VILLAGE OF GERMANTOWN
GENERAL GOVERNMENT & FINANCE COMMITTEE
MEETING MINUTES
July 26, 2017

CALL TO ORDER: The meeting was called to order at 5:33 p.m. by Chairperson Zabel.

ROLL CALL: Chairperson Zabel, Trustee Members: Miller, Kaminski, Baum-6:20 p.m. Also present: Finance Director Rath, Deputy Clerk Strebe, Public Works Director/Interim Administrator Ratayczak

APPROVAL OF MINUTES: June 19, 2017 – **MOTION (Kaminski/Miller), carried.**

PUBLIC COMMENT: None

UNFINISHED BUSINESS:

A. Associated Appraisal Invoice dated April 1, 2017 Charge for Data Conversion-Electronic Compliance-Mark Brown-Associated Appraisal
Item removed from agenda; April 1st invoice was deleted, corrected invoice will be issued.

NEW BUSINESS:

MOTION (Kaminski/Miller) to go out of order, move item B ahead of item A.

A. Preliminary Budget Process Discussion: **MOTION (Miller/Kaminski) to move Budget calendar on to Village Board.**

B. Acceptance of The 2016 Comprehensive Annual Financial Report (CAFR)
2016 Comprehensive Annual Financial Report details and audit results presented by Amanda Bloomberg of Baker Tilly Virchow Krause, LLP. Audit report remains similar to prior years. Fund Balance of General Fund is main operating fund, bulk of tax levy there to fund general Village operations. Assets minus liabilities equals fund balance. Categories of Fund Balance are: non-spendable (pre-paid items), assigned (earmarked for special purpose and budget carryover), unassigned (used to pay bills). Graph of Fund balance comparison to annual expenditures trended out to visualize how things have moved over time. Benchmark data from client base shows Village has more than double amount of recommended balance. General Obligation (GO) Debt, unsecured by tax levy, most is TIF related. GO debt changes with equalized value. Calculation of outstanding GO debt compared to debt limit, Village is at 20%; general recommendation is 50%. Graphs showing total revenues and expenditures trended out; stable. Utility information and results discussed. Operations graph shows revenues exceeding expenditures; positive trend. Trustee Zabel noted need for water rate study and impact fee timeframe. Graph of operating income on annual basis and rate of return; authorized to earn rate of return of 1%. Available, unrestricted cash and utility billing cycle indicates reserve greater than a year on hand; minimum target recommendation is three months. Comparison of capital plant assets of water utility to equity of the assets shows 96% funded; 4% debt of total capital assets; typical is 50%. Debt coverage calculations based on revenue debt outstanding; net earnings computed of $1.2 million; $170,000 needed. Sewer utility not regulated by PSC, rate of return not computed; fluctuates with water utility usage. Revenues closer to expenses. **MOTION (Kaminski/Miller) to accept annual report.** Report will not be forwarded to Village Board.

REPORTS:

A. **Monthly Year to Date Financials:**

1. Revenue and Expense Report: Reports submitted by Finance Director, Rath. At the six-month mark, all department expenditures are tracking as expected. Reports a little skewed as expenditures lagging a couple weeks and some quarterly revenues not received yet.

REPORTS continued:

Building inspection fees and ambulance revenues up.

2. Health and Dental Plans: Finance Director, Rath. Plans tracking well, especially dental fund. Reserve in health plan account.
3. TIF 6 Summary: Finance Director, Rath. Cash balance amount will be used for second half of debt service. Revenues from crushed rock sales expected.

B. **Impact Fees Financial Reports:** Reported by Finance Director, Rath. Police Department impact fee must be spent this year; police garage plans to Planning Department; Recreation construction planned for 2017. Department projects are on track.

C. **Accounts Payable:** June 25, 2017, July 10, 2017, and July 25, 2017 payables reviewed.

D. **Code Violation Reports:**
1. Building Inspection Department - None
2. Planning Department – Code violation report reviewed.

E. **C.I.P. PROJECTS:** Presented by Finance Director Rath. Road projects, Main Street sewer project and some Police Department projects started. Road project bills expected in September and October.

F. **Letter of Credit Summaries:**
1. Building Inspection Department-Filed
2. Public Works Department–Mid-West Assisted Living-Tender Reflections, 1-year warranty expires 8/1- expected to be released.
3. Planning Department – Filed; no expiration on some amounts noted.

G. **Summary of all Village Contracts:** Report not filed.

NEXT MEETING: August 30, 2017 at 6:00 p.m.

ADJOURNMENT: No further business; adjourned 6:29 p.m.

Respectfully Submitted,

Kathy Strebe
Deputy Clerk