

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 1, 2011  
6:30 PM  
or immediately following Common Council  
AGENDA**

- A. CALL TO ORDER
- B. ROLL CALL/EXCUSED ABSENCES
- C. MINUTES TO APPROVE
  - 1. [Administration Committee, 7/18/11](#)
- D. ACTION ITEMS
  - 1. [Appeal of Denial of Operator's License – Christopher P. Birling](#)
  - 2. [Automated External Defibrillator Aid Station Agreement between City of Menasha and Gold Cross Ambulance Service.](#)
  - 3. [Offer to Purchase from Riverside Building, Inc. \(Dr. Vernon Larsen\) for 81 & 87 Racine Street and 504 Broad Street](#)
  - 4. [Liability Insurance – CVMIC Update/Renewal](#)
- 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  
July 18, 2011  
MINUTES

DRAFT

A. CALL TO ORDER

Meeting called to order by Chairman Klein at 6:47 p.m.

B. ROLL CALL/EXCUSED ABSENCES

PRESENT: Aldermen Klein, Taylor, Sevenich, Langdon, Krueger, Zelinski, Englebert, Benner

ALSO PRESENT: CA/HRD Captain, Acting PC Brunn, FC Auxier, DPW Radtke, CDD Keil, PRD Tungate, LD Lenz, Clerk Galeazzi and the Press.

C. MINUTES TO APPROVE

1. [Administration Committee, 7/5/11](#)

Moved by Ald. Krueger, seconded by Ald. Zelinski to approve minutes.

Motion carried on voice vote.

D. ACTION ITEMS

1. [Appeal of Denial of Operator's License – Dylan Kollman](#)

Mr. Kollman explain the circumstances of his convictions that were disclosed on a recent background check for the renewal of his operator's license.

Acting PC Brunn explained the offenses Mr. Kollman was convicted of and the guidelines the Police Department follows when processing operator's license. The guidelines state denial of an operator's license if the applicant has been convicted of two offenses within the last seven years which are substantially related to the license.

General discussion ensued on the appeal.

Moved by Ald. Taylor, seconded by Ald. Englebert to approve the appeal of the operator's license for Dylan Kollman

Motion carried on roll call 6-2.

Ald. Taylor, Sevenich, Langdon, Krueger, Englebert, Benner – yes

Ald. Klein, Zelinski - no

2. [Appeal of Denial of Operator's License – Tina Liotta](#)

Ms. Liotta explained the circumstances of her two convictions in the last seven years.

Acting PC Brunn explained Ms. Liotta did not disclose all her convictions when completing the operator's license application. Grounds for denial of the license is two convictions in seven years substantially related to the license. The second conviction was an OWI and was after she received her operator's license in 2010.

General discussion ensued on the appeal.

Moved by Ald. Englebert, seconded by Ald. Zelinski to up hold the denial of operator's license for Tina Liotta.

Motion carried on roll call 7-1. Ald. Taylor - no

3. [Nationwide Retirement Solutions Amendments to Plan Document](#)

CA/HRD Captain explained the plan is the 457 Deferred Compensation Plan for employees. Amendments to the plan are recommended based on changes in Federal and State regulations and general updating of the Plan Documents.

Moved by Ald. Krueger, seconded by Ald. Benner to recommend approval to Common Council.

Motion carried on roll call 8-0.

E. ADJOURNMENT

Moved by Ald. Taylor, seconded by Ald. Krueger to adjourn at 7:15 p.m.

Motion carried on voice vote.

Respectfully submitted by Deborah A. Galeazzi, WCMC, City Clerk

CITY OF MENASHA  
ALCOHOL OPERATORS LICENSE APPLICATION

Call

Establishment of Employment Blind Pig Saloon / Hotel Pub  
SPECIAL EVENT  PROVISIONAL (TEMP)  REGULAR  RENEWAL

Name Birling Christopher Paul  
Last First Middle

Address 177 Main St. Apt. B7 Menasha WI 54957  
Street City State/Zip Code

Phone \_\_\_\_\_ Social Security \_\_\_\_\_

Height 6' 2" Weight 185 Eyes Blue Hair Blonde Sex M Race W

Birth Date \_\_\_\_\_ Age \_\_\_\_\_ Birthplace \_\_\_\_\_

Scars, Marks, Tattoos Tattoo - Eagle left Arm

Drivers License No. B645-1158-2207-02 State of Issue WI

Expiration Date 06-07-2016

NOTE: A license may be denied if applicant fails to provide accurate information or if the information is incomplete! Please read this section carefully.

Please explain all yes answers completely on the back of this form!

Have you ever been **charged** with a felony? Yes

Have you ever been **convicted** of a felony? Yes

Have you ever been convicted of a misdemeanor? No

Have you ever been convicted of operating a motor vehicle while under the influence of an intoxicant or drug? Yes

Have you ever been convicted of any law, statute or ordinance pertaining to the use or sale of alcohol or illegal drugs?  
No

I UNDERSTAND THAT THE APPLICATION FEE WILL NOT BE RETURNED IF LICENSE IS DENIED.

SIGNATURE [Signature] Date 6/29/11

WITNESS \_\_\_\_\_ Date \_\_\_\_\_

Approved  Denied  Expiration Date \_\_\_\_\_  
Chief of Police [Signature] Date 6-29-11

Comments: 2 prior DWI Conv. 2004, 2009  
Felony Conviction.

REVOKED FOR VIOLATION: \_\_\_\_\_



MEMORANDUM

Date: July 14, 2011

To: Ronald Bouchard, Lieutenant of Investigations  
From: Pamela A. *MC* Captain, City Attorney

RE: Alcohol Operator's License Application – Christopher P. Birling

The alcohol operator's license application of Mr. Birling has been forwarded to me for review as required by Sec. 7-2-21(b) of the City of Menasha code of ordinances due to a felony conviction that has not been pardoned.

On the application the applicant checked "yes" to the following questions: Have you ever been charged with a felony? Have you ever been convicted of a felony? Have you ever been convicted of operating a motor vehicle while under the influence of an intoxicant or drug? The applicant indicated on his application "felony – burglary party to a crime 2004 (fine); DUI 2004 (fine) and DUI 2009 (fine + 20 days on bracelet)."

Applicant's record is as follows:

2/22/2005	Burglary-Building or Dwelling (Felony F) Read in: Burglary-Building or Dwelling (Felony F) Charge modifier: Party to a Crime
1/28/2004	Operating while under influence (OWI)
10/8/2009	Operating while under influence (OWI 2 <sup>nd</sup> ) (Misd. U)
2/23/2010	Operating after Revocation (Rev. due to alc/contr subst/refusal) (Misd. U)
6/21/2011	Operating after Revocation (Rev. due to alc/contr subst/refusal) (Misd. U)

Applicant has been convicted of several alcohol-related offenses since the issuance of his alcohol operator's license in July 2009. These offenses are directly related to the license for which applicant applies. Engaging in bartending involves the purchase and sale of a closely regulated substance. Individuals granted an operator's license must act in cooperation with law enforcement to enforce the alcohol beverage laws, drunk driving laws, and assist with minimizing disturbances of the peace and maintaining the safety of the community. Applicant demonstrates that he is unable to follow the law.

In my opinion, based upon the facts as presented above as well as §125.04(5), Wis. Stats., this applicant's request for an alcohol operator's license should be denied.



City of Menasha • Police Department

Date: July 28, 2011

To: Christopher P. Birling  
177 Main St. #B7  
Menasha, WI 54952

Re: City of Menasha Alcohol Operators License Application

Mr. Birling,

I have reviewed your application for an alcohol operator's license in the City of Menasha, and in doing so, it was discovered you were previously convicted of a Felony.

As such, this matter has been referred to the City Attorney, Pamela Captain, for her review and opinion, and an opinion has been rendered by the City Attorney and I would like to note the following:

On February 22, 2005, you were found guilty of Party to a Crime of Burglary to a building or dwelling, which is a class F felony.

On January 28, 2004, you were found guilty of operating a motor vehicle while under the influence of an intoxicant.

On October 8, 2009, you were found guilty of operating a motor vehicle while under the influence of an intoxicant, second offense.

On February 23, 2010, you have a conviction of operating after revocation.

On June 21, 2011 you have a conviction of operating after revocation.

As an applicant, you have been convicted of several alcohol related offenses since the original issuance of your alcohol operator's license in July of 2009.

These offenses are directly related to the license for which you, as the applicant, applied. Engaging in bartending involves the purchase and sale of a closely regulated substance. The individuals granted an operator's license must act in cooperation with law enforcement to enforce the alcohol beverage laws, drunk driving laws, and assist with minimizing disturbances of peace, and maintaining the safety of the community. As an applicant, you have demonstrated that you are unable to follow the law.

Based upon these facts presented above, as well as the guidelines set forth in State Statute 125.04(5), your application for request for an operator's license is hereby denied.

I would like to further advise you that you may appeal this decision by contacting the Menasha City Clerk's Office at 920-967-3603 within 30 days of this denial to request an appeal before the common council. At this appeal you have the right to be represented and to be heard and to present evidence in favor of granting the license and to rebut the evidence presented in opposition to the granting of this license at a hearing held within 45 days of the filing of such appeal.

Sincerely,



Lt. Ron Bouchard  
Investigative Services  
Menasha Police Department



## Automated External Defibrillator Aid Station Agreement

The City of Menasha and Gold Cross Ambulance Service enter into an agreement with

\_\_\_\_\_ Business, located at \_\_\_\_\_

to become an Automated External Defibrillator (AED) Aid Station.

Gold Cross HeartStart Fund agrees to provide:

1. A Philips FRx AED w/ pediatric key **at no cost** to qualifying businesses.
2. A wall hanging bracket & AED sign **at no cost**.
3. A 5 year complete maintenance package **at no cost** to qualifying businesses.
4. Free initial training for up to 4 employees or owners with additional employee or owner training at a cost of \$30.00 per person.
5. All training materials will be provided.

AED Aid Station Business agrees to:

1. Commit to providing aid and assistance through the use of an AED to stricken victims inside and outside of their establishment.
2. Have the AED placed in such a way that it is visible to all employees and to the public.
3. Have at least 2 trained employees or owners.
4. Commit to a daily check of the AED (during regular business hours).
5. Display furnished AED signage outside of building.

Liability: The State of Wisconsin has a Good Samaritan Law which provides that any person who renders emergency care in good faith shall be immune from civil liability for his/her acts in rendering such emergency care. (Wisconsin Civil liability exemption 895.48(1))

Ownership: The ownership of the AED will remain with Gold Cross Ambulance. If a business moves, goes out of business or changes ownership, the AED must be returned to Gold Cross. The new business or owners of the building may reapply to become an AED Aid Station.

Signed \_\_\_\_\_

Business \_\_\_\_\_

Date \_\_\_\_\_

Neenah and Menasha Downtown  
Automated External Defibrillator (AED) Projects

With the success of the Appleton Downtown AED Project comes a natural tendency to share this model with other cities that are interested in a similar project for their downtowns. Our HeartStart Committee is very glad that the cities of Neenah and Menasha have shown an interest in becoming "heart safe" downtowns.

The goal of the project is to strategically place AEDs in locations where a sudden cardiac arrest (SCA) victim can be reached and defibrillated within three (3) minutes of time. The American Heart Association (AHA) has set a goal; "drop to shock within three minutes". Survival is reduced by 10% for each minute that defibrillation is delayed.

Tom Prosser, a member of our HeartStart Committee, has taken the lead in soliciting funds for the Neenah and Menasha area AED projects. The following are some of his thoughts pertaining to the AED project concept..... "If we could place AEDs that the public can access for perhaps 16 hours per day or more, I think we should pay for a part of or all of the cost from the donated funds in the HeartStart account. Menasha should be handled the same way as we treat Neenah." We hold a HeartStart Charity Golf Outing each year to obtain funding for these projects, as well.

These Fox Cities downtown AED projects are totally funded by the Gold Cross HeartStart Fund within the Community Foundation for the Fox Valley Region.

Locations of AED Aid Stations in Neenah are Shattuck Park, in the entryway of the Marketplace, in the lobby of the Holiday Inn, Future Neenah office lobby and the Neenah Library. This makes a total of five locations in the downtown Neenah area, with the potential for more locations as Neenah expands.

