

It is expected that a Quorum of the Personnel Committee, Board of Public Works, and Common Council will be attending this meeting: (although it is not expected that any official action of any of those bodies will be taken)

**CITY OF MENASHA  
ADMINISTRATION COMMITTEE  
Third Floor Council Chambers  
140 Main Street, Menasha  
August 17, 2009  
5:40 PM  
AGENDA**

- A. CALL TO ORDER
- B. ROLL CALL/EXCUSED ABSENCES
- C. MINUTES TO APPROVE
  - 1. [Administration Committee, 8/3/09](#)
- D. ACTION ITEMS
  - 1. [Review proposals for municipal building lighting fixture upgrades](#)
  - 2. [Request to extend repayment of Winnebago County Industrial Development Board Loan – Advanced Tooling Specialists](#)
- E. ADJOURNMENT

"Menasha is committed to its diverse population. Our Non-English speaking population and those with disabilities are invited to contact the Menasha City Clerk at 967-3603 24-hours in advance of the meeting for the City to arrange special accommodations."

CITY OF MENASHA  
ADMINISTRATION COMMITTEE  
Third Floor Council Chambers  
140 Main Street, Menasha  
August 3, 2009  
MINUTES

A. CALL TO ORDER

Meeting called to order by Chairman Wisneski at 6:34 p.m.

B. ROLL CALL/EXCUSED ABSENCES

PRESENT: Ald. Hendricks, Zelinski, Englebert, Benner, Pamerter, Taylor, Wisneski,  
Pack.

ALSO PRESENT: Mayor Merkes, Atty Rich Carlson, PC Stanke, DPW Radtke, CDD Keil,  
C/T Stoffel, PHD Nett, Bldg Supv Alix, Clerk Galeazzi and the Press.

C. MINUTES TO APPROVE

1. Administration Committee, 7/20/09

Moved by Ald. Pack, seconded by Ald. Englebert to approve minutes.

Motion carried on voice vote.

D. ACTION ITEMS

1. Asbestos compliance Inspection Contract Agreement between Wisconsin  
Department of Natural Resources and City of Menasha Health Department,  
and authorize signature

PHD Nett explained this is a renewal contract. It is expected that 10 inspections will be conducted per contract period. The Health Dept. is notified when a permit is taken out for asbestos removal. Most requests are for commercial buildings. There is some consulting with residents on asbestos removal.

Moved by Ald. Pack, seconded by Ald. Hendricks to recommend approval to Common Council

Motion carried on voice vote

2. Agreement between the Fox Cities Convention & Visitors Bureau and the City of  
Menasha for wayfinding signage

CDD Keil explained the City received a matching grant from Fox Cities Convention & Visitors Bureau in the amount not to exceed \$15,534 for the assembling and installation of wayfinding signs. Public Works staff will make the signs in accordance with specifications of Fox Cities Convention & Visitors Bureau consultants. A plan for the location of the signs will be presented to the Common Council.

Moved by Ald. Hendricks, seconded by Ald. Pack to recommend approval to Common Council.

Motion carried on voice vote

### 3. Review proposals for municipal building lighting fixture upgrades

Bldg. Supt Alix explained Request for Proposals for lighting assessment and fixture upgrades for energy efficiency for municipal buildings was sent out. Proposals were received from Faith Technologies, Orion and Beck Electric. Stimulus funds are available for installation of energy efficient fixtures.

Mayor Merkes explained WPPI is offering a zero percent loan program for the upgrading of lighting that reduces energy consumption.

Mike Herbst from Faith Technologies explained the proposal they submitted. Their proposal is to replace/upgrade existing fixtures. There are no additional fixtures being added.

Taylor Kapp from Orion explained their proposal. Their proposal had a couple different scenarios. This gives the City more options.

Discussion ensued on the three proposals submitted and the different options presents. Comments were made on it was hard to compare the proposals as there are different products quoted. More information would be needed to make an logical decision.

Moved by Ald. Benner, seconded by Ald. Pack to hold.

Discussion: Mayor Merkes stated stimulus funding requires installation by Sept. 30, 2009. Ald. Benner removed motion to hold.

