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VILLAGE OF WEBSTER

UTILITY/FINANCE COMMITTEE MINUTES

Tuesday – June 2, 2015

6:00 p.m. @Village Office

7505 Main Street West, Webster, WI

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- I. CALL TO ORDER** – Village President, Jeff Roberts; called the meeting to order at 6:00 p.m.
- II. PRESENT** – Village President, Jeff Roberts; Chairman, Darrell Sears; Member, Kelsey Gustafson; Chairman, Greg Widiker and Member, Tim Maloney. Also Present: Steve Tracey, Auditor for CliftonLarsonAllen Auditing Firm and Patrice Bjorklund, Clerk-Treasurer. Absent: Member, Charlie Weis.
- III. AUDIT PRESENTATION** – Steve Tracey, Auditor for CliftonLarsonAllen presented the 2014 Village of Webster Financial Statement. Key parts of all funds were discussed. General Fund; Water Fund and Sewer Fund Balance Sheets, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual as well as Cash Flows and Operating Expenses were presented. Steve discussed the GASB (Government Accounting Standards Board) #54 Fund Balance Reporting as it relates to the healthy state of the Village’s finances. The General Fund Unassigned Fund Balance should be at a level of 25% of General Fund Expenditures. The Village’s percentage was 24.7% which is a good balance he stated. Financial Highlights in 2014 were as follows:
- The assets of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$4,886,286 (net position). Of that amount, \$3,881,579 represented the Village’s net investment in capital assets, \$415,478 was held for restricted purposes, and \$589,229 was unrestricted. The unrestricted net position may be used to meet the Village’s ongoing obligations to citizens and creditors.
 - During the fiscal year, the Village’s total net position decreased by \$87,829. Net position related to the business-type activities of the Village decreased \$112,152 while net position related to governmental activities increased \$24,323.
 - At the close of the fiscal year, the Village’s governmental funds reported combined ending fund balances of \$315,734, an increase of \$23,160 from the previous year.
 - At the end of 2014, the unassigned balance of the general fund was \$163,370 or 25% of total general fund expenditures and transfers out.
 - The Village’s total long-term debt and related obligations decreased by \$25,681 during the current fiscal year. Outstanding general obligation debt totaled \$285,844 at year end, approximately 18% of the Village’s statutory debt capacity.

Steve handed out the Summary of Library Funds Activity for Years 2013 and 2014. The Fund Balance for the Library shows a deficit of \$7,000.76 in 2013 and \$9,519.68 in 2014 which is the final deficit amount going into 2015. The library receives funding from Tax Levy; Governmental Grants and Aids from Counties; Fees; Fines, etc.; and Northern Waters. In 2013 their Operating Revenues were \$102,858.45 and in 2014 were \$105,295.72. Bank Loans are paid once a year to the Board of Commissioners of Public Lands. The final loan payment is March 15, 2030. The loan balance is: \$170,967.71 as of March 24, 2015 and loan payments are \$15,725.97 each year. Steve is concerned that the Village has contributed to the

library above their Village levy of \$37,147 for the deficit of \$9,519.68. Member, Maloney who serves on the Library Board will address this issue at a future meeting. He felt that the levy needs to be increased to help with their expenses.

Steve noted that the Tax Incremental Financing District #2 (TIF) Fund has received advances of \$450,417 from the General Fund since its inception in 2005. Taxes received to the TIF District for 2014 were \$5,152 which accounted for all of the Revenues in that Fund. Steve wanted the board to know that the prospects for recovery of advances to that Fund from the General Fund are not likely at this point. The date of issuance of the bond was 2005 and maturity will occur in 2026. The estimated costs of amortizing the bond is estimated to be \$1,340,150. He noted that the TIF should be kept active to see what revenues it does garner.

IV. FUNDING DISCUSSION FOR FUTURE SEWER PROJECT – Village President, Roberts opened the discussion by stating that the Village could essentially receive \$410,000 from the Wisconsin Department of Administration – CDBG Program. This is a match program so total costs could potentially reach \$820,000. The Sanitary Sewer and Lift Station Upgrades Project consists of:

- Lift Station 1, 2 and 3 will receive new pumps, valves and controls as well as a hard-wired generator in Lift Station 1 and new buildings at each.
- Approximately 4000 lineal feet of sewer will be lined to prevent infiltration and inflow.
- Rehabilitation of existing manholes to reduce infiltration and inflow.