We are in the process of discussing the AED project concept with businesses in the downtown of Menasha. They appear to be as enthusiastic about the idea as Neenah was. AED placement locations are yet to be determined in the downtown of Menasha. Potential AED Aid Station locations could possibly be Faith Technologies, Hotel Menasha, McClone Insurance Group and the Menasha marina.

We truly believe this can be a successful project for both Neenah and Menasha. Members of our HeartStart committee are available to assist in the planning and implementation of these very worthwhile projects. On behalf of our HeartStart Committee, I would like to thank you in advance for helping us improve the health and safety of our families, friends and neighbors.

Steve Radich  
Administrative Director  
Gold Cross Ambulance  
HeartStart Committee Member  
[steve@goldcross.org](mailto:steve@goldcross.org)  
920-967-6066



## Memorandum

TO: Administration Committee  
FROM: Greg Keil, CDD  
Date: July 28, 2011  
RE: Sale of Racine Street Lots

### Background

There has been a long history of city involvement with regard to the acquisition of these properties dating back to early 2003 when negotiations began with the owners of 81 and 87 Racine Street. These negotiations continued through most of 2004, when it was concluded that the prices being asked by the owners (which were multiples of the assessed values) were unreasonable. At that juncture, the Common Council adopted attached Resolution R-39-04, initiating the process for taking the property via eminent domain, citing parking, blight elimination and enhancement of the appearance of the community as the public purpose for the taking.

This process was followed through to conclusion on 87 Racine Street, but was terminated on 81 Racine when agreement was reached on the sale price. These transactions were completed in 2006. The other property that is included with the Racine Street Lots is the former 504 Broad Street, a dilapidated duplex that was acquired to facilitate the redevelopment of the 500 block of Broad Street along with the Headwaters condominium project.

The environmental remediation work on 81 Racine was completed prior to acquisition by the city. The remediation work on 87 Racine has also been completed, but monitoring is still ongoing. We are expecting a closure letter on this site from the DNR in the next year or so, depending on monitoring results.

Several concepts for the conversion of the site to parking and green space were presented to the Plan Commission and the Common Council. None of them were accepted by the council, and in 2007, attached Resolution R-19-07 was approved directing that other uses for the site be explored.

Altogether, the costs for land acquisition were about \$282,000. The total amount invested in the site is about \$420,000, with about \$136,000 being reimbursed through the PECFA grant program, leaving the city with a net cost of about \$284,000.

The listed sale price on the property is \$115,000, the assessed value of commercial land in this portion of the Racine Street corridor is \$5.00 sq. ft. This parcel is \$21,188 square feet, which would have a corresponding assessed value of \$105,940.

## Recommendations

There are many factors to consider in determining what the best thing is to do with this property. These considerations include economic impact, aesthetic, traffic and safety, and how the development of the parcel would affect the community and the neighborhood, as well as sale price. I urge the Common Council to take a long range view of these considerations when making its decision whether to sell the property for any particular use.

The economic impact of a project on the site should be considered in terms of the value of site improvements and related tax revenues, job creation or retention, and whether the development will promote or detract from development opportunities on other properties in the vicinity. . In this instance, the economic impact is difficult to assess because the project has not been defined beyond a stated desire for additional parking, and the expression of a possibility for future expansion of an existing business. If the only improvement is parking surface and landscaping, the taxable value will be minimal, with little spin-off benefit from any known development. It is my opinion that the buyer should be making commitments to ensure there will be measurable benefits to the community associated with the project beyond the establishment of a parking lot. This is particularly the case when the city has large investments in a property, and only a fraction will be recovered through the sale price.

With regard to aesthetics, the Shreiber - Anderson plan for the Third and Racine Street Corridor identified this area as an important entry corridor for the downtown and suggested aesthetic improvements for the area. This could be accomplished as the buyers proposal suggests there would considerable landscaping on the site. However, taken as a whole the landscaping and parking lot need to be measured in a larger context of whether that is the highest and best use of the site.

There will be traffic and safety considerations with regard to the future use of the site. These will be influenced by the intensity if use of the site and the configuration of access and parking. I do not have a strong opinion as to whether the buyers proposed use will enhance safety, or impose a greater risk, but will note that employees and/or clients would need to cross the Broad Street to access the parking lot.

As noted above, the impact on the neighborhood and community are hard to assess. What's being proposed is a parking lot and landscaping. What's been talked about is the addition to an existing building and the prospects for expanded business. More needs to be known whether these are just possibilities, or are planned future projects with a timetable and commitments from the seller.

It is my recommendation that the Common Council reject the offer to purchase unless the buyer is willing to commit to development beyond the parking lot and landscaping.

RESOLUTION R - 39 - 04

RESOLUTION FOR DETERMINATION OF NECESSITY; (BARTH AND ZIEL PROPERTIES)

Introduced by Mayor Laux

WHEREAS, it is in the best interests of the City of Menasha to acquire certain land for establishing public parking, to enhance the appearance of a downtown entry point, and to eliminate blight in an area located within the downtown business district; and

WHEREAS, the properties to be acquired are:

**81 Racine Street – Estate of Edward Ziel**

That part of lot Thirteen (13) of block Eighteen (18) in the Plat of MENASHA (TWO ADDITIONS), in the Fifth Ward, City of Menasha, Winnebago County, Wisconsin, described as follows, viz: Beginning at the Southwest corner of said Lot 13, thence north along the East line of Racine Street in the said City of Menasha, 130 feet; thence east along the North line of said lot 13, 55 feet; thence south parallel to the East line of said Racine Street, 50 feet; thence west, parallel to the North line of Broad Street, 10 feet; thence south, parallel to the East line of Racine Street, 80 feet; thence west along the North line of Road Street, 45 feet, to the point of beginning, City of Menasha, Winnebago County, Wisconsin (Tax parcel #1-000-6100)

**87 Racine Street – Estate of Dennis Barth**

Lots Eleven (11) and Twelve (12) of Block Eighteen (18) in the plat of MENASHA (TWO ADDITIONS), in the First Ward, City of Menasha, excepting there from the East Fifty (50) feet of said Lot Eleven (11), subject to Driveway privileges granted by Deed recorded in Volume 791 on Page 425. City of Menasha, Winnebago County, Wisconsin (Tax parcel # 1-000-6000); and,

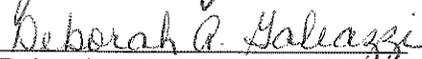
WHEREAS, a Determination of Necessity is required by Ch. 32 Wis. Stats. to enable the City to acquire the above properties.

THEREFORE, BE IT RESOLVED, by the Common Council of the City of Menasha that it is determined to be necessary for the City of Menasha to acquire the above properties for the purpose of establishing public parking, to enhance the appearance of a downtown entry point, and to eliminate blight.

BE IT FURTHER RESOLVED that the proper City officials are hereby authorized and directed to negotiate with the property owners to acquire the above properties and to execute all documents necessary to consummate this transaction.

Passed and approved this 20<sup>th</sup> day of December, 2004.

  
\_\_\_\_\_  
Joseph F. Laux, Mayor

  
\_\_\_\_\_  
Deborah A. Galeazzi, City Clerk

RESOLUTION R - 19 - 07

RESOLUTION INVESTIGATING THE FUTURE USE OR SALE OF PROPERTIES  
AT 504 BROAD, 81 RACINE & 87 RACINE

Introduced by Alderman Hendricks

WHEREAS, the City of Menasha is the owner of properties located at 504 Broad Street, 81 Racine Street & 87 Racine Street in the City of Menasha; and

WHEREAS, the City acquired 81 Racine Street through a negotiated sale after making a Declaration of Necessity; and

WHEREAS, the City acquired 87 Racine Street by use of eminent domain under Chapter 32 of the Wisconsin Statutes; and

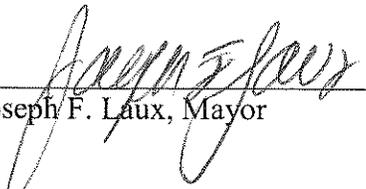
WHEREAS, Resolution R – 39 – 04, the Declaration of Necessity passed on December 20, 2004 established the purposes of acquiring 81 Racine Street and 87 Racine Street to enhance the appearance of a downtown entry point, establish public parking and to eliminate blight within the downtown business district; and

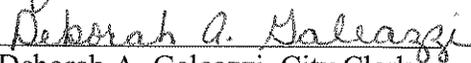
WHEREAS, it is in the public interest to explore uses of 504 Broad Street, 81 Racine Street, and 87 Racine Street beyond those identified in R – 39 – 04 so as to compliment the Racine street corridor from Broad street to Third street;

NOW THEREFORE, BE IT RESOLVED, that the City of Menasha Common Council with the Mayor concurring determine it to be in the best interests of the City of Menasha to explore additional uses for the properties at 504 Broad Street, 81 Racine Street and 87 Racine Street beyond those identified in R – 39 – 04; and

BE IT FURTHER RESOLVED that the Plan Commission is directed and Redevelopment Authority is requested to study all uses for these properties so as to compliment the Racine Street corridor from Broad Street to Third Street.

Passed and approved this 19<sup>th</sup> day of November, 2007.

  
\_\_\_\_\_  
Joseph F. Laux, Mayor

  
\_\_\_\_\_  
Deborah A. Galeazzi, City Clerk

**WB-13 VACANT LAND OFFER TO PURCHASE**

1 LICENSEE DRAFTING THIS OFFER ON July 21, 2011 [DATE] IS (AGENT OF BUYER)  
2 (AGENT OF SELLER/LISTING BROKER) (AGENT OF BUYER AND SELLER) **STRIKE THOSE NOT APPLICABLE**

3 **GENERAL PROVISIONS** The Buyer, Riverside Building, Inc.,  
4 \_\_\_\_\_, offers to purchase the Property

5 known as [Street Address] See Lines 526 and 527  
6 in the \_\_\_\_\_ City \_\_\_\_\_ of Menasha, County of Winnebago, Wisconsin (Insert

7 additional description, if any, at lines 458-464 or 526-534 or attach as an addendum per line 525), on the following terms:  
8 ■ PURCHASE PRICE: Fifty-Seven Thousand, Five Hundred

9 \_\_\_\_\_ Dollars (\$ 57,500.00 ).  
10 ■ EARNEST MONEY of \$ n/a accompanies this Offer and earnest money of \$ 1,000.00

11 will be mailed, or commercially or personally delivered within 5 days of acceptance to listing broker or  
12 \_\_\_\_\_  
13 n/a

14 ■ THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.  
15 ■ INCLUDED IN PURCHASE PRICE: Seller is including in the purchase price the Property, all Fixtures on the Property on the  
16 date of this Offer not excluded at lines 18-19, and the following additional items: None

17 \_\_\_\_\_  
18 ■ NOT INCLUDED IN PURCHASE PRICE: None

19 \_\_\_\_\_

20 CAUTION: Identify Fixtures that are on the Property (see lines 290-294) to be excluded by Seller or which are rented  
21 and will continue to be owned by the lessor.

22 NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are  
23 included/excluded. Annual crops are not part of the purchase price unless otherwise agreed.

24 ■ ZONING: Seller represents that the Property is zoned: C-1 General Commercial  
25 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical  
26 copies of the Offer.

27 CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term deadlines  
28 running from acceptance provide adequate time for both binding acceptance and performance.

29 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on  
30 or before August 19, 2011. Seller may keep the Property on the  
31 market and accept secondary offers after binding acceptance of this Offer.

32 CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.  
33 **OPTIONAL PROVISIONS** TERMS OF THIS OFFER THAT ARE PRECEDED BY AN OPEN BOX (  ) ARE PART OF THIS  
34 OFFER ONLY IF THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OFFER IF MARKED "N/A"  
35 OR ARE LEFT BLANK.

36 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and  
37 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 38-56.

38 (1) **Personal Delivery**: giving the document or written notice personally to the Party, or the Party's recipient for delivery if  
39 named at line 40 or 41.

