



FINANCE COMMITTEE MEETING AGENDA

MONDAY, APRIL 22, 2024 AT 5:30 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

By Phone or GoToMeeting: Members of the media and the public may attend by calling: +1 (571) 317-3122 **Access Code:** 153-925-469 or <https://www.gotomeet.me/EMcFarland>
All public participants' phones will be muted during the meeting except during the public comment period.

1. CALL TO ORDER

2. REVIEW AND APPROVE MINUTES

A. Finance Committee minutes from April 8, 2024

3. BUSINESS

A. Note: Finance Committee meeting scheduled for May 27 is cancelled due to Memorial Day

B. Review and discuss: update on the Memorandum of Understanding between the City of Watertown and Local 877 of the International Association of Fire Fighters, AFL-CIO-CLC to correct an error in the current 2024-2025 Agreement

C. Review and take action: Senior & Community Center generator quotes

D. Review and take possible action: Purchasing Policy Revision

E. Presentation from Vandewalle & Associates and the Greater Watertown Community Health Foundation

F. Convene into closed session per § 19.85(e) for deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session (review financial term sheets for Southwest Neighborhood development)

G. Reconvene into open session

H. Review and take possible action: presented financial term sheets for Southwest Neighborhood development

4. ADJOURNMENT

Persons requiring other reasonable accommodations for any of the above meetings, may contact the office of the City Clerk at mdunneisen@watertownwi.gov, phone 920-262-4006

A quorum of any City of Watertown Council, Committee, Board, Commission, or other body, may be present at this meeting for observing and gathering of information only



FINANCE COMMITTEE MEETING MINUTES

MONDAY, APRIL 08, 2024, AT 5:30 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

Finance Committee members present: Mayor McFarland, Alderpersons Bartz, Davis, Lampe, and Moldenhauer (video)

Others present: Finance Director Stevens, Public Works Director Beyer, Acting Fire Chief Fox

1. Call to order. Mayor McFarland called the meeting to order at 5:31 p.m.
2. Ald. Lampe moved to **approve the minutes from the March 25 and 28 meetings**, seconded by Ald. Davis, and unanimously approved.
3. The WisDOT is planning to resurface 8.2 miles of STH 16 in 2026 from east of Watertown to CTH L in Watertown and will be **constructing a roundabout at the intersection of STH 16 and E. Main St** because of a high number of crashes taking place over a five-year review period caused by a failure to yield or stop. Some existing water utility facilities will need to be relocated, and the Wastewater Utility is proposing that casing piping be installed to allow for future sewer extensions. The proposed water and sanitary sewer improvement costs, the responsibility of the City, is estimated at \$192,500. Ald. Davis moved, seconded by Ald. Bartz, to recommend an approval of the **State Municipal Financial Agreement** to Common Council. Unanimously approved.
4. Ald. Davis has asked for a **review of the 2024 iteration of the purchasing policy** that was approved by Common Council, having not understood the full impact of the change until 2024 transactions have now taken place. Her concern is that the final steps of approval of a purchase are with Public Works Commission or Finance Committee. The recrafted approach places the preliminary approval of the budget with the full council and then expects the most critical interactions to be accomplished at a committee level. Discussion ensued with pro's and con's provided to the policy language. Mr. Stevens has an upcoming finance directors forum sponsored by the League of WI Municipalities where he will seek comment from others as to their dollar thresholds for approval levels and approaches in handling contract approvals at the council level.
5. The Finance Committee had asked for a **periodic update of insurance claims**. Mr. Stevens provided the report through March 2024.
6. **Finance Committee adjournment**. Ald. Moldenhauer moved, seconded by Ald. Bartz, to adjourn the Finance Committee at 6:16 p.m., and carried by unanimous voice vote.

Respectfully submitted,

Mark Stevens, Finance Director

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF WATERTOWN AND
LOCAL 877 OF THE INTERNATIONAL
ASSOCIATION OF FIRE FIGHTERS, AFL-CIO-CLC**

The City of Watertown (hereinafter "City") and Local 877 of the International Association of Fire Fighters, AFL-CIO-CLC (hereinafter "Union") hereby agree that an error was included in the current 2024-2025 Agreement between the parties in that while the parties agreed wage increases would occur on January 1, 2024, July 1, 2024, January 1, 2025 and December 31, 2025 the Appendix "A" attached to the Agreement provided for the second wage increase to occur on June 1, 2024 instead of July 1, 2024. This Memorandum of Understanding corrects the error.

Appendix "A" of the Agreement is hereby amended to read as provided on Appendix "A" attached hereto and incorporated by reference.

In witness thereof, this Memorandum of Understanding is effective as of the last date signed.

Signed this 4 day of ~~March~~ ^{April} 2024.


**LOCAL 877, INTERNATIONAL
ASSOCIATION OF FIRE FIGHTERS
AFL-CIO-CLC**



Greg Wellach
President L877

Signed this 8 day of ~~March~~ ^{April} 2024.

CITY OF WATERTOWN



Emily McFarland
Mayor

APPENDIX "A"

CITY OF WATERTOWN
AND
LOCAL 877 OF THE INTERNATIONAL ASSOCIATION
OF FIREFIGHTERS AFL-CIO-CLC

FIREFIGHTER WAGE RATES

Firefighter/EMT-B Effective January 1, 2024					
	Yearly Salary		56-Hour Rate		40-Hour Rate
FF Starting	\$ 53,695.95	\$	18.44	\$	25.82
Year 1	\$ 55,844.25	\$	19.18	\$	26.85
Year 2	\$ 58,077.60	\$	19.94	\$	27.92
Year 3	\$ 60,979.80	\$	20.94	\$	29.32
Year 4	\$ 68,818.05	\$	23.63	\$	33.09
Year 6	\$ 69,850.20	\$	23.99	\$	33.58
Year 8	\$ 73,725.75	\$	25.32	\$	35.45
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LT. Starting	\$ 74,839.63	\$	25.70	\$	35.98
Year 1	\$ 75,962.09	\$	26.09	\$	36.52
Year 3	\$ 80,176.75	\$	27.53	\$	38.55

Firefighter/EMT-B Effective July 1, 2024					
	Yearly Salary		56-Hour Rate		40-Hour Rate
FF Starting	\$ 56,880.75	\$	19.53	\$	27.35
Year 1	\$ 59,136.46	\$	20.31	\$	28.43
Year 2	\$ 61,481.48	\$	21.11	\$	29.56
Year 3	\$ 64,528.79	\$	22.16	\$	31.02
Year 4	\$ 72,758.95	\$	24.99	\$	34.98
Year 6	\$ 73,842.71	\$	25.36	\$	35.50
Year 8	\$ 77,912.04	\$	26.76	\$	37.46
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LT. Starting	\$ 79,081.61	\$	27.16	\$	38.02
Year 1	\$ 80,260.20	\$	27.56	\$	38.59
Year 3	\$ 84,685.59	\$	29.08	\$	40.71

Firefighter/EMT-B Effective January 1, 2025					
	Yearly Salary		56-Hour Rate		40-Hour Rate
FF Starting	\$ 59,724.78	\$	20.51	\$	28.71
Year 1	\$ 62,093.29	\$	21.32	\$	29.85
Year 2	\$ 64,555.55	\$	22.17	\$	31.04
Year 3	\$ 67,755.23	\$	23.27	\$	32.57
Year 4	\$ 76,396.90	\$	26.24	\$	36.73
Year 6	\$ 77,534.85	\$	26.63	\$	37.28
Year 8	\$ 81,807.64	\$	28.09	\$	39.33
LT. Starting					
LT. Starting	\$ 83,035.69	\$	28.52	\$	39.92
Year 1	\$ 84,273.21	\$	28.94	\$	40.52
Year 3	\$ 88,919.87	\$	30.54	\$	42.75

Firefighter/EMT-B Effective December 31, 2025					
	Yearly Salary		56-Hour Rate		40-Hour Rate
FF Starting	\$ 59,724.78	\$	20.51	\$	28.71
Year 1	\$ 62,093.29	\$	21.32	\$	29.85
Year 2	\$ 64,555.55	\$	22.17	\$	31.04
Year 3	\$ 67,755.23	\$	23.27	\$	32.57
Year 4	\$ 76,396.90	\$	26.24	\$	36.73
Year 6	\$ 77,534.85	\$	26.63	\$	37.28
Year 7	\$ 81,807.64	\$	28.09	\$	39.33
LT. Starting					
LT. Starting	\$ 83,035.69	\$	28.52	\$	39.92
Year 1	\$ 84,273.21	\$	28.94	\$	40.52
Year 3	\$ 88,919.87	\$	30.54	\$	42.75

Firefighter/Paramedic Effective January 1, 2024					
	Yearly Salary		56-Hour Rate		40-Hour Rate
FF Starting	\$ 56,112.00	\$	19.27	\$	26.98
Year 1	\$ 58,356.90	\$	20.04	\$	28.06
Year 2	\$ 60,691.05	\$	20.84	\$	29.18
Year 3	\$ 63,723.45	\$	21.88	\$	30.64
Year 4	\$ 71,914.50	\$	24.70	\$	34.57
Year 6	\$ 72,993.90	\$	25.07	\$	35.09
Year 8	\$ 77,043.75	\$	26.46	\$	37.04
LT. Starting					
LT. Starting	\$ 78,207.59	\$	26.86	\$	37.60
Year 1	\$ 79,380.55	\$	27.26	\$	38.16
Year 3	\$ 83,784.91	\$	28.77	\$	40.28

Firefighter/Paramedic Effective July 1, 2024					
	Yearly Salary	56-Hour Rate	40-Hour Rate		
FF Starting	\$ 59,417.60	\$ 20.40	\$ 28.57		
Year 1	\$ 61,774.75	\$ 21.21	\$ 29.70		
Year 2	\$ 64,225.60	\$ 22.06	\$ 30.88		
Year 3	\$ 67,409.62	\$ 23.15	\$ 32.41		
Year 4	\$ 76,010.23	\$ 26.10	\$ 36.54		
Year 6	\$ 77,143.60	\$ 26.49	\$ 37.09		
Year 8	\$ 81,395.94	\$ 27.95	\$ 39.13		
LT. Starting					
LT. Starting	\$ 82,617.79	\$ 28.37	\$ 39.72		
Year 1	\$ 83,849.41	\$ 28.79	\$ 40.31		
Year 3	\$ 88,473.94	\$ 30.38	\$ 42.54		

Firefighter/Paramedic Effective January 1, 2025					
	Yearly Salary	56-Hour Rate	40-Hour Rate		
FF Starting	\$ 62,388.48	\$ 21.42	\$ 29.99		
Year 1	\$ 64,863.48	\$ 22.27	\$ 31.18		
Year 2	\$ 67,436.88	\$ 23.16	\$ 32.42		
Year 3	\$ 70,780.10	\$ 24.31	\$ 34.03		
Year 4	\$ 79,810.74	\$ 27.41	\$ 38.37		
Year 6	\$ 81,000.77	\$ 27.82	\$ 38.94		
Year 8	\$ 85,465.73	\$ 29.35	\$ 41.09		
LT. Starting					
LT. Starting	\$ 86,748.87	\$ 29.79	\$ 41.71		
Year 1	\$ 88,042.06	\$ 30.23	\$ 42.33		
Year 3	\$ 92,897.86	\$ 31.90	\$ 44.66		

Firefighter/Paramedic Effective December 31, 2025					
	Yearly Salary	56-Hour Rate	40-Hour Rate		
FF Starting	\$ 62,388.48	\$ 21.42	\$ 29.99		
Year 1	\$ 64,863.48	\$ 22.27	\$ 31.18		
Year 2	\$ 67,436.88	\$ 23.16	\$ 32.42		
Year 3	\$ 70,780.10	\$ 24.31	\$ 34.03		
Year 4	\$ 79,810.74	\$ 27.41	\$ 38.37		
Year 6	\$ 81,000.77	\$ 27.82	\$ 38.94		
Year 7	\$ 85,465.73	\$ 29.35	\$ 41.09		
LT. Starting					
LT. Starting	\$ 86,748.87	\$ 29.79	\$ 41.71		
Year 1	\$ 88,042.06	\$ 30.23	\$ 42.33		
Year 3	\$ 92,897.86	\$ 31.90	\$ 44.66		



THE CITY OF
WATERTOWN

MEMO

TO: Parks, Recreation, and Forestry Commission
FROM: Kristine Butteris, Director of Parks, Recreation, & Forestry
DATE: April 15, 2024
RE: Generator Bids

Commission Members,

We received two bids for an emergency generator for the Senior Center. Attached are those bids. I am asking for a recommendation to move forward with United Electric as their bid came in lower than Generac.



1897 Broadway Rd
(608)253-3371

715 Morgan street PO 247
(920)696-3580

08-16-2023

Watertown Senior Center
514 S. 1st street
Watertown, WI 53094

Estimator: Chris Lawton
Project: Automatic standby generator
SIZE: 150KW 600amp

Provided is an estimate to supply, install, and test a Generac Liquid cooled generator for the above listed location. After Killo watt review and a site visit United Electric proposes to install a 150KW generator. The 150KW generator presented is large enough to handle the existing load. United Electric understands the purpose of this installation is to provide the city of Watertown with an emergency place of assembly in the event such a building is needed. With the potential need for such an event the 150KW generator gives the city not only ample power for their day-to-day function but also enough capacity to handle additional power needs without overloading the generator. Included you will find a line item for the gas installation. Richter heating and cooling was contacted to provide a gas installation cot. The gas installation cost is included within this proposal and the proposed estimate is 100% complete with no tax included.

United Electric is a Generac Elite Dealer and provides over 22 years of experience installing and maintaining Generac generators. We have ben a trusted installer on Liquid cooled generators with multiple municipalities:

Randoph wastewater
City of Wisconsin Dells

Village of Reeseville
Ho-chunk Nation

City of Baraboo
Village of Fall River

Generator, parts, and listed accessories included :

- 150KW Generac RG15090GNAC
- 600 amp 120/208v 3phase automatic transfer switch
- 1 Exide Battery
- Battery heater kit for cold weather
- Extreme cold weather block heater kit
- Mobil link remote 5G monitoring accessory (annual subscription required for activation \$69.99/year)
- 12" reinforced concrete pad
- Electrical Permit
- Electrician & Generac Generator tech
- Gas Installation
- All associated materials needed
- Testing and owner training

Warranty standard 5-year limited warranty. Options for additional purchase are available. Extended warranties available:

5-year extended warranty	\$788,10
7-year extended warranty	\$1486.60
10-year extended warranty	\$2115.85

The current lead time on the proposed 150KW Generac generator part # RG15090GNAC is 34-38 weeks. United Electric quotes lead time on current manufacturer information. United Electric is not responsible for shipping delays. The proposed transfer switch shows a 22–26-week lead time.

Day of installation the Senior center would be without power for approximately 6-8 hours.

Thank you for the opportunity to quote this project. Please review all given information and contact me directly if you have any further questions. I look forward to providing the City of Watertown with this complete installation and continuing a transparent relationship with our local municipalities.

Total estimated Cost: \$77,743.00

Chris Lawton
(608)963-2630
chris@unitedelectricwi.com



Dale Tietz Watertown Senior Center Proposal

Prepared on: 08/18/2023

Prepared by: Mike Foerster

foerstermike@gmail.com

Dale Tietz Watertown Senior Center

514 S 1st St

Watertown, WI 53094

Phone: (920) 723-1494

dteitz@watertown.wi.gov

HOME BACKUP SYSTEMS INC.

615 Madison Ave

Fort Atkinson, WI 53538

(866) 981-8585

homebackupsystem@gmail.com

QTY Generac items

1 Protector 150kW Standby Generator - Natural Gas

QTY Installations

1 Installation of Generac LC Generator

Installation of Generac general LC switch to include:

- *Permit and utility coordination if needed
- *Site prep
- *Delivery and placement of unit
- *2 Piece Concrete generator pad
- *Battery
- *Cold Weather Kit
- *Choice of Wireless Remote Monitor or Mobile Link Monitor(3 year subscription)
- *5 Year Extended Warranty
- *Full Gas hookup
- *Full electrical hook up of transfer switch
- *Product registration, activation and initial start up
- *21 Point systems check
- *Owner orientation on operation and maintenance
- ****Cost of permit not included
- **Disclosure form is made part of this contract

Sub-Total: \$118,218.00

Discount: \$0.00

No Charge: \$0.00

Sales Tax: \$0.00

Total: \$118,218.00

Down Payment: \$0.00

Balance Due: \$118,218.00

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Generac is the #1 standby generator on the market today. HOME BACKUP SYSTEMS INC. is a factory-authorized and certified dealer, trained in the proper application, installation, and service of all Generac automatic standby generators, assuring you the highest quality service and support for your generator.

Thank you for the opportunity to offer a Generac automatic standby generator to protect your home and family during a power outage. We will contact you to answer any additional questions and finalize the details of the installation of your automatic standby generator. Please feel free to contact us at (866) 981-8585 at any time.

All quotes are valid for 30 days.

Sincerely,

Mike Foerster

I accept this proposal and wish to proceed with the purchase and installation of my Generac automatic standby generator. Depending on the payment method, purchase is subject to additional terms & conditions, including credit approval.

Customer Name/Signature

Date

Dealer Name/Signature

Date

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of signing this proposal. See the attached notice of cancellation form for an explanation of this right.

Additional Notes

Price includes 600 amp transfer switch
Full installation with start up



615 Madison Ave Fort Atkinson, WI 53538 ● 866-981-8585
homebacksystem@gmail.com ● www.hbsgen.com

Home Backup Systems, LLC Disclosure Statements

- All contracts must be signed and sent into our office with a **\$1200 non-refundable down payment** for your installation to be scheduled, unless you are financing your project.
- The initial start date of the contract is the signed acceptance date.
- **Your power will be out for around 4 hours during the generator installation.**
- Generator Installation is guaranteed within 6 months of start date, pending generator availability & weather conditions.
- Home Backup Systems recommends all home standby generator owners have carbon monoxide detectors in their homes.
- Permit costs are not included in proposals and will be added onto the final invoice.
- Gas meter upgrades and propane/LP installations may have a separate charge depending on the provider. (We will contact the provider for details)
- In the event of an emergency, please call the number provided and be sure to leave a message if no one answers. We do have someone checking voicemail and we will return your call.
- We recommend maintaining your generator once a year. If you choose to do the maintenance yourself, please keep written records for warranty purposes.
- If Home Backup Systems provides a maintenance plan on your generator, it will be scheduled and performed within a three-month window of the installation anniversary date.
- In the event you are part of a Home Owners Association (HOA) it is your responsibility to obtain any and all approvals prior to installation.
- Home Backup Systems LLC is not responsible for any private electric lines, sprinkler systems, dog wires, or anything buried in the yard that may get damaged due to installation of generator.
- In the event that a building inspector, utility company, or local municipality requires a change on anything at your home due to an existing problem or violation, Home Backup Systems LLC is not responsible for the corrections. A price will be quoted at the time of installation if needed. This may include, but is not limited to, ground issues, panel/breaker/meter base issues, obstacles impeding meters, etc.
- In the event we need to remove drywall for a generator installation, we will not be responsible for repairs.
- At the end of the installation, the install crew will go through which circuits are on your generator. If we have to come back to your home at a later date to add or remove circuits that are on your generator, there will be a service call fee.
- In the event that you are unable to keep your generator installation appointment, we require at least 2 business days notice. If you cancel within the 2 business days, there will be a rescheduling fee.

Notice of Cancellation

Date of Purchase: _____

You may CANCEL this transaction, without any Penalty or Obligation, within THREE BUSINESS DAYS from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when you received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this Cancellation Notice or any other written notice, or send a telegram, to HOME BACKUP SYSTEMS INC., at 615 MADISON AVE , FORT ATKINSON, WI, 53538 NOT LATER THAN MIDNIGHT OF

I HEREBY CANCEL THIS TRANSACTION.

