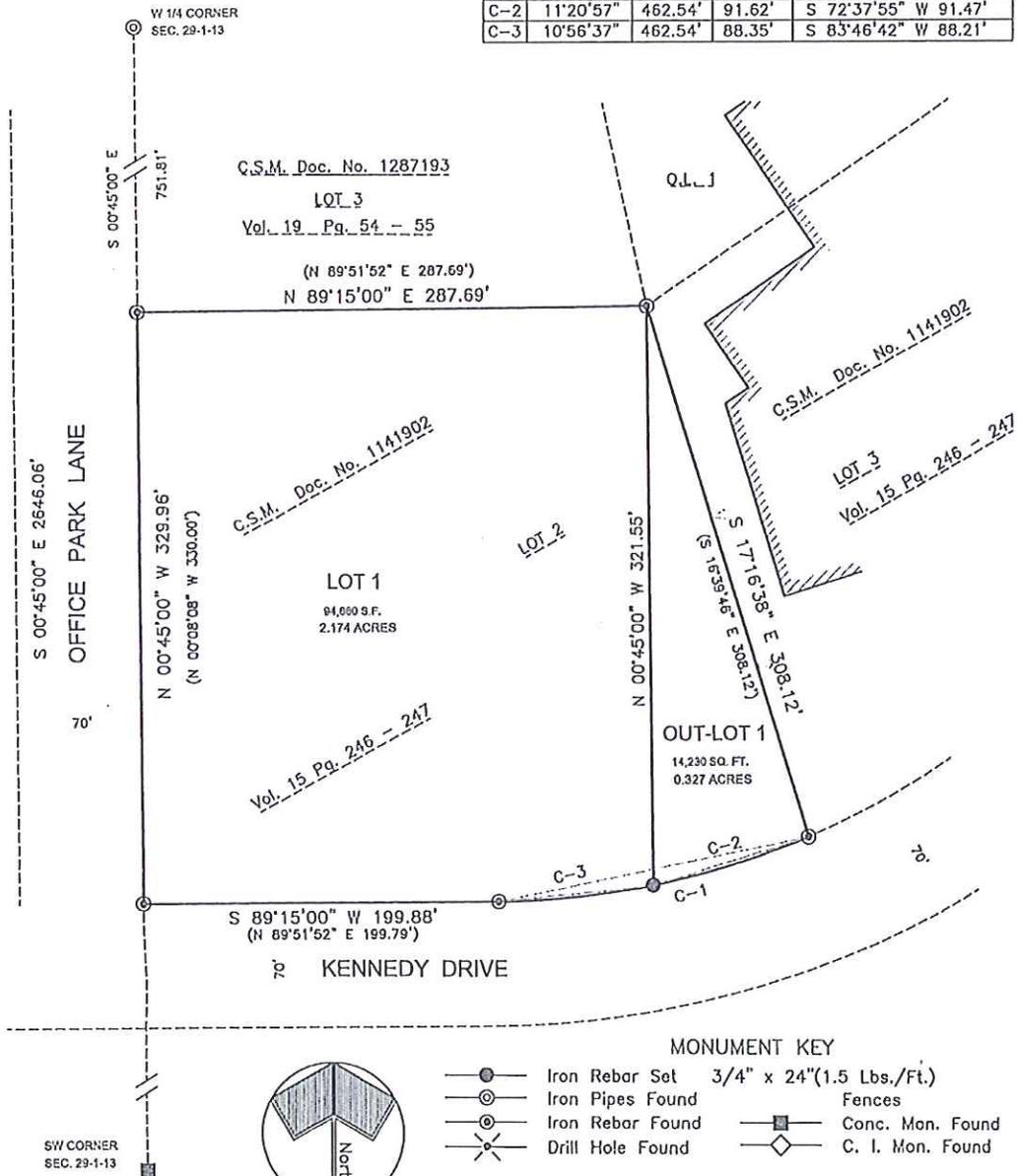


CERTIFIED SURVEY MAP

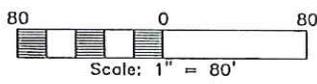
LOT 2 OF CERTIFIED SURVEY MAP DOC. NO.1141902 AS RECORDED IN VOLUME 15 ON PAGES 246 AND 247 OF CERTIFIED SURVEY MAPS BEING A PART OF THE N.W. 1/4 OF THE S.W. 1/4 OF SECTION 29, T. 1 N., R. 13 E., OF THE FOURTH P.M., CITY OF БЕЛОIT, ROCK COUNTY, WISCONSIN

CURVE TABLE

| NO. | DELTA | RADIUS | ARC | CHORD |
|-----|-----------|---------|---------|-----------------------|
| C-1 | 22°17'34" | 462.54' | 179.97' | S 78°06'13" W 178.83' |
| REC | 22°18'15" | 462.54' | 180.06' | S 78°42'44" W 178.93 |
| C-2 | 11°20'57" | 462.54' | 91.62' | S 72°37'55" W 91.47' |
| C-3 | 10°56'37" | 462.54' | 88.35' | S 83°46'42" W 88.21' |



ORDER NO. 31620
 DATE JUNE 25, 2013
 FOR CITY OF БЕЛОIT
 SHEET 1 OF 3



Batterman
 engineers surveyors planners

2857 Barlotta Drive
 608.365.4464

Beloit, Wisconsin 53511
 www.rhbatterman.com

CERTIFIED SURVEY MAP

LOT 2 OF CERTIFIED SURVEY MAP DOC. NO.1141902 AS RECORDED IN VOLUME 15 ON PAGES 246 AND 247 OF CERTIFIED SURVEY MAPS BEING A PART OF THE N.W. 1/4 OF THE S.W. 1/4 OF SECTION 29, T. 1 N., R. 13 E., OF THE FOURTH P.M., CITY OF БЕЛОИТ, ROCK COUNTY, WISCONSIN

SURVEYOR'S CERTIFICATE OF COMPLIANCE WITH STATUTE

State of Wisconsin) I, Robert Leuenberger a Registered Land Surveyor, do hereby certify that I
County of Rock)^{ss.} have surveyed and mapped Lot 2 of Certified Survey Map Doc. No. 1141902 as recorded in volume 15 on pages 246 and 247 of Certified Survey Maps being a part of the N.W. 1/4 of the S.W. 1/4 of Section 29, T. 1 N., R 13 E. of the Fourth P.M., City of Beloit, Rock County, Wisconsin.

DESCRIBED AS FOLLOWS: Commencing at the West 1/4 corner of Section 29 aforesaid; thence South 0°45'00" East 751.81 feet to the Northwest corner of Lot 2 aforesaid; thence North 89°15'00" East 287.69 feet; thence South 17°16'38" East 308.12 feet to the curving Northerly right of way line of Kennedy Drive; thence Westerly along a curve to the right, 179.97 feet, having a radius of 462.54 feet with a chord bearing South 78°06'13" West 178.83 feet to a point of tangency; thence South 89°15'00" West 199.88 feet to the Southwest corner of said Lot 2; thence North 0°45'00" West 329.96 feet to the place of beginning. Containing 2.50 acres more or less.

Subject to any and all easements, agreements, covenants or restrictions, recorded or unrecorded.

That such map is a correct representation of all exterior boundaries of the land surveyed and the division of that land. That I have made such survey and map by the direction of the Owner of said land, and that I have complied fully with the provisions of Section 236.34 of the Wisconsin Statutes in surveying dividing and mapping the same. Given under my hand and seal, this 25th day of June, 2013 at Beloit, Wisconsin.

I hereby certify that the property taxes on the parent parcel are current and have been paid as of _____, 2013.

By: _____
Rock County Treasurer

Approved by the City of Beloit Plan Commission,
this _____ day of _____, 201__.

By: _____
Drew Pennington,
Director of Planning and Building Services



CERTIFIED SURVEY MAP

LOT 2 OF CERTIFIED SURVEY MAP DOC. NO.1141902 AS RECORDED IN VOLUME 15 ON
PAGES 246 AND 247 OF CERTIFIED SURVEY MAPS BEING A PART OF THE N.W. 1/4 OF THE
S.W. 1/4 OF SECTION 29, T. 1 N., R. 13 E., OF THE FOURTH P.M.,
CITY OF BELOIT, ROCK COUNTY, WISCONSIN

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IN WITNESS WHEREOF, the City of Beloit has caused these presents to be signed by Larry N. Arft, its City Manager, and countersigned by Rebecca Houseman LeMire, its City Clerk, at Beloit, Wisconsin, and its corporate seal to be hereunto affixed on this _____ day of _____, 2013.

Larry N. Arft, City Manager

Rebecca Houseman LeMire, City Clerk

State of Wisconsin)
County of Rock)^{ss.} Personally came before me, this _____ day of _____, 2013, Larry N. Arft, City Manager, and Rebecca Houseman LeMire, City Clerk, of the above-named Corporation, to me known to be the persons who executed the foregoing instrument, and to me known to be such City Manager and City Clerk of said corporation and acknowledged that they executed the foregoing instrument as such officers as the deed of such corporation, by its authority.

Notary Public, Rock County, Wisconsin

My Commission Expires _____

DOCUMENT NO. _____ RECEIVED FOR RECORD THIS _____ DAY OF _____
A.D. 2013 AT _____ O'CLOCK ____M. AND RECORDED IN VOLUME _____, PAGES
_____ OF CERTIFIED SURVEY MAPS OF ROCK COUNTY, WISCONSIN.

_____ REGISTER OF DEEDS

ORDER NO. 31620
FOR THE CITY OF BELOIT
DATE JUNE 25, 2013
SHEET 3 OF 3

Batterman
engineers surveyors planners

2857 Bartel's Drive
608.365.4464

Beloit, Wisconsin 53511
www.rhbatterman.com



State Bar of Wisconsin Form 1-2003
WARRANTY DEED

Document Number

Document Name

THIS DEED, made between the City of Beloit, a Wisconsin municipal corporation,

("Grantor," whether one or more), and Michael L. Ross

("Grantee," whether one or more).

Grantor for a valuable consideration, conveys to Grantee the following described real estate, together with the rents, profits, fixtures and other appurtenant interests, in Rock County, State of Wisconsin ("Property") (if more space is needed, please attach addendum):
See attached Exhibit A.

Reservation of Permanent Utility Easement. The Grantor hereby reserves a permanent utility easement for utility purposes over the west 35 feet of the above lands.

This conveyance is exempt from a transfer fee and is also exempt from transfer return pursuant to § 77.25(2) Wis. Stats., as the municipality is not a lender for this transaction.

Grantor warrants that the title to the Property is good, indefeasible, in fee simple and free and clear of encumbrances except: municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants.

Dated _____

CITY OF БЕЛОIT

(SEAL)

(SEAL)

* _____

* By: Larry N. Arft, City Manager

(SEAL)

(SEAL)

* _____

* _____

Signature(s) **AUTHENTICATION** _____

ACKNOWLEDGMENT
STATE OF _____)

authenticated on _____

) ss.
_____ COUNTY)

* _____

Personally came before me on this day of _____, 2013,
the above-named Larry N. Arft

TITLE: MEMBER STATE BAR OF WISCONSIN
(If not, _____
authorized by Wis. Stat. § 706.06)

to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

THIS INSTRUMENT DRAFTED BY:
Thomas R. Casper, City Attorney 130627 1600
100 State Street, Beloit, WI 53511 CA #13-1069

* Thomas R. Casper
Notary Public, State of Wisconsin
My commission (is permanent) (expires: _____)

Recording Area
Name and Return Address
City Attorney
100 State Street
Beloit, WI 53511

206-22960014 & 206-22960020
Parcel Identification Number (PIN)
This is not homestead property.
(X) (is not)

Document Number
PERMANENT UTILITY EASEMENT

Exempt from fee: s.77.25(2r) Wis. Stats.
LPA3043 (DT1552) 98

THIS EASEMENT, made by Office Parkway Properties LLC, GRANTOR, conveys a permanent utility easement as described below to the City of Beloit, GRANTEE, for the sum of Zero Dollars and no Cents (\$0.000.00) for the purpose of maintaining utilities.

Legal Description
West 35 feet of the South 120 feet (measured along the West lot line) of Lot 2 Certified Survey Map Vol. 19 Pages 54 & 55, being part of the NW ¼ of the SW ¼ of Section 29, T1N, R13E, City of Beloit, Rock County, Wisconsin.

This conveyance is exempt from a transfer fee and is also exempt from transfer return pursuant to §77.25 (2r) Wis. Stats.

This space is reserved for recording data

Return to

City of Beloit
100 State Street
Beloit, WI 53511

Parcel Identification Number/Tax Key Number

2296-0012

OFFICE PARKWAY PROPERTIES LLC

BY Michael Ross Member
(Signature)

Michael L. Ross Member
(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

7/5/2013
(Date)

State of Wisconsin)
) ss.

