

MINUTES OF THE VILLAGE OF WALDO  
BOARD OF TRUSTEES  
MONDAY, JUNE 11, 2018

President Gary Dekker called the meeting to order at 6:00 p.m. Present at the meeting were Trustees Mike Hintz, Chris Madgwick, Jerry Hammarlund and Mark Spitz. Also present were Rodney Schroeter (The Review), Dave Hamann (our accountant), John & Karen VanEss, John Port, Bruce Neerhof and Michelle Brecht.

The certification of compliance with the Open Meetings Law was provided.

The Pledge to the Flag was recited.

The Minutes were briefly reviewed. The clerk noted that there was a typo on the second page of the copy previously emailed to the Board. Motion to approve the edited Minutes: Chris Madgwick. Seconded: Mark Spitz. Approved.

Dave Hamann was introduced. He is a representative of Corson, Hamann & Peterson, S.C. and has been the Village accountant for a number of years. He doesn't do an audit, but he does oversee the Quick Book accounts in both the Village and Utility. He also prepares the Form C for the Village (due May 15th for the DOR) and the PSC Report for the water utility (due March 15th for the DNR). The processes he goes through for these responsibilities are all the same as an audit except for two steps. He doesn't do "cancelled check testing" or provide a written opinion of the financials. The internal controls we use within the office help document well enough at this time. He did not feel we need to take on the additional cost of an audit at this time. The last audit was in 2011 and was a requirement of the Clean Water Loan. The Village has 6 separate accounts; 3 of which are somewhat restricted (Recreation, Cemetery, and Mill Pond). The other 3 include a credit card that is used more like a Debit card in that a small balance is retained in it. It is for employees to purchase simple supplies & repair materials, at places like Fleet Farm, in between Board meetings. The Money Market account is often called the Projects Fund and is treated like a Capital Improvements Fund but isn't really committed or restricted funds. The last account is the General Operating Account. After paying out tax settlements, payroll liabilities and some receivables, we ended 2017 with \$26,845.00. The Village operations cost an average of \$16,000.00 per month. He recommends having 3 months of operating cash available in case of an emergency. The General Account typically has 1.5 months available and the Projects Fund can be touched without penalty for such situations. He feels the Village is in good financial health. He then reviewed the debt held by the Village. The treatment plant re-build in 2011 required two loans. One loan for \$280,000.00 was fully held by the Village (State Trust Fund Loan). It included the land purchase behind the cemetery and treatment plant that is currently rented for farm land. This loan had a small interest payment due in 2018 and was paid off in February 2018. The balance of the usual loan payment was taken out as a short term loan from Waldo State Bank. It provided funds for some of the capital improvements the Village is working on currently and kept the levy stable. The other treatment plant loan is larger and will not be paid off until 2031. The Village pays 35% of these Clean Water Loan payments and the Water/Sewer Utility pays 65%. There are levy limits for general obligation debt and taxation. Last year the general taxes levied upon the residents was \$105,000.00 and the rest was general obligation debt payments of \$86,000.00. As a municipality grows, so does its ability to increase the tax levy. There are 21 different expense accounts within the Village. Our debt service represents 31.4% of expenditures. He felt that the Board did a "real good job predicting expenses one year out" at budget time. Gary Dekker explained that the "Fire Protection" (or "hydrant rent") is put on the tax roll but then paid to the water utility. It isn't income for the Fire Department. The State's Public Service Commission determines the amount per municipality based on population. The funds are gathered to help maintain fire protection services provided by hydrant maintenance, etc.

Gary asked Mr. Hamann's opinion of having a bulk of the vouchers paid with a credit card that offers cash back. Dave Hamann shared that he doesn't like that option. He called himself "old school". He likes documentation of the bills and their accuracy before they are paid. He isn't a fan of online bill pay as well. It is too easy to lose documentation of the transactions. The cash we may garner from the credit card cash back would be lost on paying for audits. He likes how emails between Michelle, Bruce and Mike check over the accuracy of bills received before those bills are paid. Dave then went into an overview of the Water and Sewer Utility financials.

