

FINANCE MINUTES

May 16, 2016

**SAUKVILLE POLICE DEPT.
649 E. GREEN BAY AVE., SAUKVILLE, WI 53080**

Village President Barb Dickmann called the meeting to order at 6:30 p.m.

Village Administrator gave the Statement of Public Notice.

Members: Barb Dickmann-present, David Maglio-present, Dan Sauer-present, Mike Krocka-present, Michael Gielow-present, Joe Caban-present, and Scott Fischer-present.

Others Present: Dawn Wagner, Mary Kay Baumann, Vicki Lee, Ray Hartmann, Dale Kropidlowski, Mike Harrigan and Greg Johnson-Ehlers & Associates, and Mark Jaeger.

FINANCIAL MANAGEMENT PLANNING SESSION #3 (EHLERS & ASSOCIATES)

Mike Harrigan and Greg Johnson, Ehlers & Associates, were present to facilitate the Financial Management Planning Workshop #3. Mike Harrigan opened the presentation with a statement that all the analyses and budgeting has been very conservative by the Board. He stated that it is very encouraging to see a Community in this condition. The 38% fund balance is one of the largest bases for credit ratings. The Village can be very flexible with levy limits based on its capacity. It has been prudent with cash funding for equipment. Harrigan showed scenarios for borrowing for 2017-2020. The payments shown in the scenarios are all leveled out—they could be changed to less dollars in the beginning and more in the end years. The borrowings shown were at 10 year paybacks. The payments could be stretched to 12-15 years. Dickmann said she would like to see that. Harrigan explained that this is the longest advisable so that the Village isn't paying for longer than the life of the equipment. He will send that out. In all the projections the growth pattern for the Village is very conservative. An aggressive schedule could be run. The Village's existing debt was reviewed along with the overall debt burden. In 2020 the debt burden will drop considerably. That will be favorable for the Village's credit rating. That allows for the future borrowing structure to be changed to work to the Village's advantage.

Greg Johnson explained the Sewer and Water Projects. Phosphorous Upgrade Project is in the Community Investment Plan at a cost of \$8,000,000 and is required by the Department of Natural Resources. The project is presently scheduled at 20 years through a Clean Water Fund Loan (CWFL), which is at a lower interest rate and non-callable. CWFL is an excellent way to finance a project this size. He reviewed the Sewer Department Revenues and Expenses for 10 years. He also reviewed the coverage ratio. It must be over 1.1%. All 10 years it is at 1.88% plus. The Phosphorous Project could be put on line in 2021 when the last CWFL payment drops off the schedule. Next he reviewed the Water Utility Revenues and Expenses for 10 years. He explained that the Public Service Commission just approved a rate increase and the increase will be recognized over a two year period. The debt service coverage was also reviewed. It is over the mandatory 1.1% every year. The cash flow will be monitored closely each year. He noted that at this time both Utilities are very healthy.

Harrigan wrapped up the presentation. The long range CORP plan for parks has been included in these sheets. Wagner said that the plan will be reviewed at the June 7th meeting. Any changes will be sent to Ehlers to integrate into the planning. The debt capacity is manageable and can be reviewed for 2020 and beyond. Harrigan advised the Board to think about what was shown tonight and come back and ask questions. He stated that if anyone wants any projection numbers changed that can be done. Ehlers will send hard copies of the changes discussed. The next meeting will be July 20th at the Police Department at 7:00 p.m.

APPROVE CLAIMS FOR APRIL 2016 IN THE AMOUNT OF \$340,412.38

Maglio/Krocka made a motion to approve claims for April 2016 in the amount of \$340,412.38. Motion carried.

BUDGET WATCH

Wagner reported that everything is in line for this time of year.

INVESTMENT REPORT

Lee stated that there have been some improvements. The Local Government Investment Pool rates have increased as have the rates offered by Port Washington State Bank.

ORD. #765 - AMENDING §72-1, §94-2, §94-3.A - AND §147-2 ADOPTION OF STATE STANDARD BY REFERENCE; ENFORCEMENT

Wagner stated that the Grafton Inspection Department requested that the Village update its code enforcement to comply with State Standards. Wagner stated that the update was reviewed by the Village Attorney.

Krocka/Maglio made a motion to recommend to the Village Board approval of Ord. #765 - Amending §72-1, §94-2, §94-3.A - and §147-2 Adoption of State Standard by Reference; Enforcement. Motion carried.

OTHER MATTERS

Baumann distributed a copy of the Sworn Testimony Policy for the Board of Review.

Baumann stated that the next Mid-Moraine Dinner will be held Wednesday, May 25th. If anyone is interested in attending, please contact her.

ADJOURNMENT

Maglio/Krocka made a motion to adjourn. Motion carried at 8:21 p.m.

Vicki Lee
Treasurer

Mary K. Baumann
Clerk