Rock County)
On the above date, this instrument was acknowledged before me by the named person(s).

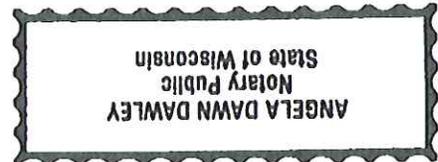
Angela Dawn Dawley
(Signature, Notary Public, State of Wisconsin)

Angela Dawn Dawley
(Print or Type Name, Notary Public, State of Wisconsin)

May 29, 2016
(Date Commission Expires)

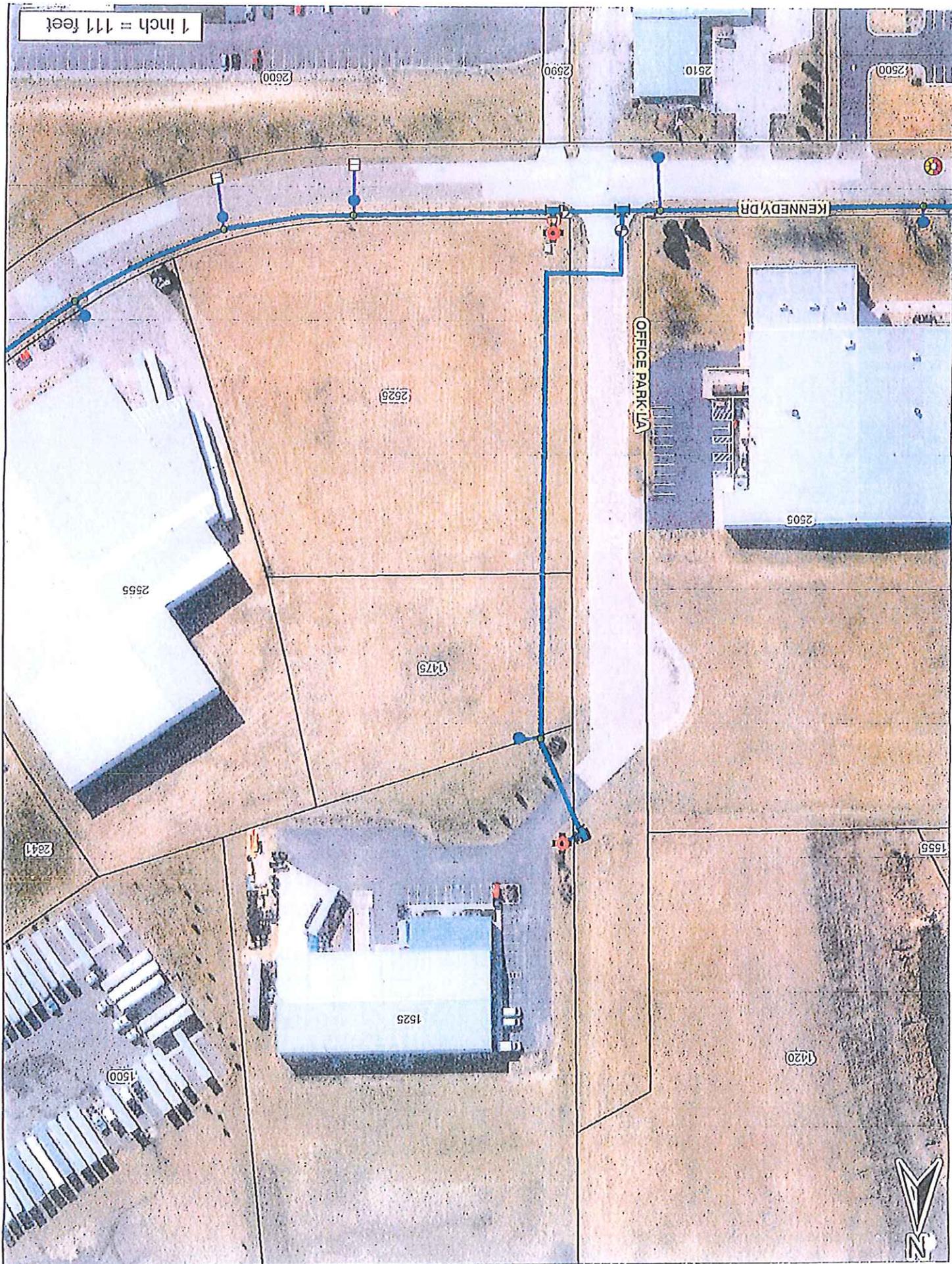
Project ID _____
130320 1623 (13-1069)

This instrument was drafted by: Thomas R. Casper, City Atty, City of Beloit Parcel No. 2296-0012



State of Wisconsin
Notary Public
ANGELA DAVIS DAVIS

1 inch = 111 feet



KENNEDY DR

OFFICE PARK LN

Resolution accepting a commercial offer to purchase of City owned land to Michael L. Ross (Beloit Precision) and its companion resolution accepting an offer to purchase City owned land to V Bros, LLC (Christofferson Moving and Storage)





greater
Beloitworks
3.4 Acres
FOR SALE
608-364-6748



PLAT OF SURVEY OF

PART OF LOT 2 OF CERTIFIED SURVEY MAP NO. 1141902 AS RECORDED IN VOLUME 15, PAGES 246 AND 247 OF CERTIFIED SURVEY MAPS, BEING A PART OF THE N.W. 1/4 OF THE S.W. 1/4 OF SECTION 29, T. 1N., R. 13 E. OF THE 4TH P.M., CITY OF BELoit, ROCK COUNTY, WISCONSIN.

PARCEL "A" DESCRIBED AS:

Beginning at the Northeast corner of Lot 2, thence South 16°39'46" East 205.12 feet to the Southwest corner of said Lot 2 and the Northernly right of way line of Kennedy Drive; thence Westerly along a curve to the right 91.52 feet, having a radius of 482.45 feet, the chord bearing South 73°14'47" West 91.47 feet; thence North 0°08'08" West 321.55 feet to the place of beginning. Containing 14,230 square feet more or less.

THE PLAT OF SURVEY SHOWN HEREIN IS FOR THE SALE OR EXCHANGE OF LAND. SPECIFICALLY, THE INTENT IS FOR PARCEL "A" HEREIN TO BE COMBINED WITH THE ADJOINING OWNER TO THE EAST.

IT IS NOT THE INTENT OF THIS SURVEY TO CREATE ANY SEPARATE BUILDABLE LOT. PARCEL "A" CANNOT BE SOLD AS A SEPARATE BUILDING SITE.

NOTE: THE PLAT OF SURVEY SHOWN HEREIN IS FOR THE SALE OR EXCHANGE OF LAND BETWEEN ADJOINING OWNERS. CITY OF BELoit SUBDIVISION ORDINANCE 12.01 (4) (c)

APPROVED THIS ____ DAY OF _____, 2013 BY THE CITY OF BELoit, PLANNING AND BUILDING SERVICES

DIRECTOR OF PLANNING AND BUILDING SERVICES

Robert H. Luvenberger, R.L.S.
Wisconsin Land Surveyor S-1244

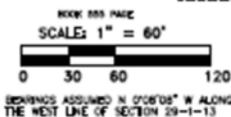
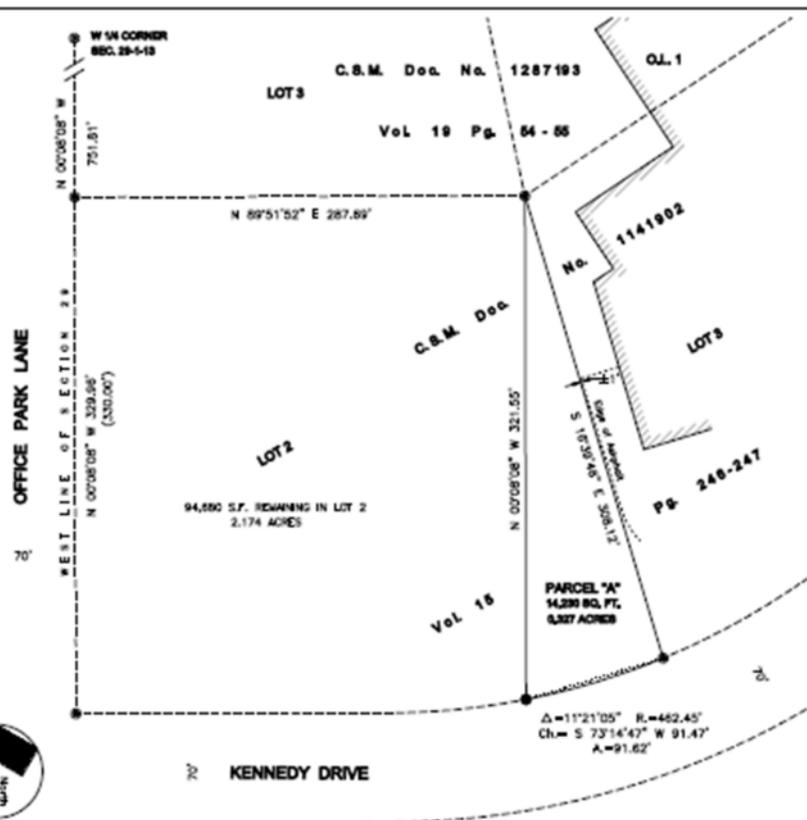
State of Wisconsin } ss
County of Rock }

I hereby certify that I have supervised the survey of the property described above and to the best of my knowledge and belief, the plat hereon drawn correctly represents said survey and its location.
Given under my hand and seal this 10th day of June 2013 at Beloit, Wisconsin.

If the surveyor's signature is not red in color, the plan is a copy that should be assumed to contain unauthorized alterations. The certification contained on this document shall not apply to any copies.

ORDER NO. 31620
FOR: CHRISTOFFERSON MOVING AND STORAGE

File Name: \\31600-31650\31620 Christofferson\31620.DWG



| MONUMENT KEY | |
|--------------|---|
| | Iron Rebar Set |
| | 3/4" x 24"(1.5 Lbs./Ft.) Iron Pipe Found |
| | Iron Rebar Found |
| | Record Data |

Batterman
engineers surveyors planners

2007 Daniels Drive Beloit, Wisconsin 53511
920.362.4404 www.batterman.com



- Michael L. Ross on behalf of Beloit Precision is proposing to purchase 1475 Office Park Lane and a portion (2.177 acres) of 2525 Kennedy Drive.
- The company is proposing to construct an 18,000 square foot building on the site in order to increase production capacity.
- The project will create 3-4 new jobs.
- Closing will occur when a building permit is issued on or before October 1, 2013.
- As an incentive for the company to expand at this location and allow for future growth, staff is recommending a sales price of \$1.00.
- V Bros LLC (Christofferson Moving and Storage) would like to purchase a portion of 2525 Kennedy Drive (0.327 acres) from the City of Beloit.

- The company is also interested in purchasing the adjoining property at 2555 Kennedy Drive (The JRT Building).
- The Company would sub-let a portion of the JRT building to a new third party tenant and Christofferson Moving and Storage would also use a portion of the building.
- The purchase of the City owned land will allow the company to build a parking lot to support the proposed operations at the JRT Building.
- It is likely the City will close on the land concurrently when the company closes on the JRT Building.
- The City is proposing to sell the land for the cost of conducting the CSM along with any closing costs as an incentive for the company to reuse a building that has been vacant and on the market for several years.

Questions?

**RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT
V BROS LLC'S COMMERCIAL OFFER TO PURCHASE THE CITY-OWNED LAND
LOCATED AT 2525 KENNEDY DRIVE.**

WHEREAS, the City has received a Vacant Land Offer to Purchase City-owned land from V Bros LLC; and

WHEREAS, said purchase offer is contingent upon the buyer acquiring the adjacent warehouse building located at 2555 Kennedy Drive; and

WHEREAS, the parcel being purchased from the City is necessary to provide adequate truck access to said warehouse; and

WHEREAS, it is in the best interest of the City of Beloit to incentivize this project by transferring the 0.327-acre parcel to the buyer for nominal consideration.

NOW, THEREFORE, BE IT RESOLVED that the City Manager is hereby authorized to execute the attached Vacant Land Offer to Purchase and to do all other things necessary to meet the terms and conditions set forth in said purchase offer.

Adopted at Beloit, Wisconsin, this 15th day of July, 2013.

BELOIT CITY COUNCIL

Charles M. Haynes, Council President

Attest:

Judith A. Elson, Deputy City Clerk
130708 1039

CITY OF БЕЛОIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Resolution authorizing the City Manager to accept V Bros LLC's Commercial Offer to Purchase the City owned land located at 2525 Kennedy Drive.