The water/sewer utility is set up as an enterprise fund and is operated like a business within the Village. While the Village is on a cash basis, the utility is on an accrual basis. There are 5 different accounts in the Utility. (1)The Operation and Maintenance account is similar to the general fund in the Village. On 12/31/2017 it ended at about \$185,000.00. Loan payments come out of this account. (2)Sewer Depreciation account. This is a restricted account required by the

DNR and the Clean Water Fund Loan. It has to have enough in it to replace the capital investments at the treatment plant. **(3 & 4)** 2 C.D.s held at Waldo State Bank totaling about \$143,000.00. These are also restricted use funds. A requirement of the Clean Water Fund Loan is to show the ability to pay a year's worth of debt payments even if not funds were coming in due to a catastrophe. **(5)** Water Equipment Replacement fund (about \$57,000.00). This is not a required fund but it is a good idea. Bruce developed a depreciation account schedule for the water department's capital investments. The water/sewer utility uses \$192,000.00 per year to operate (not including loan payments). The Utility could almost pay for one year of operating costs without taking in payments. (If that happened, the C.D.'s would be liquidated to make the loan payments.) The water department has no loans. (Cell tower rent has been the big asset here.)

The sewer department has two loans on their books. The State Trust Fund loan is recorded here but the Village has paid for it entirely. The Clean Water Fund Loan payment is shared by the Village and Utility. The Utility pays 65% or \$108,000.00 annually.

The \$298,675.00 utility revenue of 2017 (1/3 water revenue & 2/3 sewer revenue) can be broken down like this:

\$97,000 was water department revenue coming from

- 48% user fees (water portion of resident bills),
- 21% Hydrant Fees coming from taxes,
- 31% Verizon & Excel rent

\$201,000 was sewer department revenue coming from

- 100% user fees (sewer portion resident bills)

The question was asked; "Should we lower sewer rates?" Mr. Hamann answered "no". The income available is all for paying the debt service. We need 110% of the annual payments from the sewer income. That being said, the Utility is in good shape. During the 2015-16 year there were significant savings in the sewer department. Mike Kitzerow came on as a part time employee versus a full-time employee cost outlay. The Utility also switched from MCO for their Operator in Charge and hired OMS. Dave Hamann was thanked for coming and welcomed to stay for the rest of the meetings or feel free to leave. Mr. Hamann encouraged the Board to feel free to contact him with any questions and left the meeting.\

The Facility rental applications were reviewed. Chris Madgwick asked if the rental fee for the Special Olympics family picnic could be waived. Motion to approve the rental applications for Alexander Curry (Memorial Hall) and Donna Reid (Special Olympics -Park) with Donna Reid's payment being donated by the Board: Chris Madgwick. Second: Mike Hintz. Approved.

The annual cigarette license renewal was reviewed. Motion to approve Kvindlog's annual cigarette license: Mike Hintz. Seconded: Chris Madgwick. Approved.

The annual liquor licenses were also approved after a motion by Chris Madgwick and a second by Mark Spitz. They are as follows:

- Chissy's Class B license plus 3 Operator Renewals
- Kvindlog's Class A license plus 5 Operator Renewals
- Waldo Cafe' Class B license plus 5 Operator Renewals
- Waldo Fire Dept. 2 Operator license renewals

Resolution 2018-01 CMAR was read aloud by President Dekker. A necessary edit was discovered upon reading. This Resolution is an annual resolution to improve influent loadings at the sewer plant by doing some specific effort during the upcoming year. This year the effort will be to lower BOD loadings from restaurants. (This specifically can be improved by scraping plates into the garbage rather than having food go through the disposal and into the treatment plant.) Motion to approve Resolution 2018-01 CMAR with necessary edits: Mike Hintz. Roll call seconds given by Chris Madgwick, Gary Dekker, Jerry Hammarlund and Mark Spitz. Approved.

Mark Spitz made a motion to approve vouchers 13883-13921 with transfers to the Debit Card and online payroll liabilities payments from May 24-June 12, 2018 for a total of \$23,892.66. Of mention in these vouchers were:

- gift cards totaling \$300 for the residents adjacent to the Water Tower painting project
- and the \$6,280.00 A.Chappa bill for the cement ramp and steps installed at the Village Hall .

The Treasurer's Report was reviewed. