

Audit and Finance Committee Minutes – December 6, 2017

On December 6, 2017, the Audit and Finance Committee met as the Whole Board at 5:30 p.m. at Village Hall, 613 Main Street. Members present: President Stene, Trustees Halpin, Davis, Wolff, Jenson, Rihn and Burcham. Others present included: Sean Lentz and Chris Hetland from Ehlers, Administrator-Clerk-Treasurer Niggemann and LeAnn Ralph with the Messenger.

Budget/Levy Discussion with Ehlers – Lentz discussed some projections prepared for the understanding of General Obligation Borrowing and the Tax Increment Districts.

- Exhibit 1 shows the Village as they are now with changes to equalized Valuation and no additional borrowing. At the end of 2017, the Village will be 45% of the borrow capacity available and 100% by 2027 if there were no additional borrowing.
- Exhibit 2 shows projection of General Fund Debt Service and Debt Mill Rate. This chart used the TID out Equalized Value and with the current Debt in 2017; the Village residents are paying \$1.67 per \$1,000 of Value of the tax rate toward debt principal and interest payments. The chart also shows the debt amounts that are deducted because the source of funding is from TID or Sewer Funds in the case.
- Exhibit 3 shows TID No. 3 and the projected tax increment with the sharing of funds from TID No. 4 and the value at the end of its life in 2029.
- Exhibit 4 shows TID No. 4 and the projected tax increment with the sharing of fund to TID No. 3. This TID shows zero value because it is sharing funds with TID No. 3.
- Exhibit 5 shows the projection of the General Fund Borrowing Capacity if there was new debt taken out in 2018 of \$450,000. This would bring the borrowing capacity to approximately 28%. This is projecting that the debt would be GO Debt. We would not want to get much below this in the event there was something that the Village was not planning would turn up.
- Exhibit 6 shows the projection of the GO Debt Service and Debt Mill Rate with an issue in 2018 of \$450,000. The resident would be paying on average \$3 per \$1,000 value versus \$1.67.
- Exhibit 7 shows TID No. 4 with a hypothetical new valuation of \$3,000,000 in 2019. This would create an additional \$80,000 in tax revenue. If the debt of \$450,000 was TID debt. The valuation would need to be at this level to maintain itself and not dip into General Fund cash.
- Exhibit 8 shows the Village and a potential new Tax District with a new valuation of \$1,325,000 and its ability to handle the \$450,000 debt for possible land acquisition.

These are all items that are assisting in the Village Board with becoming more knowledgeable and help gain additional information as the Board has to decide on setting the tax levy amount.

Adjourn –All business was complete and the meeting adjourned at 6:23 p.m.

Gary Stene, Village President

Attest: Lynn Niggemann
Administrator-Clerk-Treasurer