Date: July 15, 2013

Presenter(s): Andrew Janke **Department(s):** Economic Development

Overview/Background Information:

City staff has been in discussions with Mr. Casey Christofferson (Christofferson Moving & Storage) who has formed a new company called V Bros LLC. This company would like to purchase the JRT warehouse building located at 2555 Kennedy Drive. If they are able to purchase the building they intend to sub-let a portion of it for a third party warehouse user and use a portion of it for Christofferson Moving & Storage. The JRT building has limited access and parking, therefore, the Company would like to purchase a portion (0.327 acres) of the City owned 2.5 acre lot located at 2525 Kennedy Drive. This acquisition will allow the company to construct an access road and parking area making the adjoining JRT building more functional. The remaining 2.177 acres will be sold to Michael L. Ross to accommodate an expansion of Beloit Precision. The 2.5 acre lot will be sub-divided via Certified Survey Map that will be recorded prior to/or at closing.

Key Issues (maximum of 5):

1. Staff is proposing to sell the property for the cost of conducting the survey work (\$1,570) along with any closing costs. This is being offered in consideration of the Christofferson's long history in Beloit and as an incentive for them to reuse a building that has been on the market and vacant for some time.
2. The City will close on the land concurrently when the company closes on the JRT Building but no later than August 15th.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

Approval of this resolution would focus and support sustainable stewardship of City resources.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- **Reduce dependence upon fossil fuels** N/A
- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature** N/A
- **Reduce dependence on activities that harm life sustaining eco-systems** N/A
- **Meet the hierarchy of present and future human needs fairly and efficiently** The project will create and retain jobs.

If any of the four criteria are not applicable to your specific policy or program, an N/A should be entered in that space.

Action required/Recommendation:

Staff recommends approval of the resolution.

Fiscal Note/Budget Impact

The City currently bears the cost of mowing this lot. Once the lot is sold the City will no longer have this liability.

VACANT LAND OFFER TO PURCHASE

1 DRAFTING THIS OFFER ON 6-28-13 [DATE] IS (AGENT OF SELLER) (~~AGENT OF BUYER~~) (~~BUYER~~) ~~STRIKE TWO~~

2 **GENERAL PROVISIONS** The Buyer, V Bros LLC and/or its assigns,
3 offers to purchase the Property known as [Street Address] Outlot 1 as described on Exhibit A

4 in the City of Beloit, County of Rock

5 Wisconsin, (insert additional description, if any, at lines 179 - 187 or attach as an addendum, line 188), on the following terms:

6 vPURCHASE PRICE: One and 00/100
7 _____ Dollars (\$ 1.00).

8 vEARNEST MONEY of \$ _____ accompanies this Offer and earnest money of \$ _____
9 will be paid within _____ days of acceptance.

10 vTHE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.

11 v ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE: Seller shall include in the purchase price and transfer, free and clear of
12 encumbrances, all fixtures, as defined at lines 15 - 18 and as may be on the Property on the date of this Offer, unless excluded at line 14,
13 and the following additional items:

14 vITEMS NOT INCLUDED IN THE PURCHASE PRICE:

15 A "Fixture" is defined as an item of property which is physically attached to or so closely associated with land so as to be treated as part
16 of the real estate, including, without limitation, physically attached items not easily removable without damage to the Property, items
17 specifically adapted to the Property, and items customarily treated as fixtures including but not limited to all: perennial crops; garden
18 bulbs; plants; shrubs and trees. CAUTION: Annual crops are not included in the purchase price unless otherwise agreed at line 13.

19 vZONING: Seller represents that the Property is zoned _____

20 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed an identical copy of the Offer, including signatures on
21 separate but identical copies of the Offer. CAUTION: *Deadlines in the Offer are commonly calculated from acceptance. Consider*
22 *whether short term deadlines running from acceptance Provide adequate time for both binding acceptance and performance.*

23 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or
24 before July 16, 2013. CAUTION: *This Offer maybe withdrawn prior to delivery of the accepted Offer.*

25 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and written notices
26 to a Party shall be effective only when accomplished by one of the methods specified at lines 27 - 36.

27 (1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or fees prepaid or charged to an account with
28 a commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery designated at lines 30 or 32 (if any),
29 for delivery to the Party's delivery address at lines 31 or 33.

30 Seller's recipient for delivery (optional): Thomas R. Casper

31 Seller's delivery address: 100 State Street, Beloit WI 53511 email: caspert@ci.beloit.wi.us

32 Buyer's recipient for delivery (optional): Casey C. Christofferson

33 Buyer's delivery address: 2422 Springbrook Court, Beloit, WI 53511 email: bill@mcguiremears.com

34 (2) By giving the document or written notice personally to the Party or the Party's recipient for delivery if an individual is designated at lines 30 or 32.

35 (3) By fax transmission of the document or written notice to the following telephone number:

36 Buyer: (608) 756-1573 Seller: (608) 364-6718

37 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer (lines
38 179 - 187 or in an addendum per line 188). Occupancy shall be given subject to tenant's rights, if any. **Caution: Consider an agreement**
39 **which addresses responsibility for clearing the Property of personal property and debris, if applicable.**

40 ~~**LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights under said~~
41 ~~lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral) ~~STRIKE ONE~~~~

42 ~~lease(s), if any, are _____~~
43 **PLACE OF CLOSING** This transaction is to be closed at the place designated by Buyer's mortgagee or Brabazon Title Co., Inc.
44 no later than August 15, 2013 unless another date or place is agreed to in writing.

45 ~~**CLOSING PRORATIONS** The following items shall be prorated at closing: real estate taxes, rents, private and municipal charges,~~
46 ~~property owner's association assessments, fuel and _____~~

47 ~~_____. Any income, taxes or expenses shall accrue to Seller, and be prorated, through the day prior to closing.~~
48 ~~Net general real estate taxes shall be prorated based on (the net general real estate taxes for the current year, if known, otherwise on~~
49 ~~the net general real estate taxes for the preceding year) (_____)~~

50 ~~_____). ~~STRIKE AND COMPLETE AS APPLICABLE~~~~

51 ~~**CAUTION: If proration on the basis of net general real estate taxes is not acceptable (for example, completed/pending**~~
52 ~~**reassessment, changing mill rate, lottery credits), insert estimated annual tax or other formula for proration.**~~

53 **PROPERTY CONDITION PROVISIONS**

54 v **PROPERTY CONDITION REPRESENTATIONS:** Seller represents to Buyer that as of the date of acceptance Seller has no notice
55 or knowledge of conditions affecting the Property or transaction (see below) other than those identified in Seller's Real Estate Condition

56 Report dated _____, which was received by Buyer prior to Buyer signing this Offer and which is made a part of this Offer
57 by reference **COMPLETE DATE OR STRIKE AS APPLICABLE** and _____

58 ~~_____ **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT.**~~

59 A "condition affecting the Property or transaction" is defined as follows:

- 60 (a) planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property
- 61 or the present use of the Property;
- 62 (b) completed or pending reassessment of the Property for property tax purposes;
- 63 (c) government agency or court order requiring repair, alteration or correction of any existing condition;
- 64 (d) any land division involving the subject Property, for which required state or local approvals had not been obtained;
- 65 (e) any portion of the Property being in a 100 year floodplain, a wetland or a shoreland zoning area under local, state or federal laws;
- 66 (f) conditions constituting a significant health or safety hazard for occupants of Property;
- 67 (g) underground or aboveground storage tanks on the Property for storage of flammable or combustible liquids including but not limited to
- 68 gasoline and heating oil which are currently or which were previously located on the Property; **NOTE: Wis. Adm. Code, Chapter**
- 69 **Comm 10 contains registration and operation rules for such underground and aboveground storage tanks.**
- 70 (h) material violations of environmental laws or other laws or agreements regulating the use of the Property;
- 71 (i) high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property;
- 72 (j) any portion of the Property being subject to, or in violation of, a Farmland Preservation Agreement under a County Farmland Preservation
- 73 Plan or enrolled in, or in violation of, a Forest Crop, Woodland Tax, Managed Forest Conservation Reserve or comparable program;
- 74 (k) boundary disputes or material violation of fence laws (Wis. Stats. Chapter 90) which require the erection and maintenance of legal
- 75 fences between adjoining properties where one or both of the properties is used and occupied for farming or grazing purposes;
- 76 (l) wells on the Property required to be abandoned under state regulations (Wis. Adm. Code NR 112.26) but which are not abandoned;
- 77 (m) cisterns or septic tanks on the Property which are currently not servicing the Property;
- 78 (n) subsoil conditions which would significantly increase the cost of the development proposed at lines 271-272, if any, including, but not limited
- 79 to, subsurface foundations, organic or non-organic fill, dumpsites or containers on Property which contained or currently contain toxic or
- 80 hazardous materials, high groundwater, soil conditions (e.g. low load bearing capacity) or excessive rocks or rock formations on the Property;
- 81 (o) a lack of legal vehicular access to the Property from public roads;
- 82 (p) prior reimbursement for corrective action costs under the Agricultural Chemical Cleanup Program; (Wis. Stats. §94.73.)
- 83 (q) other conditions or occurrences which would significantly increase the cost of the development proposed at lines 271 to 272 or

84 reduce the value of the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.

85 **v PROPERTY DIMENSIONS AND SURVEYS:** Buyer acknowledges, that any land dimensions, total square footage/acreage figures,

86 or allocation of acreage information, provided to Buyer by Seller or by a broker, may be approximate because of rounding or other

87 reasons, unless verified by survey or other means. **CAUTION: Buyer should verify land dimensions, total square footage/acreage**

88 **figures or allocation of acreage information if material to Buyer's decision to purchase.**

89 **v ISSUES RELATED TO PROPERTY DEVELOPMENT:** WARNING: if Buyer contemplates developing Property or a use other than the

90 current use, there are a variety of issues which should be addressed to ensure the development or new use is feasible. Municipal and zoning

91 ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses and therefore should

92 be reviewed. Building permits, zoning variances, Architectural Control Committee approvals, estimates for utility hook-up expenses, special

93 assessments, charges for installation of roads or utilities, environmental audits, subsoil tests, or other development related fees may need

94 to be obtained or verified in order to determine the feasibility of development of, or a particular use for, a property. Optional contingencies

95 which allow Buyer to investigate certain of these issues can be found at lines 271 - 314 and Buyer may add contingencies as needed in

96 addenda (see line 188). Buyer should review any plans for development or use changes to determine what issues should be addressed

97 in these contingencies.

98 **v INSPECTIONS:** Seller agrees to allow Buyer's inspectors reasonable access to the Property upon reasonable notice if the inspections

99 are reasonably necessary to satisfy the contingencies in this Offer. Buyer agrees to promptly provide copies of all such inspection

100 reports to Seller, and to listing broker if Property is listed. Furthermore, Buyer agrees to promptly restore the Property to its original

101 condition after Buyer's inspections are completed, unless otherwise agreed in this Offer. An "inspection" is defined as an observation

102 of the Property which does not include testing of the Property, other than testing for leaking LP gas or natural gas used as a fuel source,

103 which are hereby authorized.

104 **v TESTING:** Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property.

105 A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory

106 or other analysis of these materials. If Buyer requires testing, testing contingencies must be specifically provided for at lines 179 - 187 or

107 in an addendum per line 188. Note: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose

108 of the test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of

109 the contingency (e.g., Buyer's obligation to return the Property to its original condition). Seller acknowledges that certain inspections or tests

110 may detect environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

111 **v PRE-CLOSING INSPECTION:** At a reasonable time, pre-approved by Seller or Seller's agent, within 3 days before closing, Buyer shall

112 have the right to inspect the Property to determine that there has been no significant change in the condition of the Property, except for

113 changes approved by Buyer.

114 **v PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING:** Seller shall maintain the Property until the earlier of closing or

115 occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior

116 to closing, the Property is damaged in an amount of not more than five per cent (5%) of the selling price, Seller shall be obligated to repair

117 the Property and restore it to the same condition that it was on the day of this Offer. If the damage shall exceed such sum, Seller shall

118 promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer. Should Buyer elect to carry out this

119 Offer despite such damage, Buyer shall be entitled to the insurance proceeds relating to the damage to the Property, plus a credit towards

120 the purchase price equal to the amount of Seller's deductible on such policy. However, if this sale is financed by a land contract or a

121 mortgage to Seller, the insurance proceeds shall be held in trust for the sole purpose of restoring the Property.

122 **FENCES** Wisconsin Statutes section 90.03 requires the owners of adjoining properties to keep and maintain legal fences in equal

123 shares where one or both of the properties is used and occupied for farming or grazing purposes. **CAUTION: Consider an agreement**

124 **addressing responsibility for fences if Property or adjoining land is used and occupied for farming or grazing purposes.**

125 **DELIVERY/RECEIPT** Unless otherwise stated in this Offer, any signed document transmitted by facsimile machine (fax) shall be treated

126 in all manner and respects as an original document and the signature of any Party upon a document transmitted by fax shall be considered

127 an original signature. Personal delivery to, or actual receipt by, any named Buyer or Seller constitutes personal delivery to, or actual receipt

128 by Buyer or Seller. Once received, a notice cannot be withdrawn by the Party delivering the notice without the consent of the Party receiving

129 the notice. A Party may not unilaterally reinstate a contingency after a notice of a contingency waiver has been received by the other Party.

130 **The delivery provisions in this Offer may be modified when appropriate (e.g., when mail delivery is not desirable (see lines 25 - 36).**

131 Buyer and Seller authorize the agents of Buyer and Seller to distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies

132 and any other settlement service providers for the transaction as defined by the Real Estate Settlement Procedures Act (RESPA).

133 **PROPERTY ADDRESS:** Outlot 1 as described on Exhibit A

134 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4)
135 date of closing; (5) contingency deadlines **STRIKE AS APPLICABLE** and all other dates and deadlines in this Offer except:

136 _____ . If "Time is of the Essence"
137 applies to a date or deadline, failure to perform by the exact date or deadline is a breach of contract. If "Time is of the Essence" does
138 not apply to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

139 **DATES AND DEADLINES** Deadlines expressed as a number of "days" from an event, such as acceptance, are calculated by excluding
140 the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines
141 expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal
142 law, and other day designated by the President such that the postal service does not receive registered mail or make regular deliveries
143 on that day. Deadlines expressed as a specific number of "hours" from the occurrence of an event, such as receipt of a notice, are
144 calculated from the exact time of the event, and by counting 24 hours per calendar day. Deadlines expressed as a specific day of the
145 calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

146 ~~THE FINANCING CONTINGENCY PROVISIONS AT LINES 148-162 ARE A PART OF THIS OFFER IF LINE 148 IS MARKED,~~
147 ~~SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF LINE 148 IS MARKED N/A OR IS NOT MARKED.~~

148 **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a _____
149 **INSERT LOAN PROGRAM OR SOURCE** first mortgage loan commitment as described below, within _____ days of acceptance of this
150 Offer. The financing selected shall be in an amount of not less than \$ _____ for a term of not less than _____ years,
151 amortized over not less than _____ years. Initial monthly payments of principal and interest shall not exceed \$ _____.
152 Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private
153 mortgage insurance premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay a loan fee not to exceed
154 _____ % of the loan. (Loan fee refers to discount points and/or loan origination fee, but DOES NOT include Buyer's other closing
155 costs.) If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted
156 to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain
157 the term and amortization stated above. **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 158 OR 159.**

158 **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____ %.
159 **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed _____ %. The initial interest rate shall
160 be fixed for _____ months, at which time the interest rate may be increased not more than _____ % per year. The maximum
161 interest rate during the mortgage term shall not exceed _____ %. Monthly payments of principal and interest may be adjusted
162 to reflect interest changes.

163 **LOAN COMMITMENT:** Buyer agrees to pay all customary financing costs (including closing fees), to apply for financing promptly, and
164 to provide evidence of application promptly upon request by Seller. If Buyer qualifies for the financing described in this Offer or other
165 financing acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no later than the deadline for loan
166 commitment at line 149. Buyer's delivery of a copy of any written loan commitment to Seller (even if subject to conditions) shall
167 satisfy the Buyer's financing contingency unless accompanied by a notice of unacceptability. **CAUTION: BUYER, BUYER'S LENDER**
168 **AND AGENTS OF BUYER OR SELLER SHOULD NOT DELIVER A LOAN COMMITMENT TO SELLER WITHOUT BUYER'S PRIOR**
169 **APPROVAL OR UNLESS ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

170 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment, Seller may terminate this Offer if Seller
171 delivers a written notice of termination to Buyer prior to Seller's actual receipt of a copy of Buyer's written loan commitment.

172 **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an
173 acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies
174 of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is named in this Offer, Seller shall then
175 have 10 days to give Buyer written notice of Seller's decision to finance this transaction on the same terms set forth in this Offer and this
176 Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall
177 be null and void. Buyer authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness
178 for Seller financing.

179 **ADDITIONAL PROVISIONS/CONTINGENCIES** (1) Buyer agrees to pay all closing costs. (2) Seller's obligation to close
180 is contingent upon Buyer acquiring title to the adjoining parcel at 2555 Kennedy Drive. (3) Buyer agrees to be
181 responsible for all costs and fees associated with the CSM in the amount of \$1,570. (4) Seller's obligation to close is
182 further contingent upon the final approval and recording of the attached CSM.

183 _____
184 _____
185 _____
186 _____
187 _____

188 **ADDENDA:** The attached _____ is/are made part of this Offer.

189 **TITLE EVIDENCE**
190 **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or other
191 conveyance as provided herein) free and clear of all liens and encumbrances, except: municipal and zoning ordinances and
192 agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use
193 restrictions and covenants, general taxes levied in the year of closing and _____
194 _____
195 _____ (provided none of the foregoing prohibit present use of the Property), which constitutes merchantable title
196 for purposes of this transaction. Seller further agrees to complete and execute the documents necessary to record the conveyance.

197 v FORM OF TITLE EVIDENCE: Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the
198 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. **CAUTION: IF TITLE**
199 **EVIDENCE WILL BE GIVEN BY ABSTRACT, STRIKE TITLE INSURANCE PROVISIONS AND INSERT ABSTRACT PROVISIONS.**
200 v PROVISION OF MERCHANTABLE TITLE: Seller shall pay all costs of providing title evidence. For purposes of closing, title evidence
201 shall be acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less than 3 business
202 days before closing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be
203 merchantable, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and
204 exceptions, as appropriate. **CAUTION: BUYER SHOULD CONSIDER UPDATING THE EFFECTIVE DATE OF THE TITLE**
205 **COMMITMENT PRIOR TO CLOSING OR A "GAP ENDORSEMENT" WHICH WOULD INSURE OVER LIENS FILED BETWEEN THE**
206 **EFFECTIVE DATE OF THE COMMITMENT AND THE DATE THE DEED IS RECORDED.**

207 v TITLE ACCEPTABLE FOR CLOSING: If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by
208 the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections, and
209 the time for closing shall be extended as necessary for this purpose. In the event that Seller is unable to remove said objections, Buyer
210 shall have 5 days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for closing shall be extended
211 accordingly. If Buyer does not waive the objections, this Offer shall be null and void. Providing title evidence acceptable for closing does
212 not extinguish Seller's obligations to give merchantable title to Buyer.

~~213 v SPECIAL ASSESSMENTS: Special assessments, if any, for work actually commenced or levied prior to date of this Offer shall be
214 paid by Seller no later than closing. All other special assessments shall be paid by Buyer. **CAUTION: Consider a special agreement**
215 **if area assessments, property owner's association assessments or other expenses are contemplated.** "Other expenses" are one-
216 time charges or ongoing use fees for public improvements (other than those resulting in special assessments) relating to curb, gutter,
217 street, sidewalk, sanitary and stormwater and storm sewer (including all sewer mains and hook-up and interceptor charges), parks, street
218 lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stat. § 66.55(1)(c) & (f).~~

219 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller regarding the
220 transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds and inures to the benefit of
221 the Parties to this Offer and their successors in interest.

222 **DEFAULT**
223 Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A
224 material failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability for damages or
225 other legal remedies.

226 If Buyer defaults, Seller may:
227 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
228 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) direct Broker to return
229 the earnest money and have the option to sue for actual damages.

230 If Seller defaults, Buyer may:
231 (1) sue for specific performance; or
232 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

233 In Addition, the Parties may seek any other remedies available in law or equity.
234 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the
235 discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of
236 the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes
237 covered by the arbitration agreement.

238 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ**
239 **THIS DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT**
240 **ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR**
241 **HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

~~242 **EARNEST MONEY**~~

~~243 v HELD BY: Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (buyer's agent
244 if Property is not listed or seller if no broker is involved), until applied to purchase price or otherwise disbursed as provided in the Offer.
245 **CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the Parties**
246 **or an attorney. If someone other than Buyer makes payment of earnest money, consider a special disbursement agreement.**~~

~~247 v DISBURSEMENT: If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance
248 from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest
249 money shall be disbursed according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according
250 to a written disbursement agreement signed by all Parties to this Offer (Note: Wis. Adm. Code § RL 18.09(1)(b) provides that an offer
251 to purchase is not a written disbursement agreement pursuant to which the broker may disburse). If said disbursement agreement has
252 not been delivered to broker within 60 days after the date set for closing, broker may disburse the earnest money: (1) as directed by
253 an attorney who has reviewed the transaction and does not represent Buyer or Seller; (2) into a court hearing a lawsuit involving the
254 earnest money and all Parties to this Offer; (3) as directed by court order; or (4) any other disbursement required or allowed by law.
255 Broker may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and broker may deduct from the
256 earnest money any costs and reasonable attorneys fees, not to exceed \$250, prior to disbursement.~~

~~257 v LEGAL RIGHTS/ACTION: Broker's disbursement of earnest money does not determine the legal rights of the Parties in relation to this
258 Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to disbursement per (1)
259 or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or Seller disagree with broker's
260 proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over
261 all earnest money disputes arising out of the sale of residential property with 1 - 4 dwelling units and certain other earnest money disputes.
262 Buyer and Seller should consider consulting attorneys regarding their legal rights under this Offer in case of a dispute. Both Parties
263 agree to hold the broker harmless from any liability for good faith disbursement of earnest money in accordance with this Offer or
264 applicable Department of Regulation and Licensing regulations concerning earnest money. See Wis. Adm. Code Ch. RL 18. **NOTE:**
265 **WISCONSIN LICENSE LAW PROHIBITS A BROKER FROM GIVING ADVICE OR OPINIONS CONCERNING THE LEGAL RIGHTS**
266 **OR OBLIGATIONS OF PARTIES TO A TRANSACTION OR THE LEGAL EFFECT OF A SPECIFIC CONTRACT OR CONVEYANCE.**
267 **AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS REQUIRED.**~~

268 PROPERTY ADDRESS: Outlot 1 as described on Exhibit A

269 ~~OPTIONAL PROVISIONS: THE PARAGRAPHS AT LINES 271 - 314 WHICH ARE PRECEDED BY A BOX ARE A PART OF THIS OFFER IF~~
270 ~~MARKED, SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF MARKED N/A OR ARE LEFT BLANK.~~

271 PROPOSED USE CONTINGENCY: Buyer is purchasing the property for the purpose of: _____
272 _____ . This Offer is contingent upon Buyer obtaining the following:

273 Written evidence at (Buyer's) (Seller's) ~~STRIKE ONE~~ expense from a qualified soils expert that the Property is free of any subsoil
274 condition which would make the proposed development impossible or significantly increase the costs of such development.

275 Written evidence at (Buyer's) (Seller's) ~~STRIKE ONE~~ expense from a certified soils tester or other qualified expert that indicates that
276 the Property's soils at locations selected by Buyer and all other conditions which must be approved to obtain a permit for an acceptable private
277 septic system for: _____ [insert proposed use of Property; e.g., three

278 bedroom single family home] meet applicable codes in effect as of the date of this offer. An acceptable system includes all systems approved
279 for use by the State for this type of property identified at line 277. An acceptable system does not include a holding tank, privy, composting
280 toilet or chemical toilet or other systems (e.g. mound system) excluded in additional provisions or an addendum per lines 179 - 188.

281 Copies at (Buyer's) (Seller's) ~~STRIKE ONE~~ expense of all public and private easements, covenants and restrictions affecting the
282 Property and a written determination by a qualified independent third party that none of these prohibit or significantly delay or increase
283 the costs of the proposed use or development identified at lines 271 to 272.

284 Permits, approvals and licenses, as appropriate, or the final discretionary action by the granting authority prior to the issuance
285 of such permits, approvals and licenses at (Buyer's) (Seller's) ~~STRIKE ONE~~ expense for the following items related to the proposed
286 development _____

287 Written evidence at (Buyer's) (Seller's) ~~STRIKE ONE~~ expense that the following utility connections are located as follows (e.g.,
288 on the Property, at the lot line across the street, etc.): electricity _____; gas _____; sewer
289 _____; water _____; telephone _____; other _____

290 This proposed use contingency shall be deemed satisfied unless Buyer within _____ days of acceptance delivers
291 written notice to Seller specifying those items of this contingency which cannot be satisfied and written evidence substantiating why each
292 specific item included in Buyer's notice cannot be satisfied.