(Date)

(Signature)

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Wisconsin "Right to Cure Law"

The "Right to Cure Law" provides the steps and timetables to be followed in resolving any claims of dwelling construction defects by consumers against contractor s or suppliers. Claims must be pursued through the "Right to Cure Law" process before arbitration or before legal action.

The 2005 Wisconsin Act 201, the "Right to Cure Law," says that consumers at the time of contracting for construction or remodeling work for dwellings must be provided with this brochure describing requirements for making any future claims of construction defects.

People who feel they have a claim concerning defective workmanship or materials need to provide written notice to contractors or suppliers before any legal action may be filed. The contractors and suppliers have the opportunity and the responsibility to respond to claims.

Construction defects can involve workmanship, materials, or code requirements in new construction or remodeling, but not maintenance or repairs. Claims may be made by owners, tenants, or property associations.

This document highlights some of the provisions of the "Right to Cure Law", and is not a complete description of the law, and is not a substitute for legal representation.

Notice Concerning Construction Defects

Wisconsin law contains important requirements You must follow before You may file a lawsuit for defective construction against the contractor who constructed Your dwelling or completed Your remodeling project or against a window or door supplier or manufacturer. Section 895.07 (2) and (3) of the Wisconsin statutes requires You to deliver to the contractor a written notice of any construction conditions You allege are defective before You file Your lawsuit, and You must provide Your contractor or window or door supplier the opportunity to make an offer to repair or remedy the alleged construction defects. You are not obligated to accept any offer made by the contractor or window or door supplier. All parties are bound by applicable warranty provisions.

More Highlights

- Claimants may accept settlement offers, accept them in part, or reject offers, doing so via detailed written notice.
- The law does not apply where there is no contract to construct, as in the case of purchasing an existing home.
- Contractors and suppliers have the right to inspect and, as appropriate, test alleged defects.
- Access must be provided in a timely fashion for inspections, tests, and repairs.
- Additional claims made or discovered after an original claim, are treated as separate in terms of time and process.
- There is a different timetable and process for the claims and responses if a contractor seeks contribution from a supplier.
- Failure by the claimant, contractor, or supplier to follow the "Right to Cure Law" can result in delay or dismissal of legal or arbitration actions.

The Department Safety and Professional Services prepared this brochure, but does not investigate, arbitrate, or judge consumer-contractor/supplier disputes. Those disputes are solved through the "Right to Cure Law" process, by the state's court system, and, for alterations and additions, the Home Improvement Practices Code, ATCP 110, of the state Department of Agriculture, Trade, and Consumer Protection.

The Department Safety and Professional Services does not discriminate on the basis of sex, race, religion, age, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability. Reasonable accommodation, including the provision of informational material in an alternative format, will be provided for qualified individuals with disabilities upon request. Contact the Industry Services Division at 608-266-2112, or TTY 800-947-3529.

Chronology of the step-by-step claim and response interaction between consumers and contractors/suppliers

Step One Notice of Claim- At least 90 working days before commencing an action against a contractor or window or door supplier or manufacturer, a claimant must deliver a written notice of the alleged defect to the contractor.

Step Two: Contractor's Response- The contractor will have 15 working days (or 25 working days if it involves a defect involving a window or door supplier) to provide the claimant with a written: (1) offer to repair or remedy the defect; (2) offer to settle the claim with a monetary payment; (3) offer of a combination of (1) and (2); (4) statement that the contractor rejects the claim and the reasons for rejecting the claim; or (5) proposal to inspect the alleged defect or perform any necessary testing.

Step Three: Claimant's Response- If the contractor rejects the claim, the claimant may proceed to commence an action against the contractor. The claimant must serve written notice on the contractor within 15 working days if he or she either accepts any offer or rejects an offer. Note that if the claimant has a claim against a window or door supplier or manufacturer, the claimant should contact the supplier to ensure that the supplier received a notice of the claim from the contractor.

Step Four: Contractor's Supplemental Response- If the claimant rejects the offer, the contractor has five working days to provide a written supplemental offer or a notice that no additional offer will be made.

Step Five: Claimant's Response- If the contractor has provided the claimant written notice that no additional offer will be made, the claimant may commence a lawsuit or other action against the contractor. If the claimant has received a supplemental offer from the contractor, the claimant must respond within 15 working days.

Rev. 9/14



615 Madison Ave Fort Atkinson, WI 53538 ● 866-981-8585
homebacksystem@gmail.com ● www.hbsgen.com

Generator Annual Maintenance Contract

Regular maintenance is an investment that will help to ensure your generator will run properly when you need it most. Home Backup Systems is pleased to provide different options to make sure your generator is in top condition when your power goes out. Below, you will find what is included with every maintenance and the different options you are able to choose from. If you do not want to sign up for a contract, and only want to schedule maintenance on your own terms, you do not need to fill out any information on this document.

To sign up for one of the maintenance contracts listed below, place a check mark next to the contract of your choice, then fill out the information on the bottom of the second page.

One Time Annual Maintenance

Air Cooled: \$250 **Liquid Cooled:** \$400

Customer calls in to schedule maintenance whenever they would like us to come to their home. All maintenance items are completed at the time of the appointment.

Included with all Maintenance Appointments

- Replace engine oil filter(s)
- Change engine oil
- Inspect, clean or replace air filter(s) as needed.
- Check valves (Adjustment of valves not included)
- Replace fuel filter(s) or clean fuel strainer(s) as required
- Inspect and clean cooling fans
- Inspect all belts and hoses
- Inspect, test and service batteries, cables and terminals
- Check and adjust charging system
- Check starter and starting system
- Replace spark plugs as required
- Inspect, clean, adjust and lubricate the generator as required
- Inspect, clean, test and adjust the transfer switch
- Test the exercise system and reset to owner's schedule
- Start and run system
- Transfer load to system (with customer authorization)



615 Madison Ave Fort Atkinson, WI 53538 ● 866-981-8585
homebacksystem@gmail.com ● www.homebacksystem.biz

Three Year Annual Maintenance Contract

Air Cooled: \$600 **Liquid Cooled:** \$900

We will automatically call you to set up each annual maintenance appointment. This annual maintenance is at a cost of \$200 per year, for a total of \$600. All maintenance items are completed at the time of the appointment. If you sign up for this contract, you are able to pay for this maintenance contract in full for the three years, or annually at \$200 per year. Price is \$250 without the maintenance contract.

Five Year Annual Maintenance Contract

Air Cooled: \$1000, including a free Battery **Liquid Cooled:** \$1500, including a free Battery
We will automatically call you to set up each annual maintenance appointment. This annual maintenance is at a cost of \$200 per year, for a total of \$1000, and includes one free battery over the course of the five years. All maintenance items are completed at the time of the appointment. This maintenance contract must be paid in full at the time of signing up for the maintenance contract. Price is \$250 without the maintenance contract.

By signing below, the customer is agreeing to have Home Backup Systems maintain their standby generator, per the terms and conditions of the Maintenance Contract selected above. Home Backup Systems will contact the customer to schedule the maintenance contract. Non-warranty repairs or any other work beyond the preventative maintenance agreement, will be billed at \$20/15 minutes.

Customer Name _____

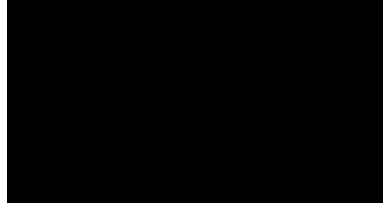
Phone Number _____

Email Address _____

Generator Site Address _____

Generator Model # _____ **Generator Serial #** _____

Customer Signature _____



Protector® Series



PROTECTOR® SERIES Standby Generators Liquid-Cooled Gaseous Engine

INCLUDES:

- Two-Line LCD Multilingual Digital Evolution™ Controller (English/Spanish/French/Portuguese)
- Isochronous Electronic Governor
- Sound Attenuated Enclosure
- Closed Coolant Recovery System
- Smart Battery Charger
- UV/Ozone Resistant Hoses
- Voltage and Frequency Regulation Designed for Sensitive Electronics
- 5 Year Limited Warranty
- UL 2200 Listed

Standby Power Rating
 Model RG10090 (Aluminum - Bisque) - 100 kW 60 Hz
 Model RG13090 (Aluminum - Bisque) - 130 kW 60 Hz
 Model RG15090 (Aluminum - Bisque) - 150 kW 60 Hz



Meets EPA Emission Regulations
CA / MA Emission Compliant

FEATURES

- **INNOVATIVE DESIGN & PROTOTYPE TESTING** are key components of GENERAC'S success in "IMPROVING POWER BY DESIGN." But it doesn't stop there. Total commitment to component testing, reliability testing, environmental testing, destruction and life testing, plus testing to applicable CSA, NEMA, EGSA, and other standards, allows you to choose GENERAC POWER SYSTEMS with the confidence that these systems will provide superior performance.
- **TEST CRITERIA:**
 - ✓ **PROTOTYPE TESTED** ✓ **NEMA MG1-22 EVALUATION**
 - ✓ **SYSTEM TORSIONAL TESTED** ✓ **MOTOR STARTING ABILITY**
- **MOBILE LINK® CONNECTIVITY:** Free with select Protector Series standby generator sets, Mobile Link Wi-Fi allows users to monitor the generator set status from anywhere in the world using a smartphone, tablet, or PC. Easily access information such as the current operating status and maintenance alerts. Users can connect an account to an authorized service dealer for fast, friendly, and proactive service. With Mobile Link, users are taken care of before the next power outage.
- **SOLID-STATE, FREQUENCY COMPENSATED VOLTAGE REGULATION.** This state-of-the-art power maximizing regulation system is standard on all Generac models. It provides optimized FAST RESPONSE to changing load conditions and MAXIMUM MOTOR STARTING CAPABILITY by electronically torque-matching the surge loads to the engine.
- **SINGLE SOURCE SERVICE RESPONSE** from Generac's extensive dealer network provides parts and service know-how for the entire unit, from the engine to the smallest electronic component.
- **GENERAC TRANSFER SWITCHES.** Long life and reliability are synonymous with GENERAC POWER SYSTEMS. One reason for this confidence is the GENERAC product line is offered with its own transfer systems and controls for total system compatibility.

100 / 130 / 150 kW

application & engineering data

GENERATOR SPECIFICATIONS

	100 kW	130 / 150 kW
Type	Synchronous	Synchronous
Rotor Insulation Class	H	H
Stator Insulation Class	H	H
Telephone Interference Factor (TIF)	<50	<50
Alternator Output Leads 1-Phase	4 wire	4 wire
Alternator Output Leads 3-Phase	12 wire	12 wire
Bearings	Sealed Ball	Sealed Ball
Coupling	Flexible Disc	Flexible Disc
Excitation System	Synchronous Brushless	Synchronous Brushless
Total Harmonic Distortion	<5%	<5%

VOLTAGE REGULATION

Type	Full Digital
Sensing	All
Regulation	Designed for Sensitive Electronics

GOVERNOR SPECIFICATIONS

Type	Electronic
Frequency Regulation	Isochronous
Steady State Regulation	Designed for Sensitive Electronics

ELECTRICAL SYSTEM

Battery Charger Alternator	40 Amp
Static Battery Charger	2.5 Amp
Recommended Battery (battery included)	Group 31, 925 CCA
System Voltage	12 Volts

GENERATOR FEATURES

Revolving field heavy duty generator Directly connected to the engine Operating temperature rise 135° C above 25° C ambient Class H insulation is NEMA rated All models fully prototyped tested

ENCLOSURE FEATURES

Aluminum weather protective enclosure	Ensures protection against mother nature. Electrostatically applied textured epoxy paint for added durability.
Enclosed critical grade muffler	Quiet, critical grade muffler is mounted inside the unit to prevent injuries.
Small, compact, attractive	Makes for an easy, eye appealing installation.
SAE	Sound attenuated enclosure ensures quiet operation.

(All ratings in accordance with BS5514, ISO3046, ISO8528, SAE J1349 and DIN6271)

ENGINE SPECIFICATIONS

	100 kW	130 / 150 kW
Make	Generac	Generac
Type	V	V
Cylinders	8	8
Displacement - In ³ (L)	540 (8.86)	540 (8.86)
Bore (in / mm)	4.5 / 114.3	4.5 / 114.3
Stroke (in / mm)	4.25 / 107.95	4.25 / 107.95
Compression Ratio	9.9:1	9.1:1
Intake Air System	Naturally Aspirated	Turbocharged and Aftercooled
Lifter Type	Hydraulic Roller	Hydraulic Roller

ENGINE LUBRICATION SYSTEM

Oil Pump Type	Gear
Oil Filter Type	Full Flow Spin-On Cartridge
Crankcase Capacity (qt / L)	10.5 / 9.9

ENGINE COOLING SYSTEM

Type	Pressurized Closed
Water Pump	Belt-Driven
Fan Speed (rpm)	2,330
Fan Diameter (in / cm)	22 (55.9)
Fan Mode	Pusher

FUEL SYSTEM

Fuel Type	Natural Gas, Propane Vapor
Carburetor	Down Draft
Secondary Fuel Regulator	Standard
Fuel Shut Off Solenoid	Standard
LP Fuel Pressure	11 - 14 in Water Column (100kW) 7 - 11 in Water Column (130 kW and 150 kW)
NG Fuel Pressure	11 - 14 in Water Column (100 kW) 7 - 11 in Water Column (130 kW and 150 kW)

100 / 130 / 150 kW

operating data

GENERATOR OUTPUT VOLTAGE/kW - 60 Hz

		kW LPG	Amp LPG	kW Nat. Gas	Amp Nat. Gas	CB Size (Both)
RG10090	120/240 V, 1Ø, 1.0 pf	96	400	96	400	400
	120/208 V, 3Ø, 0.8 pf	100	347	96	333	400
	120/240 V, 3Ø, 0.8 pf	100	300	96	288	350
	277/480 V, 3Ø, 0.8 pf	100	150	96	144	175
RG13090	120/240 V, 1Ø, 1.0 pf	130	542	130	542	600
	120/208 V, 3Ø, 0.8 pf	130	451	130	451	500
	120/240 V, 3Ø, 0.8 pf	130	391	130	391	400
	277/480 V, 3Ø, 0.8 pf	130	195	130	195	225
RG15090	120/240 V, 1Ø, 1.0 pf	134	558	144	600	700
	120/208 V, 3Ø, 0.8 pf	140	486	150	520	600
	120/240 V, 3Ø, 0.8 pf	140	421	150	451	500
	277/480 V, 3Ø, 0.8 pf	140	210	150	226	250

Protector® Series
3 of 11

SURGE CAPACITY IN AMPS

		Voltage Dip 30%
RG10090	120 / 240 V, 1Ø	854
	120 / 208 V, 3Ø	430
	120 / 240 V, 3Ø	372
	277 / 480 V, 3Ø	244
RG13090	120 / 240 V, 1Ø	854
	120 / 208 V, 3Ø	816
	120 / 240 V, 3Ø	707
	277 / 480 V, 3Ø	351
RG15090	120 / 240 V, 1Ø	617
	120 / 208 V, 3Ø	619
	120 / 240 V, 3Ø	536
	277 / 480 V, 3Ø	351

ENGINE FUEL CONSUMPTION

		Natural Gas		Propane	
		(ft ³ / hr)	(m ³ / hr)	(ft ³ / hr)	(m ³ / hr)
RG10090	25% of rated load	406	11.5	20	0.56
	50% of rated load	655	18.5	294	8.3
	75% of rated load	896	25.4	425	12.0
	100% of rated load	1,128	31.9	528	15.0
RG13090	25% of rated load	635	18	270	7.6
	50% of rated load	1,005	28.4	390	11.0
	75% of rated load	1,401	39.7	516	14.6
	100% of rated load	1,797	50.9	642	18.2
RG15090	25% of rated load	668	18.9	280	7.9
	50% of rated load	1,127	31.9	430	12.2
	75% of rated load	1,583	44.8	573	16.2
	100% of rated load	2,042	57.8	720	20.4

Note: **Fuel pipe must be sized for full load.**

For Btu content, multiply ft³ / hr x 2,520 (LP) or ft³ / hr x 1,000 (NG).

For megajoule content, multiply m³ / hr x 93.15 (LP) or m³ / hr x 37.26 (NG).

Refer to "Emissions Data Sheets" for maximum fuel flow for EPA and SCAQMD permitting purposes.

STANDBY RATING: Standby ratings apply to installations served by a reliable utility source. The standby rating is applicable to varying loads for the duration of a power outage. There is no overload capability for this rating. Ratings are in accordance with ISO-3046-1. Design and specifications are subject to change without notice.

100 / 130 / 150 kW

operating data

ENGINE COOLING

	100 kW	130 kW	150 kW
Air Flow (Fan Air Flow Across Radiator) - Open Set scfm (m ³ / min)	6,589 (186)	5,415 (153.3)	5,598 (158.5)
System Coolant Capacity (gal / liters)	5.5 (20.8)	6.3 (24.0)	6.3 (24.0)
Heat Rejection to Coolant (BTU per hr / MJ per hr)	Contact Factory	Contact Factory	Contact Factory
Maximum Operation Air Temperature on Radiator (°F / °C)	Contact Factory	Contact Factory	Contact Factory
Maximum Ambient Temperature (°F / °C)	122 (50)	122 (50)	122 (50)

COMBUSTION REQUIREMENTS

Flow at Rated Power scfm (m ³ /min)	230 (6.5)	371 (10.5)	343 (9.7)
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SOUND EMISSIONS

Sound Output in dB(A) at 23 ft (7 m) With Generator*	71 db	75 db	80 db
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*In normal operation

EXHAUST

Exhaust Flow at Rated Output scfm (m ³ /min)	771 (21.8)	1,198 (34.0)	1,206 (34.1)
Exhaust Temperature (Rated Output) °F (°C)	1,350 (732)	1,285 (696)	1,440 (782)

ENGINE PARAMETERS

Rated Engine Speed (RPM)	1,800	1,800	1,800
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POWER ADJUSTMENT FOR AMBIENT CONDITIONS

Temperature Deration RG10090 / RG13090 on NG & LP	77°F before derate	3.3% per 10°F above 77°F
Temperature Deration RG15090 on NG	77°F before derate	8% per 5°F above 77°F
Temperature Deration RG15090 on LP	77°F before derate	11% per 5°F above 77°F
Altitude Deration (100 kW / 130kW)	3% for every 1,000 ft above 600 ft	
Altitude Deration (150 kW)	2.1% for every 1,000 ft above 600 ft	

CONTROLLER FEATURES

Two-Line Plain Text LCD Display	Simple user interface for ease of operation.
Mode Switch: AUTO	Automatic Start on Utility failure. 7 day exerciser.
OFF	Stops unit. Power is removed. Control and charger still operate.
MANUAL	Start with starter control, unit stays on. If utility fails, transfer to load takes place.
Programmable Start Delay Between 10-30 Seconds	10 sec standard
Engine Start Sequence	Cyclic cranking: 16 sec on, 7 rest (90 sec maximum duration)
Engine Warm-up	5 sec
Engine Cool-Down	1 min
Starter Lock-Out	Starter cannot re-engage until 5 sec after engine has stopped.
Smart Battery Charger	Standard
Automatic Voltage Regulation With Over and Under Voltage Protection	Standard
Automatic Low Oil Pressure Shutdown	Standard
Overspeed Shutdown	Standard, 72 Hz
High Temperature Shutdown	Standard
Overcrank Protection	Standard
Safety Fused	Standard
Failure to Transfer Protection	Standard
Low Battery Protection	Standard
50 Event Run Log	Standard
Future Set Capable Exerciser	Standard
Incorrect Wiring Protection	Standard
Internal Fault Protection	Standard
Common External Fault Capability	Standard
Governor Failure Protection	Standard

100 / 130 / 150 kW

available accessories

Model #	Product	Description
G007169-0	Mobile Link® 4G LTE Cellular Accessory	Generac's Mobile Link allows you to check the status of your generator from anywhere that you have access to an Internet connection from a PC or with any smart device. You will even be notified when a change in the generator's status occurs via e-mail or text message. Note: Harness Adapter Kit required. Available in the U.S. only.
G009883-0	Cold Weather Kit	If the temperature regularly falls below 32 °F (0 °C), install a cold weather kit to maintain optimal battery temperature. Kit consists of battery warmer with thermostat built into the wrap.
G009884-0	Extreme Cold Weather Kit	Recommended where the temperature regularly falls below 32 °F (0 °C) for extended periods of time. For liquid cooled units only.
G005651-0	Base Plug Kit	Add base plugs to the base of the generator to keep out debris.
G005703-0 - Bisque	Paint Kit	If the generator enclosure is scratched or damaged, it is important to touch-up the paint to protect from future corrosion. The paint kit includes the necessary paint to properly maintain or touch-up a generator enclosure.
G009882-0	Scheduled Maintenance Kit	The Liquid-Cooled Scheduled Maintenance Kits offer all the hardware necessary to perform complete maintenance on Generac liquid-cooled generators.
G006510-0	E-Stop	E-stop allows for immediate fuel shutoff and generator shutdown in the event of an emergency.
G007005-0	Wi-Fi LP Fuel Level Monitor	The Wi-Fi enabled LP fuel level monitor provides constant monitoring of the connected LP fuel tank. Monitoring the LP tank's fuel level is an important step in making sure your generator is ready to run during an unexpected power failure. Status alerts are available through a free application to notify when your LP tank is in need of a refill.
G007000-0 (50 amp) G007006-0 (100 amp)	Smart Management Module	Smart Management Modules (SMM) are used to optimize the performance of a standby generator. They manage large electrical loads upon startup and shed them to aid in recovery when overloaded. In many cases, using SMM's can reduce the overall size and cost of the system.
G009885-0	400 A CB Kit	400 A Circuit Breaker Kit designed for three phase products built with a factory installed circuit breaker greater than 400 A.
A0000018981	Ultrasonic Cleaner Solution	An ultra-concentrated anti-corrosive cleaning solution engineered to reach the smallest cavities to clean the toughest contaminants. This water based formula is non-toxic, biodegradable, safe for both metal and plastic surfaces, and is superior in rinsability.
A0000019001	All Surface Protectant	All surface protectant for vinyl, rubber, plastics creates a barrier that seals & protects surfaces from water, UV rays while renewing the look of the surface.