40 Seller's recipient for delivery (optional): Robert E Drifka for Seller  
41 Buyer's recipient for delivery (optional): Vernon Larsen

42  (2) **Fax**: fax transmission of the document or written notice to the following telephone number:  
43 Seller: ( 920 ) 967-5272 Buyer: ( 920 ) 722-3394

44  (3) **Commercial Delivery**: depositing the document or written notice fees prepaid or charged to an account with a  
45 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at line 40 or 41, for  
46 delivery to the Party's delivery address at line 49 or 50.

47  (4) **U.S. Mail**: depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,  
48 or to the Party's recipient for delivery if named at line 40 or 41, for delivery to the Party's delivery address at line 49 or 50.  
49 Delivery address for Seller: N9601 Crystal Drive, Appleton, WI 54915

50 Delivery address for Buyer: 59 Racine Street, Menasha, WI 54952

51  (5) **E-Mail**: electronically transmitting the document or written notice to the Party's e-mail address, if given below at line  
52 55 or 56. If this is a consumer transaction where the property being purchased or the sale proceeds are used primarily for  
53 personal, family or household purposes, each consumer providing an e-mail address below has first consented electronically  
54 to the use of electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

55 E-Mail address for Seller (optional): bob@drifkagroup.com  
56 E-Mail address for Buyer (optional): valdds@sbcglobal.net

57 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller  
58 constitutes personal delivery to, or Actual Receipt by, all Buyers or Sellers.

59 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this  
 60 Offer at lines 458-464 or 526-534 or in an addendum attached per line 525. At time of Buyer's occupancy, Property shall be  
 61 free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer or left  
 62 with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

63 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no  
 64 notice or knowledge of Conditions Affecting the Property or Transaction (lines 163-187 and 246-278) other than those  
 65 identified in the Seller's disclosure report dated n/a, which was received by Buyer prior to  
 66 Buyer signing this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE**  
 67 and n/a

68 \_\_\_\_\_  
 69 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE REPORT**

70 **CLOSING** This transaction is to be closed no later than See Addendum  
 71 \_\_\_\_\_ at the place selected by Seller, unless otherwise agreed by the Parties in writing.

72 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values:  
 73 real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners association  
 74 assessments, fuel and none other

75 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**

76 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

77 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

78 n/a The net general real estate taxes for the preceding year, or the current year if available (Net general real estate  
 79 taxes are defined as general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE  
 80 APPLIES IF NO BOX IS CHECKED)

81 n/a Current assessment times current mill rate (current means as of the date of closing)

82 n/a Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior  
 83 year, or current year if known, multiplied by current mill rate (current means as of the date of closing)

84 n/a n/a

85 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be**  
 86 **substantially different than the amount used for proration especially in transactions involving new construction,**  
 87 **extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor**  
 88 **regarding possible tax changes.**

89 n/a Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on  
 90 the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5  
 91 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall  
 92 re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation  
 93 and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this transaction.

94 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights  
 95 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the  
 96 (written) (oral) ~~STRIKE ONE~~ lease(s), if any, are terminate any and all leases prior to the closing date  
 97 \_\_\_\_\_ . Insert additional terms, if any, at lines 458-464 or 526-534 or attach as an addendum per line 525.

98 n/a **GOVERNMENT PROGRAMS:** Seller shall deliver to Buyer, within \_\_\_\_\_ days of acceptance of this Offer, a list of all  
 99 federal, state, county, and local conservation, farmland, environmental, or other land use programs, agreements, restrictions,  
 100 or conservation easements, which apply to any part of the Property (e.g., farmland preservation agreements, farmland  
 101 preservation or exclusive agricultural zoning, use value assessments, Forest Crop, Managed Forest, Conservation Reserve  
 102 Program, Wetland mitigation, shoreland zoning mitigation plan or comparable programs), along with disclosure of any  
 103 penalties, fees, withdrawal charges, or payback obligations pending, or currently deferred, if any. This contingency will be  
 104 deemed satisfied unless Buyer delivers to Seller, within seven (7) days of Buyer's Actual Receipt of said list and disclosure, or  
 105 the deadline for delivery, whichever is earlier, a notice terminating this Offer based upon the use restrictions, program  
 106 requirements, and/or amount of any penalty, fee, charge, or payback obligation.

107 **CAUTION: If Buyer does not terminate this Offer, Buyer is hereby agreeing that Buyer will continue in such programs,**  
 108 **as may apply, and Buyer agrees to reimburse Seller should Buyer fail to continue any such program such that Seller**  
 109 **incurs any costs, penalties, damages, or fees that are imposed because the program is not continued after sale. The**  
 110 **Parties agree this provision survives closing.**

111 n/a **MANAGED FOREST LAND:** All, or part, of the Property is managed forest land under the Managed Forest Law (MFL).  
 112 This designation will continue after closing. Buyer is advised as follows: The MFL is a landowner incentive program that  
 113 encourages sustainable forestry on private woodlands by reducing and deferring property taxes. Orders designating lands as  
 114 managed forest lands remain in effect for 25 or 50 years. When ownership of land enrolled in the MFL program changes, the  
 115 new owner must sign and file a report of the change of ownership on a form provided by the Department of Natural Resources  
 116 and pay a fee. By filing this form, the new owner agrees to the associated MFL management plan and the MFL program rules.  
 117 The DNR Division of Forestry monitors forest management plan compliance. Changes you make to property that is subject to  
 118 an order designating it as managed forest land, or to its use, may jeopardize your benefits under the program or may cause  
 119 the property to be withdrawn from the program and may result in the assessment of penalties. For more information call the  
 120 local DNR forester or visit <http://www.dnr.state.wi.us>.

121 **FENCES:** Wis. Stat. § 90.03 requires the owners of adjoining properties to keep and maintain legal fences in equal shares  
 122 where one or both of the properties is used and occupied for farming or grazing purposes.

123 **CAUTION: Consider an agreement addressing responsibility for fences if Property or adjoining land is used and**  
 124 **occupied for farming or grazing purposes.**

125 **USE VALUE ASSESSMENTS:** The use value assessment system values agricultural land based on the income that would be  
 126 generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a  
 127 non-agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. To obtain more  
 128 information about the use value law or conversion charge, contact the Wisconsin Department of Revenue's Equalization  
 129 Section or visit <http://www.revenue.wi.gov/>.

130 **FARMLAND PRESERVATION:** Rezoning a property zoned farmland preservation to another use or the early termination of a  
 131 farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to  
 132 3 times the class 1 "use value" of the land. Contact the Wisconsin Department of Agriculture, Trade and Consumer Protection  
 133 Division of Agricultural Resource Management or visit <http://www.datcp.state.wi.us/> for more information.

134 **CONSERVATION RESERVE PROGRAM (CRP):** The CRP encourages farmers, through contracts with the U.S. Department  
 135 of Agriculture, to stop growing crops on highly erodible or environmentally sensitive land and instead to plant a protective  
 136 cover of grass or trees. CRP contracts run for 10 to 15 years, and owners receive an annual rent plus one-half of the cost of  
 137 establishing permanent ground cover. Removing lands from the CRP in breach of a contract can be quite costly. For more  
 138 information call the state Farm Service Agency office or visit <http://www.fsa.usda.gov/>.

139 **SHORELAND ZONING ORDINANCES:** All counties must adopt shoreland zoning ordinances that meet or are more  
 140 restrictive than Wis. Admin. Code Chapter NR 115. County shoreland zoning ordinances apply to all unincorporated land  
 141 within 1,000 feet of a navigable lake, pond or flowage or within 300 feet of a navigable river or stream and establish minimum  
 142 standards for building setbacks and height limits, cutting trees and shrubs, lot sizes, water runoff, impervious surface  
 143 standards (that may be exceeded only if a mitigation plan is adopted) and repairs to nonconforming structures. Buyers must  
 144 conform to any existing mitigation plans. For more information call the county zoning office or visit <http://www.dnr.state.wi.us/>.  
 145 Buyer is advised to check with the applicable city, town or village for additional shoreland zoning restrictions, if any.

146 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller or  
 147 Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change  
 148 in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any defects  
 149 Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

150 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of  
 151 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary  
 152 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling price,  
 153 Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day of this Offer. No later  
 154 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed  
 155 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer.  
 156 Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any,  
 157 relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on  
 158 such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall  
 159 be held in trust for the sole purpose of restoring the Property.

#### 160 **DEFINITIONS**

161 **■ ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or  
 162 written notice physically in the Party's possession, regardless of the method of delivery.

163 **■ CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are  
 164 defined to include:

- 165 a. Proposed, planned or commenced public improvements or public construction projects which may result in special
- 166 assessments or otherwise materially affect the Property or the present use of the Property.
- 167 b. Government agency or court order requiring repair, alteration or correction of any existing condition.
- 168 c. Land division or subdivision for which required state or local approvals were not obtained.
- 169 d. A portion of the Property in a floodplain, wetland or shoreland zoning area under local, state or federal regulations.
- 170 e. A portion of the Property being subject to, or in violation of, a farmland preservation agreement or in a certified farmland
- 171 preservation zoning district (see lines 130-133), or enrolled in, or in violation of, a Forest Crop, Managed Forest (see lines
- 172 111-120), Conservation Reserve (see lines 134-138), or comparable program.
- 173 f. Boundary or lot disputes, encroachments or encumbrances, a joint driveway or violation of fence laws (Wis. Stat. ch. 90)
- 174 (where one or both of the properties is used and occupied for farming or grazing).
- 175 g. Material violations of environmental rules or other rules or agreements regulating the use of the Property.
- 176 h. Conditions constituting a significant health risk or safety hazard for occupants of the Property.
- 177 i. Underground storage tanks presently or previously on the Property for storage of flammable or combustible liquids,
- 178 including, but not limited to, gasoline and heating oil.
- 179 j. A Defect or contamination caused by unsafe concentrations of, or unsafe conditions relating to, pesticides, herbicides,
- 180 fertilizer, radon, radium in water supplies, lead or arsenic in soil, or other potentially hazardous or toxic substances on the
- 181 premises.
- 182 k. Production of methamphetamine (meth) or other hazardous or toxic substances on the Property.
- 183 l. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the
- 184 Property.
- 185 m. Defects in any well, including unsafe well water due to contaminants such as coliform, nitrates and atrazine, and out-of-
- 186 service wells and cisterns required to be abandoned (Wis. Admin. Code § NR 812.26) but that are not closed/abandoned
- 187 according to applicable regulations.

188 **(Definitions Continued on page 5)**

IF LINE 190 IS NOT MARKED OR IS MARKED N/A, LINES 230-236 APPLY.

189  
190 **n/a** **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written \_\_\_\_\_  
191 \_\_\_\_\_ [INSERT LOAN PROGRAM OR SOURCE] first mortgage  
192 loan commitment as described below, within \_\_\_\_\_ days of acceptance of this Offer. The financing selected shall be in an  
193 amount of not less than \$ \_\_\_\_\_ for a term of not less than \_\_\_\_\_ years, amortized over not less than \_\_\_\_\_ years.  
194 Initial monthly payments of principal and interest shall not exceed \$ \_\_\_\_\_. Monthly payments may  
195 also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance  
196 premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay discount points and/or loan origination  
197 fee in an amount not to exceed \_\_\_\_\_ % of the loan. If the purchase price under this Offer is modified, the financed amount,  
198 unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the  
199 monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

200 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 201 or 202.**

201  **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_ %.  
202  **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed \_\_\_\_\_ %. The initial interest  
203 rate shall be fixed for \_\_\_\_\_ months, at which time the interest rate may be increased not more than \_\_\_\_\_ % per  
204 year. The maximum interest rate during the mortgage term shall not exceed \_\_\_\_\_ %. Monthly payments of principal  
205 and interest may be adjusted to reflect interest changes.

206 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines 458-464 or  
207 526-534 or in an addendum attached per line 525.

208 **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a  
209 mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan described  
210 in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no  
211 later than the deadline at line 192. **Buyer and Seller agree that delivery of a copy of any written loan commitment to**  
212 **Seller (even if subject to conditions) shall satisfy the Buyer's financing contingency if, after review of the loan**  
213 **commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall**  
214 **accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of**  
215 **unacceptability.**

216 **CAUTION: The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide**  
217 **the loan. BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN**  
218 **COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS**  
219 **ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

220 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment, Seller may terminate this  
221 Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan  
222 commitment.