293 MAP OF THE PROPERTY: This Offer is contingent upon (Buyer obtaining) (Seller providing) ~~STRIKE ONE~~ a map of the Property prepared
294 by a registered land surveyor, within _____ days of acceptance, at (Buyer's) (Seller's) ~~STRIKE ONE~~ expense. The map shall identify the legal
295 description of the Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements,
296 if any, and: _____

297 _____ ~~STRIKE AND COMPLETE AS APPLICABLE~~ Additional map features
298 which may be added include, but are not limited to: specifying how current the map must be; staking of all corners of the Property; identifying
299 dedicated and apparent streets, lot dimensions, total acreage or square footage, easements or rights-of-way. **CAUTION: Consider the cost**
300 **and the need for map features before selecting them.** The map shall show no significant encroachment(s) or any information materially
301 inconsistent with any prior representations to Buyer. This contingency shall be deemed satisfied unless Buyer, within five days of the earlier
302 of: 1) Buyer's receipt of the map, or 2) the deadline for delivery of said map, delivers to Seller, and to listing broker if Property is listed, a copy
303 of the map and a written notice which identifies the significant encroachment or the information materially inconsistent with prior representations.

304 INSPECTION CONTINGENCY: This Offer is contingent upon a qualified independent inspector(s) conducting an inspection(s), at
305 Buyer's expense, of the Property and _____
306 _____ which discloses no defects as defined below. This contingency shall be deemed satisfied

307 unless Buyer within _____ days of acceptance delivers to Seller, and to listing broker if Property is listed, a copy of the inspector's
308 written inspection report and a written notice listing the defects identified in the report to which Buyer objects. This Offer shall be null and
309 void upon timely delivery of the above notice and report. **CAUTION: A proposed amendment will not satisfy this notice requirement.**

310 Buyer shall order the inspection and be responsible for all costs of inspection, including any inspections required by lender or follow-up to
311 inspection. Note: This contingency only authorizes inspections, not testing, see lines 98 to 110. For the purposes of this contingency a defect
312 is defined as any condition of the Property which constitutes a significant threat to the health or safety of persons who occupy or use the
313 Property or gives evidence of any material use, storage or disposal of hazardous or toxic substances on the Property. Defects do not include
314 conditions the nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.

315 This Offer was drafted on _____ [date] by _____ [Licensee and Firm]

316 (X) By: V BROS LLC _____ 7-5-2013
317 Buyer's Signature Print Name Here: Casey C. Christofferson Social Security No. or FEIN _____ Date _____

318 (X) _____
319 Buyer's Signature Print Name Here: _____ Social Security No. or FEIN _____ Date _____

320 EARNEST MONEY RECEIPT _____ acknowledges receipt of earnest money as per line 8 of the above Offer. (See lines 242 - 267)
321 _____ (By) _____

322 SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING AND
323 THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND CONDITIONS AS SET FORTH
324 HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.

325 (X) By: _____
326 Seller's Signature Print Name Here: Larry N. Arft, City Manager Social Security No. or FEIN _____ Date _____

327 (X) _____
328 Seller's Signature Print Name Here: _____ Social Security No. or FEIN _____ Date _____

329 This Offer was presented to Seller by _____ on _____, _____, at _____ a.m./p.m.

330 THIS OFFER IS REJECTED _____ THIS OFFER IS COUNTERED [See attached counter]
331 Seller Initials _____ Date _____ Seller Initials _____ Date _____

EXHIBIT A
to Vacant Land Offer to Purchase

Seller agrees to convey Outlot 1 as described on the unapproved and unrecorded certified survey map (CSM) attached hereto. Said Outlot 1 is depicted thereon as having 14,230 square feet and consisting of 0.327 acres. The parties agree that the deed will conform to the description of said Outlot 1 on the recorded CSM.

**RESOLUTION
AUTHORIZING A CONDITIONAL USE PERMIT TO
ALLOW A WIRELESS COMMUNICATIONS TOWER IN A C-2, NEIGHBORHOOD
COMMERCIAL DISTRICT AND MRO, MILWAUKEE ROAD OVERLAY DISTRICT, FOR
THE PROPERTY LOCATED AT 2600 CRANSTON ROAD**

WHEREAS, the application of Jacob Bradt, on behalf of First National Bank & Trust Company, for a Conditional Use Permit to allow a wireless communications tower in a C-2, Neighborhood Commercial District and MRO, Milwaukee Road Overlay District, for the property located at 2600 Cranston Road, having been considered by the City Council of the City of Beloit, Wisconsin at a public hearing held for that purpose and due notice of said hearing having been given by publication as appears by the Proof of Publication on file in the office of the City Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT, the City Council of the City of Beloit, Rock County, Wisconsin does hereby grant a Conditional Use Permit to allow a wireless communications tower in a C-2, Neighborhood Commercial District and MRO, Milwaukee Road Overlay District, for the property located at 2600 Cranston Road in the City of Beloit, for the following described premises:

Lot 1 of a Certified Survey Map as recorded in Volume 20, Pages 315-319 in the Certified Survey Maps of Rock County, located in the City of Beloit, Rock County, Wisconsin. Said parcel contains 1.5657 acres, more or less.

As a condition of granting the Conditional Use Permit, the City Council does hereby stipulate the following conditions and restrictions upon the Conditional Use, which are hereby deemed necessary for the public interest:

1. This Conditional Use Permit shall allow the construction of one (1) wireless communications tower that may be up to fifty (50) feet in height to be located on the west façade of the bank building on the subject property as illustrated in the submitted architectural elevation.
2. The tower shall be painted in a neutral color to reduce visual obtrusiveness.
3. The applicant must obtain a Certificate of Zoning Compliance and an Architectural Review Certificate before building permits will be issued for this project.
4. Following construction, the operator or property owner shall obtain and retain a Wireless Communication Facilities annual license.
5. Any major changes in the adopted conditions or use of the property shall be approved by the Plan Commission and City Council by amending this Conditional Use Permit. The Planning and Building Services Director may approve minor changes administratively and allow accessory structures and uses that comply with and meet all of the standards and requirements of the City of Beloit Municipal Code.

Adopted this 15th day of July 2013.

BELOIT CITY COUNCIL

Charles M. Haynes, Council President

ATTEST:

Judith A. Elson, Deputy City Clerk

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL

Topic: Conditional Use Permit Application for the property located at 2600 Cranston Road

Date: June 17, 2013

Presenter(s): Julie Christensen

Department: Community Development

Overview/Background Information:

Jacob Bradt, on behalf of First National Bank & Trust Company, has filed an application for a Conditional Use Permit to allow one 50-foot wireless communication tower in a C-2, Neighborhood Commercial District and MRO, Milwaukee Road Overlay District, for property located at 2600 Cranston Road.

Key Issues (maximum of 5):

- The applicant intends to erect the tower on the west side of the building for the purpose of communicating with the main bank branch on East Grand Avenue and a bank branch on Madison Road.
 - The proposed tower will be located on the west side of the bank building and bracketed to the façade. The tower will include two antenna dishes that are two-feet in diameter each. This project will not include an equipment shed.
 - The tower will be located in an area where the building's mechanical equipment is adequately screened by landscaping and a knee wall.
 - In order to be effective, wireless communication towers must exceed the height of structures, trees, and other obstructions in the surrounding area. In this case, staff feels the proposed 50-foot tower is in scale with the existing neighborhood. The maximum building height in the C-2 district is 45 feet, but towers are exempt.
 - The Plan Commission reviewed this item on June 5, 2013 and voted unanimously (5-0) to recommend approval of the Conditional Use Permit, subject to the five conditions recommended by Planning staff.
-

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

- Consideration of this request supports Strategic Goal #5.
-

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- Reduce dependence upon fossil fuels – N/A
 - Reduce dependence on chemicals and other manufacturing substances that accumulate in nature – N/A
 - Reduce dependence on activities that harm life sustaining eco-systems – N/A
 - Meet the hierarchy of present and future human needs fairly and efficiently – N/A
-

Action required/Recommendation:

- City Council consideration and action on the proposed Resolution
-

Fiscal Note/Budget Impact: N/A

Attachments: Resolution and Staff Report to the Plan Commission

CITY OF BELOIT

REPORT TO THE BELOIT CITY PLAN COMMISSION

Meeting Date: June 5, 2013

Agenda Item: 5

File Number: CU-2013-09

Applicant: Jacob Bradt, on behalf of First National Bank & Trust Company

Owner: Centre One Bankcorp

Location: 2600 Cranston Road

Existing Zoning: C-2, Neighborhood Commercial District & MRO, Milwaukee Road Overlay District

Existing Land Use: Bank

Parcel Size: 1.56 acres

Request Overview/Background Information:

Jacob Bradt, on behalf of First National Bank & Trust Company, has filed an application for a Conditional Use Permit to allow one 50-foot wireless communication tower in a C-2, Neighborhood Commercial District and MRO, Milwaukee Road Overlay District, for property located at 2600 Cranston Road. The applicant intends to erect the tower on the west side of the building for the purpose of communicating with the main bank branch on East Grand Avenue and a bank branch on Madison Road.

The attached **Location and Zoning Map** shows the location of the parcel involved in this application. The adjacent zoning and land uses are as follows:

- North: C-3, Community Commercial District and MRO, Milwaukee Road Overlay District; Walmart
- South: PUD, Planned Unit Development and MRO, Milwaukee Road Overlay District; Morgan Square
- East: PUD, Planned Unit Development and MRO, Milwaukee Road Overlay District; Culvers
- West: R-3, Low-Density Multi-Family Residential District; Condominiums

According to the Zoning Ordinance, a wireless communications tower requires a Conditional Use Permit in a C-2, Neighborhood Commercial District. When a Conditional Use Permit application is filed, the Zoning Ordinance instructs the Plan Commission to evaluate the proposed use's impact on the neighborhood. The Plan Commission's findings are forwarded to the City Council and the City Council may approve, approve with conditions, or deny a Conditional Use Permit application.

Key Issues:

- First National Bank seeks to improve its operations and internal communications by erecting a 50-foot wireless communications tower on the subject property. The proposed tower will allow for efficient and faster communication between its three banks located in Beloit.
- The proposed tower will be located on the west side of the bank building and bracketed to the façade. The tower will include two antenna dishes that are two-feet in diameter each. The tower will not include an equipment shed.
- The tower will be located in an area where the building's mechanical equipment is adequately screened by landscaping and a knee wall.
- In order to be effective, wireless communication towers must exceed the height of structures, trees, and other obstructions in the surrounding area. In this case, staff feels the proposed 50-foot tower is in scale with the existing neighborhood.
- The maximum height in C-2 is 45 feet, but towers are exempt.
- Included in this report is an architectural elevation, tower brochure, and photographs that show how the tower might appear.
- In accordance with the Zoning Ordinance, a site plan has been submitted and is attached to this report. The red circle indicates the proposed location of the tower, which is setback 75 feet from the right-of-way to the north and setback 90 feet from the western lot line.
- The proposed tower is not expected to generate significant traffic and will not necessitate additional off-street parking stalls. The existing use will retain sufficient parking stalls.
- Public facilities and infrastructure exist in this area and the property receives the full range of municipal services.
- Neighboring property owners and the public were notified of the proposed tower. Planning staff did not receive any comments.
- If the Conditional Use Permit is granted, the applicant will need to comply with the Site Plan Review and

- Architectural Review procedures before building permits will be issued for this project.
- City review agents have reviewed this Conditional Use Permit application and do not have any comments or concerns regarding the proposed use.
- **Findings of Fact**

Based on Section 2.5.4 of the Zoning Ordinance, the Plan Commission shall make a recommendation based on the following considerations:

- a. *Whether the establishment, maintenance, or operation of the conditional use will be detrimental to or endanger the public health, safety, morals, comfort, or general welfare;*
 - Staff believes that the proposed fifty-foot tower will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare. The proposed tower is compatible with the surrounding neighborhood.
- b. *Whether the conditional use will be injurious to the use and enjoyment of other property in the immediate vicinity for purposes already permitted;*
 - One fifty-foot wireless communications tower will allow the continued use and enjoyment of nearby residential and commercial properties. The tower will be anchored to the building and does not pose a threat to nearby properties should a natural disaster or man-made disaster causes it to fall.
- c. *Whether the conditional use will substantially diminish or impair property values within the neighborhood of the subject property;*
 - The conditional use will not substantially diminish or impair property values within the neighborhood of the subject property. Moreover, the proposed tower is five feet over the forty-five feet height requirement in the C-2 District, which is not substantial to diminish or impair property values with the neighborhood.
- d. *Whether the establishment of the conditional use will impede the normal and orderly development and improvement of the surrounding property;*
 - The establishment of the tower on the subject property will not obstruct any parking or pedestrian walking areas on the site or nearby properties, therefore, it will not impede upon the normal and orderly development and improvement of the subject property or surrounding properties should it occur.
- e. *Whether the exterior architectural design or site layout of the proposed conditional use is so dissimilar or otherwise incompatible with existing or proposed development in the immediate neighborhood that it will cause a depreciation in property values;*
 - The proposed conditional use is compatible with existing development in the neighborhood and is not likely to cause depreciation in property values. However, the appearance of the tower may disrupt the visual interest of nearby neighbors. Therefore, staff is recommending that the tower be painted in a neutral color to camouflage and reduce the visual obtrusiveness the tower may cause.
- f. *Whether adequate utilities, access roads, drainage or other necessary facilities will be available to serve the proposed use at the time of its occupancy or use;*
 - The property is currently served by adequate utilities, roads, and facilities.
- g. *Whether adequate measures will be taken to minimize traffic congestion; and*
 - Following construction, the proposed tower will not generate traffic congestion.
- h. *Whether the conditional use will comply with all applicable regulations of this chapter (the Zoning Ordinance).*
 - If the Conditional Use Permit is granted, staff will review the submitted site plan to ensure compliance with all other applicable regulations of the Zoning Ordinance.