100 kW

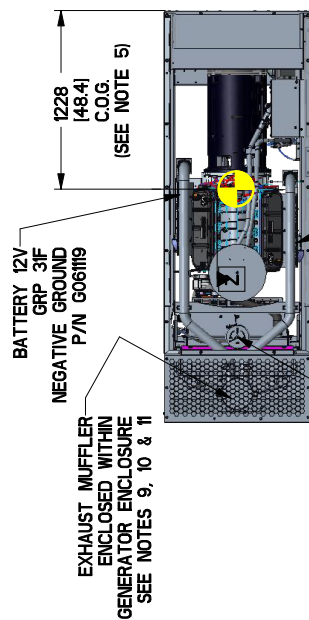
installation layout

Drawing #A0001453011 (1 of 2)

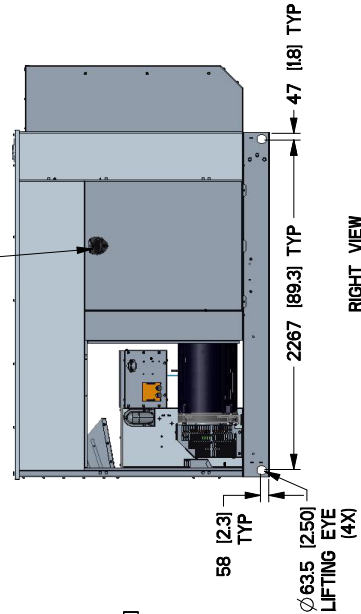
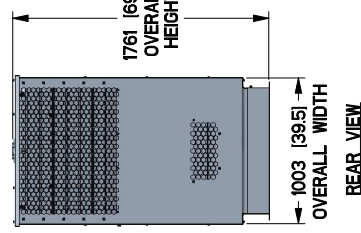
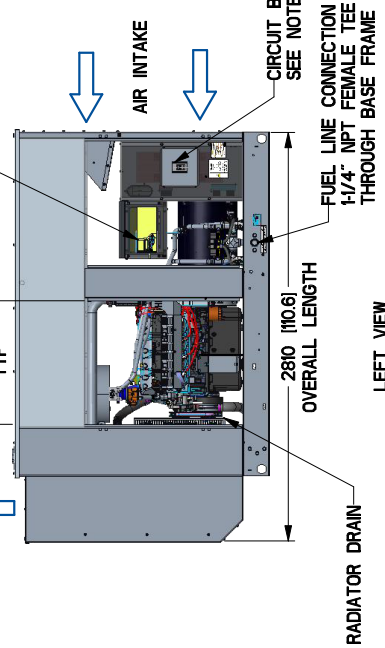
- NOTES:
1. MINIMUM RECOMMENDED CONCRETE PAD SIZE: 6" LARGER PER SIDE THAN FRAME 1269 (50") WIDE 2667 (105") LONG. REFERENCE INSTALLATION GUIDE SUPPLIED WITH UNIT FOR CONCRETE PAD GUIDELINES.
 2. ALLOW SUFFICIENT ROOM ON ALL SIDES OF THE GENERATOR FOR MAINTENANCE AND SERVICING. THIS UNIT MUST BE INSTALLED IN ACCORDANCE WITH CURRENT APPLICABLE NFPA 37 AND NFPA 70 STANDARDS AS WELL AS ANY OTHER FEDERAL, STATE, AND LOCAL CODES.
 3. CONTROL PANEL / CIRCUIT BREAKER INFORMATION:
 - SEE SPECIFICATION SHEET OR OWNERS MANUAL
 - ACCESSIBLE THROUGH CUSTOMER ACCESS ASSEMBLY ON REAR OF GENERATOR
 4. INSIDE STUBUP AREA FOR AC LOAD LEAD CONDUIT CONNECTION, NEUTRAL CONNECTION, BATTERY CHARGER 20 VOLT AC (5 AMP MAX) CONNECTION AND ACCESS TO TRANSFER SWITCH CONTROL WIRES. REMOVE REAR COVER FOR ACCESS.
 5. CENTER OF GRAVITY AND WEIGHT MAY BE CHANGED DUE TO UNIT OPTIONS.
 6. BOTTOM OF GENERATOR SET MUST BE ENCLOSED TO PREVENT PEST INTRUSION AND RECIRCULATION OF DISCHARGE AIR AND/OR IMPROPER COOLING AIR FLOW.
 7. REFERENCE OWNERS MANUAL FOR LIFTING WARNINGS.
 8. MOUNTING BOLTS OR STUDS TO MOUNTING SURFACE SHALL BE 5/8-11 GRADE 5 USE STANDARD 3/4" TORQUE SPECS!
 9. MUST ALLOW FREE FLOW UP INTAKE AIR, DISCHARGE AIR AND EXHAUST. SEE SPEC SHEET FOR MINIMUM AIR FLOW AND MAXIMUM RESTRICTION REQUIREMENTS.
 10. GENERATOR MUST BE INSTALLED SUCH THAT FRESH COOLING AIR IS AVAILABLE AND THAT DISCHARGE AIR FROM RADIATOR IS NOT RECIRCULATED.
 11. REMOVE FRONT END PANEL TO ACCESS EXHAUST MUFFLER ACCESS AVAILABLE THROUGH DOORS TO FAN BELT.

SERVICE ITEM	9.0L
OIL FILL CAP	EITHER SIDE
OIL DIP STICK	RIGHT SIDE
OIL FILTER	LEFT SIDE
OIL DRAIN HOSE	LEFT SIDE
RADIATOR DRAIN HOSE	LEFT SIDE
COOLANT RECOVERY BOTTLE	RIGHT SIDE
RADIATOR FILL CAP	ROOF TOP
AIR CLEANER ELEMENT	EITHER SIDE
SPARK PLUGS	EITHER SIDE
MUFFLER	SEE NOTE 11
FAN BELT	EITHER SIDE
BATTERY	RIGHT SIDE

REFERENCE OWNERS MANUAL FOR PERIODIC REPLACEMENT PART LISTINGS.



CUSTOMER ACCESS ASSEMBLY, CONTROL PANEL, ACCESS BATTERY CHARGER LOCATED WITHIN SEE NOTE 3 & 4

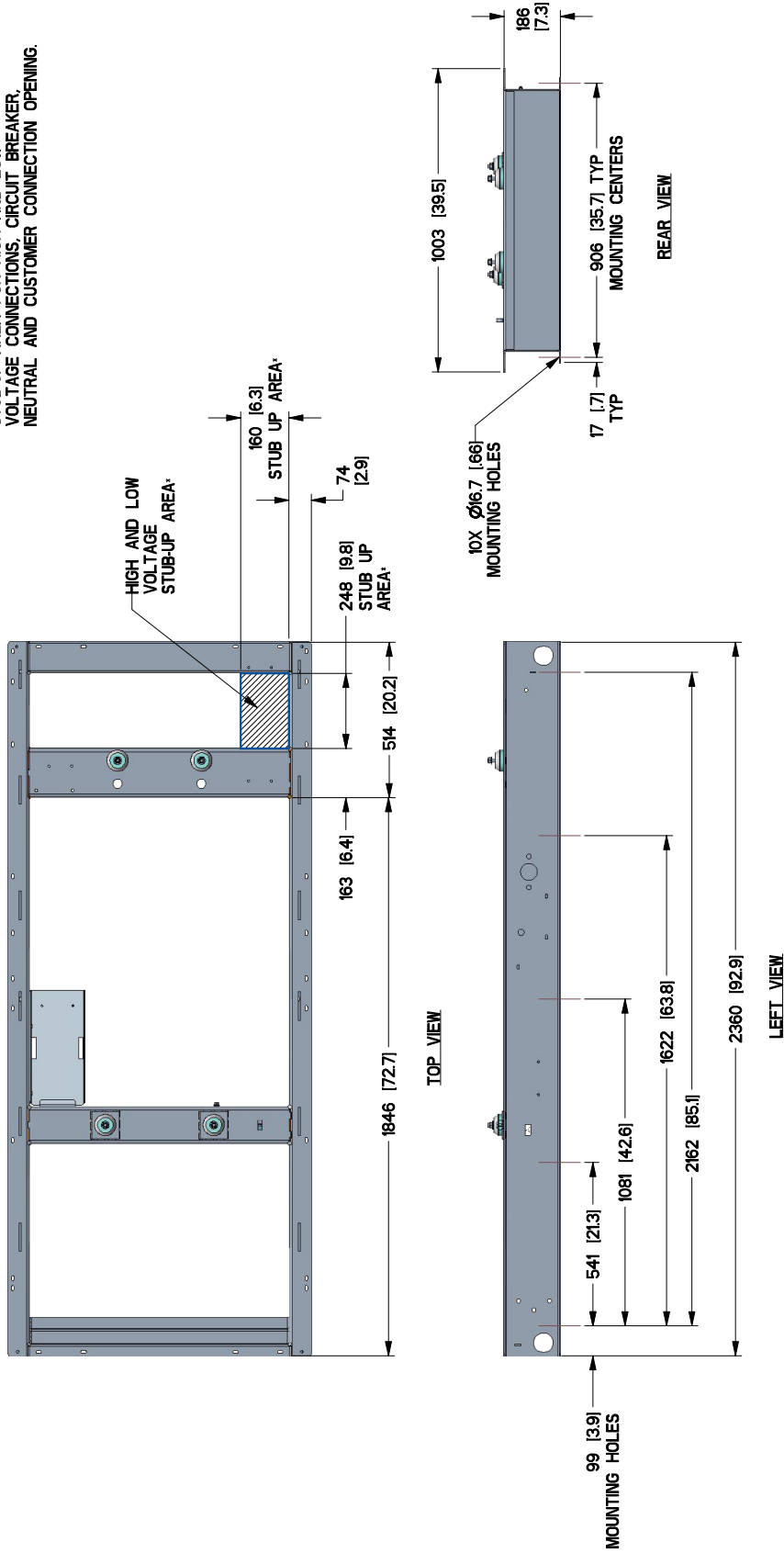


LOCKING VICE ACTION LATCH, ONE PER DOOR TWO LIFT OFF DOORS PER SIDE OF GENERATOR

WEIGHT DATA			
ENGINE/KW	ENCLOSURE MATERIAL	WEIGHT GENSET ONLY KG (LBS)	WEIGHT SHIPPING SKID KG (LBS)
9.0L/100KW	AL	1292 (2848)	1371 (3024)
		79 (175)	

DIMENSIONS: MM (INCH)

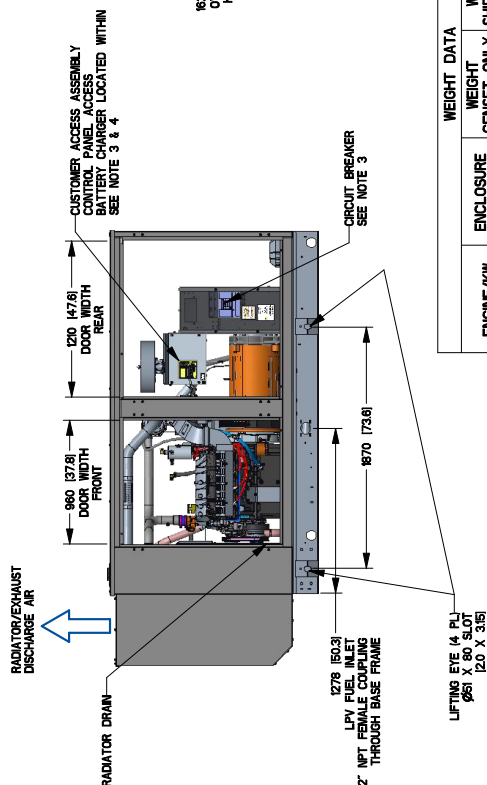
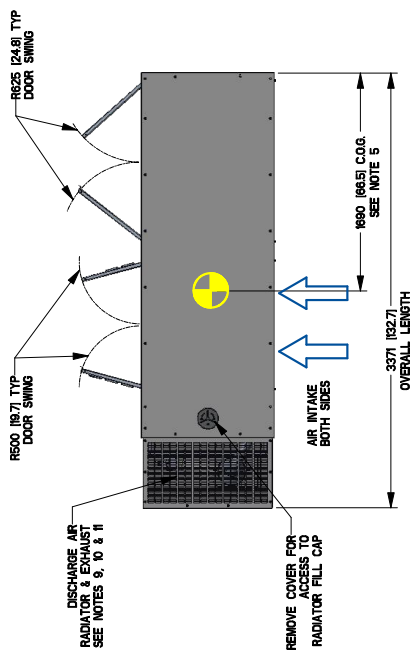
NOTE:
STUB-UP AREA FOR HIGH AND LOW
VOLTAGE CONNECTIONS, CIRCUIT BREAKER,
NEUTRAL AND CUSTOMER CONNECTION OPENING.



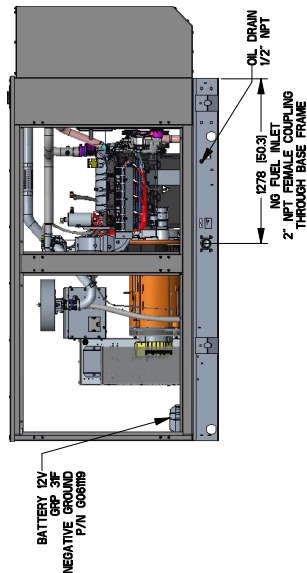
- NOTES:
- MINIMUM RECOMMENDED CONCRETE PAD SIZE: 16" LARGER PER SIDE THAN FRAME
 - 1305 (52) WIDE X 300 (122) LONG
 - REFERENCE INSTALLATION GUIDE SUPPLIED WITH UNIT FOR CONCRETE PAD GUIDELINES.
 - ALLOW SUFFICIENT ROOM ON ALL SIDES OF THE GENERATOR FOR MAINTENANCE AND REPAIRS. ALL WIRING MUST BE INSTALLED IN ACCORDANCE WITH CURRENT APPLICABLE NFPA 70 AND NFPA 70 STANDARDS AS WELL AS ANY OTHER FEDERAL, STATE, AND LOCAL CODES.
 - CONTROL PANEL 7 CIRCUIT BREAKER INFORMATION
 - SEE SPECIFICATION SHEET OR OWNERS MANUAL
 - ACCESSIBLE THROUGH CUSTOMER ACCESS ASSEMBLY ON LEFT SIDE OF GENERATOR
 - INVERTER/CHARGER ACCESS ASSEMBLY ON RIGHT SIDE OF GENERATOR
 - BATTERY CHARGER 120 VOLT AC (5 AMP MAX) CONNECTION AND ACCESS TO TRANSFER SWITCH CONTROL WIRES REMOVE REAR COVER DUE TO UNIT OPTIONS.
 - CENTER OF GRAVITY AND WEIGHT MAY CHANGE DUE TO UNIT OPTIONS.
 - BOTTOM OF GENERATOR CASE MUST BE ENCLOSED TO PREVENT PEST INTRUSION AND AIR FLOW THROUGH THE UNIT.
 - REFERENCE OWNERS MANUAL FOR LIFTING WARNINGS
 - REFERENCE OWNERS MANUAL FOR COOLING AIR FLOW
 - MOUNTING BOLTS OR STUDS TO MOUNTING SURFACE SHALL BE 5/8" 11 GRADE 5 (USE STANDARD SAE TORQUE SPECS)
 - MUST ALLOW FREE FLOW OF INTAKE AIR, DISCHARGE AIR AND EXHAUST. SEE SPECIFICATION SHEET FOR MINIMUM CLEARANCE REQUIREMENTS.
 - GENERATOR MUST BE INSTALLED SUCH THAT FRESH COOLING AIR IS AVAILABLE AND THAT DISCHARGE AIR FROM RADIATOR IS NOT RECIRCULATED.
 - REMOVE FRONT END PANEL TO ACCESS EXHAUST IMPELLER ACCESS AVAILABLE THROUGH DOORS TO FAN BELT.

SERVICE ITEM	9.0L
OIL FILL CAP	EITHER SIDE
OIL DIP STICK	RIGHT SIDE
OIL FILTER	LEFT SIDE
OIL DRAIN HOSE	RIGHT SIDE
RADIATOR DRAIN HOSE	LEFT SIDE
COOLANT RECOVERY BOTTLE	RIGHT SIDE
RADIATOR FILL CAP	ROOF TOP
AIR CLEANER ELEMENT	EITHER SIDE
SPARK PLUGS	EITHER SIDE
MAFFLER	SEE NOTE 11
FAN BELT	EITHER SIDE
BATTERY	RIGHT SIDE

REFERENCE OWNERS MANUAL FOR PERIODIC REPLACEMENT PART LISTINGS.