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

230 **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party  
231 in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification,  
232 sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering  
233 written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing  
234 contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands  
235 and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an  
236 appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

237 **n/a** **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised  
238 at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated  
239 subsequent to the date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon  
240 purchase price. This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of acceptance, delivers to  
241 Seller a copy of the appraisal report which indicates that the appraised value is not equal to or greater than the agreed upon  
242 purchase price, accompanied by a written notice of termination.

243 **CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider whether**  
244 **deadlines provide adequate time for performance.**

**DEFINITIONS CONTINUED FROM PAGE 3**

- 245
- 246 n. Defects in any septic system or other sanitary disposal system on the Property or out-of-service septic systems not  
247 closed/abandoned according to applicable regulations.
- 248 o. Subsoil conditions which would significantly increase the cost of development including, but not limited to, subsurface  
249 foundations or waste material; organic or non-organic fill; dumpsites where pesticides, herbicides, fertilizer or other toxic  
250 or hazardous materials or containers for these materials were disposed of in violation of manufacturer's or government  
251 guidelines or other laws regulating said disposal; high groundwater; adverse soil conditions (e.g. low load bearing  
252 capacity, earth or soil movement, slides) or excessive rocks or rock formations.
- 253 p. Brownfields (abandoned, idled or under-used land which may be subject to environmental contamination) or other  
254 contaminated land, or soils contamination remediated under PECFA, the Department of Natural Resources (DNR)  
255 Remediation and Redevelopment Program, the Agricultural Chemical Cleanup Program or other similar program.
- 256 q. Lack of legal vehicular access to the Property from public roads.
- 257 r. Homeowners' associations, common areas shared or co-owned with others, zoning violations or nonconforming uses,  
258 conservation easements, restrictive covenants, rights-of-way, easements, easement maintenance agreements, or use of  
259 a part of Property by non-owners, other than recorded utility easements.
- 260 s. Special purpose district, such as a drainage district, lake district, sanitary district or sewer district, that has the authority to  
261 impose assessments against the real property located within the district.
- 262 t. Federal, state or local regulations requiring repairs, alterations or corrections of an existing condition.
- 263 u. Property tax increases, other than normal annual increases; completed or pending property tax reassessment of the  
264 Property, or proposed or pending special assessments.
- 265 v. Burial sites, archeological artifacts, mineral rights, orchards or endangered species.
- 266 w. Flooding, standing water, drainage problems or other water problems on or affecting the Property.
- 267 x. Material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides.
- 268 y. Significant odor, noise, water intrusion or other irritants emanating from neighboring property.
- 269 z. Substantial crop damage from disease, insects, soil contamination, wildlife or other causes; diseased trees; or substantial  
270 injuries or disease in livestock on the Property or neighboring properties.
- 271 aa. Existing or abandoned manure storage facilities on the Property.
- 272 bb. Impact fees, or other conditions or occurrences that would significantly increase development costs or reduce the value of  
273 the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.
- 274 cc. The Property is subject to a mitigation plan required by DNR rules related to county shoreland zoning ordinances that  
275 obligates the owner to establish or maintain certain measures related to shoreland conditions, enforceable by the county  
276 (see lines 139-145).
- 277 dd. All or part of the land has been assessed as agricultural land, the owner has been assessed a use-value conversion  
278 charge or the payment of a use-value conversion charge has been deferred.
- 279 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding  
280 the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day.  
281 Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under  
282 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive  
283 registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the  
284 occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours  
285 per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as  
286 closing, expire at midnight of that day.
- 287 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would  
288 significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would  
289 significantly shorten or adversely affect the expected normal life of the premises.
- 290 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land so as to be  
291 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage  
292 to the premises, items specifically adapted to the premises, and items customarily treated as fixtures, including, but not limited  
293 to, all: perennial crops; garden bulbs; plants; shrubs and trees and fences; storage buildings on permanent foundations and  
294 docks/piers on permanent foundations.
- 295 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented on lines 18-19.**
- 296 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-7.
- 297 **PROPERTY DEVELOPMENT WARNING** If Buyer contemplates developing Property for a use other than the current use,  
298 there are a variety of issues which should be addressed to ensure the development or new use is feasible. Municipal and  
299 zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or  
300 uses and therefore should be reviewed. Building permits, zoning variances, Architectural Control Committee approvals,  
301 estimates for utility hook-up expenses, special assessments, changes for installation of roads or utilities, environmental audits,  
302 subsoil tests, or other development related fees may need to be obtained or verified in order to determine the feasibility of  
303 development of, or a particular use for, a property. Optional contingencies which allow Buyer to investigate certain of these  
304 issues can be found at lines 306-350 and Buyer may add contingencies as needed in addenda (see line 525). Buyer should  
305 review any plans for development or use changes to determine what issues should be addressed in these contingencies.

306 **n/a** PROPOSED USE CONTINGENCIES: Buyer is purchasing the Property for the purpose of: \_\_\_\_\_  
307 \_\_\_\_\_  
308 \_\_\_\_\_

309 [insert proposed use and type and size of building, if applicable; e.g. three bedroom single family home]. The optional  
310 provisions checked on lines 314-345 shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of acceptance, delivers  
311 written notice to Seller specifying those items which cannot be satisfied and written evidence substantiating why each specific  
312 item included in Buyer's notice cannot be satisfied. Upon delivery of Buyer's notice, this Offer shall be null and void. Seller  
313 agrees to cooperate with Buyer as necessary to satisfy the contingencies checked at lines 314-350.

314 **n/a** ZONING CLASSIFICATION CONFIRMATION: This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's)  
315 **STRIKE ONE** ("Buyer's" if neither is stricken) expense, verification that the Property is zoned C-1 General  
316 Commercial and that the Property's zoning allows the Buyer's proposed use described at lines 306-308.

317 **n/a** SUBSOILS: This offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if neither  
318 is stricken) expense, written evidence from a qualified soils expert that the Property is free of any subsoil condition which  
319 would make the proposed use described at lines 306-308 impossible or significantly increase the costs of such  
320 development.

321 **n/a** PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM (POWTS) SUITABILITY: This Offer is contingent  
322 upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if neither is stricken) expense, written evidence from  
323 a certified soils tester that (a) the soils at the Property locations selected by Buyer, and (b) all other conditions that must  
324 be approved, meet the legal requirements in effect on the date of this Offer to obtain a permit for a POWTS for use of the  
325 Property as stated on lines 306-308. The POWTS (septic system) allowed by the written evidence must be one of  
326 the following POWTS that is approved by the State for use with the type of property identified at lines 306-308 **CHECK**  
327 **ALL THAT APPLY**:  conventional in-ground;  mound;  at grade;  in-ground pressure distribution;  holding tank;  
328  other: \_\_\_\_\_

329 **n/a** EASEMENTS AND RESTRICTIONS: This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE**  
330 **ONE** ("Buyer's" if neither is stricken) expense, copies of all public and private easements, covenants and restrictions  
331 affecting the Property and a written determination by a qualified independent third party that none of these prohibit or  
332 significantly delay or increase the costs of the proposed use or development identified at lines 306-308.

333 **n/a** APPROVALS: This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if  
334 neither is stricken) expense, permits, approvals and licenses, as appropriate, or the final discretionary action by the  
335 granting authority prior to the issuance of such permits, approvals and licenses, for the following items related to Buyer's  
336 proposed use: \_\_\_\_\_  
337 \_\_\_\_\_

338 **n/a** UTILITIES: This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if neither  
339 is stricken) expense, written verification of the following utility connections at the listed locations (e.g., on the Property, at  
340 the lot line, across the street, etc.) **CHECK AND COMPLETE AS APPLICABLE**:  electricity \_\_\_\_\_;  
341  gas \_\_\_\_\_;  sewer \_\_\_\_\_;  water \_\_\_\_\_;  
342  telephone \_\_\_\_\_;  cable \_\_\_\_\_;  other \_\_\_\_\_.

343 **n/a** ACCESS TO PROPERTY: This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE**  
344 ("Buyer's" if neither is stricken) expense, written verification that there is legal vehicular access to the Property from public  
345 roads.

346 **n/a** LAND USE APPROVAL: This Offer is contingent upon Buyer obtaining, at (Buyer's) (Seller's) **STRIKE ONE** ("Buyer's" if  
347 neither is stricken) expense, a  rezoning;  conditional use permit;  license;  variance;  building permit;   
348 occupancy permit;  other \_\_\_\_\_ **CHECK ALL THAT APPLY**, and delivering  
349 written notice to Seller if the item cannot be obtained, all within \_\_\_\_\_ days of acceptance for the Property for its proposed  
350 use described at lines 306-308.

351 **n/a** MAP OF THE PROPERTY: This Offer is contingent upon (Buyer obtaining) (Seller providing) **STRIKE ONE** ("Seller  
352 providing" if neither is stricken) a Map of the Property dated subsequent to the date of acceptance of this Offer prepared by a  
353 registered land surveyor, within \_\_\_\_\_ days of acceptance, at (Buyer's) (Seller's) **STRIKE ONE** ("Seller's" if neither is stricken)  
354 expense. The map shall show minimum of \_\_\_\_\_ acres, maximum of \_\_\_\_\_ acres, the legal description of the  
355 Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements,  
356 if any, and: \_\_\_\_\_

357 **STRIKE AND COMPLETE AS APPLICABLE** Additional map features which may be added include, but are not limited to:  
358 staking of all corners of the Property; identifying dedicated and apparent streets; lot dimensions; total acreage or square  
359 footage; easements or rights-of-way. **CAUTION: Consider the cost and the need for map features before selecting them.**  
360 **Also consider the time required to obtain the map when setting the deadline.** This contingency shall be deemed satisfied  
361 unless Buyer, within five days of the earlier of: (1) Buyer's receipt of the map; or (2) the deadline for delivery of said map,  
362 delivers to Seller a copy of the map and a written notice which identifies: (1) the significant encroachment; (2) information  
363 materially inconsistent with prior representations; or (3) failure to meet requirements stated within this contingency.  
364 Upon delivery of Buyer's notice, this Offer shall be null and void.

365 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land dimensions, total square footage, acreage  
366 figures, or allocation of acreage information, provided to Buyer by Seller or by a broker, may be approximate because of  
367 rounding, formulas used or other reasons, unless verified by survey or other means.

368 **CAUTION: Buyer should verify land dimensions, total square footage/acreage figures and allocation of acreage**  
369 **information if material to Buyer's decision to purchase.**

370 **EARNEST MONEY**

371 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker  
372 (Buyer's agent if Property is not listed or Seller's account if no broker is involved), until applied to the purchase price or  
373 otherwise disbursed as provided in the Offer.

374 **CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the**  
375 **Parties or an attorney. If someone other than Buyer makes payment of earnest money, consider a special**  
376 **disbursement agreement.**

377 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after  
378 clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money.  
379 At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest  
380 money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said  
381 disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse  
382 the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller;  
383 (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4)  
384 any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an  
385 interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees, not to  
386 exceed \$250, prior to disbursement.

387 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in  
388 relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to  
389 disbursement per (1) or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or  
390 Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement.  
391 Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential property with 1-4  
392 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting attorneys regarding their  
393 legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith  
394 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing  
395 regulations concerning earnest money. See Wis. Admin. Code Ch. RL 18.

396 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of the  
397 Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction as  
398 defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession data to multiple  
399 listing service sold databases; and (iii) provide active listing, pending sale, closed sale and financing concession information  
400 and data, and related information regarding seller contributions, incentives or assistance, and third party gifts, to appraisers  
401 researching comparable sales, market conditions and listings, upon inquiry.

402 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons  
403 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at  
404 <http://www.widocoffenders.org> or by telephone at (608) 240-5830.

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

468 If **Buyer defaults**, Seller may:

469 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or  
470 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for  
471 actual damages.

472 If **Seller defaults**, Buyer may:

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

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

476 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the  
477 discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution  
478 instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of  
479 law those disputes covered by the arbitration agreement.