Consistency with Comprehensive Plan and Strategic Plan:

The Comprehensive Plan designates this property for Community Commercial land uses. The Comprehensive Plan recommends a C-3, Community Commercial District classification for this property. Other commercial classifications may be appropriate, and the C-2, Neighborhood Commercial District, is appropriate for this parcel. Towers are conditional uses in C-2 and C-3 Districts.

Consideration of this request supports City of Beloit Strategic Goal #5.

Sustainability: (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines)

- Reduce dependence upon fossil fuels – N/A
- Reduce dependence on chemicals and other manufacturing substances that accumulate in nature – N/A
- Reduce dependence on activities that harm life sustaining eco-systems – N/A
- Meet the hierarchy of present and future human needs fairly and efficiently – N/A

Staff Recommendation:

The Planning and Building Services Division recommends **approval** of a Conditional Use Permit to allow **one** wireless communications tower in a C-2, Neighborhood Commercial District and MRO, Milwaukee Road Overlay District, for the property located at 2600 Cranston Road, subject to the following conditions:

1. This Conditional Use Permit shall allow the construction of one (1) wireless communications tower that may be up to fifty (50) feet in height to be located on the west façade of the bank building on the subject property as illustrated in the submitted architectural elevation.
2. The tower shall be painted in a neutral color to reduce visual obtrusiveness.
3. The applicant must obtain a Certificate of Zoning Compliance and an Architectural Review Certificate before building permits will be issued for this project.
4. Following construction, the operator or property owner shall obtain and retain a Wireless Communication Facilities annual license.
5. Any major changes in the adopted conditions or use of the property shall be approved by the Plan Commission and City Council by amending this Conditional Use Permit. The Planning and Building Services Director may approve minor changes administratively and allow accessory structures and uses that comply with and meet all of the standards and requirements of the City of Beloit Municipal Code.

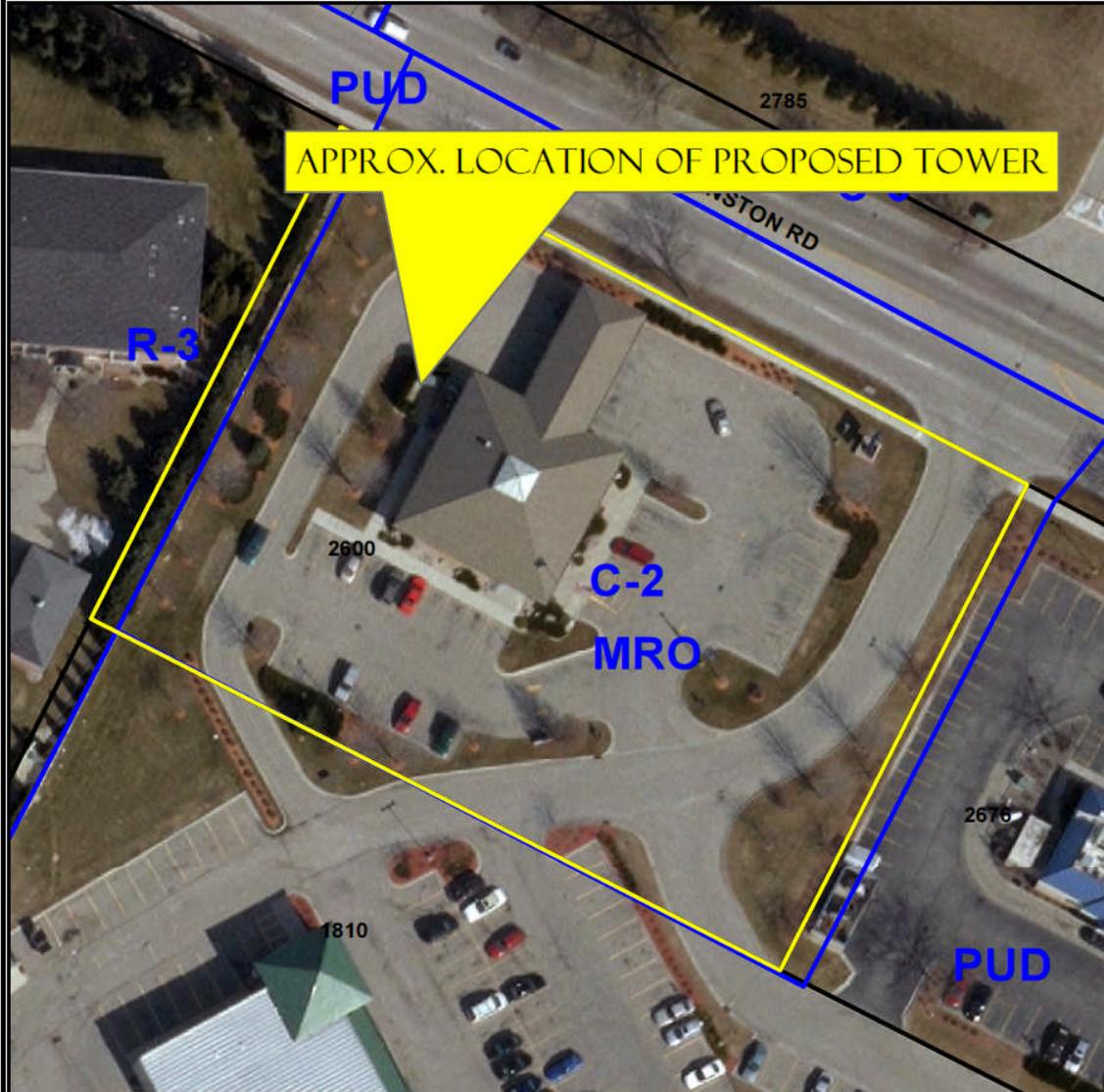
Fiscal Note/Budget Impact: N/A

Attachments: Location & Zoning Map, Site Plan, Architectural Elevation, Photographs, Tower Brochure, Application Public Notice, and Mailing List.

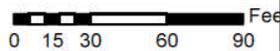
Location & Zoning Map

2600 Cranston Road

CU-2013-09



1 inch = 57 feet

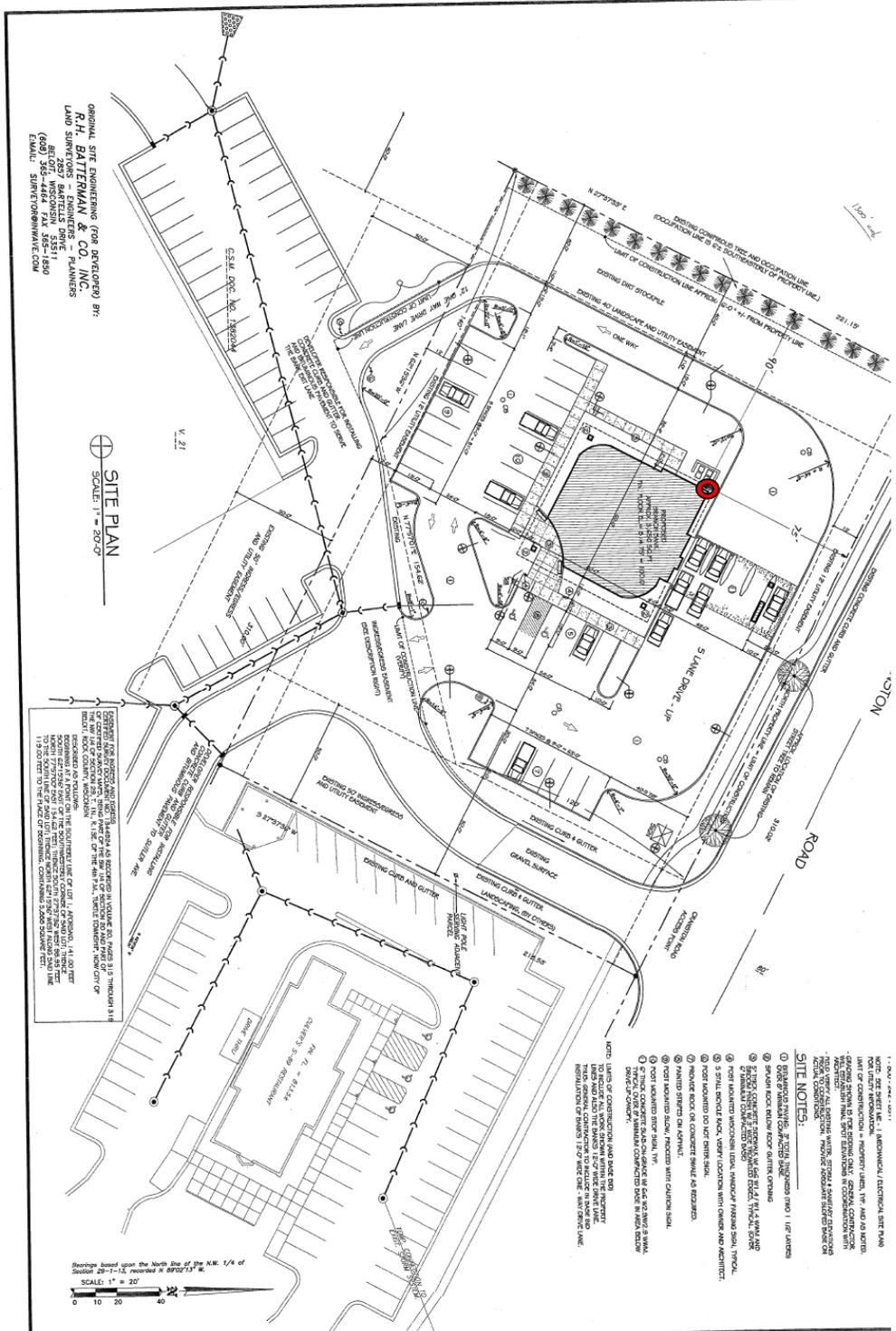


| Legend | |
|--------|-----------------|
| | Zoning District |
| | Parcels |

Map prepared by: Michael D. Lofton II
Date: May 2013
For: City of Beloit, Planning & Building Services
Date of Aerial Photography: April 2011

PLANNING & BUILDING SERVICES DIVISION

Site Plan



ORIGINAL SITE ENGINEERING (FOR DEVELOPER) BY:
R.H. BATTERMAN & CO., INC.
 LAND SURVEYING ENGINEERS AND PLANNERS
 BELoit, WISCONSIN 53511
 (608) 371-3100
 EMAIL: SURVEIT@BATTERMAN.COM

SITE PLAN
 SCALE: 1" = 20'-0"