ENGINE/KW	WEIGHT DATA			
	ENCLOSURE MATERIAL	WEIGHT GENSET ONLY	WEIGHT SHIPPING SKID	WEIGHT SHIPPING WEIGHT
9.0L/130KW	AL	1385 (3009)	80 (176)	1445 (3185)



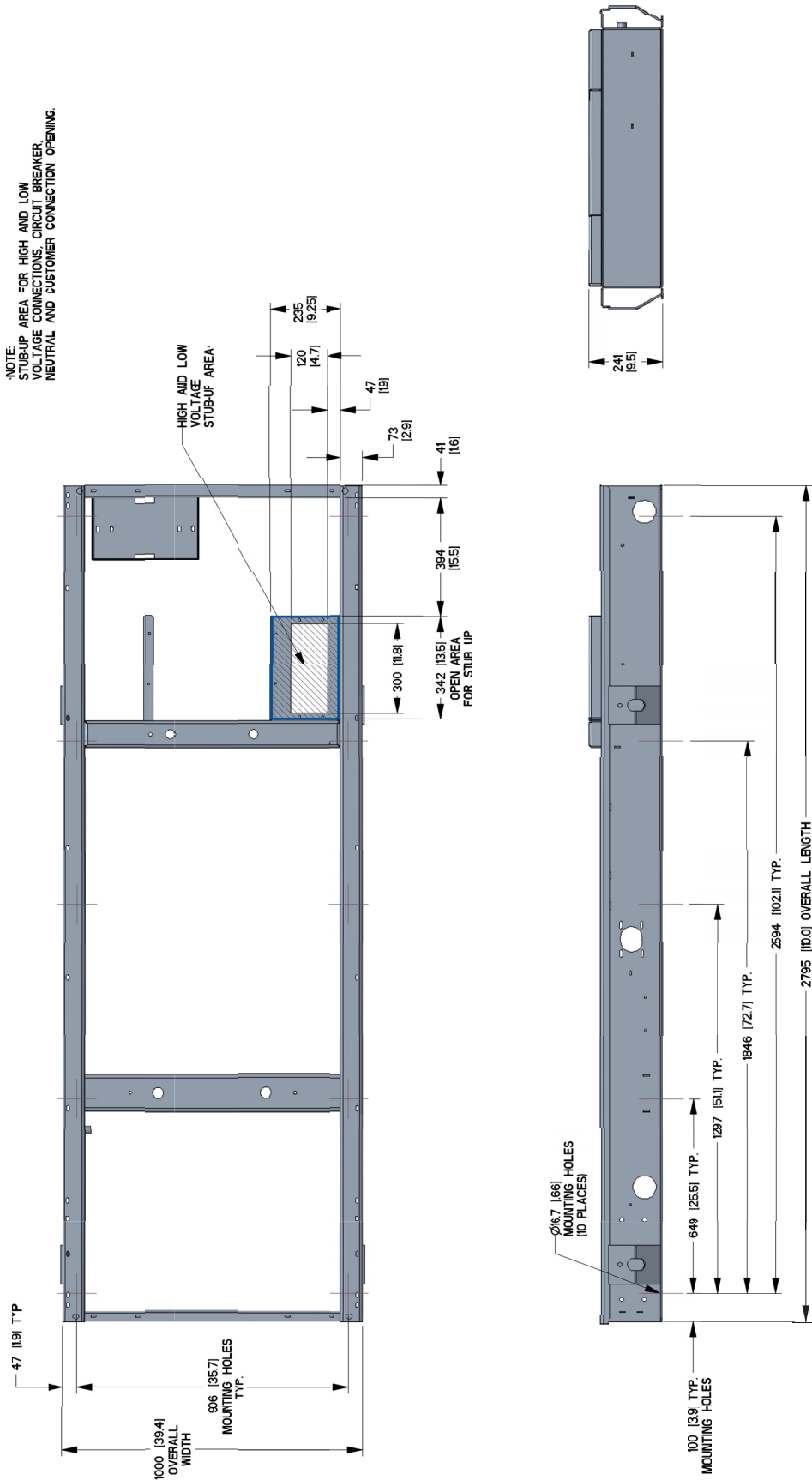
DIMENSIONS: MM (INCH)

130 kW

installation layout

Drawing #A0001618959 (2 of 2)

NOTE: STUB-UP AREA FOR HIGH AND LOW VOLTAGE CONNECTIONS, CIRCUIT BREAKER, NEUTRAL AND CUSTOMER CONNECTION OPENING.



150 kW

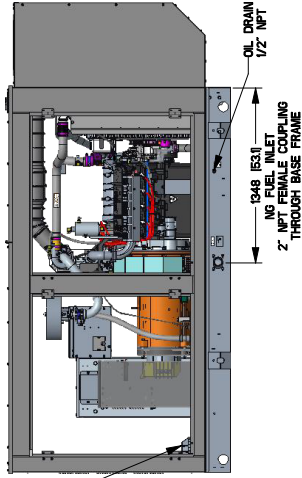
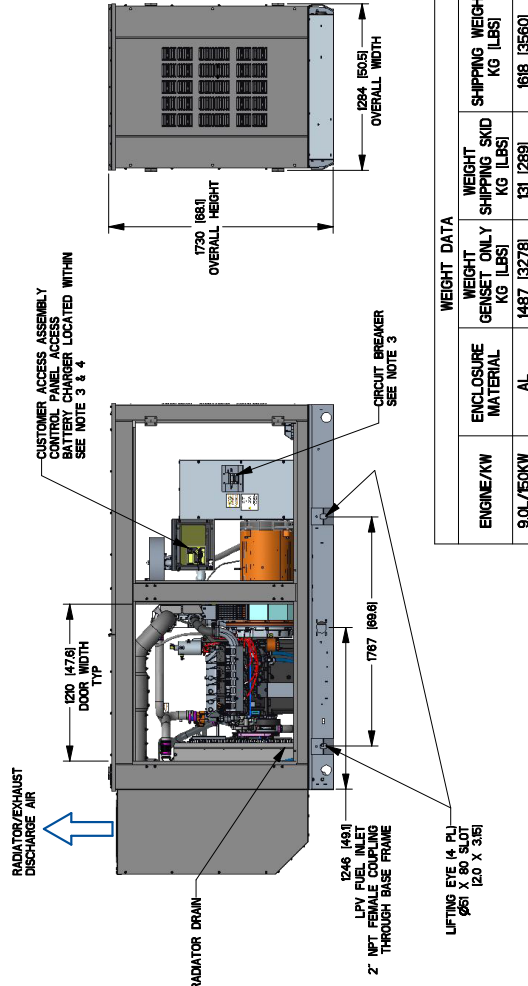
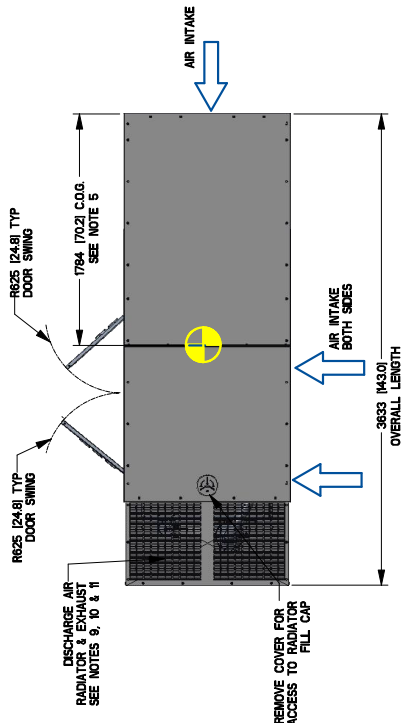
Drawing #A0001618957 (1 of 2)

installation layout

- NOTES:**
- MINIMUM RECOMMENDED CONCRETE PAD SIZE: 16" LARGER PER SIDE THAN FRAME
 - MINIMUM CONCRETE PAD THICKNESS: 1029 LBS. SUPPLIED WITH UNIT FOR CONCRETE PAD GUIDELINES. REFRIGERANT OILS ARE SUPPLIED WITH UNIT FOR CONCRETE PAD GUIDELINES.
 - ALLOW SUFFICIENT ROOM ON ALL SIDES OF THE GENERATOR FOR MAINTENANCE AND SERVICING. THIS UNIT MUST BE INSTALLED IN ACCORDANCE WITH CURRENT APPLICABLE NFPA 37 AND NFPA 70 STANDARDS AS WELL AS ANY OTHER FEDERAL, STATE, AND LOCAL CODES.
 - SEE SPECIFICATION SHEET FOR BREAKER INFORMATION.
 - SEE SPECIFICATION SHEET FOR OWNERS MANUAL.
 - ACCESSIBLE THROUGH CUSTOMER ACCESS ASSEMBLY ON LEFT SIDE OF GENERATOR. BATTERY CHARGER 120 VOLT AC (5 AMP MAX) CONNECTION, NEUTRAL CONNECTION, BATTERY CHARGER AC LEAD CONNECTION AND ACCESS TO TRANSFER SWITCH AND SAFETY AND WEAR MAY CHANGE DUE TO UNIT OPTIONS.
 - CENTER OF GRAVITY AND WEIGHT MAY CHANGE DUE TO UNIT OPTIONS.
 - BOTTOM OF GENERATOR SET MUST BE ENCLOSED TO PREVENT PEST INTRUSION AND RECYCLATION OF DISCHARGE AIR AND/OR IMPROPER COOLING AIR FLOW.
 - REFERENCE OWNERS MANUAL FOR LIFTING WARNINGS.
 - MINIMUM ALLOWABLE FLOOR JOISTS.
 - USE STABILIZING SURFACE SHALL BE 5/8-11 GRADE 5.
 - MUST ALLOW FREE FLOW OF INTAKE AIR, DISCHARGE AIR AND EXHAUST. SEE SPEC SHEET FOR MINIMUM AIR FLOW AND MAXIMUM RESTRICTION REQUIREMENTS.
 - GENERATOR MUST BE INSTALLED SUCH THAT FRESH COOLING AIR IS AVAILABLE AND THAT DISCHARGE AIR FROM RADIATOR IS NOT RECYCLED.
 - SEE OWNERS MANUAL FOR ACCESS EXHAUST IMPLIFIER. ACCESS AVAILABLE THROUGH DOORS TO FAN BELT.

SERVICE ITEM	9.0L
OIL FILL CAP	EITHER SIDE
OIL DIP STICK	RIGHT SIDE
OIL FILTER	LEFT SIDE
OIL DRAIN HOSE	RIGHT SIDE
RADIATOR DRAIN HOSE	LEFT SIDE
COOLANT RECOVERY BOTTLE	RIGHT SIDE
RADIATOR FILL CAP	ROOF TOP
AIR CLEANER ELEMENT	EITHER SIDE
SPARK PLUGS	EITHER SIDE
MUFFLER	SEE NOTE 11
FAN BELT	EITHER SIDE
BATTERY	RIGHT SIDE

REFERENCE OWNERS MANUAL FOR PERIODIC REPLACEMENT PART LISTINGS.



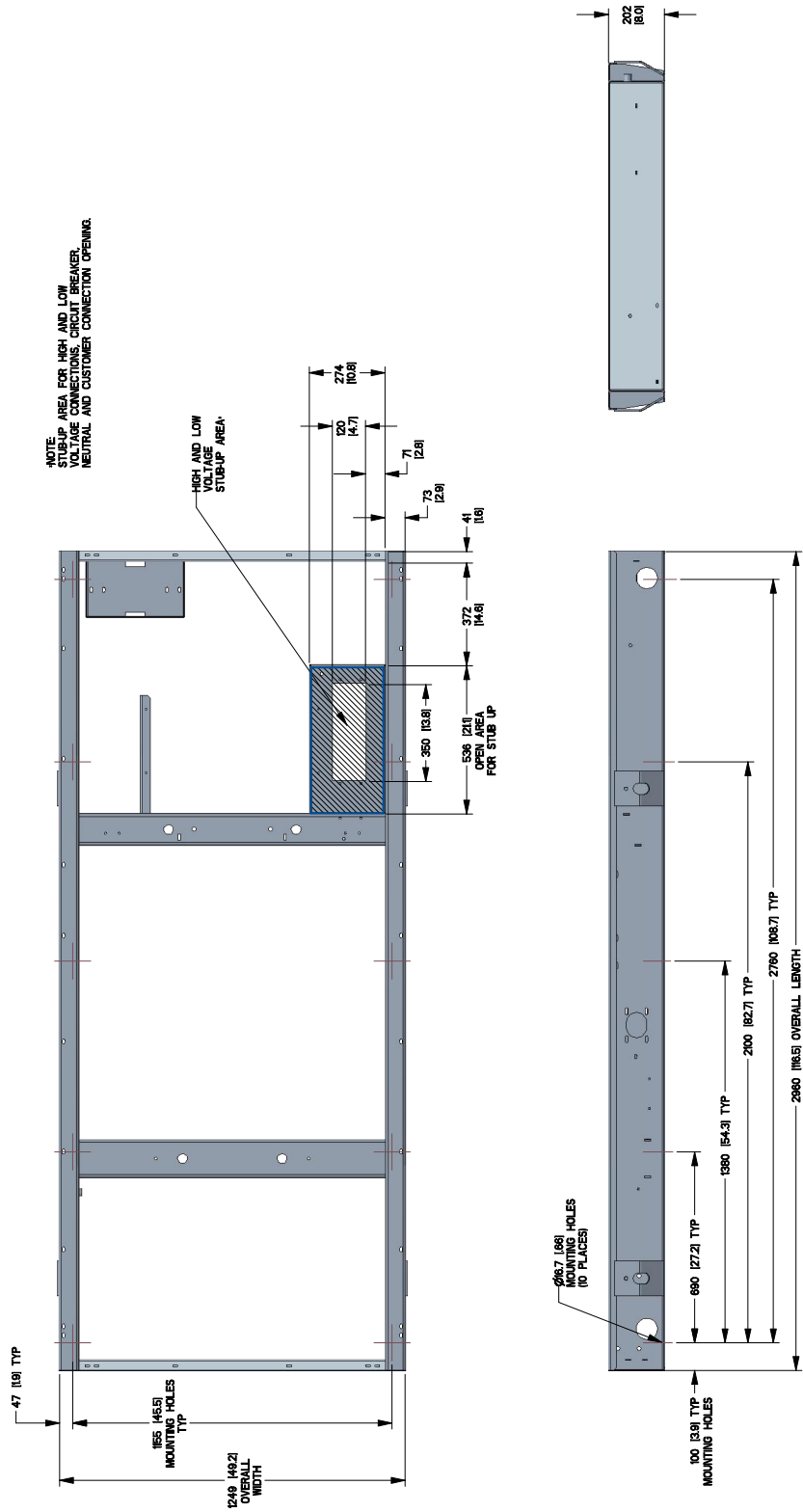
ENGINE/KW	ENCLOSURE MATERIAL	WEIGHT DATA	
		WEIGHT GENSET ONLY KG (LBS)	WEIGHT SHIPPING SKID KG (LBS)
9.0L/150KW	AL	1487 (3278)	1618 (3560)

DIMENSIONS: MM (INCH)

150 kW

installation layout

Drawing #A0001618957 (2 of 2)





Finance Department
106 Jones Street
PO Box 477
Watertown, WI 53094-0477
(920) 262-4000

Section 3, Item D.

To: Finance Committee
From: Mark Stevens
Date: April 22, 2024
RE: Purchasing Policy Recommended Addition

A revision of the purchasing policy has been crafted to add a step of approval for any contract presented to Public Works Commission or Finance Committee totaling \$100,000 or more to be sent to Common Council for its approval.

Attached: purchasing policy
Suggested changes in red ink in Sections 3.0, 3.4, and 3.5.

TITLE: **PURCHASING POLICY**
SOURCE: FINANCE COMMITTEE

EFFECTIVE DATE: JANUARY 1, 2024
REVISION DATE:

1.0 GENERAL POLICY AND OBJECTIVES

The purchase of goods and services is a central function of the City of Watertown. A fair, efficient, and accountable purchasing process is vital to providing quality services and maximizing the value obtained for taxpayer dollars. It is the responsibility of all City employees and elected officials to ensure that purchases are made with a commitment to ethical procurement practices and cost-effective purchasing. The procedures outlined in this policy are intended to provide an effective and efficient means of meeting these goals:

- To create a competitive, fair and ethical purchasing process that will ensure that the maximum value is obtained for every dollar expended
- To allow the City to obtain quality goods and services that will allow for the provision of programs in a timely and effective manner
- To establish a standardized purchasing process that will promote equity and efficiency
- To provide adequate budgetary and cost controls
- To conduct all purchasing in a manner which ensures equal opportunity and non-discrimination
- To support local businesses whenever possible
- To ensure that the entire purchasing process meets the highest ethical standard without conflict of interest or the appearance of impropriety

1.2 DEFINITIONS

Sole Source – An item shall be considered sole source if there is only one vendor that supplies the item and there is no equivalent substitute. Items that are made by one manufacturer but sold through multiple vendors are not to be considered sole source.

Informal Quote – An informal quote may be obtained verbally or by examining published prices. When soliciting an informal quote, the department should maintain documentation of when it was obtained (keep until the end of following calendar year).

Estimate – An approximate calculation or judgment of the cost of a product or service. Estimates are to be sought when a department submits a capital improvement project in the annual budget.

Request for Estimate (RFE) – A document produced by the City when seeking an estimate when deliverables are commodities for which there are clear specifications and when price will be the primary determining factor. Soliciting a price estimate is primarily for budget proposal creation or comparison purposes, not a formal bid for work.

Formal Quote – A formal quote must be supplied in writing. Formal quotes may be received by letter, fax, or email. Documentation of the quote should be maintained throughout the purchasing process and kept until the end of following calendar year.

Formal Bid – A formal bid process requires that vendors provide sealed bids prepared in response to specifications provided by the City. The bids should be opened publicly and the documentation should be maintained throughout the purchasing process.

Request for Proposal (RFP) – A document produced by the City when seeking a quote or bid when deliverables are not explicitly defined or when other selection criteria will be used in addition to price, such as the quality of the vendor (“qualified submitter”).

Surplus Property - City property may be declared surplus when it is no longer necessary, practical, or economical to be retained by the City.

1.3 ROLES

Common Council – Approves the City budget, which allocates funds for all purchases. Council approval is required to approve any changes that alter fund balance, authorize borrowing, acquire property, or to approve new programs.

Mayor – Annually presents a budget proposal to the Council. The Mayor is authorized to sign contracts to purchase items or services on the City’s behalf provided they are included in the annual budget. No contract shall be executed on the part of the City until the Finance Director has reviewed it to ensure that sufficient funds are available to meet the expense and the City Attorney has reviewed as to approved form.

Finance Committee – Approves purchases of materials, equipment, and services \$50,000 or more when no other appropriate standing committee exists. The Finance Committee recommends budget adjustments that impact more than one department and budget amendments to the Common Council.

Public Works Commission – According to state statute 62.15(1), “All public construction, the estimated cost of which exceeds \$25,000, shall be let by contract to the lowest responsible bidder; all other public construction shall be let as the council may direct.” The Public Works Commission oversees the process of approving the award of public construction contracts in accordance with this statute. Public construction includes capital improvements such as street reconstruction, stormwater facilities, and municipal buildings.

Finance Director – Oversees all City purchasing and monitors compliance with the City purchasing policy. Approves purchases of materials, equipment, and services in excess of \$10,000 and less than \$50,000. The Finance Director may approve budget adjustments contained within a department. Notification shall be provided to the Mayor and Finance Committee of all department budget adjustments. This position is authorized to sign contracts of up to \$25,000 on the City’s behalf. The Finance Director monitors expenditures in comparison to budgeted levels and provides periodic analysis of General Fund income statement to Finance Committee.

Department Heads – Department Heads or their designees are responsible for making necessary purchases for their departments within the confines of the City purchasing policy and approved budget. They are also responsible for receiving items and verifying that the terms of the purchase have been completed. Department Heads are authorized to make purchases up to \$10,000 if the item does not require a budget amendment.

City Employees – Make purchases and receive items with the approval of their Department Head. All employees who are authorized to make purchases are responsible for following the City’s purchasing policy and ensuring that purchases are made under the highest ethical standard.

2.0 COMPETITIVE PRICING

It is the policy of the City to obtain the highest quality goods and services at the lowest price by following a competitive purchasing process. It is City policy to obtain bids or proposals from at least three different vendors to ensure that competitive pricing is demonstrated. Exceptions to this requirement are allowed when it is in the best interest of the City. Exceptions include:

- Purchases for which there is only one or two suppliers [sole source products] (e.g., Warranty work requiring specific service provider, business trained and equipped for make/model of equipment needing repair)
- Emergency purchases and repairs covered by insurance proceeds
- Purchases under \$2,000 from a supplier that has offered the best price and quality for routine purchases based on periodic bids/proposals solicited by the City at least biennially. The Finance Director will take the lead in researching and soliciting proposals for items that are used by multiple departments.
- Purchases made from the state bid list or competitively solicited cooperative contracts (e.g., Sourcewell)
- Committee approval of using a single vendor where department has a long-standing history of using the product where switching products complicates operations or maintenance (e.g., fire hydrants, manhole castings)
- Certain professional services where the Mayor has waived the competitive bid requirement due to the quality of the firm and the service to be provided. Quotes from various vendors should be obtained periodically and should be one of the factors in selecting the vendor to perform the service.

2.1 TAXPAYER BENEFIT POLICY

If two or more bids are in the same amount or unit price, quality, service, and other factors deemed relevant being equal, the contract shall be awarded to a bidder whose principal place of business is located within the City limits, if any. If there is not a City of Watertown bidder, the Department Head should award the contract to one of the tie bidders by coin toss open to public viewing.

2.2 REJECTION OF BIDS

Department Heads have the authority to reject bids, parts of bids, or all bids, where the public interest will be served. In all cases, the Department Head has the authority to re-advertise and re-bid any proposed purchase or to reject all bids and to negotiate a purchase directly with any supplier if this procedure is deemed most advantageous to the City.

2.3 BIDDERS IN DEFAULT

A Department Head should not accept the bid of any supplier for goods or services more than \$50,000 who is in default or delinquent in the payment of taxes, licenses, forfeitures, or any other moneys whatsoever due the City. Such information should be obtained from the Finance Director.

2.4 VENDOR SELECTION CRITERIA

In addition to price, Department Heads may consider the following factors in selecting the acceptable bid, proposal, or quotation:

- 1 The ability, capacity, and skill of the vendor to perform the contract or provide the service required
- 2 Whether the vendor can perform the contract or provide the service promptly, or within the time specified, without delay or interference
- 3 The experience and efficiency of the vendor
- 4 The quality of performance of previous contracts or services by the vendor
- 5 The previous and existing compliance by the vendor with laws and ordinances relating to the contract or service
- 6 The sufficiency of the financial resources and ability of the vendor to perform the contract or provide the service
- 7 The quality, availability and adaptability of the supplies or contractual services to the particular use required
- 8 The ability of the vendor to provide future maintenance and service for the use of the subject of the contract
- 9 The number and scope of conditions attached to the bid, proposal, or quotation

3.0 PURCHASING PROCESS REQUIREMENTS

The process for making purchases varies depending on the total cost of the purchase. The intentional staggering of purchases as well as dividing purchases and/or contracts to consciously evade this policy is strictly prohibited. Any employee found to be in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

Purchase Cost	Authority Required	Purchasing Process	Competitive Requirement
Less than \$2,000	Department Head or Designee	Department Approval	Periodic Quotes or 2 Informal Quotes
Over \$2,000 and less than \$10,000	Department Head or Designee	Department Approval	3 Informal Quotes
Over \$10,000 and less than \$50,000	Finance Director	Purchase Requisition	3 Formal Quotes
Public Construction Over \$25,000	Public Works Commission	Memo	Formal Bid Process
\$50,000 and more	Finance Committee	Committee Presentation and Contract or Purchase Requisition	3 Formal Quotes or Formal Bid Process
All contracts greater than \$100,000	Common Council	Recommendation from Public Works Comm or Finance Committee	

3.1 PURCHASES LESS THAN \$2,000

Purchases under \$2,000 may be made with the approval of City Department Heads or their designees. When possible, at least two informal price quotations must be obtained prior to making the purchase. Quotations are not required for items purchased from a vendor that has offered the best price and quality on a category of items based on periodic bids/proposals solicited by the City at least biennially.

3.2 PURCHASES OF AT LEAST \$2,000 AND LESS THAN \$10,000

Purchases of at least \$2,000 and less than \$10,000 may be made with the approval of City Department Heads or their designees. Department staff are responsible for obtaining and documenting at least three informal price quotations for the proposed purchase. This information is provided to the Department Head. The Department Head reviews the request to determine compliance with the budget and purchasing policy. If the selected vendor does not offer the lowest price, the request should include an explanation of why another vendor is recommended.

Capital Outlay: non-recurring purchases in General Fund [01] that aren't part of ongoing regular expenses (e.g. laptop, furnishings, facilities repair).

Equipment, supplies, or repairs more than \$5,000 per item/event will be considered a potential capital asset and should be budgeted as part of a departments' Capital Outlay budget (account ending in -60).

Capital Improvement: additions, improvements, modifications, or renovations of a property that increases its value or prolongs its useful life; buildings, equipment, machinery, vehicles.

Assets with an acquisition cost of at least \$20,000 and an expected useful life of at least five years are typically acquired through the Capital Borrow Fund [05].

3.3 PURCHASES OF AT LEAST \$10,000 AND UNDER \$50,000

Purchases of at least \$10,000 and less than \$50,000 require the prior approval of the Finance Director or his or her designee. The Finance Director may also require that the purchase go through a Request for Proposal (RFP) process or a formal bid process.

Department Heads or their designees are responsible for obtaining and documenting at least three formal (written) price quotations for the proposed purchase. This information is provided to the Finance Director along with a Purchase Requisition that should include the vendor selected, a description of the item, and the account number where it was budgeted. If the selected vendor does not offer the lowest price, the request should include an explanation of why another vendor was chosen.

The Finance Director reviews the request to determine compliance with the City's budget and purchasing policy. If approved, the Finance Department will issue a purchase order to the department. This purchase order should be used when making the purchase and the purchase order number must be entered into miViewPoint when it is submitted for payment.

3.4 PUBLIC CONSTRUCTION PROJECTS OF \$25,000 AND OVER

Public construction projects with an estimated cost between \$5,000 and \$25,000 require a class 1 notice prior to execution of the contract.

Public construction projects with an estimated cost greater than \$25,000 require approval of the Public Works Commission and must be let by contract to the lowest responsible bidder as required in Wisconsin State Statute 62.15(1). Also, per statute 62.15, the Common Council may by a three-fourths vote provide by ordinance that any class of public construction project may be done directly by the City without submitting the project for bids.

The Mayor may waive the bid or RFP requirement for professional services if he or she determines that it is in the City's best interest. The justification for waiving the bid or RFP process should be presented to the Public Works Commission prior to their action to approve or deny the purchase.

Department Heads or their designees are responsible for conducting the public bid (prepare bid package, provide public notice and advertisement, conduct public bid opening, prepare bid tabulation report) or RFP process and providing the results to the Public Works Commission. If a contract is required, the department will work with the City Attorney to draft a contract for signature by the Mayor. The Finance Director will review the information to ensure compliance with the City's budget and purchasing policy. **The Public Works Commission will forward any recommended contracts totaling \$100,000 or more to Council for approval.**

3.5 PURCHASES OF \$50,000 AND OVER

All purchases of materials, equipment, and services more than \$50,000 require the approval of the Finance Committee prior to completing the purchase or signing the contract. The City requires an RFP or bid process for purchases of this size.

The Mayor may waive the RFP or bid requirement for professional services if he or she determines that it is in the City's best interest. The justification for waiving the bid or RFP process should be presented to the Finance Committee prior to their action to approve or deny the purchase.

Department Heads or their designees are responsible for conducting the public bid (prepare bid package, provide public notice and advertisement, conduct public bid opening, prepare bid tabulation report) or RFP process and providing the results to the appropriate standing committee. The department is required to prepare a memo listing the proposals received, which vendor is recommended and why, the budgeted amount for the item and any additional costs that may be incurred. If the selected vendor does not offer the lowest price, the request should include an explanation of why another vendor was chosen.

With a positive recommendation from the standing committee, the Department Head will place the item on an upcoming Finance Committee agenda and prepare a Purchase Requisition that includes the vendor selected, a description of the item, and the account number where it was budgeted. The Finance Director will review the information to ensure compliance with the City's budget and purchasing policy. If approved by the Finance Committee, the Finance Department will issue a purchase order to the department. This purchase order should be used when making the purchase and the purchase order number must be entered into miViewPoint when it is submitted for payment.

If a contract is required, the department will work with the City Attorney to draft a contract (see Section 7) for signature by the Mayor. **The Finance Committee will forward any recommended contracts totaling \$100,000 or more to Council for approval.**

4.0 PURCHASE CHARGES AND METHODS

4.1 SHIPPING AND FREIGHT CHARGES

It is the policy of the City to avoid paying shipping charges whenever possible. If the City is to pay shipping charges, it must be billed at the time of invoicing. Department Heads, when obtaining price quotations, should inquire into applicable freight charges. Any charges to be paid by the City will be regarded as part of the price quotation when selecting the successful bidder. Unless otherwise stated in the "notice of call for bids", all formal bid proposals shall include freight and delivery charges, if any.

4.2 DISCOUNTS

It is the City's policy to take advantage of vendor discounts for prompt payment whenever possible to minimize the cost of a purchase. Department Heads are responsible for determining if discounts are available and for working with the Finance Department to obtain the lowest price. Some vendors offer discounts for prompt payment. When possible, Departments can aid the City by approving invoices and submitting them for payment expeditiously.

4.3 SALES TAX EXEMPTION

The City is exempt from paying city, county and state sales tax. Purchasers have the responsibility to inform vendors of tax-exempt status at the time of purchase. Completed tax exempt forms are available from the Finance Director. Invoices received by the City that include sales tax will be amended by reducing the amount of sales tax prior to payment. Any person seeking reimbursement for a City purchase that includes sales tax shall not be reimbursed for the sales tax portion of the purchase, absent extenuating circumstances approved in writing by the Mayor.

4.4 COLLECTIVE PURCHASING

Cooperative purchasing arrangements can result in significant savings by pooling purchasing power. It is the City's policy to utilize collective purchasing between City departments or with other units of government when savings can be obtained without sacrificing the quality or availability of the product or service.

The Finance Department shall have the authority to analyze the desirability of cooperative purchasing arrangements and make recommendations to the Administration. The Common Council encourages cooperative purchasing but maintains the right to reject any such arrangements with other units of government.

4.5 RECEIVING AND INSPECTING ITEMS

Department Heads, or their designees, are responsible for receiving and inspecting all deliveries to their departments to ensure that items received conform to the specifications and quantities set forth in the purchase order. All deliveries should be thoroughly inspected to ensure that materials are received in satisfactory condition. If there are any discrepancies, the Department Head or designee should contact the vendor and resolve the issue before submitting the invoice for payment. When items are sent in multiple shipments, the department should clearly indicate which items have been received and accepted when approving the invoice for payment.

4.6 SUBMITTING INVOICES FOR PAYMENT

Once department staff have verified that the purchased items have been received in a satisfactory condition, the original invoice should be scanned and entered in miViewPoint (Caselle invoice entry portal) by Department staff for authorization routing to Department Heads and Finance Department staff before payments will be processed.

It is the City's policy not to pay from statements or copies of invoices. If it is not possible to obtain an original invoice, a faxed or emailed copy may be used if the Department Head verifies that the vendor

has not already been paid for the item. If it is not possible to obtain an invoice, a Check Request Form should be completed that includes vendor name and ID number, a description of the item purchased, and attach any supporting documentation. This form must be signed by the Department Head.

The Finance Department processes checks and issues payments to vendors. The cut-off dates for payment submission will be provided by the Finance Department (typically each Friday) for checks to be processed the following week (typically each Tuesday). At each second regular Common Council meeting of the month, a list of all payments made in the prior month will be provided.

All final retainage payments for construction projects will be held until they have been presented to the Common Council for approval.

If a Council Member has concerns regarding payments to a particular vendor or class of vendors, he or she may request to review pending payments. Information would then be sent to all Council Members for a specified period to provide comments. If no comments are received during this period, the item may be released for payment. However, if an objection is raised during the comment period, the payment in question shall be held until the next regular Common Council meeting.

4.7 CREDIT CARD PURCHASES

The City recognizes the use of credit cards to be an appropriate and useful means of making payment for a variety of types of purchases (travel expenses, online purchases, time-sensitive). Credit cards may be issued to City employees at the request of a Department Head through the Finance Director. Approved employees will be required to read, acknowledge, and sign a Credit Card Use Agreement.

Purchases made with credit cards must follow the normal competitive pricing guidelines and require the same approval process. Purchases made on a credit card are still eligible for sales tax exemption (purchaser is responsible for providing tax exempt certificate at the time the charge is incurred).

Acceptable credit card uses:

1. Payment for goods and services at businesses where invoicing is not available
2. Online purchases
3. Payment of purchases where there is no additional fee to pay with a credit card
4. Lodging (*registering in advance and paying upon departure*)
5. Travel: flights, car rentals, taxis, ride-share services, parking
6. Registration fees for conferences and training seminars
7. Meal costs:
 - Costs must follow the standards established in the City's Travel Guidelines in the Employee Handbook
 - Group meetings where the City is paying must receive prior approval of the Mayor
 - Tips up to the limit set by the travel policy in the employee handbook. A tip that is in excess of the allowed amount should be left by the employee in cash and will not be recoverable from the City as a valid expense.
 - Employees do not need to obtain tax exemption for individual meals or groups up to three people. Groups over three should try to obtain the tax-exempt status.

Unacceptable credit card uses:

1. Tips except as part of an approved meal cost
2. Personal purchases of any kind
3. Cash advances
4. Purchases of gift cards

If an unauthorized charge occurs, if a meal purchase exceeds an amount allowed by the City's Travel Guidelines, or if a good faith attempt to receive a sales tax exemption is not made, the employee must immediately reimburse the difference beyond the allowable amount to the Finance Director.

After making a credit card purchase, receipts or other supporting documentation should be maintained by the cardholder. When the monthly credit card statement is issued, Finance Department staff will distribute the statement to all Department Heads and their designees. The cardholder is responsible to review charges and assemble receipts in chronological order as listed on the statement. The cardholder is to submit a signed attestation of the credit card charges and associated receipts to his or her Department Head. The Department Head or designee will review and assign account numbers, the Department Head will sign the statement and then route all original documentation to the Finance Department in a timely manner. (A spreadsheet template is available to aid in the data entry of receipts.) The Finance Director will review the statements of all Department Heads. The Finance Department will complete data entry authorizations and issue an ACH payment to the credit card company prior to the statement due date. It is City practice to avoid paying any credit card finance charges.

4.8 INTERNET PURCHASES

City employees may use the Internet to make purchases if they follow normal purchasing guidelines and the same approval process. Internet purchases are not permissible in situations where a sealed bid is required. Employees should only make purchases from legitimate vendors (compliant with US regulations with good reputation in the market) and through a secure connection. Any concerns regarding the security of the information should be directed to the Information Technology Department. The IT staff will have the final authority to determine if an Internet transaction provides sufficient security.

4.9 PETTY CASH ACCOUNT

Various departments maintain petty cash accounts to expedite miscellaneous purchases and the payments of small expenses when it is not practical to follow the City's normal payment procedures (e.g. reimbursement of work permit fee). The petty cash fund should not be used to circumvent the normal purchasing process or to pay for personal services. Each department overseeing a petty cash fund should seek reimbursement of transactions through miViewPoint no less than twice a year, and always by December 10 to assign purchases to the current fiscal year. A report of the petty cash balance as of January 1 should be emailed to the Finance Director by January 10.

4.10 EMPLOYEE REIMBURSEMENTS

Generally, employees should avoid making City purchases with their own funds. If the need arises to purchase an item for the City with personal funds, the employee must submit the receipt and a Check Request Form to the Department Head no more than 28 days after purchase. This form should include a

detailed listing of the items purchased and must be signed by the employee to be reimbursed and his or her Department Head. It is the responsibility of the employee making the purchase to ensure that any available discounts are applied, and that sales tax is not included. Once entered into miViewPoint and approved, a check will be issued for the reimbursement in the next check run.

4.11 EQUAL OPPORTUNITY/NON-DISCRIMINATION

The City of Watertown endorses and actively supports equal opportunity and a nondiscrimination policy. Therefore, it shall be a City requirement that all potential bidders be provided with equal opportunity to submit bids and to compete on an equal basis for City business.

All contracts to which the City of Watertown is a party, shall contain a nondiscrimination in employment clause which provides:

“The vendor agrees that in performing under this agreement with the contracting municipality, he/she shall not discriminate against any worker, employee or applicant, or any member of the public because of race, creed, color, national origin, handicap, or sex. The vendor further agrees that this clause will be incorporated in all contracts entered with suppliers of materials or services who may perform any such labor or services in connection with this contract.”

5.0 EXCEPTIONS TO ROUTINE PURCHASING PROCEDURES

5.1 EMERGENCY PURCHASES

Emergency purchasing procedures should be used only when normal purchasing channels are not available. Emergency purchases may be made:

- When there is need for immediate delivery of items
- To prevent delays in work or construction schedules
- When there is an immediate threat to public health or safety
- To meet emergencies rising from unforeseen causes

For emergency purchases, the Department Head should take the following steps:

- If an emergency purchase is needed, alert the Mayor and/or Finance Director and obtain approval prior to making the purchase.
- A purchase requisition form and a written explanation of the emergency must be prepared and forwarded to the Finance Director and Mayor within two working days after making the purchase.

5.2 BLANKET PURCHASE ORDERS

Blanket purchase orders are used for those vendors from whom many repetitive purchases are made as supplies are required. Rather than issue a purchase order form for each purchase, one order is issued for a specified calendar year to cover all purchases made during that period. Blanket purchase orders can be renewed each year if continuing purchasing is warranted.

When requesting the issuance of a blanket purchase order, the Department Head should obtain price quotations on representative items from at least three vendors. The Department Head should then prepare a Purchase Requisition for the Finance Director that includes:

- The vendor
- The anticipated materials, supplies, equipment to be purchased
- The anticipated number of purchases to be made under the blanket order
- The total amount budgeted for such purchases.

The Finance Department will review the request and check the budget to verify that adequate funds are budgeted and available. Based on this information, the Finance Department shall indicate approval or denial of the request. If the request is approved, the Finance Department will issue a purchase order number that should be used when ordering any items under the blanket purchase order. The Department should include this number when the invoices are submitted for payment. Before a new blanket purchase order is issued, the Department Head should obtain competitive price quotations from alternate vendors.

6.0 PROCEDURES FOR CONTRACTED SERVICES

6.1 CONTRACTS DEFINED

For purposes of this policy, “contracts” are defined as any document meeting any of the following statements:

1. Requiring signature of statutory officers of the City.
2. Expressly waiving liability of the vendor.
3. Expressing a scope of service to be performed by the vendor.
4. Placing conditions (other than payment) upon the City.
5. Contracts also include lease agreements (other than office equipment leases).
6. Memorandums of understanding (other than those with no cost to the City).

6.2 COMPETITIVE BIDDING

Department Heads must follow all competitive bidding requirements for procuring contracted services or purchases. However, a purchase order is not needed in these instances.

6.3 CONTRACT REVIEW

The contract routing form must be used to ensure proper review before any contract is signed. No contract shall be executed on the part of the City until the Finance Director has reviewed to ensure that sufficient funds are available to meet the expense and the City Attorney has reviewed as to approved form. Department Heads should submit contracts to the Finance Director as soon as possible for timely review, ideally at least two business weeks prior to the execution date. All questions about whether a document is a contract should be directed to the City Attorney prior to execution of the document.

6.4 SIGNATORIES

The signatories for the City are the Mayor and Finance Director/Treasurer [for purchases up to \$25,000], each of whom are authorized to execute the contracts without additional Council action provided the purchase is included in the annual budget and meets the guidelines of the purchasing policy. Department Heads do not have legal standing to enter contracts on behalf of the City unless expressly authorized to do so by the Common Council.

7.0 PROCUREMENT FOR STATE AND FEDERAL AWARDS

7.1 RESPONSIBILITY

City of Watertown Department Heads are responsible for determining whether a purchase is allowable under the terms of any state and federal program from which their department is receiving support. The process used for procurement under terms of any state and federal program should follow the guidance of the program.

7.2 COST ALLOWABILITY FOR CHARGES AGAINST FEDERAL AND STATE AWARDS

General. All costs incurred by City of Watertown under a grant award from a U.S. federal or state agency shall be subject to the cost allowability standards articulated in OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Procedure. Prior to entry into the general ledger, the department head shall determine if the nature of the expense and determine if the expense:

Allowability – meets the general requirements established in 2 CFR § 200.403(a) through §200.403(g). City of Watertown will maintain a system of internal controls over Federal expenditures to provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the above referenced cost principles.

Those controls will meet the following general criteria:

- Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the city.
- Be accorded consistent treatment.
- Be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- Be adequately documented.

Selected Items of Costs – is consistent with one of the allowability factors for selected items of costs articulated in 2 CFR § 200.420 through § 200.475.

Grant Budget – is consistent with the allowable expenses provided for in the grant agreement.

This procedure will be employed regardless of whether City of Watertown classifies the expense as a direct or indirect (F&A) cost. If deemed allowable, the department head shall code the expense in accordance with the account code established for the grant and submit the amount in the general ledger. If the department head cannot establish the allowability of an expense, consultation with the Finance Director shall be required to make the determination before any cost is entered in the general ledger. If unable to be resolved by the Finance Director, City of Watertown shall seek clarification with the Federal awarding agency or pass-through agency.

If deemed ineligible for reimbursement under the Federal award, the department head will record the item to an appropriate alternative within department expense accounts.

7.3 METHODS OF PROCUREMENT

The City must follow the procurement procedures identified in 2 CFR § 200.318 through §200.327. The City must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. The City must maintain records sufficient to detail the history of procurement (rationale for method of procurement, selection of contract type, contractor selection or rejection, basis for the contract price).

1. **Micro-purchases up to \$50,000** (federal threshold established in the Federal Acquisition Regulations). The acquisition of supplies or services, the aggregate dollar amount not exceeding the micro-purchase threshold. Micro-purchases may be awarded without soliciting competitive price or rate quotations if the City considers the price to be reasonable based on research, experience, or purchase history. To the extent practicable, the City will distribute micro-purchases equitably among qualified vendors.
2. **Small Purchases for items between \$50,001 and \$250,000.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (less than \$250,000). If small purchase procedures are used, price or rate quotations shall be obtained from a minimum of three qualified sources. Efforts should be made to obtain at least one bid from a small or minority-owned business, if available.
3. **Formal Procurement for purchases greater than \$250,000.** Formal procurement methods are required when the value of the procurement for property or services exceeds the Simplified Acquisition Threshold. Formal procurement methods require following documented procedures and public advertising. One of the following methods can be used:
 - a. **Sealed bids.** A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid,

conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

- b. Proposals. A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids.
4. **Noncompetitive procurement.** Also known as sole-source procurement, this may be appropriate only when specific criteria are met. Examples include when an item is available only from one source, when a public emergency does not allow for the time of the competitive proposal process, when the federal awarding agency authorizes, or after a number of attempts at a competitive process, the competition is determined inadequate.

8.0 MISCELLANEOUS CONSIDERATIONS

8.1 GRANTS AS A REVENUE SOURCE

All potential grants and other aid shall be carefully examined for matching requirements and restrictive covenants, to ensure that our participation in such grants will be beneficial and cost-effective. Grant requests shall be reviewed by the Finance Director/Treasurer prior to the application being submitted. This review is to ensure that the grants do not create an obligation for unfunded expenditures by the City relating to the grant's purpose and to provide an overall budgetary review of the grant proposal.

Grants requiring City matching funds are to be requested from the Finance Committee prior to submission of the grant application. The Finance Committee shall approve all grant awards prior to the final acceptance of a grant.

It is the responsibility of the department to maintain application and award documents relating to each grant. A copy of the award document should be emailed to the Finance Director for the annual audit preparation.

8.2 ADDITION OF NEW VENDOR

New vendors must be approved by the Finance Department staff and created in the accounting software prior to a purchase being initiated.

8.3 INSURANCE CLAIM PROCEEDS

Purchases resulting from an accident or loss will be expended from the appropriate expenditure account. Settlement proceeds will be posted to the same expenditure account.

8.4 ETHICS

Elected officials and employees of the City shall comply with all federal, state and City ethics laws regarding conflict of interest as well as ethics regarding all purchase decisions. It shall be unethical for any City employee to participate directly or indirectly in a purchase or contract when the City employee or any member of the employee's immediate family has a financial interest pertaining to the contract or purchase unless the contract has been competitively bid or the service is highly specialized and only one supplier is available, and the employee has followed the procedures set forth in the Purchasing Policy.

Neither the City's name or any employee's name or position is to be used to endorse or support a product or vendor unless specifically authorized by the Common Council.

8.5 SURPLUS PROPERTY

City property is declared "surplus" when it is no longer necessary, practical, or economical to be retained by the City. Department Heads are responsible for identifying surplus furniture, equipment, supplies, etc. in their departments. Items may be sold prior to end of their useful life if it is determined that it is in the City's best interest to take advantage of the current salvage value of the item. If an item is sold or donated, City employees should not receive preferential access compared to the public.

Once a Department Head has identified surplus property, he or she should determine if the item is of use to another department. If the surplus property has no further economic use to the City, the Department Head or designee shall determine the best method for sale or disposal of surplus property for which the original purchase price was under \$10,000. Such methods shall include internet postings on the Wisconsin Surplus Auction site (through Police Department) or public bid. For items with an original purchase price of \$10,001 to \$50,000, Mayor approval is required prior to disposal. The Finance Committee shall approve the method of sale or disposal of surplus property for which the original purchase price was over \$50,000. Disposal of all items with an original cost of over \$5,000 must be reported to the Finance Director for removal from insurance and the capital asset inventory.

Police unclaimed property: Watertown Police Department shall conform to Wis. Stat. secs. 66.0139 and 170.105.

Real Estate. Whenever City owned property is proposed for sale, there should be an internal review conducted by the Mayor to determine whether the City may need the parcel in the future and for what purpose. The Mayor will then prepare a report for Plan Commission for review. The Plan Commission will consider the land sale request, along with the Mayor's Report on the property, and then prepare a recommendation based on zoning or land use of the property. The Plan Commission recommendation will then be submitted to the Finance Committee who shall consider whether an appraisal is necessary, how the property may be disposed of, and then forwards a recommendation to the Common Council for final action. The Mayor is responsible for carrying out the Council's actions regarding the disposition of the property. Property may be disposed of by public sale or auction, sealed bids, or by a mutual sales agreement.



THE CITY OF
WATERTOWN

To: Finance Committee
CC: Mayor McFarland
From: Mason Becker, Strategic Initiatives and Development Coordinator
Date: April 15, 2024
Re: Southwest Neighborhood financial aspects

Dear Finance Committee Members,

I am writing to give a general overview of the financial terms being discussed for the planned Southwest Neighborhood development, which will be presented at this meeting by representatives from Vandewalle & Associates and the Greater Watertown Community Health Foundation.

In anticipation of a formal Development Agreement (DA) being worked on between the City and the Foundation, Vandewalle has assisted with the drafting of the attached term sheets (included in this packet). The term sheets set the basic parameters of what will be included in the DA and outline the expectations of the type of housing product that will be created. As currently planned, the rental apartment complexes in the northern (Horizon) part of the development will be supported by a TIF deal, as part of a newly created TID. The for-sale single-family and twin homes in the southern (Foundation Development) area will be supported by infrastructure paid for by the City.

Horizon Project:

- The Horizon Project outlines basic parameters such as unit count and acreage, with construction slated to begin in spring 2025 and completion within a year.
- Horizon aims to secure a low-interest loan from the Thrive Live Local Development Fund, requiring a percentage of units to be at or below market rates.
- Lease rates for all units are intended to meet Thrive affordability criteria, but assistance is needed to offset high construction costs.
- The requested loan amount is \$2.433 million, approximately 12% of the total project cost., Typically, the City prefers to keep the participation to less than 15%.
- Without PAYGO TIF assistance, projected returns fall below market rates, making the project financially unviable.
- The City proposes funding on a pay-as-you-go (PAYGO) basis by refunding a portion of annual incremental property taxes over an estimated 15-year period. As a reminder, the property is currently tax-exempt.
- Creation of a mixed-use TIF, including Horizon and surrounding properties, aims to revitalize certain vacant buildings on Church St.

Foundation Development:

- The Foundation plans a residential subdivision comprising 80 single-family homes and 18 twin homes, with construction to commence in spring 2025.
- Infrastructure costs are estimated at \$5.8 million, with the Foundation contributing over \$1.3 million.
- The City's share would be approximately \$4.5 million, with various funding sources identified over a five-year period.

- To mitigate increased home prices due to infrastructure costs, the Foundation seeks City assistance to ensure base prices remain affordable.
- Infrastructure construction will occur in three phases over three years, with reimbursement tied to completion milestones and availability of City funds.
- All infrastructure will be dedicated to the City upon completion.

As a reminder, this planned development represents opportunities for economic growth and community enhancement by addressing a well-known shortage of both owner-occupied and rental housing in Watertown, and also ties in with the upcoming construction of the brand-new YMCA facility. The proposed terms aim to strike a balance between developer needs and city interests.

Approval of these term sheets will enable further progress towards formal development agreements. If the finance committee generally consents to these agreements as outlined, the DA with the Foundation will come forward in the next few weeks, and a TIF agreement and DA for the Horizon project will be brought forward in July/August of this year.

Sincerely,



Mason T. Becker
Strategic Initiatives and Development Coordinator



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TIF OPTIMIZATION PLAYBOOK

A unique approach to optimize and manage
your new or existing TIF District

www.vandewalle.com



What is Tax Incremental Financing (TIF)?

A TIF District (TID) is the most powerful tool for economic development in the municipal toolkit!

Municipalities divert future property tax revenue increases from a defined area or district toward economic development and public improvement projects in the community.

TIF assistance is given to project participants but is not appropriated directly from a city's budget.

The municipality and other taxing jurisdictions incur "losses" through foregone tax revenue for a *specific time only*.

TIF MYTHS

MYTH 1: “If you build it, they will come”

- **17%** of Wisconsin TIDs are underperforming or in a ‘negative increment’ state
- Creating a TIF district does not automatically drive growth
- A TID is not a plan – it is a means to **execute** an economic development plan

MYTH 2: “Having a TID brings the community impact we want”

- To be successful, a TID must become the financing vehicle **of a broader plan** to drive growth, improve a community and bring sustainable tax revenues.
- **18%** of Wisconsin municipalities can’t create new TIDs – so using the ones they have effectively is critical

VANDEWALLE & ASSOCIATES



TIF: Public purpose/benefit

Economic development project or public improvement project examples:

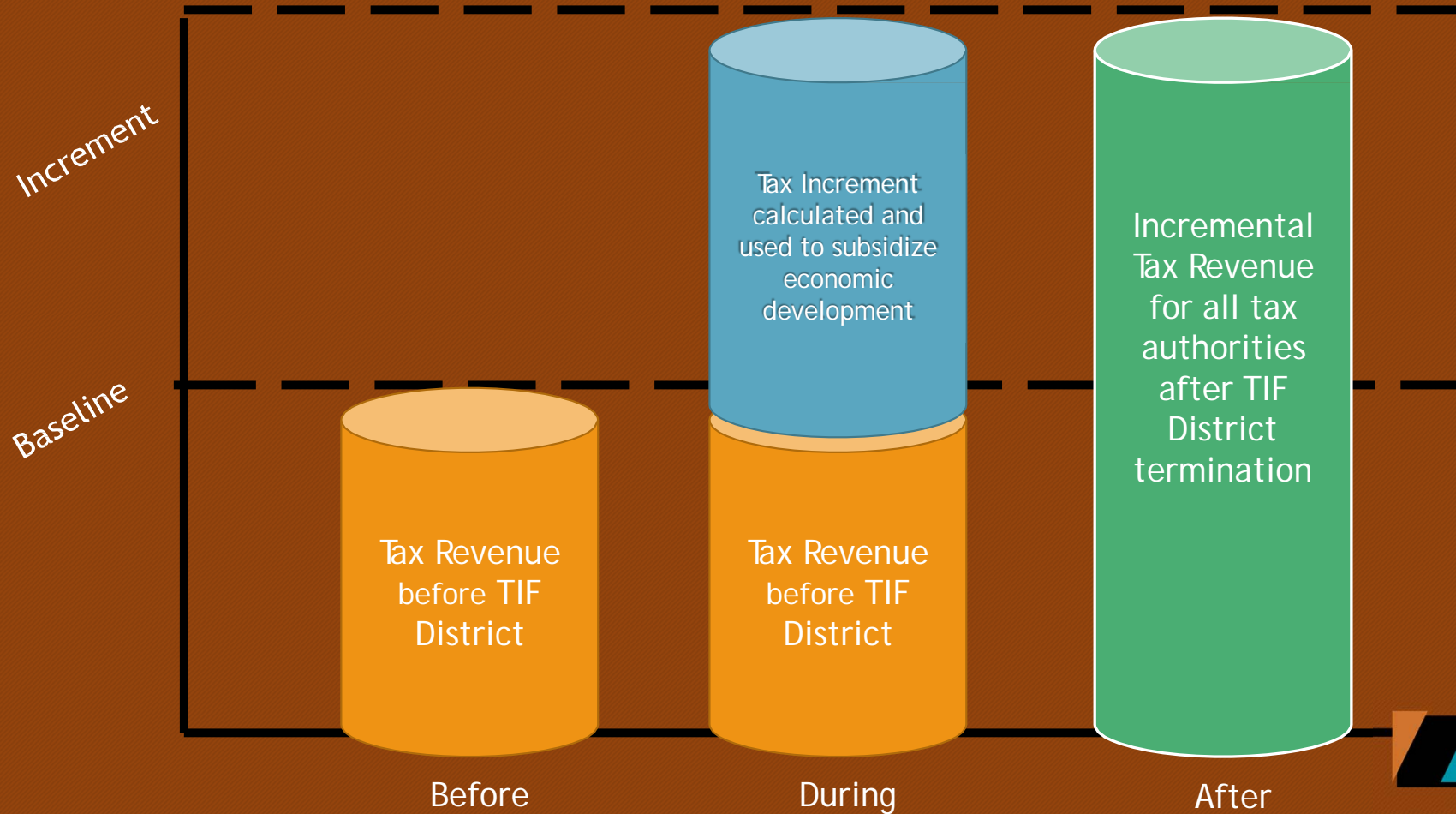
- Eliminate blight
- Diversify tax base
- Create jobs
- Remove social hazards
- Environmental clean-up
- Improve transportation/utility services
- Spur new investments

Primary types of TID

Specific rules and limits apply to each

- **Industrial Growth TID** - At least 50% of land must be zoned for industrial use; land zoned industrial at time of TID creation must remain so for life of TID.
- **Mixed use Development TID** - Often used to create new jobs and attainable housing with industrial and residential developments.
- **Blighted TID** - Used when at least 50% of TID property is blighted.

How TIF and Taxes Work Together



What is the general TID process?

Create Future Vision

Create plan that serves community goals for growth and improvement in the area

Establish Baseline

Determine current value from focus geographic area and presence of blight if applicable

Finalize "Increment"

Tax revenue based on *improved* area (the "increment") and expenses

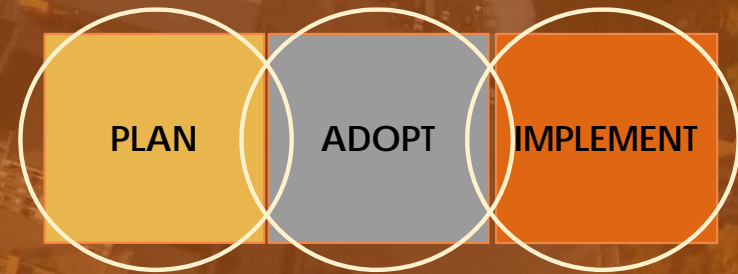
TIF Management

Pursue developers and investors who can bring future vision to life



CASE STUDIES

Municipalities using V&A for *partial or full* TIF engagements

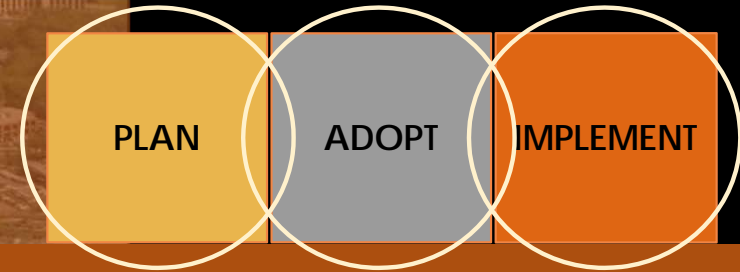


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MOST SUCCESSFUL TID IN WISCONSIN

MIDDLETON, WI



Situation Analysis: Over our ongoing 30-year relationship, V&A has served as the redevelopment planning, design, and economic restructuring consultant for the City.

Details: This TID District has been a model in downtown reinvestment, greenfield development, and proactive community planning for 3 decades. V&A created and has regularly updated the TID project plan that has revitalized the downtown and established an entire West Side employment and retail center – maximizing tax base and positive impact on the school district and City services. The TID spending plan addresses environmental, recreational, and stormwater concerns as well promoting affordable housing, sustainability, energy conservation, environmental preservation, job creation, and livability.

V&A developed the plan, created the TID and has actively implemented the it through a city staff team approach, driving its long-term impact and success for the community.

Results:

- **\$920 million:** Development value (over 45X the average TID value in Wisconsin!)
- **Over 8000:** # of jobs brought to Middleton
- **\$65 million:** Public improvements paid by the TID for roadway, stormwater management, bike/ped infrastructure, and public utilities

Summary: V&A provides ongoing project management of the TID including such services as amendments, subtractions, overlays, new districts, and donations between districts.

Money Magazine
named Middleton the best
small town in America.



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REDEVELOPMENT OF A BLIGHTED RIVERFRONT *MONONA, WI*

PLAN

ADOPT

IMPLEMENT

Situation Analysis: V&A helped the community turn a long-struggling and blighted 8-acre underperforming area into a dynamic community destination.

Details: Monona's redevelopment project in the Yahara River includes residential units, restaurant, office and retail spaces, plus a hotel – adding jobs and significant economic impact. The project, known as "The Current," flanks the new riverfront city park (also designed by us), which offers an ice rink, fire pit, stage, kayak/canoe launch, and 23 power boat slips while connecting to the highly popular Madison area lake loop bike trail.

V&A played a key role in developing and executing a bold vision for this remarkable project.

Results:

- **\$65 million:** Estimated total construction cost
- **400% increase:** In assessed value
- **\$14 million Phase 1:** 100 residential units, 25,000 SF commercial space with anchor restaurant, office and retail spaces
- **Phase 2 & 3:** 92-room hotel, 150 residential units and public improvements to area roads and park

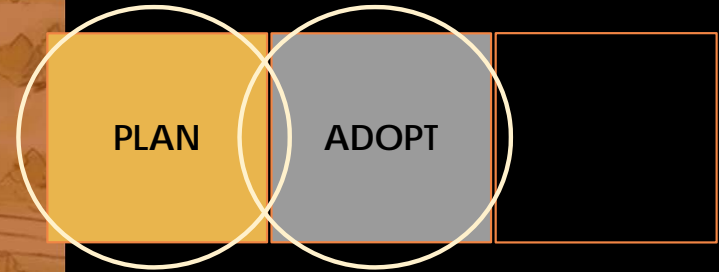
Summary: Monona's formerly blighted area now boasts riverfront living and dining for hundreds of residents and patrons, the addition of new job-creating businesses, new public access to the river, and an improved tax base for a land-locked community.

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PLANNING FOR A USEFUL AND BEAUTIFUL LAKEFRONT

OAK CREEK, WI



Situation Analysis:

Oak Creek lies between Lake Michigan the I-94 corridor, 12 miles from downtown Milwaukee. V&A helped the City create TID #13 and prepare a vision for a dynamic public waterfront and private development, including establishing optimum boundaries and identifying the right balance of land uses to eliminate blight and maximize the TID’s financial success.

Details:

Historically heavily industrial, these uses left environmental complexities requiring years of investigation and cleanup. V&A conducted a conditions analysis and qualified the area as a Blighted TID, creating a district with 27 years of life to help the City stimulate catalytic site redevelopment, provide financing for lakefront improvements, and increase the tax base. V&A also amended TID #6 to provide donations of surplus revenues to help jumpstart development within TID #13.

Results for TID #13:

- **\$172.7 million:** Development value goal
- **\$36.4 million:** Authorized City investments in capital costs, environmental clean-up, and development incentives over life of the District

Other Oak Creek TIDs with V&A:

- TID #12: IKEA TID with \$125 million from new development along Drexel Avenue corridor adjacent to I-94
- TID #14: Industrial park redevelopment
- TID #15: ALDI/retail strip redevelopment
- TID #16: Ryan Road Business Park including \$100 million Amazon logistics hub

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RESTRUCTURING TIDS FOR MORE IMPACT

PLATTEVILLE, WI

ADOPT

Situation Analysis: Platteville had 5 open TIDs and needed to better leverage them to achieve its immediate and long-term economic development goals.

Details: Most of the TIDs were initially opened to pay for infrastructure without much focus on attracting new development. As the City neared the State TID value limitation –but still had new projects needing TIF assistance – it needed to act quickly and turned to V&A. Acting on our analysis and recommendations, the City coalesced its development partners and JRB members to achieve unanimous support for amending 3 TIDs to include:

- 1) Restructuring the downtown TID spending plan to shift the focus from infrastructure to creating tax increment.
- 2) Restructuring the interchange TID spending plan and obligations to immediately free up \$2M for needed improvements.
- 3) Adding a newly vacated building in the industrial park TID to encourage reuse

Results:

- **\$133.4 million:** Value of all TIDs representing a 40% value increase since adopting the recommended amendments
- **Critical change:** TIF dollars used to promote and assist implementation of new development
- **Note:** A TIF can fund relevant costs such as a comprehensive development plan, developer incentives, site acquisition, site clearance, and marketing for attracting development.

Summary: Platteville adopted the V&A TID restructuring recommendations and has continued to significantly increase their economic impacts.

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COMMERCIAL CORRIDOR TRANSFORMATION

MADISON, WI

PLAN

IMPLEMENT

Situation Analysis: The Capitol East District was a significantly underutilized corridor in the heart of Madison. The goal was to create a major urban employment center with a lively pulse.

Details: V&A worked with city staff, the private sector and neighborhoods to prepare an award-winning vision and plan for the corridor. We then led a repositioning strategy and implementation project prioritization with development projections. Working as a team with city staff, we actively guided TIF implementation including land acquisition and developer selection.

Results:

- Additional Tax Value \$328 million
- New city destination and commercial hub
 - Residential Units: ~1,400
 - Commercial: ~620,000
 - Parking Stalls: ~2,900
 - Hotel Rooms: ~140

Summary: The Capitol East District is a game-changing economic and high-density living epicenter that has attracted small, medium and large businesses and become an entertainment destination with a fresh vibe.



CRITICAL SUCCESS FACTORS OF A TID

'Big Picture' Focus

Long-term oriented project plan to drive economic development

'Lasting Value' Orientation

Sustainable focus on growth and increased tax revenue

Ongoing Management

Aggressive developer and investor outreach

Joint Review Board Approval

All tax authorities (municipal, school and/or county) should be aligned and be part of the TID process



CREATE.
PLAN.
EXECUTE.

Create

Create District

- Perform feasibility studies
- Establish base value and geography
- Calculate incremental tax value

Plan

Plan Project

- Create plan for Economic Development
- Develop guide for investments



Execute

Execute Plan

- Attract developers
- Manage progress to maintain momentum



VANDEWALLE & ASSOCIATES



- **The Midwest Experts** at TIF design, implementation and optimization with decades of experience
- Let us help you use a TID effectively, so you optimize the benefits of your tax revenues while you drive sustainable, long-term community improvements and growth
- www.vandewalle.com/TIF or (608) 255-3988



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Section 3, Item E.

APRIL 22, 2024

City of Watertown

Finance Committee 5:30pm

Greater Watertown Community Health Foundation

Neighborhood Plan Update

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3 Infrastructure

Phased Installation
Phased Costs

4 Construction
Phasing

5 Term Sheets

Riverside Apartments Dev
Riverside Residential
Subdivision Dev

6 Next Steps

Section 1

GWCHF Vision



DREAM
BIG.

A photograph of a man in a yellow t-shirt carrying two young children on his shoulders. They are in a field of red flowers, possibly poppies, with a large tree in the background. The scene is outdoors and appears to be a park or a natural area.

GWCHF

Our Vision:

Thriving communities where everyone has a fair and just opportunity to be as healthy as possible.

“Health equity means increasing opportunities for everyone to live the healthiest life possible, no matter who we are, where we live, or how much money we make.”

Robert Wood Johnson Foundation



Development Plan

Great Watertown Community Health Foundation's Vision for Housing.

- Deliver diverse housing types to accommodate a variety of lifestyles, age groups, formats, and price points.
- Integrate public health and community character.
- Build a model for sustainable and positive environmental impacts by providing housing, parks, and community uses within walking distance.
- Blend multi-modal transportation options into design.
- Preserve environmental systems.



Section 2
Development
Plan
&
Site Layout



Previous Development Option

As presented to City
Staff in Dec 2023.

Option (1)

ADOPTED PLAN

Housing Choices 100 rental apts, 20 for-sale townhomes, 24 for-sale twins, 39 for-sale singles

Total New Roofs 183

Estimated Taxes **\$783,000**

Need from City PayGo Blighted TID, Mixed Use TID for infrastructure installation

Previous Layout

December 2023.

- Multiple east/west streets.
- Includes townhomes.
- No higher-value lots.



Current Development Plan

March 2024.

This plan:

- creates highest tax increment.
- is Developers' preference, ie., no town homes.
- meets GWCHF's vision and goals.
- creates greatly needed housing options for citizens of Watertown.

APARTMENTS, TWIN HOMES & SINGLE FAMILY HOMES

Housing Options

- 96 rental apartments
- 18 for-sale twins
- 78 for-sale singles

Total New Roofs 192

Estimated Taxes *\$914,000 upon construction
completion*

UPDATED

Site Layout

March 2024.

Section 3, Item E.



- Multiple higher-value lots.
- One east/west street.
- No townhomes.
- Highest tax increment.

Multi-Family Development

- 96 units.
- Infrastructure thru developer financed TIF.
- 2025 anticipated construction start.



Section 3, Item E.



Multi-Family Development

Proforma

But for the City's infrastructure installation, the Multi-Family development would not be financially feasible.

Riverside Apartments Development Information and Assumptions

April 4, 2024

BASIC PROJECT INFORMATION

Units	96
Type	Family Market Rate
Address	Hoffman Rd
City, State	Watertown, WI
Site Area (acres)	6.00
Building Gross Sq. Ft. (excluding parking)	119,994
Parking Spaces - Attached	32
Parking Spaces - Detached Garage	0
Parking Spaces - Surface	TBD

PROFORMA ASSUMPTIONS

Construction Hard Cost/SF	\$140.01
Total Development Cost/Unit	\$212,296
Operating Expenses (per unit per month)	\$587
Annual Rent Increase	3.00%
Annual Expense Increase	3.00%
Stabilized Vacancy	5.00%
Sales Price - Cap Rate	6.25%

FINANCING ASSUMPTIONS

Construction Loan Rate	8.000%
Construction Loan Term (Approx. Months)	30
Permanent Mortgage Rate	6.750%
Permanent Mortgage Amortization (years)	30
Permanent Mortgage Term (years)	7

INVESTMENT RETURNS

Cash on Cash (10 yr avg)	6.87%
IRR	11.16%

REVENUE ASSUMPTIONS

Unit Type	Qty	Sq. Ft.	Rent	Rent/SF
1 Bedroom - Lower	12	730	\$ 1,250	\$ 1.71
1 Bedroom - Upper	28	795	\$ 1,275	\$ 1.60
2 Bedroom - Lower	12	1,010	\$ 1,575	\$ 1.56
2 Bedroom - Upper	12	1,075	\$ 1,600	\$ 1.49
2 Bedroom - Lower - Garage	4	1,010	\$ 1,675	\$ 1.66
2 Bedroom - Upper - Garage	4	1,075	\$ 1,700	\$ 1.58
3 Bedroom - Lower - Garage	12	1,285	\$ 1,900	\$ 1.48
3 Bedroom - Upper - Garage	12	1,350	\$ 1,925	\$ 1.43

96

OTHER REVENUE ASSUMPTIONS

Type	Qty	Rate	Per Year
Parking / Storage	0	\$ -	\$ -
Pet move-in fee	0	\$ -	\$ -
Pet fees (per mo)	0	\$ -	\$ -
Amenity fee	0	\$ -	\$ -

CONSTRUCTION AND LEASE-UP SCHEDULE

Construction Begins	09/01/24
Construction Complete	09/01/25

Twin Homes Development

- 18 units.
- Infrastructure thru GWCHF and municipal funding.
- 2025 anticipated construction start.



Twin Homes Development Proforma

But for the City's infrastructure installation, the Twin Homes development would not be financially feasible.

SECTION 1 - INFRASTRUCTURE INCURRED WITH SALE PRICE AT MINIMUM	
SITE INFORMATION - Duplex (Per Unit Projections)	
Builder Name	White Oak Builders
Builder Address	1121 West Meade Baltimore, MD, 21204
Primary Contact	Tom Wilson
Phone Number	410.224.2244
Email Address	twilson@whiteoakbuilders.com
Project Name	White Oak Development 104
Project Description	Development of 104 Duplex Units
Project Location	Project 104 Baltimore, MD 21204

TWIN HOME PROJECT COSTS	Amount	% Cost	Unit	Unit Cost	Sub-Category
Land Acquisition Costs					
Land Fee	\$0.00	0.0%	\$0	\$0.00	
Other Acquisition Costs	\$0.00	0.0%	\$0	\$0.00	Based on minimum price 1.1
Construction Costs					
Site Work	-	0.0%	\$0	\$0.00	
Excavation & Grading	-	0.0%	\$0	\$0.00	
Concrete & Masonry	-	0.0%	\$0	\$0.00	
Roof Construction Cost	\$20,000	2.0%	\$0	\$20,000.00	Based on minimum 100K unit
Interior Construction	-	0.0%	\$0	\$0.00	
Plumbing & Mechanical	-	0.0%	\$0	\$0.00	
Paint & Finish Work	1,500	0.0%	\$0	\$1,500.00	
Landscaping	-	0.0%	\$0	\$0.00	
Other Construction Costs	\$17,000	0.0%	\$0	\$17,000.00	
Soft Costs					
Design Engineering Fee	-	0.0%	\$0	\$0.00	
Architectural Engineering Fee	-	0.0%	\$0	\$0.00	
Cost Controlling Fee	-	0.0%	\$0	\$0.00	
Site Surveying, A/E, M, S, etc.	-	0.0%	\$0	\$0.00	
Permitting & Ins. Testing	-	0.0%	\$0	\$0.00	
Construction Contracting Commission	-	0.0%	\$0	\$0.00	
Construction Contingency Allowance	-	0.0%	\$0	\$0.00	
Other Project Costs (Contingency Fee)	-	0.0%	\$0	\$0.00	
Hard Hat	500	0.0%	\$0	\$500.00	
Insurance	1,000	0.0%	\$0	\$1,000.00	
Marketing	-	0.0%	\$0	\$0.00	
Pre-Sale Model Study	-	0.0%	\$0	\$0.00	
IT & Safety Design & Training	-	0.0%	\$0	\$0.00	
Real Estate Sales Agency Commission	-	0.0%	\$0	\$0.00	
Other Soft Costs	-	0.0%	\$0	\$0.00	
Other Soft Costs	1,500	0.0%	\$0	\$1,500.00	
Utilities Fees and Surcharges					
Electric Utility Connection Fee	-	0.0%	\$0	\$0.00	
Water Fee	1,000	0.0%	\$0	\$1,000.00	
Gas Utility Connection Fee	-	0.0%	\$0	\$0.00	
Insulation Fee	-	0.0%	\$0	\$0.00	
Other Financing Costs	-	0.0%	\$0	\$0.00	
Other Financing Costs	\$0.00	0.0%	\$0	\$0.00	
Other Available Project Costs					
Construction Fee - Fee in Lieu	-	0.0%	\$0	\$0.00	
Transfer Tax - Contribution for Title	-	0.0%	\$0	\$0.00	
Recording Expenses	\$600	0.0%	\$0	\$600.00	
Grant Title Fee	-	0.0%	\$0	\$0.00	
Other Financing Costs	-	0.0%	\$0	\$0.00	
Other Financing Costs	\$0.00	0.0%	\$0	\$0.00	
Total Costs	\$48,000	100%	\$0	\$48,000	

PROJECT OPERATING PROFIT	
Estimated Project Sales Price	\$45,000.00
Total Costs	\$48,000.00
Net Profit/Loss	\$-3,000.00
Net Profit/Loss Percentage of Total Costs	-6.25%

SECTION 2 - INFRASTRUCTURE WITH SALE PRICE AT MINIMUM	
SITE INFORMATION - Duplex (Per Unit Projections)	
Builder Name	White Oak Builders
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Primary Contact	Tom Wilson
Phone Number	410.224.2244
Email Address	twilson@whiteoakbuilders.com
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Section 3, Item E.

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Land Fee	\$0.00	0.0%	\$0	\$0.00	
Other Acquisition Costs	\$0.00	0.0%	\$0	\$0.00	
Construction Costs					
Site Work	-	0.0%	\$0	\$0.00	
Excavation & Grading	-	0.0%	\$0	\$0.00	
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Construction Contracting Commission	-	0.0%	\$0	\$0.00	
Construction Contingency Allowance	-	0.0%	\$0	\$0.00	
Other Project Costs (Contingency Fee)	-	0.0%	\$0	\$0.00	
Hard Hat	500	0.0%	\$0	\$500.00	
Insurance	1,000	0.0%	\$0	\$1,000.00	
Marketing	-	0.0%	\$0	\$0.00	
Pre-Sale Model Study	-	0.0%	\$0	\$0.00	
IT & Safety Design & Training	-	0.0%	\$0	\$0.00	
Real Estate Sales Agency Commission	-	0.0%	\$0	\$0.00	
Other Soft Costs	-	0.0%	\$0	\$0.00	
Other Soft Costs	1,500	0.0%	\$0	\$1,500.00	
Utilities Fees and Surcharges					
Electric Utility Connection Fee	-	0.0%	\$0	\$0.00	
Water Fee	1,000	0.0%	\$0	\$1,000.00	
Gas Utility Connection Fee	-	0.0%	\$0	\$0.00	
Insulation Fee	-	0.0%	\$0	\$0.00	
Other Financing Costs	-	0.0%	\$0	\$0.00	
Other Financing Costs	\$0.00	0.0%	\$0	\$0.00	
Other Available Project Costs					
Construction Fee - Fee in Lieu	-	0.0%	\$0	\$0.00	
Transfer Tax - Contribution for Title	-	0.0%	\$0	\$0.00	
Recording Expenses	\$600	0.0%	\$0	\$600.00	
Grant Title Fee	-	0.0%	\$0	\$0.00	
Other Financing Costs	-	0.0%	\$0	\$0.00	
Other Financing Costs	\$0.00	0.0%	\$0	\$0.00	
Total Costs	\$18,075	100%	\$0	\$18,075	

PROJECT OPERATING PROFIT	
Estimated Project Sales Price	\$45,000.00
Total Costs	\$18,075.00
Net Profit/Loss	\$26,925.00
Net Profit/Loss Percentage of Total Costs	149%



Single Family Homes Development

- 78 units.
- Infrastructure thru GWCHF and municipal funding.
- 2025 anticipated construction start.

Single Family Homes

Section 3, Item E.

Proforma

But for the City's infrastructure installation, the Single Family Homes development would not be financially feasible.

	Full Cost	Percent	Discounted Lot	Percent	Difference
Final Sales Price	\$475,000		\$410,000		\$65,000
Commissions & Closing Costs	-\$16,625	-3.50%	-\$14,350	-3.50%	
Proceeds at Closing	\$458,375		\$395,650		
Home Construction Cost	-\$275,000	-57.90%	-\$275,000	-67.10%	
General Conditions on Site	-\$7,000	-1.50%	-\$7,000	-1.70%	
Lot Cost	-\$85,000	-17.90%	-\$30,000	-7.30%	-\$55,000
Interest Expense & Carrying Cost	-\$12,000	-2.50%	-\$8,000	-2.00%	
Harbor Homes OH per Home	-\$35,000	-7.40%	-\$35,000	-8.50%	
Profit	\$44,375	9.30%	\$32,000	9.90%	

Section 3
Infrastructure
Phased Installation



Section 3, Item E.

Infrastructure Phasing

Phased installation affords City time for budgeting.



Section 3, Item E.

Infrastructure Costs

Projected.

	Phase 1	Phase 2	Phase 3	Total Project
Linear Feet	2316	1449	435	4200
Mass Grading and Water Management	\$ 1,348,230.00	\$ -	\$ -	\$ 1,348,230.00
Water and Sewer	\$ 1,200,685.20	\$ 726,772.80	\$ 250,582.00	\$ 2,178,040.00
Curb, Gutter, Road	\$ 511,325.00	\$ 320,425.00	\$ 87,050.00	\$ 918,800.00
Gas and Electric	\$ 137,800.00	\$ 85,800.00	\$ 31,200.00	\$ 254,800.00
Landscape, Professional Fee's and Contingency	\$ 828,298.04	\$ 209,439.56	\$ 67,526.40	\$ 1,105,264.00
Total	\$ 4,026,338.24	\$ 1,342,437.36	\$ 436,358.40	\$ 5,805,134.00

Section 4
Construction
Phasing



Construction Phasing with Infrastructure Phasing

Section 3, Item E.



INFRASTRUCTURE

- Phase 1 begins

SINGLE FAMILY

- 10 under construction

TWIN HOMES

- 6 under construction

MULTI-FAMILY

- 96 under construction

SINGLE FAMILY

- 10 from prior yr completed
- additional 12 completed
- additional 12 started
- *cumulative completed 22*

TWIN HOMES

- 6 from prior yr completed
- additional 6 completed
- additional 6 started
- *cumulative completed 12*

MULTI-FAMILY

- 96 from prior yr completed
- *cumulative completed 96*

INFRASTRUCTURE

- Phase 2 begins

SINGLE FAMILY

- 12 from prior yr completed
- additional 12 completed
- additional 12 started
- *cumulative completed 46*

TWIN HOMES

- 6 from prior yr completed
- *cumulative completed 18*

INFRASTRUCTURE

- Phase 3 begins

SINGLE FAMILY

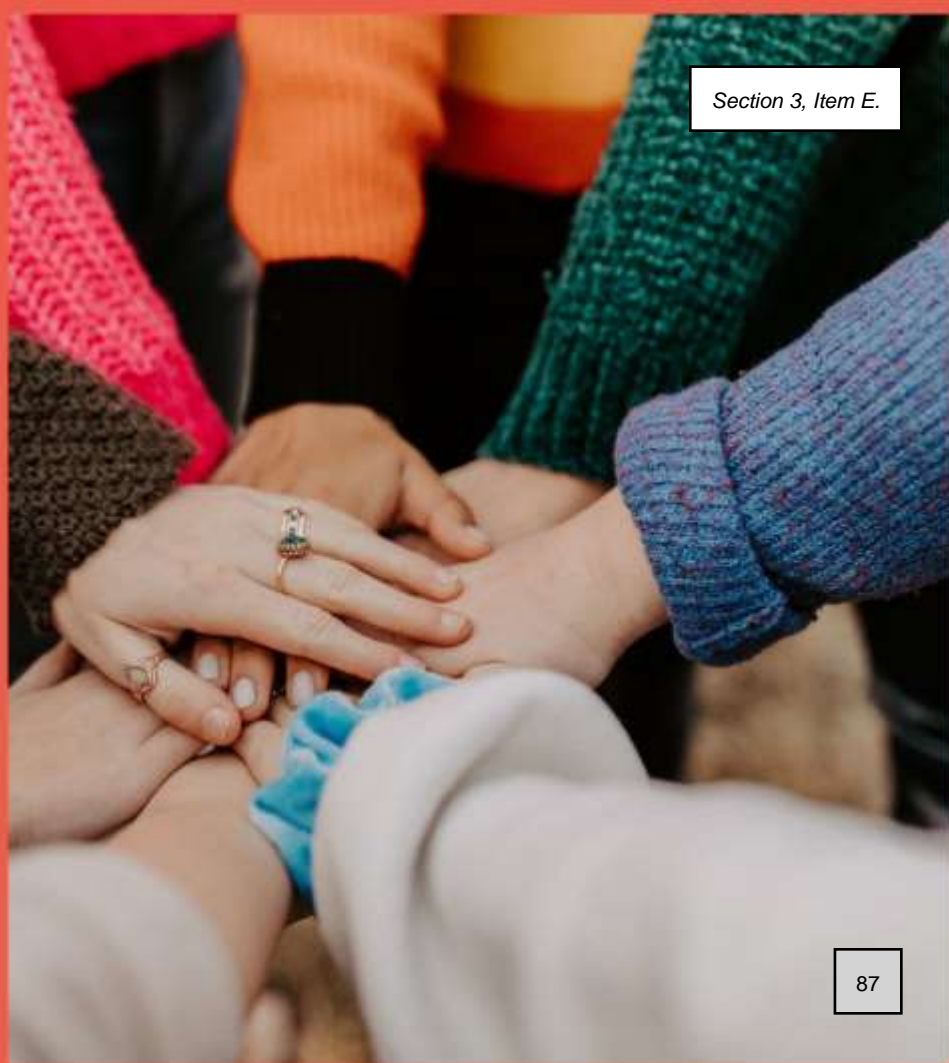
- 12 from prior yr completed
- additional 12 completed
- additional 10 started
- *cumulative completed 70*

SINGLE FAMILY

- 10 from prior yr completed
- *cumulative completed 80*

Section 5

Term Sheets



Term Sheet

Riverside Apartments Development.

City of Watertown – Riverside Apartments Development Developer Agreement Summary Term Sheet Draft: April 18, 2024

- A. Parties:** City of Watertown (the "City")
Horizon Development Group, Inc. (the "Developer")
- B. Property:** Developer has an option to purchase a 7.7-acre site (the "Tract") that is the northern portion of a larger 48.3-acre redevelopment site (the "Redevelopment Site") generally located at 700 Heffman Drive in the City of Watertown (Jefferson County Tax Identification Number 291-0815-0814-001). The balance of the property is being planned for the development of a residential subdivision, which will be the subject of a different development agreement and is not a part of this Project.
- C. Project Description:** The project (the "Project") consists of 96 rental apartment units in four, 24-unit buildings to be constructed in a single phase as shown conceptually in Exhibit 1 (the "Concept Plan"). Each building will be two stories and contain approximately 24,000 square feet consisting of 10 one-bedroom/one-bathroom units, 8 two-bedroom/two-bathroom units, and 6 three-bedroom/two-bathroom units. Each unit will have a separate exterior entrance/exit with no interior hallways or indoor common areas. Parking will consist of surface spaces as required by the applicable zoning district. Other site improvements will consist of sidewalks and landscaping. Construction is anticipated to be started by May 1, 2025, and completed by July 2025.
- Developer's total investment will be approximately \$20.38 million. To construct the Project, Developer shall provide approximately \$4.8 million in equity.
- D. Purpose:** This term sheet (the "Term Sheet") outlines the basic obligations and responsibilities of the Parties for developing the Property and completing the Project, which are to be incorporated into a formal development agreement (the "Development Agreement") between the Parties for the Project. This Term Sheet is not binding on either party but, instead, represents their intentions with respect to the content of a binding Development Agreement.
- E. Conditions Precedent:**
- Developer has secured a purchase option for the Property and has until May 1, 2025, to close on the sale.
 - The Property currently is exempt from real property taxes and has an assessed value of \$0.00.
 - In collaboration with the City, the Greater Watertown Community Health Foundation prepared the Watertown Southwestern Side Conceptual Neighborhood Plan (the "Neighborhood Plan") encompassing the Property and surrounding area.
 - Developer has indicated interest in developing the Property consistent with the Neighborhood Plan and has provided the City with concept plans and financial information for construction of the Project.
 - The Property is classified as Riverside Mixed Use on the Future Land Use Map adopted as part of the Watertown Comprehensive Plan and is zoned PG (Planned Office & Institutional).
 - To implement the Project, the Property will need to be rezoned to PD (Planned Development) (the "Rezoning").
 - Prior to the creation of a Tax Increment District (the "TID") that would include the Property, the Property will need to be formally subdivided (the "Plat") from the rest of the Redevelopment Site.

14. Developer agrees to maintain the Property to conform with all local, state, and federal laws and regulations.
 15. Developer agrees to work in good faith in joining the City with preparing Assessment and financial projections as necessary for the City to prepare a project plan consistent with Wis. Stat. § 66.1107 for the creation of a new TID that would include the Property and surrounding parcels, as well as with any applications for local laws, rules, and federal agencies and permit reviews the City may wish to enter into discussions with the TID and the City's obligations as described in Section 13.
- G. City Obligations:** The City will provide the following items of assistance to Developer in completing the Project:
1. Prior to the execution of the Development Agreement, the City shall take all steps necessary to create a rezoned TID consistent with Wis. Stat. § 66.1107 that includes the Property and includes the Project as shown described herein on an eligible TID rezoned.
 - a. Developer acknowledges that for the City's creation of a TID as positioned on the approval of rezoning by the Watertown Joint Review Board (the "JRB"), an independent body.
 - i. In the event the JRB does not approve the proposed TID, the City does not intend to force or affect and City and Developer agree that any and all direct and indirect expenses incurred by either Party, including the Project and the obligations of this Term Sheet shall be borne by each independently and neither Party shall seek reimbursement from the other for any such expense or attempt related thereto.
 2. Upon completion of the entire Project, the City shall provide Developer with an rezoned identified Revenue Obligation (the "RMO") for \$2.40 million. The RMO shall be paid with a percentage of the actual tax revenues generated by the Project as shown on Exhibit 1 (the "Project Revenues").
 - a. The RMO annual interest rate shall be the lesser of 7.75% or the then current rate secured for this Project for its term mortgage.
 - b. Payments shall be made only with the revenues from the Project and shall not constitute general obligation debt of the City. In the event the TID ceases the end of its contract July and the full RMO has not yet been satisfied, the City shall assume further obligations to make any additional payments and the RMO shall be considered to be satisfied in whole.
 - c. The City reserves the right to pay off the RMO in full on any date of its sole unassisted discretion.
 - d. City agrees not to intentionally postpone the TID prior to full satisfaction of the RMO.
 3. Terms of the Development Agreement shall include a "hold back" provision that allows the City to re-evaluate the financial need for full payment of contractual annual payments under the RMO in the event the project is sold to a third party during the RMO payment period.
 4. All of the above shall be contingent upon full satisfaction of all of Developer's Obligations as described in Section 7.
- H. Need for Assistance:** Developer is seeking assistance in connection to make the Project financially feasible with addressing a critical need for public market use housing in the community. Developer has stated that the assistance to be provided by the City, including the use of Tax Increment Financing, Developer would not be willing to seek financing with the Project.

City of Watertown	Horizon Development Group, Inc.
<p>1. The City of Watertown, Maine, a municipal corporation, by and through its duly authorized officers and agents, has entered into this Agreement with the Developer.</p> <p>2. The City of Watertown, Maine, a municipal corporation, by and through its duly authorized officers and agents, has entered into this Agreement with the Developer.</p> <p>3. The City of Watertown, Maine, a municipal corporation, by and through its duly authorized officers and agents, has entered into this Agreement with the Developer.</p> <p>4. The City of Watertown, Maine, a municipal corporation, by and through its duly authorized officers and agents, has entered into this Agreement with the Developer.</p> <p>5. The City of Watertown, Maine, a municipal corporation, by and through its duly authorized officers and agents, has entered into this Agreement with the Developer.</p> <p>6. The City of Watertown, Maine, a municipal corporation, by and through its duly authorized officers and agents, has entered into this Agreement with the Developer.</p> <p>7. The City of Watertown, Maine, a municipal corporation, by and through its duly authorized officers and agents, has entered into this Agreement with the Developer.</p> <p>8. The City of Watertown, Maine, a municipal corporation, by and through its duly authorized officers and agents, has entered into this Agreement with the Developer.</p> <p>9. The City of Watertown, Maine, a municipal corporation, by and through its duly authorized officers and agents, has entered into this Agreement with the Developer.</p> <p>10. The City of Watertown, Maine, a municipal corporation, by and through its duly authorized officers and agents, has entered into this Agreement with the Developer.</p>	<p>1. The Developer, a corporation organized under the laws of the State of Maine, has entered into this Agreement with the City of Watertown, Maine.</p> <p>2. The Developer, a corporation organized under the laws of the State of Maine, has entered into this Agreement with the City of Watertown, Maine.</p> <p>3. The Developer, a corporation organized under the laws of the State of Maine, has entered into this Agreement with the City of Watertown, Maine.</p> <p>4. The Developer, a corporation organized under the laws of the State of Maine, has entered into this Agreement with the City of Watertown, Maine.</p> <p>5. The Developer, a corporation organized under the laws of the State of Maine, has entered into this Agreement with the City of Watertown, Maine.</p> <p>6. The Developer, a corporation organized under the laws of the State of Maine, has entered into this Agreement with the City of Watertown, Maine.</p> <p>7. The Developer, a corporation organized under the laws of the State of Maine, has entered into this Agreement with the City of Watertown, Maine.</p> <p>8. The Developer, a corporation organized under the laws of the State of Maine, has entered into this Agreement with the City of Watertown, Maine.</p> <p>9. The Developer, a corporation organized under the laws of the State of Maine, has entered into this Agreement with the City of Watertown, Maine.</p> <p>10. The Developer, a corporation organized under the laws of the State of Maine, has entered into this Agreement with the City of Watertown, Maine.</p>

Term Sheet

Riverside Residential Subdivision Development

<p style="text-align: center;">City of Watertown – Riverside Residential Subdivision Development Developer Agreement Summary Terms Sheet Draft: April 18, 2024</p> <p>A. Parties: City of Watertown (the "City") Greater Watertown Community Health Foundation (the "Developer")</p> <p>B. Property: Developer owns a 48.5-acre site generally located at 700 Hoffman Drive in the City of Watertown (Address: Corner Tax Identification Number 791-0815-0814-0811). Developer intends to split off the northern 7.77 acres for the development of a rental apartment project, (the "Apartment"), which will be the subject of a different development agreement and is not a part of this Project. The remaining 40.73 acres that are the subject of this Terms Sheet (the "Project") will be further subdivided as described herein.</p> <p>C. Purpose: This term sheet (the "Term Sheet") outlines the basic obligations and responsibilities of the Parties for developing the Property and completing the Project, which are to be incorporated into a formal development agreement (the "Development Agreement") between the Parties for the Project. This Term Sheet is not binding on either party but, instead, represents their intentions with respect to the content of a binding Development Agreement.</p> <p>D. Project Description: The project (the "Project") consists of 80 single family homes and 18 town homes for a total 98 units to be constructed over 3 phases (the "Phases") with supporting infrastructure consistent with the "Concept Development Plan" as shown on Exhibit 1. Developer is engaging with two builders (the "Builders") to construct the homes. Although performance by the Builders is required in this Term Sheet and the contemplated Development Agreement, the Builders are not a party to either, and Developer shall assume all responsibility with respect to the type, quality, and timing of unit construction to be performed by the Builders.</p>	<p>1. Infrastructure for the Project generally consists of a plat of subdivision, road, sidewalks, streetlights, potable water lines, sanitary sewer lines, stormwater management facilities, electric service, natural gas service, and telecommunications service. It also consists of a public park, and walking path along the perimeter of the Property. Developer will construct those in 3 Phases over 3 years as shown on Exhibit 1 (the "Infrastructure Construction"). The total cost is estimated to be \$5.8 million as shown on Exhibit 1 (the "Infrastructure Construction").</p> <p>2. The 80 single family homes will in size vary from 1,000 sq. ft. to 2,400 sq. ft. in one- and two-story configurations on lots of approximately 8,000 sq. ft. (the "Single Family Homes"). Approximately 30 different models will be offered with various options for each available to buyers. The Builder will vary the use of finishes and colors to avoid a monotonous appearance. Typical floorplans and elevations are shown in Exhibit 4, and the Builder's estimated cost of construction for a typical unit, including the cost of the lot, is provided in Exhibit 5 (the "Typical SF Construction Cost"). Further, the Builder shall construct and offer complete homes that meet the "Minimum Construction and Finish Standards" as shown on Exhibit 6. These homes built in 2023 shall have a base sales price of \$410,000 or less (the "Base SF Price").</p> <p>a. Starting with three homes constructed in 2024 and then for each subsequent calendar year, the Base SF Price may be increased by the amount (before taxes as measured by the U.S. Bureau of Labor Statistics for seven other similar index) to be determined in the Development Agreement) without prior approval of the City provided that the Builder's profit is within industry standards.</p>	<p>1. The City and the Developer shall be bound by the terms and conditions of the "Development Agreement" which shall be a legally binding and enforceable contract between the City and the Developer. The Development Agreement shall be subject to the terms and conditions of the "Development Agreement" which shall be a legally binding and enforceable contract between the City and the Developer.</p> <p>2. The City and the Developer shall be bound by the terms and conditions of the "Development Agreement" which shall be a legally binding and enforceable contract between the City and the Developer.</p> <p>3. 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<p>1. Infrastructure for the Project generally consists of a plat of subdivision, road, sidewalks, streetlights, potable water lines, sanitary sewer lines, stormwater management facilities, electric service, natural gas service, and telecommunications service. It also consists of a public park, and walking path along the perimeter of the Property. Developer will construct those in 3 Phases over 3 years as shown on Exhibit 1 (the "Infrastructure Construction"). The total cost is estimated to be \$5.8 million as shown on Exhibit 1 (the "Infrastructure Construction").</p> <p>2. The 80 single family homes will in size vary from 1,000 sq. ft. to 2,400 sq. ft. in one- and two-story configurations on lots of approximately 8,000 sq. ft. (the "Single Family Homes"). Approximately 30 different models will be offered with various options for each available to buyers. The Builder will vary the use of finishes and colors to avoid a monotonous appearance. 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These homes built in 2023 shall have a base sales price of \$410,000 or less (the "Base SF Price").</p> <p>a. Starting with three homes constructed in 2024 and then for each subsequent calendar year, the Base SF Price may be increased by the amount (before taxes as measured by the U.S. Bureau of Labor Statistics for seven other similar index) to be determined in the Development Agreement) without prior approval of the City provided that the Builder's profit is within industry standards.</p>

Section 6
Next Steps

Section 3, Item E.

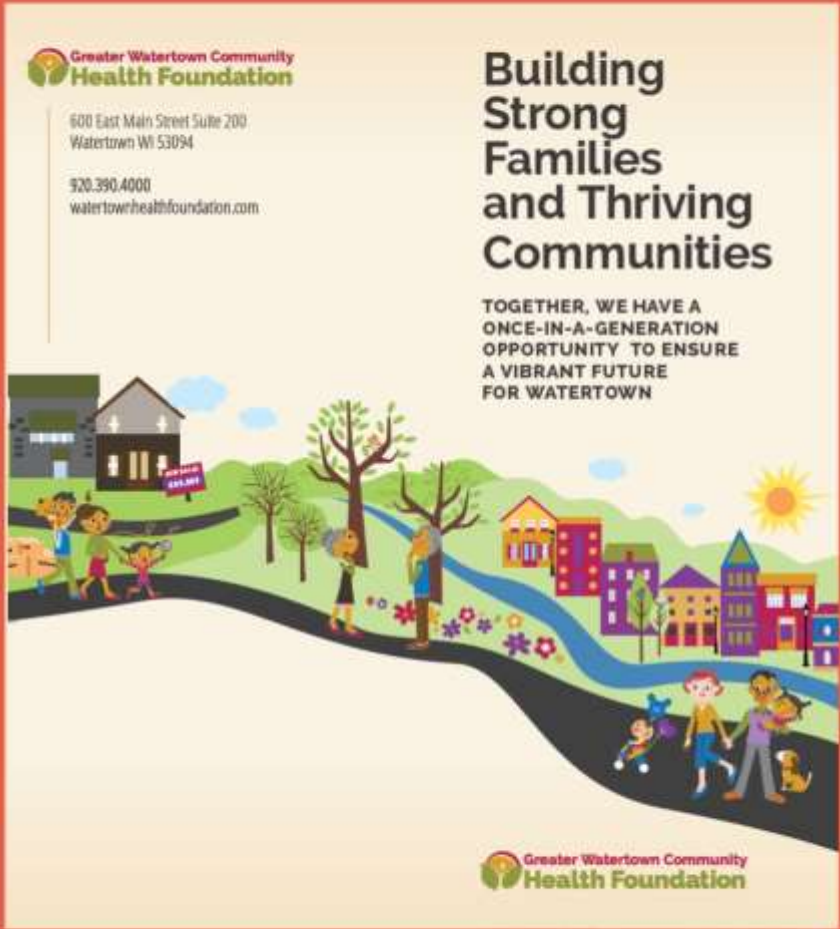


Next Steps

Key project milestones May - Aug 2024

Section 3, Item E.





City of Watertown -

Thank you for your partnership and guidance as we collectively work to transform a vacant parcel, add significantly to the tax base, and make a truly positive impact on housing for the future of Watertown.

*Greater Watertown Community Health Foundation
Tina Crave - President & CEO
Nate Peters - Chief Financial Officer*