

1. **CALL TO ORDER**: The Special meeting of the Finance, Building & Facilities Committee of April 18, 2005 was called to order by Chair Jerry Bollig at 5:00 p.m.
2. **ROLLCALL**: Present: Jerry Bollig, Darrell Klimke and Mark Mortensen. Also present: Village Administrator Mike Gracz, Finance Director Renee Hoeft, Village President Jerry Luebke, Trustees Marv Severson, Eric Poole and Steve Staton, Public Works Director Mark Below and Clerk Georgia Johnson.
3. **PUBLIC APPEARANCES**. None.
4. **COMMUNICATIONS AND MISCELLANEOUS BUSINESS**. None.
5. **NEW BUSINESS**.
 - a) **Notice from Alliant of Rate Increase—2005 Budget Impact**. It was noted this is for informational purposes only. Hoeft went over the increases and the impact to the budget. It was noted the rate increase was anticipated so a 10% increase was already built in. There was some discussion.
 - b) **Authorization to Accept Bids for Senior Center Equipment**. Hoeft referred to the property listing and indicated the Public Works Department would like one of the metal cabinets. It was noted the Historical Society would like some of the items, but we have to take bids on the items. This will authorize the placing of an ad and taking bids. There was discussion. **Mortensen moved to recommend the Village Board authorize the Senior Center to proceed with the process for selling the equipment as listed. Second by Klimke. Motion carried.**
 - c) **Public Service Commission Report**. (Follow-up Information). Hoeft pointed out a couple of things on the PSC report. Regarding the unappropriated earned surplus she indicated the \$1.5M earnings comes from operations and the \$5.39M is earned surplus from developer contributions. That is all the water main, water laterals, etc. that has been paid by developers and then turned over to the water utility for maintenance versus the Village having to pay for all of it. This is the water utility only as the sewer is not regulated by the PSC. Page F-20 shows the return on rate base computation. The last rate increase went into effect March 1, 2004. The Village was authorized a rate of return of 8.5%. The Village came in at 8.56 which is very close. Hoeft stated that the rate of return is what needs to drop in order to raise rates. Rate increases cannot be applied for unless the rate has been in affect for at least one year—which the Village has just passed. There was some discussion. It was noted that the Village will be looking at rates again in 2006 to determine whether or not a rate increase will be called for.
 - d) **Discussion of Storm Water Borrowing Resolution**. Hoeft advised that one of the projects in TIF and making the TIF cash flow is the storm water. The 72” culvert needs to be replaced between Kwik Trip and the railroad and Oak Street. It is being considered to borrow approximately \$500,000 for this project. There was discussion including the affect if there is a tax freeze, whether there would be a limit on debt, the resolution that was adopted in 2004 allowing for borrowing, need to make a decision in order to meet a June 30, 2005 borrowing deadline, and the fact that it is not know exactly when the reconstruction by the County will be done on Main Street. It was noted this will be on future agendas until a decision is made.
 - e) **Review of TIF #2 Amended Project Plan and Projected Cash Flow**. Hoeft indicated there are a number of items for review: (1) the cash flow; (2) the project description list; (3) list of the projects; (4) the boundary and zoning map, the improved project map; and (5) a letter from Wisco. The sheets include the existing TIF and the amendment. Hoeft indicated the TIF value as of 1/1/04 was \$9M, so she does not think the sheet included is the correct one. The inflationary increase is figured at 5%. The estimated increment is from the new properties

going into the amended TIF area. The amended area of the TIF is the west side of the railroad tracks—the current area is on the east side. Hoeft went over the figures to show how to come up with the annual balance. The fund balance as of the end of 2004 is \$142,000 (the unaudited estimate). In 2005 it is estimated getting an increment of \$207,000—in 2004 the Village actually got \$211,000. The Village only has one projected year that the annual balance is a negative—in 2006. She indicated that there is enough surplus from prior years to cover the deficit that year. Based on this cash flow the TIF would close in 2017. The TIF expenditure period will end in 2015—22 years after creation—based on the new TIF law. The TIF must close within 5 years after the expenditure year ends. Gracz reiterated that the goal is to make the TIF's cash flowing and they are constantly checking and reviewing the numbers.

Hoeft referred to the project descriptions noting that the letters on the accompanying map correspond to the letters on the descriptions and on the chart of costs also. It was noted that these documents are drafts and these are the proposed projects at this time. These could continue to change. It is hoped that by May 12th the numbers should be pretty close to final. There was discussion. Gracz noted that Vandewalle is preparing a map for the Westside that will show how the trails are connecting to the new park. Discussion continued.

6. **BUDGET TRANSFER.** None.
7. **STAFF REPORT.** There was none.
8. **ADJOURNMENT:** Mortensen moved to adjourn at 5:37 p.m. Second by Klimke. Motion carried.

Submitted by,
Georgia Johnson,
Village Clerk