GENERAL NOTES:
 1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
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- SITE NOTES:**
- 1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
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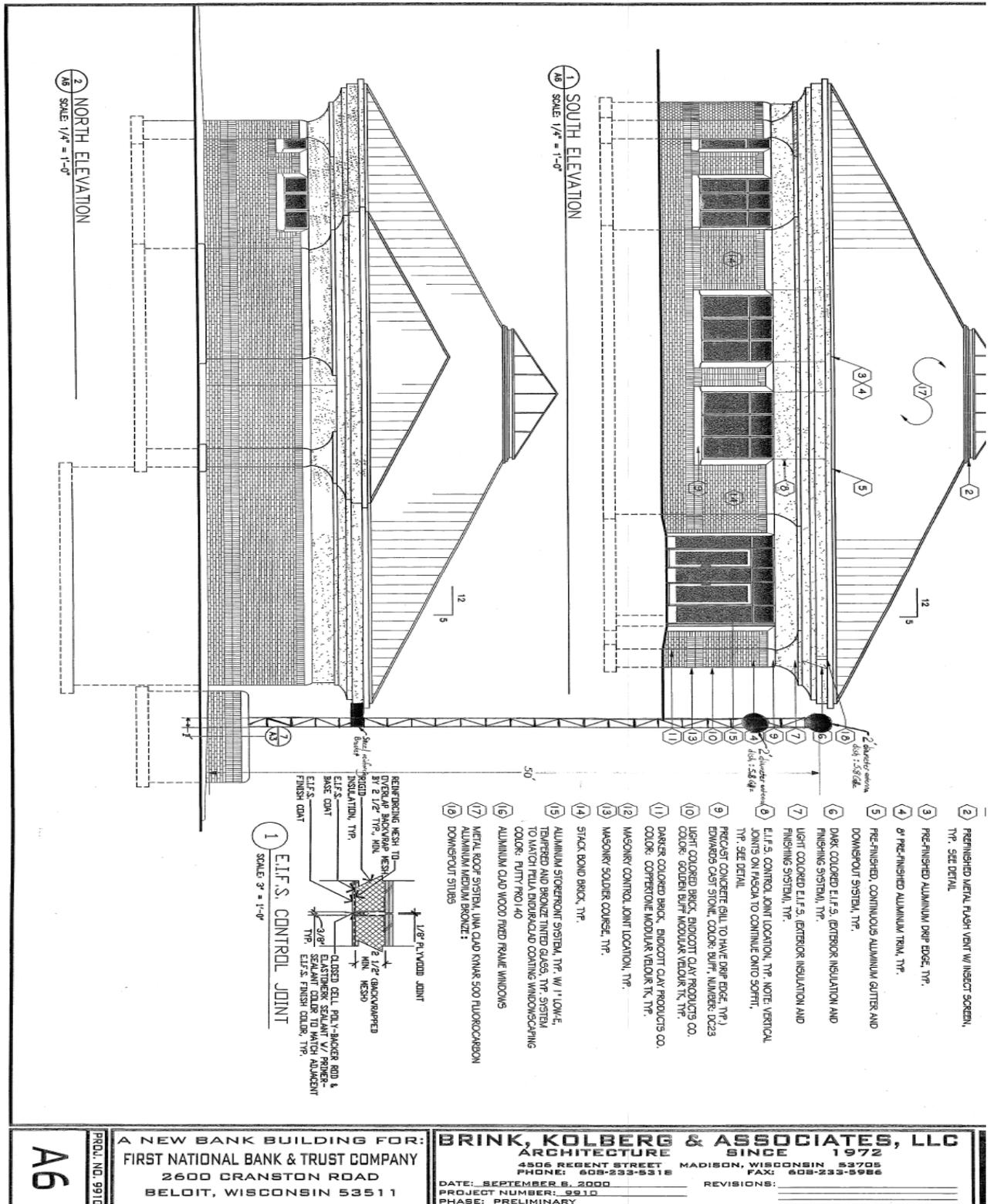
A1

A NEW BANK BUILDING FOR:
FIRST NATIONAL BANK & TRUST COMPANY
 2600 CRANSTON ROAD
 BELOIT, WISCONSIN 53511

BRINK, KOLBERG & ASSOCIATES, LLC
 ARCHITECTURE SINCE 1972
 4506 REGENT STREET MADISON, WISCONSIN 53702
 PHONE: 608-233-9518 FAX: 608-233-5986

DATE: SEPTEMBER 8, 2000 REVISIONS:
 PROJECT NUMBER: 9910
 PHASE: CONSTRUCTION DOCUMENTS

Architectural Elevation



A6

A NEW BANK BUILDING FOR:
FIRST NATIONAL BANK & TRUST COMPANY
 2600 CRANSTON ROAD
 BELOIT, WISCONSIN 53511

BRINK, KOLBERG & ASSOCIATES, LLC
 ARCHITECTURE SINCE 1972
 4506 REGENT STREET MADISON, WISCONSIN 53705
 PHONE: 608-233-5318 FAX: 608-233-5986

DATE: SEPTEMBER 8, 2000
 PROJECT NUMBER: 9910
 PHASE: PRELIMINARY

REVISIONS:



First National Bank Building
(Looking South)

05/30/2013 07:43



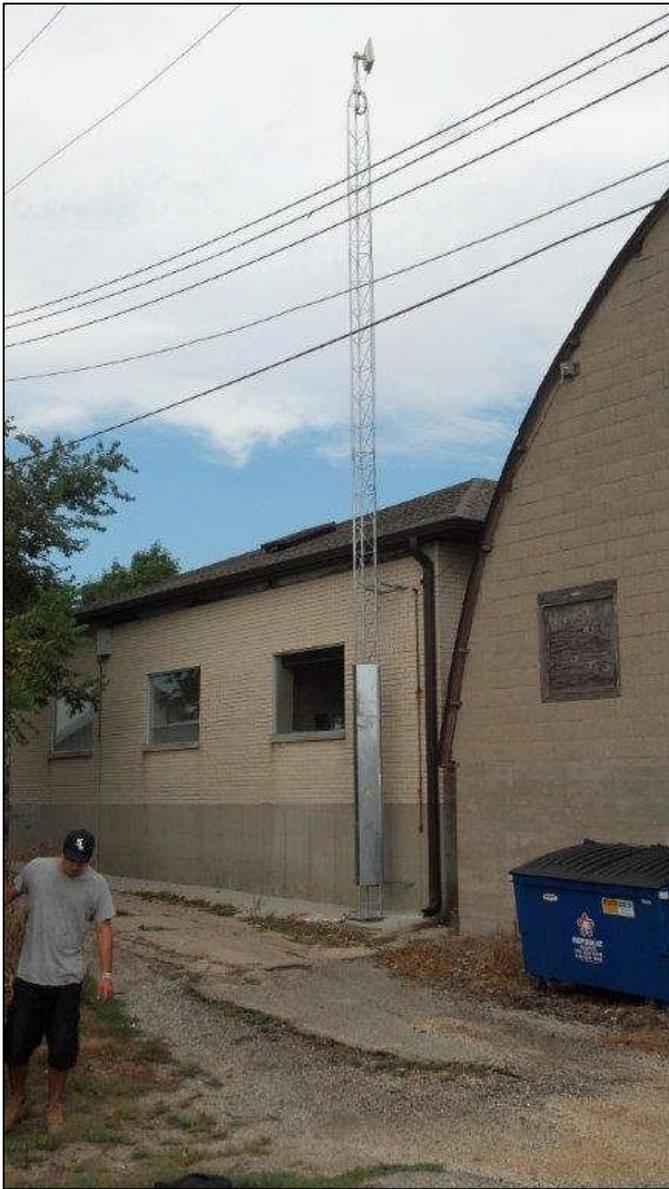
Proposed Tower Location
(North Side View)

05/30/2013 07:41



Proposed Tower Location
(West Side View)

05/30/2013 07:40



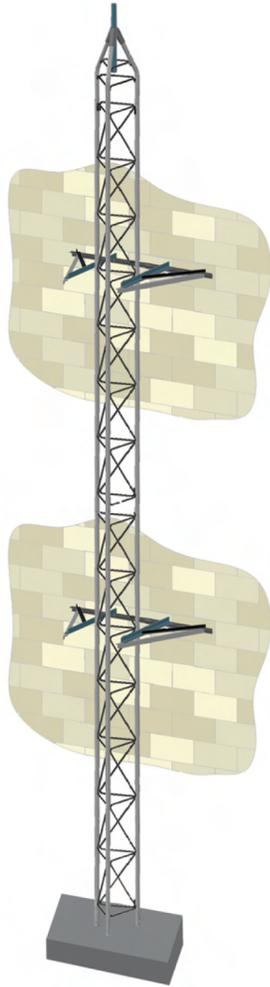
**Examples of
Proposed Tower**



Tower Brochure

B-BRACKETED TOWERS

STANDARD G-SERIES BRACKETED



Typical installation on short base with (2) HBUTVRO brackets.

(Refer to G-Series accessories for short base)

G-SERIES (BRACKETED)

GENERAL USE

ROHN G-Series Bracketed towers can be installed adjacent to buildings using brackets to secure the tower along the height of the structure.

FEATURES

- Completely hot-dip galvanized after fabrication
- Cross bracing is formed by a continuous solid rod bracing fashioned into a Zig-Zag pattern for strength
- Pre-engineered loading charts to meet varying individual specs and site conditions
- Typical uses include: small dishes, broadband, security and two-way communication.

OPTIONAL ACCESSORY

UNIVERSAL HOUSE BRACKET HBUTVRO



Adjustable to position tower 18" - 36" from wall.

* Per Rev. G requirements, any structure greater than 10' requires a climber safety device. Please see page 207 for ordering information.



Phone (309) 566-3000 • Fax (309) 566-3079 • www.rohnnet.com • *The Industry Standard*

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CITY of BELOIT

Planning and Building Services Division

100 State Street, Beloit, WI 53511 Phone: (608) 364-6700 Fax: (608) 364-6609

Conditional Use Permit Application

(Please Type or Print)

File Number: CU-2013-09

1. Address of subject property: 2600 Cranston Road
2. Legal description: First National Bank & Trust Branch

If property has not been subdivided, attach a copy of the complete legal description from deed.

Property dimensions are: _____ feet by _____ feet = _____ square feet.

If more than two acres, give area in acres: _____ acres.

3. Tax Parcel Number(s): 22980780

4. Owner of record: First National Bank & Trust Phone: 608-363-8071

345 E. Grand Ave Beloit WI 53511
(Address) (City) (State) (Zip)

5. Applicant's Name: Jacob Bredt

8900 N 2nd St. Madesney Park IL 61115
(Address) (City) (State) (Zip)

815-847-3130 Jacob.B@entre.rock.com
(Office Phone #) (Cell-Phone #) (E-mail Address)

6. All existing use(s) on this property are: Bank

7. **THE FOLLOWING ACTION IS REQUESTED:**

A Conditional Use Permit for: constructing an antenna tower (50')

_____ in a(n) CL Zoning District.

8. All the proposed use(s) for this property will be:

Principal use: a bank

Secondary use: _____

Accessory use: _____

9. Project timetable: Start date: July 1st Completion date: July 8th

10. I/We represent that I/we have a vested interest in this property in the following manner:

- Owner
- Leasehold, length of lease: _____
- Contractual, nature of contract: _____
- Other, explain: _____

The applicant's signature below indicates the information contained in this application and on all accompanying documents is true and correct.

I/We, the undersigned, do hereby respectfully make application for and petition the City Plan Commission and City Council to grant the requested action for the purpose stated herein. I/We represent that the granting of the proposed request will not violate any of the required standards of the Zoning Ordinance of the City of Beloit. I/We also agree to abide by all applicable federal, state and local laws, ordinances, rules, and regulations.

[Signature] / Patrick Jacobs / 4/29/13
(Signature of Owner) (Print name) (Date)

[Signature] / Jacob Bradt / 4/19/13
(Signature of Applicant, if different) (Print name) (Date)

In order for your request to be heard and considered in a timely manner, you must submit the completed application, and all accompanying documents, to the Planning and Building Services Division for acceptance by the filing deadline date prior to a scheduled Plan Commission meeting. This application must be submitted with one copy of a scaled drawing showing the layout of the proposed development in accordance with all code requirements, and the \$275.00 application fee. Applicants will also be charged a fee for mailing public notices at the rate of \$0.50 per notice. An invoice for this fee will be sent to the applicant and these costs are typically between \$5.00 and \$15.00.

To be completed by Planning Staff

Filing fee: \$275.00 Amount paid: \$275.00 Meeting date: June 5, 2013
 No. of notices: _____ x mailing cost (\$0.50) = cost of mailing notices: \$ _____
 Application accepted by: Michael D. Loftis II Date: 5/10/13



City of
BELOIT, Wisconsin
Division of Planning and Building Services

CITY HALL • 100 STATE STREET • BELOIT, WI 53511

Office: 608/364-6700 • Fax: 608/364-6609

www.ci.beloit.wi.us

Equal Opportunity Employer

NOTICE TO THE PUBLIC

May 22, 2013

To Whom It May Concern:

Jacob Bradt, on behalf of First National Bank & Trust Company, has filed an application for a Conditional Use Permit to allow a wireless communication tower in a C-2, Neighborhood Commercial District and MRO, Milwaukee Road Overlay District, for property located at:

2600 Cranston Road.

The applicant has proposed to establish a 50-foot wireless communications tower on the north side of the building for the purpose communicating with the main bank branch on East Grand Avenue and satellite location on Madison Road. Wireless communication towers in a C-2, Neighborhood Commercial District require a Conditional Use Permit.

The following public hearings will be held regarding this proposed Conditional Use Permit:

City Plan Commission: Wednesday, June 5, 2013 at 7:00 p.m., or as soon thereafter as the matter can be heard in The Forum, Beloit City Hall, 100 State Street.

City Council: Monday, June 17, 2013, at 7:00 p.m., or as soon thereafter as the matter can be heard in The Forum, Beloit City Hall, 100 State Street.

THE PUBLIC IS INVITED TO ATTEND THESE HEARINGS.

We are interested in your opinion.

Anyone bringing handouts to the Plan Commission meeting must bring ten (10) copies and submit them to the Recording Secretary before the meeting begins. Staff is unable to leave the meeting area to make copies.

For additional information, please contact Michael Lofton in the Planning & Building Services Division at (608) 364-6708 or loftonm@ci.beloit.wi.us. Comments will be accepted via telephone, email, and U.S. Mail.