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

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

488 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part of  
489 this Offer. An "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the  
490 Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source,  
491 which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building  
492 materials from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors,  
493 testers and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies in  
494 this Offer. Buyer and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's  
495 authorization for inspections does not authorize Buyer to conduct testing of the Property.

496 **NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the**  
497 **test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other**  
498 **material terms of the contingency.**

499 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed  
500 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller.  
501 Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported  
502 to the Wisconsin Department of Natural Resources.

503  **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 488-502). This Offer  
504 is contingent upon a qualified independent inspector(s) conducting an inspection(s), of the Property which discloses no  
505 Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing  
506 an inspection of \_\_\_\_\_

507 (list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects. Buyer shall order the  
508 inspection(s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a  
509 written report resulting from an authorized inspection performed provided they occur prior to the deadline specified at line 513.  
510 Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

511 **CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as  
512 well as any follow-up inspection(s).**

513 This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_ days of acceptance, delivers to Seller a copy of the written  
514 inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).

515 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

516 For the purposes of this contingency, Defects (see lines 287-289) do not include conditions the nature and extent of which the  
517 Buyer had actual knowledge or written notice before signing this Offer.

518  **RIGHT TO CURE:** Seller (shall)(shall not) ~~STRIKE ONE~~ ("shall" if neither is stricken) have a right to cure the Defects. If  
519 Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of  
520 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects, (2) curing the Defects in a good and  
521 workmanlike manner and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This  
522 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)  
523 Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure  
524 or (b) Seller does not timely deliver the written notice of election to cure.

525  **ADDENDA:** The attached \_\_\_\_\_ Addendum A \_\_\_\_\_ is/are made part of this Offer.

526 **ADDITIONAL PROVISIONS/CONTINGENCIES** The Property's Street Addresses include; 81 Racine  
527 Street, 87 Racine Street, and 504 Broad Street.

535 This Offer was drafted by [Licensee and Firm] \_\_\_\_\_ Robert E. Drifka  
536 \_\_\_\_\_ Drifka Group Inc. on \_\_\_\_\_ July 21, 2011

537 (x) \_\_\_\_\_  
538 Buyer's Signature ▲ Print Name Here ▶ Riverside Building, Inc. Date ▲

539 (x) \_\_\_\_\_ 7/25/11  
540 Buyer's Signature ▲ Print Name Here ▶ \_\_\_\_\_ Date ▲

541 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.

542 \_\_\_\_\_ Broker (By)

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

546 (x) \_\_\_\_\_  
547 Seller's Signature ▲ Print Name Here ▶ \_\_\_\_\_ Date ▲

548 (x) \_\_\_\_\_  
549 Seller's Signature ▲ Print Name Here ▶ \_\_\_\_\_ Date ▲

550 This Offer was presented to Seller by [Licensee and Firm] \_\_\_\_\_  
551 \_\_\_\_\_ Drifka Group Inc. on \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

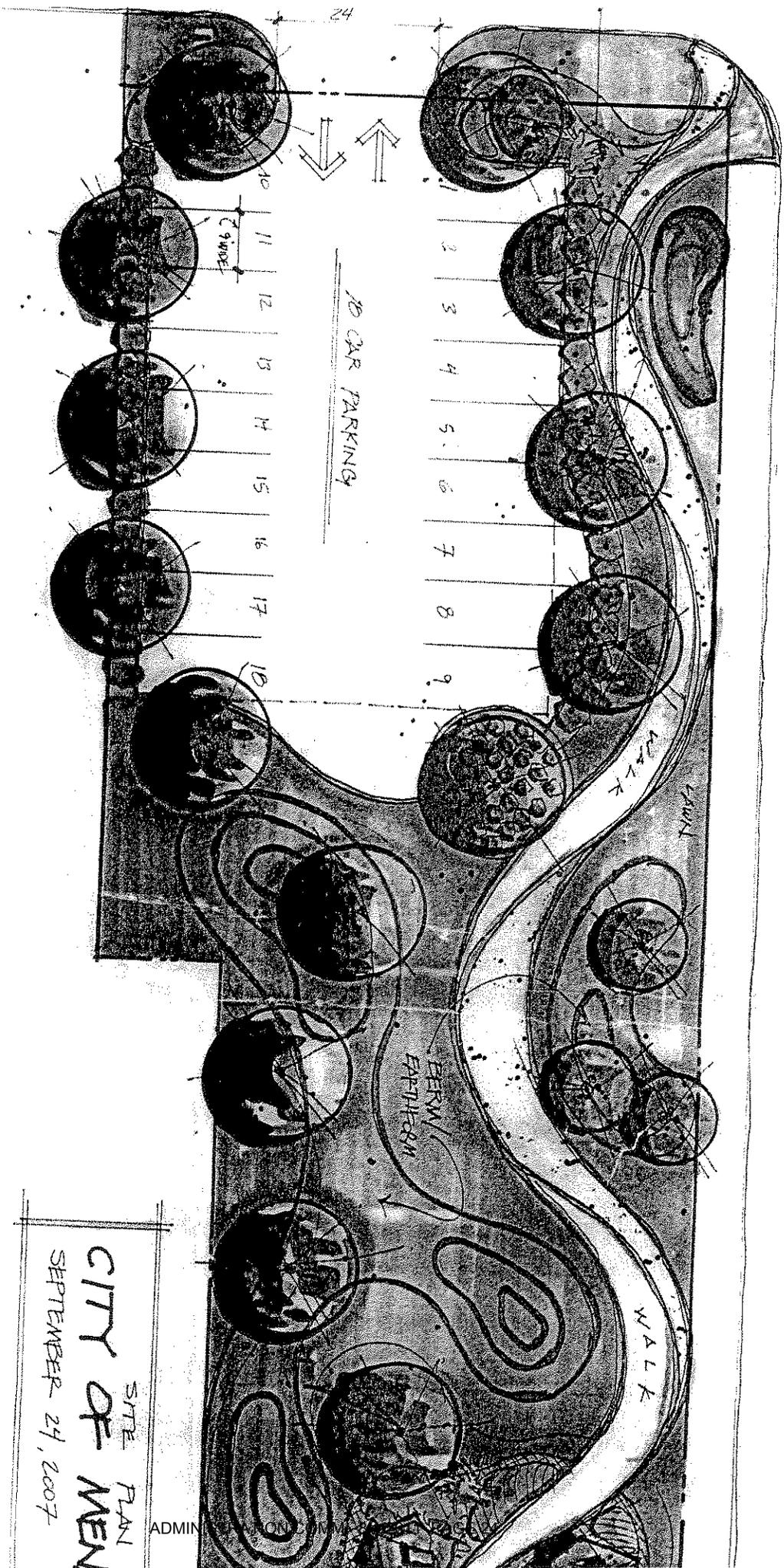
552 This Offer is rejected \_\_\_\_\_ This Offer is countered [See attached counter] \_\_\_\_\_  
553 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

ADDENDUM TO WB-13 VACANT LAND OFFER TO PURCHASE  
Dated July 21, 2011  
By and Between Riverside Building, Inc. and City of Menasha

1. FINANCING. This Offer is not subject to financing.
2. CLOSING. The closing shall be no later than 30 days after Buyer's waiver of all Buyer contingencies.
3. ENVIRONMENTAL CONCERNS. Seller acknowledges to Buyer that they have no notice or knowledge of any underground storage tanks, garbage dumpsites or contaminants that may be on the property. Seller shall, within ten (10) days of the acceptance date of this Offer, provide Buyer with any and all reports, assessments and data in Seller's possession relating to the environmental condition of the Property. Buyer shall obtain within 45 days of the acceptance date of this Offer, at Buyer's expense, a Phase I Environmental Audit of the property from an environmental engineer chosen by Buyer to the effect that there is no evidence of solid (including asbestos), hazardous or toxic disposal or underground storage tanks on the property. If for any reason, at Buyer's sole discretion, said study indicates any unsatisfactory condition, Buyer shall serve written notice on Seller within said 45 day period, and this Offer shall become null and void and all earnest money returned to Buyer. Should Buyer fail to serve said written notice, Seller shall deem this contingency waived.
4. SOIL AND TOPOGRAPHIC CONDITIONS. Buyer shall, at Buyer's expense, obtain a written confirmation from a qualified soil testing and engineering firm that the soil and subsoil conditions of Property are suitable to allow for construction thereon of Buyer's proposed development. If for any reason, at Buyer's sole discretion, said study indicates any unsatisfactory condition Buyer shall serve written notice on Seller within 45 days from the date of acceptance of this Offer, and this Offer shall become null and void. Should Buyer fail to serve said written notice, Seller shall deem this contingency waived.
5. SURVEY. Seller, at Seller's expense, shall provide to Buyer within 45 days of the closing date, a survey by a licensed civil engineer or registered surveyor, in accordance with the standards specified by ALTA and certified to the title insurer referred to herein, and the Buyer, current at closing, delineating the boundaries of the real estate showing all adjoining rights of way, streets and roads, exit and entrances, utilities, set-back lines, restrictions, encroachments, rights of way, easements and other similar matters and setting forth the exact acreage with courses and distances so as to permit a description of the property (together with a certified written description of the property), and of any other items noted on the survey and containing a certification that the survey correctly shows the location of any structures and other improvements situated on the real estate and that, except as shown, there are no visible easements or rights of way across the property, no party walls, no encroachments on adjoining premises, streets or alleys and no encroachments on the real estate by improvements on the adjoining premises and showing the property to be in the condition called for herein. The survey shall be in such form as may be required by the title company so as to eliminate any survey exception in the commitment and title policy issued therefore.

6. GOVERNMENTAL APPROVALS, ZONING, PERMITS, LICENSES. This Offer is subject to Buyer obtaining from all governmental and quasi-governmental agencies and private parties all approvals, permits, and licenses, of every nature, including but not limited to; zoning, site plan approval, drainage plan, building permit, utility connections, signage including pylon, which are necessary for Buyer's intended use within 45 days from the acceptance date of this Offer. If Buyer is unable to obtain said approvals, permits, and licenses, Buyer shall serve written notice on Seller within 45 days from the acceptance date of this Offer, and this Offer shall be null and void. Should Buyer fail to serve said written notice, Seller shall deem this contingency waived.
7. ACCESS TO PROPERTY. Seller agrees to allow Buyer and its agent's access to the property at any reasonable time after the acceptance date of this Offer, to conduct said inspections and tests contemplated by Buyer's contingencies in this Offer. Buyer agrees to indemnify and hold Seller harmless from any cost, demands, expense, damage or liabilities arising out of Buyer's work performed on such tests and inspections. Buyer agrees to return the property to its prior condition after such testing has been completed in the event that this real estate transaction does not close.
8. FAX / EMAIL SIGNATURES. Buyer and Seller agree that fax and email signatures shall be deemed to be legal and that Buyer and Seller agree that electronically reproduced contracts with signatures are a valid method to use to accept an Offer or a Counter-Offer, to amend the contract, to give notices required by the contract, and that an electronic transmission (fax and or email) is a commercial delivery system, the use of which complies with the contract. Buyer's email address is: [bob@drifkagroup.com](mailto:bob@drifkagroup.com) for Buyer. Seller's email address is [gkeil@ci.menasha.wi.us](mailto:gkeil@ci.menasha.wi.us) for Seller.

RAONE STREET



SITE PLAN  
CITY OF MEN  
SEPTEMBER 24, 2007

ADMIN



## MEMORANDUM

Date: July 27, 2011

To: Administration Committee  
From: Pamela A. Captain, City Attorney

RE: CVMIC Update/Renewal

Attached for your information are the following documents:

1. Two-Year Liability Renewal Package dated July 22, 2011
2. 2011 Liability Dividend Report dated July 22, 2011
3. 2012 Premium Projections as of 7/27/2011
4. Workers Compensation and Employer Liability 2012 premium estimate report

### LIABILITY COVERAGE

#### Renewal

Liability insurance renewal commitments for Cities and Villages Mutual Insurance Company (CVMIC) members for policy years 2013 and 2014 are due September 1, 2011. CVMIC's board has implemented a two-year pricing cycle to aid municipalities' budget planning efforts. The City is already committed through policy year 2012. See Resolution R-22-09.