Discussion ensued to have staff put together a comparison of the proposals.

No action on this item; will stay in Committee.

### E. ADJOURNMENT

Moved by Ald. Taylor, seconded by Ald. Pamenter to adjourn at 7:23 p.m.

Motion carried on voice vote.

Respectfully submitted by  
Deborah A. Galeazzi, WCMC  
City Clerk



## Memorandum

Date: August 12, 2009

To: Common Council

From: Adam Alix, Asst. Superintendent of Buildings & Parks AA

Re: Lighting Proposals

Attached is a summary of the lighting proposals received in response to our request looking to take advantage of the financial incentives currently available to upgrade the existing lighting within the City's buildings. You will notice that I have made adjustments to the proposals in an attempt to provide an apples to apples format for comparison. The adjustments are to either equate the same number of fixtures or for type of fixtures to provide the same level of lighting that currently exists. Likewise, adjustments were made to the proposed annual energy savings as well to account for the differences in the proposals.

In the end the two proposals that took into account most all the lighting in the City's buildings, came out fairly close. The adjusted cost difference is approximately \$1700, based on conservative cost estimates, and the projected annual savings are only about \$300 apart. When factoring in the warranty information and assigning some value, to it I feel that it only brings the overall costs even closer. As for Beck Electric's proposal, they only provided a quote for replacing the Metal Halide fixtures at the Public Works Facility which obviously affords us the greatest energy savings to be realized with the least amount of cost. This does raise the concern as to what type of payback warrants incurring the expense. For example, both proposals that addressed the Pool show an annual energy savings of \$85 at a cost of somewhere around \$650 after incentives for a simple payback of around 8 years. Does it pay to incur this cost now at a building that is only open for roughly 3 months out of the year or do we look to upgrade when the lights require maintenance?

In discussions with vendors and others, there doesn't seem to be a hard fast rule of thumb as to what kind of payback is most desirable. Some have upgraded with a projected 8 year payback because they felt it was the right thing to do being Green. I'm of the opinion that with the bonus incentives currently available, it may make sense to stretch the paybacks out a bit and complete the work. A point to be made here too is that in calculating the paybacks assumptions have been made regarding the burn hours of the lighting and there is the possibility that the real energy savings may not reach those that have been proposed. However, I am certain that, outside of the Public Works Facility, we have no plans to move out of any of the other buildings and that real savings will be realized over time making this a worth while project.

In addition, the Beck Electric proposal suggests the use of controls to further save energy and has it listed as an option. I believe that at this time we concentrate on base load reduction and continue to research the addition of controls to further reduce energy consumption and bring that forward at a later date. I would like to think there will still be some incentives available in the future, maybe not quite to the extent of this fall.

Having had time to review all of this information I recommend the following:

- The City purchase the Orion six bulb fixture directly and install them ourselves with DPW staff as they require no wiring, hang and plug them in. The modular design of these fixtures will allow us to easily look at adding controls to the lighting system and can be moved to a new facility when that happens.
- Contract with Faith Technologies to retrofit the existing light fixtures for the rest of the Public Works Facility, the Public Protection Facility, the Senior Center and City Hall.

Cost Summary of Recommendation

	<u>Costs</u>	<u>Incentives</u>	<u>Net Cost</u>	<u>Projected Annual Savings</u>	<u>Payback</u>
Public Works Facility					
Metal Halides	\$ 7,916.56	\$ 6,550.00	\$ 1,366.56	\$ 3,246.00	0.42 yrs
T12's	\$ 5,625.00	\$ 2,095.00	\$ 3,530.00	\$ 1,113.00	3.17 yrs
PPF	\$11,287.00	\$ 3,754.00	\$ 7,533.00	\$ 2,585.00	2.91 yrs
Senior Center	\$ 3,306.00	\$ 1,066.00	\$ 2,240.00	\$ 587.00	3.82 yrs
City Hall	\$ 9,622.00	\$ 3,288.00	\$ 6,334.00	\$ 1,548.00	4.09 yrs
Totals	\$37,756.56	\$16,753.00	\$21,003.56	\$ 9,079.00	2.31 yrs

