

**VILLAGE OF GERMANTOWN
GENERAL GOVERNMENT & FINANCE COMMITTEE
MEETING MINUTES
August 19, 2019**

CALL TO ORDER: The meeting was called to order at 6:04 p.m. by Chairperson Zabel.

ROLL CALL: Present: Chairperson Zabel, Trustee Members: Baum, and Miller. Trustee Kaminski is absentee excused. Also present: Clerk Braunschweig, Finance Director Rath, Administrator Kreklow, Attorney Sajdak, and Manager Tucker.

APPROVAL OF MINUTES: July 15, 2019 – **MOTION (Miller/Baum) to approve the July 15, 2019 minutes. Motion carried unanimously.**

PUBLIC COMMENT: No public comment.

NEW BUSINESS:

A. Acceptance Of 2018 Comprehensive Annual Financial Report (CAFR).

Director Rath introduced Amanda Blomberg of Baker Tilley. A report showing the Financial Highlights was distributed to the Committee. A copy of the Audit was available. Amanda Blomberg of Baker Tilley came to the podium to report on the CAFR and 2018 Audit. Amanda reported on the opinion of Baker Tilly. The opinion is issued to the GFOA.

Amanda reviewed the Financial Statement Highlights Pie Chart showing the General Fund Balance. She reviewed the assigned fund balance. An analysis comparison of the general fund balance from 2014 to 2018 was reviewed.

The General Obligation Debt was reviewed. At the end of 2018, the Village had 21 Million in outstanding debt. The debt is 5% of the Equalized Value. The breakdown of principal and interest were reviewed. 4.5 Million in payments were made.

A comparison of revenues and expenditures from 2014 – 2018 were reviewed.

A comparison of the number of gallons of water sold over the last five years were reviewed. In 2018 there was a loss of \$33,811 on the financial statement and translates to a different type of loss of \$260,000 on the PSC report. This difference is due to how the PILOT and depreciation is reported on each report.

The water utility unrestricted cash and investments were reviewed and compared from 2013 to 2018. Discussion ensued of use of cash on hand for projects. If cash on hand is used for projects, the cash will need to be built back up. The water utility has very limited revenue bonds in the water utility assets. The outstanding revenue require a certain coverage requirement to earn enough in revenues to pay operating revenues.

The Sewer Utility was reviewed. A significant portion of sewer utility revenues is paid to MSD. Operating income of the sewer over the last four years was reviewed.

Zabel questioned the depreciation information. There is a restricted cash account for depreciation. The expenses are realized over the useful life. Does not affect the cash balance but needs to be recognized.

Administrator Kreklow commented that the fixed assets are on paper. The Financial Statements includes both the fixed assets and depreciation. Cash flow is what is physically in the bank.

MOTION (Baum/Miller) to Accept the 2018 Comprehensive Annual Financial Report (CAFR) and send to the Village Board with positive recommendation. Motion carried unanimously.

B. 2020 Budget Schedule.

Director Rath reported that the Village Board will set the dates of the Committee of the Whole dates at the September 16, 2019 meetings. MOTION (Baum/Miller) to send the schedule to the Village Board. Motion carried unanimously.

C. Revaluation Update.

Clerk Braunschweig commented that Mark Brown informed her that notices will be mailed out on August 26th. A sample of the notices are on the Village website. A brochure in regard to the revaluation was distributed. It is also on the website. Open Book is on September 5th and 6th. If a property owner has a question in regard to their assessed value they should call the Assessor. The Assessor is also making appointments for open book. The average increase of Assessed value is 15%-20%. Board of Review is on October 17th. Property owners do need an appointment for Board of Review. The Clerk's Office does not have copies of the letters or values yet.

D. Fall 2019 Bond Issuance.

Administrator Kreklow reported that Ehlers are planning the next bond issuance in October / November time frame. This is for the infrastructures in Gateway Crossing, the new well and water tower, and Northeast Interceptor Sewer.

The initial financing was approved a couple months ago in a reimbursement resolution to allow work to get started. The amount is approximately \$13 Million. It would be possible to split between two bond issuances. The projects will take 12 – 18 months to complete. There are advantages to do one large issuance this fall, savings would be one time issuance fee and the markets are projected to be very low. The initial plan is to come forward in October with one bond issuance at one time.

Half would be paid from TID 8 which includes the TID share of the well and tower. The second would be for the reconstruction of Holy Hill Road through Goldendale, the Traffic Control on Goldendale and the new well and tower and Northeast Interceptor Sewer. The Northeast Interceptor Sewer is being cash funded by the utility reserves and borrowing three million for that project as well.

Discussion of the use of impact fees were discussed.

Administrator Kreklow reported that this is categorized as self-supported debt. There is no tax levy impact as this is paid from water / sewer utility and TID. The TID debt portion would be general obligation debt. The water and sewer portion would be revenue bonds. The advantage is the lower interest rate. Overall borrowing costs would be lower. The issuance costs are a little lower.

Discussion ensued of the debt. The discussion was positive as long as it is not on the general fund.

OLD BUSINESS:

- A. Update on Fire Station 1. Recreation Programs are underway. No updates. Remove from Agenda.

REPORTS:

- A. **Monthly Year to Date Financials:**
1. Revenue and Expense Report All Funds: Finance Director Rath reviewed the reports. There are no concerns. Tracking well.
 2. Health and Dental Plans: Director Rath reviewed the reports.
- B. **Impact Fees Financial Reports:** The report was reviewed.
- C. **Accounts Payable:** July 25, 2019 and August 10, 2019 payables were reviewed.
- D. **Code Violation Reports:** The reports were reviewed. Nothing New. Administrator Kreklow commented no changes or updates from June. Zabel pointed out the golf course metal building needs to be followed up on and the building should come down. Administrator Kreklow reported that contact has been made with the golf course.
1. Building Inspection Department.
 2. Planning Department.
- E. **C.I.P. PROJECTS:** The reports were reviewed. A lot of open projects and on going. Baum Highland just resurfaced. The shoulder has millings instead of white gravel. It falls apart. Administrator Kreklow will follow up on the road project.
- F. **Letter of Credit Summaries:** Harvest Hills has been extended. Prairie Glen sidewalk has been staked out.
1. Building Inspection Department – Reviewed.
 2. Public Works Department– Reviewed.
 3. Planning Department – Reviewed.
- G. **Summary of all Village Contracts:** No Report.
- H. **SCHEDULE NEXT MEETING:** The next meeting will be on September 16, 2019 at 6:00 pm.

ADJOURNMENT: Chairman Zabel adjourned the meeting at 6:52 p.m.

Respectfully Submitted,

Deanna Braunschweig

Deanna Braunschweig
Village Clerk