CU-2013-09, 2600 Cranston Road, Wireless Communication Tower.docx

MORGAN SQUARE LLC
400 MIDLAND CT STE 101
JANESVILLE, WI 53546

AGATE & LOCK ACQUISITION LLC
2676 CRANSTON RD
BELOIT, WI 53511

SCHOOL DISTRICT OF BELOIT
1633 KEELER AVE
BELOIT, WI 53511

WALMART REAL ESTATE BUSINESS
TRUST
P O BOX 8050 MS 0555
BENTONVILLE, AR 727128050

**RESOLUTION AMENDING THE 2013 CAPITAL IMPROVEMENTS BUDGET FOR THE
PURCHASE OF THE STRYKER COT SYSTEM;
AUTHORIZING THE SOLE SOURCE PURCHASE OF THIS EQUIPMENT AND
FURTHER AUTHORIZING THE CITY MANAGER TO ENTER INTO
A FINANCING AGREEMENT**

WHEREAS, the City adopted the 2013 Capital Improvements Budget on November 5, 2012; and

WHEREAS, the City of Beloit is purchasing a new ambulance through the 2013 Capital Improvements Budget which includes a bariatric cot system; and

WHEREAS, the City of Beloit Fire Department has developed a program to reduce musculoskeletal injuries of department personnel related to repetitive lifting injuries and injuries from moving bariatric patients; and

WHEREAS, the City of Beloit Fire Department has identified lift assist technology and cot load system technology that will reduce these injuries in addition to the bariatric cot system; and

WHEREAS, the technology identified as the Stryker Power Cot and Power Load System will protect patients and emergency responders from lifting accidents and injuries; and

WHEREAS, the purchase of this system has been incorporated into the construction of the new ambulance and the department wishes to proceed with retrofitting of the current ambulance fleet; and

WHEREAS, the purchase and implementation of this technology will have an immediate impact on the safety and efficiency for departmental personnel, as well as service delivery to the public; and

WHEREAS, funding is immediately available for the down payment for this equipment; and

WHEREAS, Stryker EMS Equipment, Inc. is the sole source vendor for this proprietary technology; and

WHEREAS, Stryker EMS Equipment, Inc. has provided the City with a 24-month, zero financing option to facilitate the immediate purchase and deployment of this system; and

WHEREAS, the City will incorporate permanent financing necessary for the balance of this acquisition into the 2014 Capital Improvements Program borrowing; and

WHEREAS, the Beloit City Council supports a culture of continuous improvements, including the acquisition of new technologies, both for the safety of our employees and the enhanced provision of emergency services to Beloit residents.

NOW, THEREFORE, BE IT RESOLVED, the 2013 Capital Improvement Budget of the City of Beloit is hereby amended for the purchase and installation of this equipment as follows:

FUNDING:

| | <u>2013 Adopted</u> | <u>2013 Amended</u> | <u>Difference</u> |
|--|----------------------------|----------------------------|--------------------------|
| Revenue Source – P2912620-4900-2013 | | | |
| Other Financing Source | (\$200,000) | (\$317,216) | (\$117,216) |
| 74666400-436001-81021 | (\$0) | (\$12,188) | (\$12,188) |
| Expenditures – P2912620-5533-2013 | | | |
| Equipment | \$200,000 | \$317,216 | \$117,216 |
| 74666400-5533-81021 | \$0 | \$12,188 | \$12,188 |

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council of the City of Beloit finds that Stryker EMS Equipment, Inc. has a proprietary technology and is the sole source for this purchase.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Manager is authorized to enter into a financing agreement in an amount not to exceed \$118,000 with Stryker EMS Equipment, Incorporated in the form of a 24-month 0% interest note to facilitate the immediate purchase and deployment of the Stryker Power Cot and Power Load System.

Adopted this 15th day of July 2013

Charles M. Haynes,
City Council President

ATTEST:

Judith A. Elson, Deputy City Clerk

CITY OF БЕЛОIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Resolution amending the 2013 Capital Improvements Budget for the Purchase of the Stryker Cot System; Authorizing the sole source purchase of this equipment and further authorizing the City Manager to enter into a Financing Agreement

Date: May 20, 2013

Presenter(s): Fire Chief Brad Liggett

Department(s):

FIRE

Overview/Background Information: The City of Beloit has scheduled the replacement of an ambulance in the 2013 Capital Improvements Budget. The replacement included the purchase of a bariatric cot and load system. In our evaluation of technology available to reduce musculoskeletal injuries as a result of repetitive lifting and movement of bariatric patients we are proposing the implementation of the Stryker Cot System in addition to the bariatric cot system. The Stryker Cot system will be used on every patient except for those over 750 pounds in which the bariatric system will be used. I encourage the council to review the attached white paper on injury prevention. We have submitted a CIP request for this system to be funded in 2014. We have the opportunity to put this system in service this year.. The city can save at least 5% on the purchase if we purchase the system this year.

Stryker Cot Systems is the sole source vendor for this technology.

Stryker Cot Systems is providing no interest financing for a period of 24 months. This will be refinanced in the 2014 Capital Improvements Budget Bond Issue and then be paid back by ambulance budget operating funds over a period of 10 years.

This resolution amends the Capital Improvements Budget, authorizes the Sole Source Vendor and authorizes the City Manager to enter into a financing agreement.

Key Issues (maximum of 5):

1. This program will have immediate impact on efficiency and injury prevention.
2. No cost financing is available for the current year purchase.
3. Funding for the down payment is available in the CIP project for the ambulance and in the Funding Assistance Program for Wisconsin Ambulance Service Programs.
4. This program will contribute to injury prevention for all patient lifting not just bariatric patients.
5. The purchase is timely in that the ambulance is under construction at this time and will save time and material cost of retrofitting a brand new ambulance. Our current ambulance fleet will have to be retrofitted. Each retrofit takes about 3 days.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.):

This resolution is consistent with the city council strategic initiatives.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- Reduce dependence upon fossil fuels - NA
- Reduce dependence on chemicals and other manufacturing substances that accumulate in nature - NA
- Reduce dependence on activities that harm life sustaining eco-systems - NA
- Meet the hierarchy of present and future human needs fairly and efficiently - NA

Action required/Recommendation: Approve resolution.

Fiscal Note/Budget Impact: There will be annual inspection maintenance of the system that is required by law and is already included in the ambulance budget for our current cot system.

FUNDING:

| | <u>2013 Adopted</u> | <u>2013 Amended</u> | <u>Difference</u> |
|------------------------|----------------------------|----------------------------|--------------------------|
| Revenue Source – | | | |
| P2912620-4900-2013 | | | |
| Other Financing Source | (\$200,000) | (\$317,216) | (\$117,216) |
| 74666400-436001-81021 | (\$0) | (\$ 12,188) | (\$ 12,188) |
| Expenditures – | | | |
| P2912620-5533-2013 | | | |
| Equipment | \$200,000 | \$317,216 | \$117,216 |
| 74666400-5533-81021 | \$0 | \$ 12,188 | \$ 12,188 |

Purchase Proposal for Stryker Power Cot and Power Load System

Looking to Reduce back Injuries in EMS

Deputy Chief Joseph Murray

11/26/2012

This document will discuss the overall problem of back injuries that fire department has had in 2012 that have resulted in a loss of work time as well as an increase in overtime within the fire department. A solution to this problem will be presented to help alleviate and lessen the impact of repeated lifting movements by EMS and Fire Personnel therefore lessening the chance of injury and the resulting impact to the Fire Department budget.

A survey conducted by the National Association of EMT's and McNeil Consumer and Specialty Pharmaceuticals reported that 4 in every 5 EMS workers have experienced some form of a back injury. The survey also showed that EMS workers are six times more likely to suffer a loss work time injury than the national average. Other statistical data that the study showed included;

- **Almost one in two (47%) have sustained back injury while performing EMS duties**
- **Back pain is the most common cause of disability in EMS personnel**
- **Back injuries such as sprains and strains account for approximately 50% of all line-of-duty injuries**
- **After injuring your back you are five times more likely to have a repeat episode.**

The cause of back injuries is not just due to an acute effect of lifting a patient but more so from a cumulative effect of repeatedly lifting multiple patients multiple times in a day. As an EMS worker lifts patients and equipment throughout the day the cumulative effect on the back will continue to weaken the muscles to the point where it will give out causing injury to the employee. A back injury can also be caused by an acute onset event such as a sudden shift in the patient's position or from an overweight patient where the EMS crew has limited help or room to properly lift the patient.

Lost time injuries are a significant problem for the Beloit Fire Department and we are always looking at ways to help reduce them. As of November 1st, 2012 the personnel of the Beloit Fire Department have suffered 18 (roughly 1 in 3 of department personnel) reported back injuries. Twelve (66%) of these injuries were due to lifting patients. Of those 12 injuries 9 (75%) of them

are related to lifting patients with the current style of ambulance cot. The table below illustrates the cost from just two employee lost time injuries that have occurred this year. The first employee's information was from 2012 and did not include the original lost time injury date in 2011. The table below does not include any payments for medical and surgical procedures that the employee may have needed. This table is just for personnel costs related to covering shifts for the employee as well as their lost productivity time.

| Emp. Initials | Total reg. Days off | 24 Hr OT Shifts | 12 Hr OT Shifts | Loss Productivity Wages Regular Hours | 24 Hr OT Shifts Cost To cover Employee 42.30/hr Avg | 12Hr OT Shifts Cost To cover Employee 42.30/hr Avg |
|---------------|---------------------|-----------------|-----------------|---------------------------------------|---|--|
| MD | 97 | 20 | 4 | \$51,789.00 | \$20,304.00 | \$2030.40 |
| JH | 16 | 8 | 1 | \$7707.84 | \$8121.60 | \$507.60 |
| TOTAL | 113 | 28 | 5 | \$59,496.84 | \$28,425.60 | \$2538.00 |

Total Cost for 2 Employees for Back Injuries: \$90,460.44

(This figure does not include a Workman's Comp Payout for one of the employees of \$27,000)

Even though back injuries to our personnel can never be eliminated completely they can be reduced drastically with an improvement in EMS equipment that we use. The majority of our injuries have mainly come from lifting patients mainly that are sitting or lying on our ambulance cots. To help assess a possible reduction of back injuries we have field tested the effectiveness of a power cot in one of our ambulances which is made by Stryker EMS Equipment. This is a motorized ambulance cot that actually does the lifting for our personnel so that even if our people are in the tight space of a hallway or elsewhere in a house they will not have to physically lift the patient who is on the cot.

Another significant piece of this injury preventing technology that goes with the Stryker Power Ambulance Cot is the Power Load system which is made by the same company. This piece of equipment will allow our ambulance crews to load patients in to the ambulance in a much safer manner not only for the ambulance crew but also for the patient using 1 or two personnel to load the patient.

This proposal also includes copies of a research paper on back injuries written for AMR Ambulance Company as well as a report from Superior Ambulance Company on the reduction of back injuries because of the purchase and use of the new power cots and Power Load systems.

We would like to propose that the fire department be allowed to use the lease payment options to purchase 4 of Stryker Power Load and Power Cot combinations. This is a better option for the department because the lease will allow us to replace these units every five years with brand new and updated systems. We would also have the option of purchasing this equipment at fair market value upon completion of the lease agreement is that is the decision of the department at that time. If the equipment is traded in after 5 years updated and improved equipment can be installed on the ambulances instead of keeping the older units.

The monthly payment schedule is as follows;

| | | | | | | | |
|--|--|--|--|-----------------------------|---------------------|--|--|
| | | | | Equipment Total: | \$136,928.00 | | |
| | | | | Service Total: | \$17,648.00 | | |

| Capital W- \$1 Buy Out | 24 Months | 36 Months | 48 Months | 60 Months |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Equipment Pmt | \$6,043.47 | \$4,145.79 | \$3,206.35 | \$2,649.75 |
| Service Pmt | \$778.91 | \$534.33 | \$413.25 | \$341.51 |
| TOTAL | \$6,822.38 | \$4,680.12 | \$3,619.60 | \$2,991.26 |

| FMV - Operating Lease | 24 Months | 36 Months | 48 Months | 60 Months |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Equipment Pmt | \$4,746.12 | \$3,516.21 | \$2,876.30 | \$2,512.51 |
| Service Pmt | \$778.91 | \$534.33 | \$413.25 | \$341.51 |
| TOTAL | \$5,525.03 | \$4,050.54 | \$3,289.55 | \$2,854.02 |

*these payments are monthly payments that include all 4 units

The ultimate goal of this project is to see a significant reduction in back injuries amongst all personnel within the department. After reading the reports and testimonials from other ambulance services that have purchased these systems we feel that the benefit outweighs the cost by a considerable margin. The prevention of any type of injury is desirable but the prevention of a back injury is even more so because of the high instance of not only repeat injury but also because of the high instance of career ending injuries amongst EMS personnel. The overall goal of this project is to have the units purchased and installed in 3 ambulances by the end of February 2013 and installation complete in the 4th ambulance upon delivery of that vehicle later in 2013.