# 2009 Lighting Proposal Summaries

<p style="text-align: center;">Faith Technologies</p> <p><b>Costs</b></p> <p>Proposal \$50,684.00                      less: Station 36 Deduct \$ 3,109.00  <u>Net Proposed Cost \$47,575.00</u></p> <p>less: CFL costs \$ 330.00 -a</p> <p><u>Adjusted Proposed Cost \$47,245.00</u></p> <p><b>Incentives</b></p> <p>Focus on Energy \$14,643.00                      less: St. 36 deduct \$ (800.00)                      MU Incentive \$ 5,070.00                      less: St. 36 deduct \$ (311.00)</p> <p>Proposed Incentives \$18,602.00</p> <p><u>Adjusted Proposed Incentives \$18,602.00</u></p> <p><b>Net Project Cost \$28,643.00</b></p> <p>Warranty-Includes labor for full 5 years on ballasts, others are manufacturers warranty</p> <p><b>Annual Savings</b></p> <p>Energy Savings \$ 9,805.00                      less: St. 36 deduct \$ (406.00)                      less: City Hall T8s \$ (805.32)                      Less: CFL not list in other proposal \$ (1,887.70)</p> <p><u>Total Proposed Annual Savings \$ 7,917.30</u></p> <p>Simple Payback 3.62 yrs</p>	<p style="text-align: center;">Orion/Cummings</p> <p><b>Costs</b></p> <p>Proposal \$32,002.00                      plus: Contingency \$ 1,139.00  <u>Net Proposed Cost \$33,141.00</u></p> <p>Plus: PWF fixtures \$ 975.00 -b                      City Hall 147 fixtures @ \$45 \$ 6,615.00 -c                      PPF 15 fixtures @ \$45 \$ 675.00 -c                      Senior Center 8 fixtures @ \$45 \$ 360.00 -c</p> <p><u>Adjusted Proposed Cost \$41,766.00</u></p> <p><b>Incentives</b></p> <p>Focus on Energy \$11,622.00                      MU Incentive \$ 3,200.00</p> <p>Proposed Incentives \$14,822.00</p> <p><u>Adjusted Proposed Incentives \$14,822.00</u></p> <p><b>Net Project Cost \$26,944.00</b></p> <p>Warranty-Manufacturer's warranty with labor included as long as contingency money is available</p> <p><b>Annual Savings</b></p> <p>Energy Savings \$ 9,923.00</p> <p>Less: PWF fixtures 14056kwh \$ 1,265.00                      Adj. existing kw/h 4769 \$ 429.00 \$ 1,694.00</p> <p><u>Total Proposed Annual Savings \$ 8,229.00</u></p> <p>Simple Payback 3.27 yrs</p>	<p style="text-align: center;">Beck Electric</p> <p><b>Costs</b></p> <p>Proposal \$14,577.00 -*                      plus: 4 fixtures \$ 911.00  <u>Total Cost \$15,488.00</u></p> <p>*64 MH fixtures only</p> <p><b>Incentives</b></p> <p>Focus on Energy \$ 5,760.00                      plus: 4 fixtures \$ 360.00                      MU Incentive \$ 1,549.00</p> <p>Total Incentives \$ 7,669.00</p> <p><b>Net Project Cost \$ 7,819.00</b></p> <p><b>Annual Savings</b></p> <p>Energy Savings \$ 3,115.00                      plus: 4 fixtures \$ 179.00</p> <p><u>Total Proposed Annual Savings \$ 3,294.00</u></p> <p>Simple Payback 2.37 yrs</p>

a- 66 CFL's at \$5.00  
 b- 30 fixtures @ \$30 15 @ \$5  
 c- estimated T8 retro \$21.28 / kit & \$23.60/labor/kit