Additional funding for the project could be obtained from the Clean Water Fund Program, the Small Loan Program, the State Trust Fund Program or a Bank Loan. Through the Clean Water Fund Program, there is a fair amount of work that Clerk-Treasurer, Bjorklund would have to perform as part of that program. This might be a factor to consider. The plus side to the Clean Water Fund Program is that it does offer Principal Forgiveness, and the DNR has hopes that the Principal Forgiveness will reach down the list for priority this year. MSA did do an analysis and the project does NOT have a good chance of obtaining Principal Forgiveness, however; there is a remote chance the village will be eligible. Village President, Roberts spoke with Public Works Director, Jay Heyer earlier before the meeting. He asked him if there were part of the project that was the least necessary to do. Heyer stated that the lining of sewer mains was a part of the project that could be removed. Motion was made by Village President, Roberts to recommend to the full board to remove sewer lining from the project. The administration costs and other contract costs with MSA would still remain the same under the previous agreement with them he noted. Motion was seconded by Chairman, Sears. **Motion carried 5-0.**

V. SEWER RATE INCREASE DISCUSSION – Village President, Roberts posed the question to Steve if sewer rates need to be increased. Steve noted that if the sewer project is to be done, an increase is necessary. The committee recommended that the full board review costs for the project when bidding commences. At that time, they will work with Steve to do a tiered increase. The committee thanked Steve for attending the meeting to discuss the financial state of the village and he left at 7:50 p.m.

VI. SLUDGE REMOVAL FROM TREATMENT PONDS FUNDING DISCUSSION – Discussion took place regarding sludge removal funding from the treatment ponds. The consensus of the board was to contact Cooper Engineering to see the timeline for removing the sludge and cost to do so. Clerk-

Treasurer, Bjorklund will contact Gary Strand of Cooper Engineering and invite him to an upcoming Regular Board Meeting to discuss this issue.

VII. FUNDING DISCUSSION FOR ENVIRONMENTAL STUDY FOR OLD HIGH SCHOOL – Brian Hegge of MSA has been working on a Demolition Evaluation and Cost Estimate of the Old Webster High School Building. The Village contacted him on the preliminary costs that would be associated with the demolition of the current buildings and restoration of the property in anticipation of a future development of the property. The scope of the project is as follows:

- Demolition of the buildings on the property and an estimated project timeline for the work.
- Removal of the foundations and subsurface structures or features.
- Brian recommends leaving the tennis courts in place as they would provide an area for future staging of equipment and materials for construction.
- Capping of public utilities.
- Compaction and restoration of the site with general fill and sloped to allow for drainage.
- Restoration of the perimeter (i.e., sidewalks and driveways) will not be included in the estimate as these items would be determined by the future user of the property.
- Construction observation of the demolition will be included to verify compliance of the contractor with the bid specifications for demolition (i.e., that foundations are removed and not buried).
- A building survey for asbestos, lead-based paint, and other hazardous materials would be included in the cost estimate.
- Preparation of bid specifications and administration of the project will be presented.

The scope of the work was discussed with Jeff Roberts and Tim Maloney during a visit of the property on April 2, 2015 and includes the following items:

- Summarize the existing asbestos reports enough to provide to a demolition contractor for estimating purposes.
- Contract with Veit to prepare an estimate for the demolition of the building.
- Coordinate and attend a site visit with Veit to review the building.
- Preparation of a report that contains estimated costs to complete the Scope of the Project to demolish the building and preparation of the property for future construction.

MSA's cost estimate is a lump sum \$7,500.00. MSA is prepared to begin the evaluation upon approval of the Environmental Consulting Services Agreement (ECSA).

Motion was made by Village President, Roberts to make the recommendation to the full board to move \$7500 from Unallocated Replacement Costs for the Environmental Consulting Services Agreement with MSA for the above-named items; seconded by Chairman, Widiker. **Motion carried 5-0.**

VIII. MOTION TO ADJOURN – Motion to adjourn the Utility/Finance Meeting at 8:10 p.m. was made by Chairman, Widiker; seconded by Trustee, Gustafson. **Motion carried 5-0.**

Respectfully submitted,

Patrice Bjorklund

Clerk-Treasurer, Village of Webster

June 3, 2015

***These minutes are subject to approval at next month's Regular Meeting.