Based on the City's current self-insured retention amount (\$25,000), the premium quoted amounts are:

\$50,752	2013
\$52,020	2014

#### Dividend

The CVMIC board has declared a dividend at its May 18<sup>th</sup> Board of Directors Meeting payable March 1, 2012 and is requesting payment instructions. Generally, the City requests that the dividend be paid at its earliest date.

**Recommended action:** 1) Forward the attached proposed Resolution to the common council for approval to continue membership in CVMIC and accepting CVMIC's premium proposal for years 2013 and 2014; and 2) Recommend Option 1 to the common council, payment of CVMIC dividends to Menasha on March 1, 2012.

RESOLUTION R-32-11

RESOLUTION APPROVING THE CITY OF MENASHA'S LIABILITY INSURANCE RENEWAL 2013-2014 THROUGH CITIES AND VILLAGES MUTUAL INSURANCE COMPANY (CVMIC)

Introduced by Mayor Merkes

WHEREAS, the City of Menasha has been a charter member of Cities and Villages Mutual Insurance Company (CVMIC) since 1988; and

WHEREAS, the renewal for 2013-2014 has been received from CVMIC;

NOW THEREFORE, BE IT RESOLVED, that the City of Menasha Common Council with the Mayor concurring elect to continue to participate in CVMIC; and

BE IT FURTHER RESOLVED that the City of Menasha accepts the liability insurance proposal dated July 22, 2011 from CVMIC and agrees to continue its membership in CVMIC for policy years 2013 and 2014 based on the premiums guaranteed by CVMIC for said policy years with the SIR at \$25,000.00.

Passed and approved this \_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Donald Merkes, Mayor

\_\_\_\_\_  
Deborah A. Galeazzi, City Clerk



July 22, 2011

Ms. Pamela Captain  
City of Menasha  
430 First Street  
Menasha, WI 54952

RE: Two-Year Liability Renewal Package

Dear Pamela:

Cities and Villages Mutual Insurance Company (CVMIC) is pleased to provide your community with its two-year liability renewal package. CVMIC continues to provide your community with the best possible public entity, general liability and auto liability protection available in Wisconsin. This re-pricing continues CVMIC's approach of providing a long-term solution to your liability insurance needs.

Bickmore Risk Services has completed an actuarial review of CVMIC losses from 1988 to present. Their analysis has indicated that we continue to have very stable losses. The Board of Directors requested that Bickmore Risk Services calculate each member's 2013-2014 premiums for both the current and next higher self-insured retention (SIR). Premium calculations were developed utilizing current loss data and the underwriting information members provided last Fall for the reinsurance renewal.

The proposed pricing limits the experience modification to premium increases no greater than 15% and reductions no greater than 10% for 2013. Increases for 2014 will be 2.5%.

Your premium options for the 2013 and 2014 policy years are set forth in Attachment One. These premiums are guaranteed for the two-year period, assuming that we achieve an adequate level of commitment for the renewal. In order to lock in these rates, we are asking that each member make their renewal commitment **by September 1, 2011**. Our general counsel, Mark Kircher of Quarles & Brady, has provided instructions for making this two-year commitment to CVMIC (Attachment Two).

CVMIC has grown to 44 member cities and villages. In addition to broad liability protection with \$5 million in limits, we also provide loss control services, risk management assistance and access to other insurance products through optional group purchases. These programs provide access to needed insurance coverage at substantial savings. This is in addition to the quantifiable benefits and direct cost savings your community has realized through participation in the CVMIC liability program. A comparison of the 23 years that City of Menasha has been with CVMIC with the final year with your previous carrier indicates that you have enjoyed total savings of \$4,194,283 since your community joined CVMIC (Attachment Four).

The Board of Directors continues to be committed to assisting members with their risk management and loss control programs. CVMIC's loss control representatives continue to work directly with members to provide loss control assistance. In addition, we have provided a wide range of free educational programs for your employees. These seminars have proven to be very popular and are highly rated by those attending. We believe these services have had a direct impact on losses and have helped keep premiums low. We will continue to expand our training efforts and encourage member participation. A copy of the preliminary training schedule for the fall/winter of 2011/2012 is attached (Attachment Three).

#### Liability Program Dividends

On April 1, 2007 CVMIC retired the WMIC bond. This was accomplished with CVMIC all paying principal and interest payments on behalf of members. The retirement of the WMIC debt opened the door to return excess funds from the liability program to members in the form of dividends. The first dividend was declared in 2008 and paid in early 2009. At their May 18<sup>th</sup> meeting, the Board declared a liability dividend in the amount of \$1,356,326.00 for the policy period ending 12/31/10. This dividend will be paid on or around March 1, 2012. Specific information regarding this dividend will be provided in a separate letter. The goal of the Board is to provide stable dividends while maintaining surplus at target levels.

#### Other Insurance Purchase Options

In addition to the liability insurance program, CVMIC offers a first-dollar worker's compensation program, Auto Physical Damage program and several top quality insurance products on a group-purchase basis. Group purchase options include Special Events Liability Program, Employment Practice Liability, Excess Workers' Compensation, umbrella/excess liability and Boiler & Machinery insurance. These programs have been offered in response to member requests to provide cost-effective options to meet the insurance needs of their community. Renewal information for these programs will be provided at the summer meeting.

## Ratings and Awards

We are extremely pleased to inform the membership that CVMIC has maintained its 'A' rating from AM Best. A.M. Best is the foremost source for insurer ratings in the world. Best's initial rating of CVMIC covered the five-year period ending December 31, 1992. Their rating is based on a thorough review of the company's financial strength. On the basis of that review, A. M. Best awarded CVMIC an A (V) rating. A is for excellent which is assigned to companies which have achieved excellent overall performance when compared to the standards established by A. M. Best Company. Companies with an A rating have a strong ability to meet their policyholder and other contractual obligations over a long period of time. The financial size category (V) represents policyholder's surplus between \$10 million and \$25 million. The A. M. Best rating is reviewed annually. We are proud to report that CVMIC maintained an A- or better rating each year since 1992 and we are among a small group of insurers whose rating was raised.

In 1997, we refinanced the WMIC bond and had our financial ratings reviewed by Moody's. At that time, Moody's gave CVMIC a rating of Aa2. We were very pleased with the rating and felt it reflected Moody's belief of CVMIC's strong financial position. The recognition of CVMIC's success was further enhanced when we received the Association Governmental of Risk Pools (AGRIP) Pooling Advisory Standard Recognition Award. This award demonstrates CVMIC's compliance with recommended operational practices and documentation set forth in Pooling Advisory Standards. The criteria for this recognition is reviewed every three years. CVMIC has retained this recognition for many years.

We feel the A. M. Best rating, the Moody's rating and the recognition award from AGRIP provides the membership with the assurance and peace of mind that the company is operating in a professional and financially sound manner. One of the goals when CVMIC was founded was to achieve a Best Rating of B+. The fact that we exceeded this goal by three rating categories is significant and reflects the continuing emphasis on achieving excellence by improving the way the company operates, increasing CVMIC's financial strength, expanding the level of services provided to members and strengthening the commitment of members to CVMIC. We are extremely pleased and proud of these ratings and the AGRiP recognition and continue to hard to accomplish those things required to maintain and improve upon them.

The Board implemented the two-year pricing cycle to ensure members will always know their liability insurance cost before beginning the budget process.

To confirm your community's commitment to CVMIC for the 2013-2014 policy years as outlined in Attachment One, it will be necessary to complete and sign the acceptance form at the bottom of Attachment One and return one signed copy in the postage paid envelope provided.

We look forward to continuing working with you. If you have any questions regarding re-pricing, please contact either Ken Horner or myself.

Yours very cordially,

**CITIES AND VILLAGES MUTUAL INSURANCE CO.**



Michael L. DeMoss  
Executive Director



Ken Horner  
Director of Operations

MLD:scp  
Enc.

membrcorr/repricing 2013-2014reprice.ltr.doc

City of Menasha  
**ANNUAL PREMIUMS**  
Policy Years 2012, 2013, 2014

ATTACHMENT 1

- **Coverage includes:**
  - General Liability
  - Auto Liability
  - Excess Liability
  - Public Officials Liability
  - Law Enforcement Liability
  
- **Self-Insured Retention ("SIR")** is available at several levels.
  
- **Limits of Liability:**
  - \$5,000,000 per occurrence excess of SIR.
  
- **Defense Costs are included in the SIR.**

**ANNUAL PREMIUMS:**

**(SIR) Occurrence/Aggregate**

	<u>Current SIR</u>	<u>Optional SIR</u>
	\$25,000	\$37,500
<u>Policy Year</u>	<u>Option 1</u>	<u>Option 2</u>
2012	\$50,002	\$46,077
2013	\$50,752	\$46,768
2014	\$52,020	\$47,937

NOTE: The premiums stated herein are based on an expected number of renewals and are subject to review, depending on the actual number of renewals. With that qualification, they are guaranteed for the three-year policy period 2010, 2011 and 2012.

**ACCEPTANCE**

The City of Menasha agrees to continue as a member of CVMIC for the policy years 2012, 2013 and 2014 as outlined in Option 1 \_\_\_\_\_ (\$25,000) [or] as outlined in Option 2 \_\_\_\_\_ (\$37,500) (*please indicate*) at the corresponding guaranteed premiums set forth above.

ACCEPTED AND AGREED TO this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

City of Menasha

By \_\_\_\_\_  
Name

Its \_\_\_\_\_  
Title



411 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202-4497  
Tel 414.277.5000  
Fax 414.271.3552  
www.quarles.com

*Attorneys at Law in:*  
*Phoenix and Tucson, Arizona*  
*Naples, Florida*  
*Chicago, Illinois*  
*Milwaukee and Madison, Wisconsin*

July 15, 2011

To: CVMIC Members  
From: Quarles & Brady  
Re: Membership Commitment for Years 2013-2014

Ladies and Gentlemen:

Mr. DeMoss has asked us to provide instructions as to how members may commit for the next two year period.

In order to join CVMIC, each City Council/Village Board adopted a resolution which, among other things, approved the Liability Insurance Coverage Program Agreement (the "Program Agreement"). After December 21, 1990, the Program Agreement automatically renews itself for one year periods and your membership continues automatically unless you opt to withdraw from coverage. Accordingly, there is no affirmative City Council/Village Board action which CVMIC requires in order for you to continue your membership.

The letter from Mr. DeMoss which accompanies this Memorandum sets forth the guaranteed annual premiums which CVMIC offers in exchange for a two year commitment of continued membership. All CVMIC requires is that you select your SIR and return a copy of Attachment 1 with the Acceptance Form executed by an authorized officer. If City Council/Village Board action is required for you to make the commitment, we suggest the following authorization language either in the form of a motion or resolution:

QB\13707850.1

**RESOLVED**, that the City of Menasha accepts the Liability Insurance Proposal dated July 15, 2011, from Cities and Villages Mutual Insurance Company ("CVMIC") and agrees to continue its membership in CVMIC for policy years 2013 and 2014 based on the premiums guaranteed by CVMIC for said policy years.

Please contact me if you have any questions or if we can be of assistance in this regard.