**Energy Savings Summary**

**Total Scope**

<u>Annual Usage &amp; Savings (kWh)</u>		<u>Annual Costs &amp; Savings</u>	
Existing Lighting System	227,072	Existing Lighting System	\$20,437
Proposed Lighting System	119,473	Proposed Lighting System	\$10,752
Lighting Energy Saved	107,598		
<b>Total Energy Savings</b>	<b>47%</b>	<b>Total Annual Savings</b>	<b>\$9,685</b>
		<i>**Assumes charges of 0.09 per kWh</i>	
		ROI (return on investment)	31%
		<b>Cost of Components &amp; Installation</b>	<b>\$50,684</b>
		- WFOE Incentive	\$14,643
		- Menasha Utilities Incentive	\$5,070
		<b>Net Cost</b>	<b>\$30,971</b>
		Simple Payback (years)	3.12

**Energy Savings Summary**

**City Garage**

<u>Annual Usage &amp; Savings (kWh)</u>		<u>Annual Costs &amp; Savings</u>	
Existing Lighting System	96,888	Existing Lighting System	\$8,720
Proposed Lighting System	47,528	Proposed Lighting System	\$4,277
Lighting Energy Saved	49,360		
<b>Total Energy Savings</b>	<b>51%</b>	<b>Total Annual Savings</b>	<b>\$4,442</b>
		<i>**Assumes charges of 0.09 per kWh</i>	
		ROI (return on investment)	39%
		<b>Cost of Components &amp; Installation</b>	<b>\$21,047</b>
		- WFOE Incentive	\$7,652
		- Menasha Utilities Incentive	\$2,105
		<b>Net Cost</b>	<b>\$11,290</b>
		Simple Payback (years)	2.54

**Energy Savings Summary**

**Memorial Building**

<u>Annual Usage &amp; Savings (kWh)</u>		<u>Annual Costs &amp; Savings</u>	
Existing Lighting System	3,254	Existing Lighting System	\$293
Proposed Lighting System	1,583	Proposed Lighting System	\$142
Lighting Energy Saved	1,671		
<b>Total Energy Savings</b>	<b>51%</b>	<b>Total Annual Savings</b>	<b>\$150</b>
		<i>**Assumes charges of 0.09 per kWh</i>	
		<b>ROI (return on investment)</b>	<b>17%</b>
		<b>Cost of Components &amp; Installation</b>	<b>\$1,256</b>
		- WFOE Incentive	\$241
		- Menasha Utilities Incentive	\$126
		<b>Net Cost</b>	<b>\$889</b>
		Simple Payback (years)	5.91

**Energy Savings Summary**

**Police and Fire**

<u>Annual Usage &amp; Savings (kWh)</u>		<u>Annual Costs &amp; Savings</u>	
Existing Lighting System	58,823	Existing Lighting System	\$5,294
Proposed Lighting System	30,097	Proposed Lighting System	\$2,709
Lighting Energy Saved	28,725		
<b>Total Energy Savings</b>	<b>49%</b>	<b>Total Annual Savings</b>	<b>\$2,585</b>
		<i>**Assumes charges of 0.09 per kWh</i>	
		<b>ROI (return on investment)</b>	<b>34%</b>
		<b>Cost of Components &amp; Installation</b>	<b>\$11,287</b>
		- WFOE Incentive	\$2,625
		- Menasha Utilities Incentive	\$1,129
		<b>Net Cost</b>	<b>\$7,533</b>
		Simple Payback (years)	2.91

**Energy Savings Summary**

**Pool**

<u>Annual Usage &amp; Savings (kWh)</u>		<u>Annual Costs &amp; Savings</u>	
Existing Lighting System	1,841	Existing Lighting System	\$166
Proposed Lighting System	887	Proposed Lighting System	\$80
Lighting Energy Saved	954		
<b>Total Energy Savings</b>	<b>52%</b>	<b>Total Annual Savings</b>	<b>\$86</b>
		<i>**Assumes charges of 0.09 per kWh</i>	
		ROI (return on investment)	12%
		<b>Cost of Components &amp; Installation</b>	<b>\$1,057</b>
		- WFOE Incentive	\$264
		- Menasha Utilities Incentive	\$106
		<b>Net Cost</b>	<b>\$687</b>
		Simple Payback (years)	8.00

