

Minutes of the Finance Committee
Wednesday, 14 February 2007
(Approved March 15, 2007)

Called to order at 5:32 pm. Chair Sundquist, members Wellensiek, Wade, Strother and Benforado, and village Administrator Karl Frantz were present. Members Weygandt and Ahmann were excused.

4. 2006/2007 Financial Issues and Budget Status: Mr. Frantz reported that the surplus from 2006 is likely to be about \$50k more than predicted at budget time last year, bringing the Village undesignated fund balance to more than \$500k. For 2007 he noted that budget will be tighter, but that the Governor's proposed state budget includes a 4% levy cap instead of the 2% cap in force the last two years. This relaxation combined with the closure of the TIF2 District should give the Village increased flexibility in 2008.

Mr. Frantz also noted that an agreement had been reached to rent 8000 sq ft of storage space in a building behind Good N Loud Music on University Avenue for \$1500/month. This is twice as much space as the Village had in the far reaches of Middleton for \$1200/month. It alleviates the urgency to construct a Village storage building, and the substantial amount of crew time and fuel saved by the proximity of the new space will more than offset the increased rent.

5. 2007 Capital Financing and Debt Service Levels: The committee discussed the 2007 Capital Plan, and made 2 recommendations to the Board:

- a) Increase the amount to finance to \$1.4M, (from \$1,389,500) and plan to spend the existing "old" bond money first, about \$110.8k.
- b) Authorize the Finance Committee and staff to prepare a \$1.4M "draw down" note, either with the State Trust Fund or with a local bank. This loan should allow the Village to take down money up to the \$1.4M as approved projects must be paid for. At the end of the year, the total borrowed amount will be put into a 10 year term loan at rates then current. The Committee also recommended consideration of early repayment penalties in the choice of vendor. That would keep our options open to allow folding of this debt into a possible bond issue for road, sewer and water main rebuilding in 2008, if it makes sense then.

During discussions of the capital equipment needs, the Committee recommended to Mr. Frantz that the erstwhile capital equipment replacement schedule be brought up to date and maintained as a planning guide, preferably in spreadsheet form.

6. Village Financial Policies: Mr. Frantz passed out two proposed policy statements reflecting long term committee practice, one on debt policy and one on undesignated fund balance policy.

7. The next meeting of the committee will tentatively be on **Thursday, March 15 at 5:30 pm.**

Adjourned at precisely 6:25 pm, in due deference to the date.

Respectfully submitted by Mark Sundquist, Chair.

[Approved at the March 15 Finance Committee meeting with typo correction]