Very truly yours,

QUARLES & BRADY LLP

Mark A. Kircher

MAK:rrr

# July-December 2011

## Upcoming Courses

(Updated 7/12/11)



**For complete course descriptions and to self-register please visit our web site: [www.cvmic.com](http://www.cvmic.com) then click on the training tab.**  
**NOTE: All programs are full day unless otherwise noted. CEU and CLE credits are available for many courses.**  
**If you have questions or require further assistance contact Diane Schillaci, Administrative Assistant at 262-784-5666 ext. 197 or [dms@cvmic.com](mailto:dms@cvmic.com)**

<u>MONTH</u>	<u>DATE</u>	<u>LOCATION</u>	<u>PROGRAM</u>	<u>PRESENTER</u>
July	21	Stevens Point Holiday Inn	<b>NEW!</b> Budget Amendment Act-Legal Update/Discussion (Half-day program: 1:15 p.m. - 4:00 p.m.)	Attorney Greg Guntia, Guntia & Reak, SC & Rick Bayer, CVMIC
	26	CVMIC	<b>NEW!</b> Budget Amendment Act-Legal Update/Discussion (Half-day program: 8:30-Noon)	Attorney Greg Guntia, Guntia & Reak, SC & Rick Bayer, CVMIC
August	1 & 2	Onalaska Omni Center	Basic Risk Management/Safety/Security - CIS #3* (Certificate in Supervision) (CEU's apply to this program)	Rick Bayer & Bruce Stenz, CVMIC
	3 & 4	Onalaska Omni Center	Coaching Employees - CIS #4* (Certificate in Supervision) (CEU's apply to this program)	Rick Bayer & Jean Cole, CVMIC
	17 & 18	Racine City Hall Annex	Unacceptable Employee Behavior (CIS #8)* (Certificate in Supervision) (CEU's apply to this program)	Rick Bayer, CVMIC
	30 & 31	CVMIC	Employment Law - CIS #1* (Certificate in Supervision) (CEU's apply to this program)	Rick Bayer & Jean Cole, CVMIC
September	8	Menasha Public Library	Health and Safety - What you Need to Know*** (Certificate in Risk Management/Safety)	Pallin Allen & Ben Rank, CVMIC
	13 & 14	CVMIC	Supervisor Resources & Tools (CIS#2) * (Certificate in Supervision) (CEU's apply to this program)	Rick Bayer & Jean Cole, CVMIC
	15	Menasha Public Library	Hiring - Avoiding a lifetime of Regret**** (Certificate in Management)	Rick Bayer & Jean Cole, CVMIC

<u>MONTH</u>	<u>DATE</u>	<u>LOCATION</u>	<u>PROGRAM</u>	<u>PRESENTER</u>
September <i>(continued)</i>	16	Menasha Public Library	Behaviorally Anchored Interviewing**** (Certificate in Management)	Rick Bayer & Jean Cole, CVMIC
	20	CVMIC	New Supervisor Orientation*	Jean Cole, CVMIC
	27 & 28	Comfort Inn Madison	Basic Risk Management & Safety (CIS #3) * (Certificate in Supervision) <i>(CEU's apply to this program)</i>	Rick Bayer & Bruce Stenz, CVMIC
	29	CVMIC	Health and Safety – What you Need to Know** (Certificate in Risk Management/Safety)	Pallin Allen & Ben Rank, CVMIC
	October			
	4 & 5	CVMIC	Supervisory Competencies (CIPS 1)** (Pre-Supervisory Certification)	Rick Bayer & Jean Cole, CVMIC
	6	CVMIC	Liability Claims Investigation (Certificate in Risk Management/Safety)	Rick Bayer & Ben Rank, CVMIC
	11 & 12	Comfort Inn Madison	Coaching Employees (CIS #4) * (Certificate in Supervision) <i>(CEU's apply to this program)</i>	Rick Bayer & Jean Cole, CVMIC
	13	CVMIC	Behaviorally Anchored Interviewing**** (Certificate in Management)	Rick Bayer & Jean Cole, CVMIC
	14	CVMIC	Hiring – Avoiding a Lifetime or Regret**** (Certificate in Management)	Rick Bayer & Jean Cole, CVMIC
	18 & 19	CVMIC	Laws/Programs that Supervisors Must Know (CIPS 2)** (Pre-Supervisory Certification)	Rick Bayer & Jean Cole, CVMIC
	20	CVMIC	The True Cost of Loss*** (Certificate in Risk Management/Safety)	Rick Bayer, Mike De Moss, & Ben Rank, CVMIC
	25	Kimberly	New Supervisor Orientation*	Jean Cole, CVMIC
	25 & 26	CVMIC	Teams & Process Improvement (CIS #5) * (Certificate in Supervision) <i>CEU's apply to this program)</i>	Rick Bayer & Bruce Stenz, CVMIC
November				
	1 & 2	CVMIC	Managing the Process and Managing People (CIPS 3)** (Pre-Supervisory Certification)	Rick Bayer & Jean Cole, CVMIC
	3	Menasha Public Library	Safety Committee & Safety Awareness*** (Certificate in Risk Management/Safety)	Pallin Allen & Ben Rank, CVMIC
	8 & 9	CVMIC	Developing a Highly Effective Workforce (CIS #6) * (Certificate in Supervision) <i>(CEU's apply to this program)</i>	Rick Bayer & Jean Cole, CVMIC
	10	CVMIC	Safety Committee & Safety Awareness*** (Certificate in Risk Management/Safety)	Pallin Allen & Ben Rank, CVMIC

<u>MONTH</u>	<u>DATE</u>	<u>LOCATION</u>	<u>PROGRAM</u>	<u>PRESENTER</u>
November (continued)	17	Menasha Public Library	NEW! Team Building *** (Certificate in Management)	Rick Bayer, & Dave Kodel, CVMIC
	18	Menasha Public Library	NEW! Discipline & Wrongful Termination**** (Certificate in Management)	Rick Bayer, & Dave Kodel, CVMIC
	29 & 30	Green Bay Police Dept.	Understanding Employee Differences (CIS #7)* (Certificate in Supervision) (CEU's apply to this program)	Rick Bayer & Pallin Allen, CVMIC
December	1 & 2	Rhineland	Developing a Highly Effective Workforce (CIS #6)* (Certificate in Supervision) (CEU's apply to this program)	Rick Bayer, CVMIC
	6	CVMIC	Employee Performance Evaluations **** (Certificate in Management)	Rick Bayer, CVMIC
	7	CVMIC	NEW! Discipline & Wrongful Termination**** (Certificate in Management)	Rick Bayer & Dave Kodel CVMIC
	8	CVMIC	NEW! Team Building**** (Certificate in Management)	Rick Bayer & Dave Kodel, CVMIC
	13 & 14	Green Bay Police Dept.	Unacceptable Employee Behavior (CIS #8)* (Certificate in Supervision) (CEU's apply to this program)	Rick Bayer & Jean Cole, CVMIC

\*Certificate in Supervision

\*\*Pre-Supervisory Certification

\*\*\*Certificate in Risk Management/Safety

\*\*\*\* Certificate in Management

**MEMBER MENASHA**

Effective Date of Coverage 1-1-88

Years in Program 23

**Cost of CVMIC's Liability Insurance Program**

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total	Average Costs	
SIR Utilization	10,000	10,000	10,000	17,500	17,500	17,500	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	507,500	
Annual Premium	73,925	73,925	73,925	39,272	40,341	41,702	33,749	34,583	35,458	37,231	38,162	39,116	39,767	40,582	41,374	41,787	42,832	43,560	44,649	47,250	48,431	46,823	47,672	2,045,305	45,474	
Incurred Claims	5,356	2,552	2,239	82,204	5,942	33,836	112,853	29,166	42,510	5,932	2,469	15,601	4,633	4,003	64,666	2,323	4,547	3,047	80,387	6,406	8,658		1,371	540,700	23,509	
Losses Excess of SIR	0	0	0	43,308	0	7,862	79,552	0	8,140	0	0	0	0	0	55,885	0	0	-	26,331			0	0	221,264	9,613	
Claims Cost	1,955	2,436	1,580	3,330	1,775	3,393	700	1,400	1,050	0	1,050	350	1,050	1,050	700	0	700	0	1,125	400	425	0	0	24,469	1,064	
Cost	81,236	78,913	77,744	81,496	48,058	71,049	67,750	65,161	70,878	43,163	41,661	55,067	45,450	45,615	70,855	44,110	48,079	46,607	99,830	54,056	57,514	46,023	49,043	1,389,979	60,434	
Annual Prem. prior to joining CVMIC	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	242,794	5,584,262	0
Estimated Annual Savings	161,558	163,881	165,050	161,296	194,736	171,745	175,044	177,633	171,916	199,631	201,113	187,727	197,344	197,179	171,939	198,684	194,715	196,187	142,964	188,738	185,280	198,171	193,751		4,194,283	0
SIR Utilization (Incurred Basis) as a Percentage of Aggregate S	13.39%	6.38%	5.60%	55.57%	8.49%	37.08%	33.30%	29.17%	34.37%	5.93%	2.47%	15.60%	4.63%	4.00%	28.78%	2.32%	4.55%	3.05%	54.06%	6.41%	8.66%	0.00%	1.37%		15.74%	
Risk Management & Loss Control Assessment Score as a Percentage of total points								809	704	-12.98%		706	730	0	786	2092	0	3839	0	0	0	0	0	0		85.0%

**Annual Premium Adjustments & their Percentage**

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average	
Annual Premium at \$10,000 SIR	73,925	73,925	73,925	68,122	70,229	72,336	75,336	77,219	79,150	84,692	86,809	88,979	87,412	89,160	90,943	93,217	95,547	97,172	99,601	102,092	104,644	100,737	103,003	105,402	108,037	86,442	
Annual Premium at \$17,500 SIR		0.00%	0.00%	-7.85%	3.09%	3.00%	4.15%	2.50%	2.50%	7.00%	2.50%	2.50%	-1.76%	2.00%	2.00%	2.50%	2.50%	1.70%	2.50%	2.50%	2.50%	-3.73%	2.25%	2.33%	2.50%	1.56%	
Annual Premium at \$25,000 SIR				39,272	40,341	41,702	43,787	44,682	46,004	48,765	49,984	51,233	52,258	53,303	54,369	55,726	57,122	58,093	59,545	61,034	62,560	60,224	61,579	63,013	64,588	52,089	
Annual Premium at \$50,000 SIR					2.72%	3.37%	5.00%	2.50%	2.50%	6.00%	2.50%	2.50%	2.00%	2.00%	2.00%	2.50%	1.70%	2.50%	2.50%	2.50%	2.50%	-3.73%	2.25%	2.33%	2.50%	2.41%	
Annual Premium at \$50,000 SIR							33,749	34,583	35,458	37,231	38,162	39,116	39,767	40,582	41,374	41,787	42,832	43,560	44,649	47,250	48,431	46,823	47,672	48,782	50,002	41,342	
Exposure Analysis by Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	36,388	
General Liab. (Total Payoff)	3,643,555	3,725,320	3,933,071	5,781,014	6,284,230	6,405,041	6,776,988	8,120,788	8,179,398	8,439,910	8,552,328	8,878,820	6,463,439	6,784,205	6,532,979	6,012,448	5,892,367	6,152,401	6,332,036	6,531,789							1.37%
Percentage change		2.24%	5.58%	46.98%	6.70%	1.92%	5.81%	19.83%	0.72%	3.16%	1.33%	3.82%	-27.20%	4.65%	-3.42%	-7.97%	-2.00%	4.41%	2.92%	3.15%							
Auto Liability Exposure (Units)	67	67	67	67	67	68	69	70	70	72	82	82	82	88	88	88	88	94	63	64	64	67	67	70		70	
Percentage change		0.00%	0.00%	0.00%	0.00%	1.49%	1.47%	1.45%	0.00%	2.86%	13.89%	0.00%	0.00%	7.32%	0.00%	0.00%	0.00%	6.82%	-32.96%	1.59%	0.00%	4.69%	0.00%		4.48%		



DATE: July 22, 2011

TO: Ms. Pamela Captain, City of Menasha

FROM: Mike DeMoss, Executive Director  
Ken Horner, Director of Operations

RE: 2011 Liability Dividend Report

The purpose of this letter is to provide information regarding payment of the fourth (4<sup>th</sup>) liability program dividend to be paid directly to members. This packet includes the following information:

- 2011 Liability Program Dividend Recommendation.
- The Equity Ownership Calculation for your community.
- Notification of Liability Dividend Declared by the Board of Directors for the Policy Year Ending 12/31/2010. Note: This document includes the amount of the dividend to be paid to your community.

We feel it is important that all members understand the dividend process. This letter will be distributed as part of a presentation at the 2011 Summer Meeting and will be sent via email to all member representatives that do not attend the Summer Meeting. If you have any questions, or if any aspect of the process is unclear, please do not hesitate ask for clarification.

On May 18, 2011, the CVMIC Board of Directors approved the liability program dividend in the amount of \$1,356,326. This dividend was based upon 12/31/10 operating results and will be paid March 1, 2012. The attached 2011 Liability Dividend Recommendation outlines the criteria the Board followed in declaring the current dividend. It is the Board's intent to comply with these criteria when considering future liability program dividends.