**Energy Savings Summary**

**Senior Center**

<u>Annual Usage &amp; Savings (kWh)</u>		<u>Annual Costs &amp; Savings</u>	
Existing Lighting System	13,291	Existing Lighting System	\$1,196
Proposed Lighting System	6,767	Proposed Lighting System	\$609
Lighting Energy Saved	6,524		
<b>Total Energy Savings</b>	<b>49%</b>	<b>Total Annual Savings</b>	<b>\$587</b>
		<i>**Assumes charges of 0.09 per kWh</i>	
		ROI (return on investment)	26%
		<b>Cost of Components &amp; Installation</b>	<b>\$3,306</b>
		-WFOE Incentive	\$735
		- Menasha Utilities Incentive	\$331
		<b>Net Cost</b>	<b>\$2,241</b>
		Simple Payback (years)	3.82

## Energy Savings Summary

## City Hall

<u>Annual Usage &amp; Savings (kWh)</u>		<u>Annual Costs &amp; Savings</u>	
Existing Lighting System	40,193	Existing Lighting System	\$3,617
Proposed Lighting System	22,996	Proposed Lighting System	\$2,070
Lighting Energy Saved	17,197		
<b>Total Energy Savings</b>	<b>43%</b>	<b>Total Annual Savings</b>	<b>\$1,548</b>
		<i>**Assumes charges of 0.09 per kWh</i>	
		ROI (return on investment)	24%
		<b>Cost of Components &amp; Installation</b>	<b>\$9,622</b>
		- WFOE Incentive	\$2,326
		- Menasha Utilities Incentive	\$962
		<b>Net Cost</b>	<b>\$6,334</b>
		Simple Payback (years)	4.09

## Energy Savings Summary

## Fire Station

<u>Annual Usage &amp; Savings (kWh)</u>		<u>Annual Costs &amp; Savings</u>	
Existing Lighting System	14,579	Existing Lighting System	\$1,312
Proposed Lighting System	10,064	Proposed Lighting System	\$906
Lighting Energy Saved	4,515		
<b>Total Energy Savings</b>	<b>31%</b>	<b>Total Annual Savings</b>	<b>\$406</b>
		<i>**Assumes charges of 0.09 per kWh</i>	
		ROI (return on investment)	20%
		<b>Cost of Components &amp; Installation</b>	<b>\$3,109</b>
		-WFOE Incentive	\$800
		- Menasha Utilities Incentive	\$311
		<b>Net Cost</b>	<b>\$1,998</b>
		Simple Payback (years)	4.92

### Energy Saving Summary

<u>Annual Usage &amp; Savings (kWh)</u>		<u>Annual Costs &amp; Savings</u>	
Existing Lighting System	70,444	Existing Lighting System	\$6,340
Proposed Lighting System	33,458	Proposed Lighting System	\$3,011
Lighting Energy Saved	36,987		
Estimated Cooling Load Savings	0	Estimated Cooling Savings	\$0
<b>Total Energy Savings</b>	<b>53%</b>	<b>Total Annual Savings</b>	<b>\$3,329</b>
<i>**Assumes charges of 0.09 per kWh</i>			
<b>ROI (return on investment)</b>			<b>43%</b>
<b>Cost of Components &amp; Installation</b>			<b>\$15,422</b>
- WFOE Incentive			\$6,120
- Menasha Utilities Incentive			\$1,542
<b>Net Cost</b>			<b>\$7,760</b>
Simple Payback (years)			2.33

#### Cooling Calculation

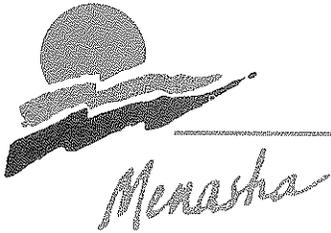
Geographic Location	0	None
Fraction of year of Cooling Season	0.00	
Lighting load met by Cooling	0.90	
System coefficient of performance	2.7	
kWh of air cooling energy saved per kWh of lighting savings	0.00	

*Calculation derived from research conducted for the American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE,) and validated by DOE-2 computer runs.*

#### LONG TERM PROJECTION OF SAVINGS

1 Year	\$	3,329
3 Years	\$	9,986
5 Years	\$	16,644
10 Years	\$	33,288

None	0
Milwaukee	20.9
Green Bay	17.5
Madison	20.2



## Memorandum

TO: Common Council

FROM: Mayor Merkes 

SUBJECT: Lighting Proposal

DATE: 13 August 2009

WPPI is offering 0% interest loans to member communities up to \$500,000 per community to finance energy efficiency projects. The lighting upgrade proposal attached meets the criteria for this program and I would recommend that we fund it over 10 years.

Annual cost to the city through debt service is estimated at \$2,100 with annual energy savings estimated at \$9,079 for a net budgetary savings of \$6,979 annually.

This Member Energy Efficiency and Renewable Energy Loan Program is offered by WPPI Energy to encourage investment by its members in energy efficiency improvements. The program is designed to help members overcome the "first-cost" barriers associated with implementing energy efficiency and renewable energy projects, and to encourage members to lead by example within their communities.

To participate, submit to WPPI Energy a completed Loan Application with all required documentation. Additional terms and conditions are listed on the next page.

**APPLICANT INFORMATION**

Name of Member Organization	
Member Utility	Utility Account Number
Name and Title of Contact Person	Date

**PROPOSED PROJECT INFORMATION**

Summarize the estimated project impacts in the table below, and attach to this Loan Application the following:

1. Written description detailing each of the proposed energy efficiency or renewable energy projects.
2. Identify any providers of technical assistance, including engineers, energy auditors, contractors, trade allies, or vendors. Include proposals listing equipment descriptions, technical details and project costs, payback, and ROI.
3. Estimates of savings showing all equations and assumptions used to determine the estimated project impacts below.
4. Project timelines stating all milestone dates such as budget approvals, design, equipment purchase, installation, etc.

Description of Project	Estimated Project Impacts					
	Total Project Cost [\$]	Peak Demand Reduction [kW]	On-Peak Energy Reduction [kWh/year]	Off-Peak Energy Reduction [kWh/year]	Other Energy Reduction [Btu/year]	Annual Cost Savings [\$ /year]

Proposed Start Date	Proposed Completion Date	X Signature of Utility Manager or WPPI Energy Board Director
---------------------	--------------------------	---

**FOR OFFICIAL USE ONLY**

Total incentive amount for projects:	
Requested Loan Amount:	
Total Loan Amount (Requested Loan Amount - Incentives):	
Origination Fee:	
Monthly Loan Repayment Amount:	
Loan Repayment Start Date:	
Loan Repayment Method:	<input type="checkbox"/> Member will be invoiced monthly. <input type="checkbox"/> Payment will be included on member's monthly wholesale power bill.

---

## TERMS AND CONDITIONS

### Eligibility

- All Proposed Projects must be planned for property owned by a WPPI Energy member utility or member municipality.
- Only energy efficiency (electric and natural gas) and renewable energy projects are eligible for funding under this program. It is possible that some distribution efficiency projects could qualify as energy efficiency projects.
- Distribution system efficiency projects will only qualify if the primary reason for the project is to achieve energy efficiency and the project has a payback based on energy savings of 10 years or less.
- Each WPPI Energy member is eligible for multiple 0% interest loans up to a total of \$500,000. Each loan issued must be for a minimum of \$5,000. Eligibility is subject to availability of loan funds.
- Energy efficiency projects must meet all minimum efficiency requirements and any other eligibility criteria as defined under the Efficiency Improvement Incentive Program (for electric efficiency) or by Focus on Energy (for natural gas efficiency).

### Application Process

- Applicants must complete the Loan Application form and submit all requested documentation to be considered for funding through the Member Energy Efficiency and Renewable Energy Loan Program. The application materials should be submitted in hard copy format directly to a WPPI Energy Services Representative, or sent to:

By U.S. Mail: WPPI Energy  
Member Energy Efficiency and Renewable Energy Loan Program  
1425 Corporate Center Drive  
Sun Prairie, WI 53590-9109

Fax or electronic submittals are acceptable.

- Projects may not be started until an acceptance letter from WPPI Energy has been issued and all necessary loan documents (loan agreement and note) have been fully executed.
- To maintain eligibility for an incentive award, Proposed Project(s) may not be started and equipment may not be purchased until written approval is received in the form of an acceptance letter from WPPI Energy.
- Members may be asked to provide additional financial information as part of the review and approval process.
- Each loan will have a term of 10 years, with members making 120 equal payments over the 10-year term.
- All financing approved will include an origination fee equal to one percent of the loan amount.
- Loan payments for member utilities receiving loans will be included on the member's monthly wholesale power bill. Member municipal departments other than the utility will be invoiced by WPPI Energy on a monthly basis.
- If an application is approved for a loan, the member will have the lesser of 90 days or until the completion of the project to begin repayment.
- Depending on the scope and cost of the proposed project(s), WPPI Energy may conduct an inspection of the facility after the project completion date.
- Once a project is completed, the participating member must prepare and submit a one-page Certificate of Completion form documenting all invoicing and receipts.

### Disclaimers

- WPPI Energy does not endorse any particular manufacturer, product or system design within this program.
  - WPPI Energy does not expressly or implicitly warrant the performance of equipment purchased and/or installed for this program.
  - WPPI Energy is not responsible for the proper disposal or recycling of any waste generated as a result of a Proposed Project.
  - WPPI Energy is not liable for any damage caused by the installation of proposed equipment, nor for any damage caused by the malfunction of such equipment.
  - WPPI Energy staff and the WPPI Energy Executive Committee reserve the right to modify or withdraw this loan program or to reject any application for any reason in their sole discretion.
-



Date: August 13, 2009  
To: Administration Committee  
From: Greg Keil, CDD  
RE: Request to extend repayment of Winnebago County Industrial Development Board Loan – Advanced Tooling Specialists

Advanced Tooling Specialists is requesting an extension of their loan from the Winnebago County Industrial Development Board as described in the attached letter from James Luebke dated July 30, 2009. The request is for a two year, interest only extension of their existing five year, \$1.3 million loan. The City of Menasha holds a mortgage on the property and has issued a promissory note to the Winnebago County Industrial Development board pledging the repayment of the borrowed funds.

Pending action on this matter by the Administration Committee, the Winnebago County Industrial Development Board will consider the request by Advanced Tooling Specialists at its next scheduled meeting.



Advanced Tooling Specialists, Inc.

"Quality & Technology"

July 30, 2009

Greg M. Keil,  
Department of Community Development  
City of Menasha

Dear Mr. Keil:

As discussed in the meeting of June 23<sup>rd</sup> Advanced Tooling Specialists, Inc. is seeking a two year extension of the 5 year loan which becomes due in May of 2010. We are seeking an interest only extension with the same terms we currently have.

The reason for the request is due to the impact the downturn in the economy and particularly the American automotive industry has had on our company. Historically Advanced Tooling Specialists has enjoyed success supplying companies such as Crede Foundry, Neenah Foundry, and other Tier 1 suppliers with the tooling and machinery needed to help manage their finishing room. A significant portion of our business has been focused on this customer base. We had been experiencing a significant slow down prior to when the bottom dropped out late in 2008. A number of projects were cancelled and/or postponed including a major project for Chrysler. The Chrysler project is 98% complete and sits on our floor. With the capital markets dried up it is virtually impossible to find a customer who may be interested in it. This is representative of several challenges we have in the automotive sector including bankruptcy of one of our largest customers.

To coincide with this the downturn had affected our precision machining business as well. Precision machining sales are only now starting to come back while our automotive foundry business remains weak. To overcome this we have aggressively pursued other avenues and are starting to see some success. Providing our services to the health care industry is beginning to show promise.

ATS has taken the steps required to stop the bleeding and strengthen its balance sheet while keeping the people we have on staff. We anticipate we will be back on track hiring skilled employees by the first quarter of 2010 and by year end 2010 sales approaching normal levels. In asking for the two year interest only extension, it allows us to continue strengthening our balance sheet and collateral position to incorporate this loan and higher monthly cash flow requirements.

We appreciate the opportunity to discuss this at the August 3<sup>rd</sup> City Council meeting. If you require further information prior to or during the meeting please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Luebke', written over a horizontal line.

James Luebke  
CEO/Owner  
Advanced Tooling Specialists, Inc.