The Equity Ownership Calculation was adopted by the membership at the 1993 Summer Meeting and has been reviewed with the membership periodically since that time. The equity calculation establishes your community's percentage ownership of the Company. Your community's share of the total dividend was determined by multiplying the total dividend declared by your ownership percentage. This amount is shown on the attached "Notification of Liability Dividend Declared for the Policy Year Ending 12/31/2010".

Each member has the option of determining when they receive the dividend payment. A copy of the "Notification of Liability Dividend Declared by the Board of Directors for the Policy Year Ending 12/31/10" form is attached. You should review this form and return it to the CVMIC office no later than November 1, 2011. If you fail to return the form signed by the Member Representative, Mayor or other individual with the authority to sign on behalf of your community by the stated deadline, payment will be issued based on Option 1. You are encouraged to review this form and contact Mike DeMoss or Ken Horner if you have any questions.

One of the primary goals at the 2011 Summer Meeting is to review the member equity calculation and the dividend process. It is important that members understand the methodology used to pay dividends for the liability program. If you have any questions regarding this process or need additional information, please feel free to contact Mike DeMoss or Ken Horner at the CVMIC office at your convenience.

**City of Menasha**

**Notification of Liability Dividend Declared  
by the CVMIC Board of Directors  
for the Policy Year Ending 12/31/10**

**The Liability divided calculation is based on the General Liability, Auto Liability, Excess Liability, Public Official Liability and Law Enforcement Liability Coverage.**

The Liability dividend paid to your community is based on the Member Ownership Percentage (Item S) that is derived from the Equity Ownership Calculation for your community as of 12/31/10. An Equity Ownership Calculation worksheet is attached. The calculation is updated annually as of December 31<sup>st</sup>.

**Dividend Authority:** Section 9. Dividends from the by-laws states "The Board of Directors may declare dividends from surplus held in excess of all liabilities. Dividends shall be in such amount as the Board of Directors shall determine is fair and reasonable and shall not be made contingent upon the continuance or renewal of the policy".

**Recommended Dividend:** Staff recommended to the Board of Directors a total dividend of \$1,356,326. This recommendation has been reviewed and approved by the company's actuary prior to the final approval by the Board of Directors. This dividend was approved by the Board of Directors at their May 18<sup>th</sup> 2011 Board of Directors Meeting to be payable March 1, 2012. Your community's share of this declared dividend is \$28,147.00. This is based on the total dividend approved multiplied by your percentage ownership of the CVMIC of 2.075 equals your dividend as of 12/31/10.

**Dividend Options:**As part of this Liability Dividend declared by the Board of Directors, there are three payment options available to your community. The intention of these options is to provide your community with the broadest possibly financial choices. These options are outlined below. We request that the Member Representative sign, date and return this notification to CVMIC by November 1, 2011. If this form is not returned by the above date, CVMIC will pay the dividend as outlined in Option One. Note: Option One is the default option if the CVMIC has not received this signed form.

**The City/Village of City of Menasha has reviewed the dividend options that are available and instructs the CVMIC staff to account for the dividend as marked.**

**Option 1** - \_\_\_\_\_ Pay all dividends to my community on March 1, 2012.

**Option 2** - \_\_\_\_\_ Pay all declared dividends to my community as soon as possible after \_\_\_\_\_ (specify date).

**Option 3** - \_\_\_\_\_ Hold all dividends declared until you are provided further instructions. I understand that interest will be paid based on the rate earned by CVMIC on it's investments. I further understand that I will get an annual accounting regarding any open balance.

**Accepted and Agreed to This \_\_\_\_\_ day of \_\_\_\_\_, 2011.**

**City of Menasha**

**By** \_\_\_\_\_  
**Name**

**Its** \_\_\_\_\_  
**Title**

H/Admin/MikeCorr/DividendRecommendation12-31-10



# Equity Ownership Calculation-2010 MENASHA

Year	Premium-(A)	Claims-(B)	SIR-(C)		
1988	\$73,925	\$0	\$10,000		
1989	\$73,925	\$0	\$10,000		
1990	\$73,925	\$0	\$10,000		
1991	\$39,272	\$43,308	\$17,500		
1992	\$40,341	\$0	\$17,500		
1993	\$41,702	\$7,882	\$17,500		
1994	\$33,749	\$79,552	\$25,000		
1995	\$34,593	\$0	\$25,000		
1996	\$35,458	\$8,140	\$25,000		
1997	\$37,231	\$0	\$25,000	Bond-(D)	\$1,031,220
1998	\$38,162	\$0	\$25,000	CVMIC Net Premium-(F)	\$60,624,573
1999	\$39,116	\$0	\$25,000	CVMIC SIR-(H)	\$42,135,000
2000	\$39,767	\$0	\$25,000	CVMIC Bond-(J)	\$42,175,723
2001	\$40,562	\$0	\$25,000	Total Assets - Other-(M)	\$16,979,453
2002	\$41,373	\$55,885	\$25,000	Total Assets - Bond-(N)	\$25,000,000
2003	\$41,787	\$0	\$25,000	Total Assets-(O)	\$41,979,453
2004	\$42,832	\$0	\$25,000		
2005	\$43,560	\$0	\$25,000		
2006	\$44,649	\$26,331	\$25,000		
2007	\$47,250	\$0	\$25,000		
2008	\$48,432	\$0	\$25,000		
2009	\$46,623	\$0	\$25,000		
2010	\$47,672	\$0	\$25,000		
<b>Total</b>	<b>\$1,045,906</b>	<b>\$221,098</b>	<b>\$507,500</b>		

## Other Assets Calculation

### Premium Calculation

Member Premium-(A)	\$1,045,906
15% of Claims-(B-1)	\$33,165
Member Net Premium-(E)	\$1,012,741
CVMIC Net Premium-(F)	\$60,624,573
Percentage Ownership-(G)	1.671%

### SIR Calculation

Member SIR-(C)	\$507,500
CVMIC SIR-(H)	\$42,135,000
Percentage Ownership-(I)	1.204%

Other asset Ownership Percentage:-(L) 1.531%

### Bond Surplus Calculation

Member Bond-(D)	\$1,031,220
CVMIC Bond-(J)	\$42,175,723
Percentage Ownership-(K)	2.445%

## Equity Calculation

	Total Assets		Member Ownership Percentage		Members Ownership of Total Assets	
Other Assets	\$16,979,453 (M)		1.531% (L)		\$259,904 (P)	
Bond Proceeds	\$25,000,000 (N)		2.445% (K)		\$611,264 (Q)	
<b>Total</b>	<b>\$41,979,453 (O)</b>		<b>2.075% (S)</b>		<b>\$871,168 (R)</b>	

Original Principal Amount-(D)	Principal Paid-(T)	Principal Amount Outstanding (12/31/10)-(U)	Member WMIC Bond Obligation (V)	Due from Other Governments -(W)
\$1,031,220	\$1,031,220	\$0	\$0	\$0

Every effort has been made to present an accurate calculation. However, there may be minor rounding errors and other discrepancies.

## NOTES FOR EQUITY OWNERSHIP – CALCULATION STEPS

### Data Used for Calculation:

- A. Total premium paid to CVMIC for all years.
- B. Total incurred claims (paid & reserved including expenses) excess of a member's SIR.
- B-1. 15% of incurred claims excess of Member's SIR.
- C. Total per occurrence SIR for all years.
- D. Bond delivered to CVMIC at the time of joining.
- E.\* Member's Net Premium equals Member's Premium (A) minus 15% of Claims (B1).
- F. CVMIC Net Premium equals the total of all premium collected for all years, minus 15% of all incurred claims (paid and reserved including expenses) excess of a Member's SIR for all years.
- G. Other Assets – Premium Calculation Percentage Ownership is developed by dividing the Member's Net Premium (E) by CVMIC's Net Premium (F).
- H. CVMIC SIR is the total per-occurrence SIR for all years, for all Members.
- I. Other Assets SIR Calculation – Percentage Ownership is developed by dividing the Member SIR (C) by CVMIC SIR (H).
- J. Bonds delivered to CVMIC by all Members.
- K.\* Bond Surplus Calculation – Percentage Ownership is developed by dividing the Member Bond (D) by CVMIC Bonds (J).
- L. Other Asset Ownership Percentage is developed by taking Other Assets – Premium Calculation Percentage Ownership (G) multiplied by seven-tenths (.7), plus other Assets – SIR Calculation – Ownership Calculation (I) multiplied by three tenths (.3).
- M. Other Assets – Amount of assets earned excess of Bond Proceeds.
- N. Bond Proceeds - \$25,000,000.
- O. Total Assets equals Bond Proceeds (N) plus other Assets (M) as of 12/31/10.
- P. Other Assets – Members Ownership of Total Assets is developed by taking other Assets – Total Assets (M) multiplied by Other Assets – Member Ownership Percentage (L).
- Q. Total Member's Ownership of Total Assets is developed by adding Other Assets – Member Ownership of Total Assets (P) plus Bond Proceeds – Member Ownership of Total Assets (R).
- R. Total Member Ownership Percentage is developed by dividing the Total Member's Ownership of Total Assets (R) by the Total Assets (O).
- S. Bond Proceeds – Member's Ownership of Total Assets is developed by taking Bond Proceeds – Total Assets (N) multiplied by Bond Proceeds – Ownership Percentage (K).
- T. Principal Paid is the amount of Bond that has been retired.
- U. Principal Amount Outstanding is the current audited Bond Balance as of 12/31/10.
- V. Member's WMIC Bond Obligation is developed by subtracting the Principal Amount Outstanding (U) on the Member's Bond from the Bond Obligation due from other governments (W).
- W. Balance due from Other Governments is the amount shown in the WMIC audited financials as due to other governments.

\*Refer to CVMIC Fundamental Principals of Capitalization and Equity Ownership.

**EVERY EFFORT HAS BEEN MADE TO PRESENT AN ACCURATE CALCULATION; HOWEVER, THERE MAY BE MINOR ERRORS OR DISCREPANCIES DUE TO ROUNDING.**



# Cities & Villages Mutual Insurance Company

Workers Compensation and Employers Liability Insurance Policy  
 2012 Premium Estimate Report-with 10/1/11 rates and 2011 Normal Modification

Insured: City of Menasha  
 Policy Number: CWC-15-019  
 Policy Period: 1/1/12 to 1/1/13  
 Information Page: Renewal Pricing  
 Type of Adjustment: 2012 Premium Estimated completed by Mike DeMoss

## State of Wisconsin

Code No.	Classification	Premium Basis Estimated Total Annual Remuneration	Rates per \$100 of Remuneration	Estimated Annual Premium
7710	Civil Defense workers and volunteer rescue squads - including members serving as auxiliary police at emergencies	31,200	10.41	3,248
7720	Police officers & drivers	2,174,770	3.72	80,901
8810	Clerical office employees NOC	2,066,067	0.30	6,198
9019	Bridge or Vehicular Tunnel Operations & Drivers	53,880	2.15	1,158
9412	Municipal operations - miscellaneous - City	3,050,379	3.91	119,270
<b>Total classification premium for the state</b>				<b>210,776</b>
<b>Total Payroll used for the 2012 Premium Estimate</b>		<b>7,376,296</b>		
<b>Percentage Increase in payroll from the 2010 WC Audit</b>		<b>0.0%</b>		
<b>Premium for increased Limits Part Two</b>			<b>100/500/100</b>	<b>-</b>
<b>Total Premium Subject to Experience Modification</b>				<b>210,776</b>
<b>Premium modified to reflect Experience Modification of:</b>			<b>0.840</b>	<b>177,052</b>
<b>Total Estimated Standard Premium</b>				<b>177,052</b>
<b>Subject to Premium Discount</b>				<b>\$ 177,052</b>
<b>Less Premium Discount</b>				<b>15,202</b>
<b>Estimated Annual Premium</b>				<b>\$ 161,850</b>
<b>Expense Constant</b>				<b>220</b>
<b>Total 2012 Estimated Annual Premium</b>				<b>\$ 162,070</b>

Preliminary Experience Modification used is effective 1/1/11.  
 Rates used are effective 10/1/11  
 2010 Audited payroll was used to project 2012 Premium. No increase used.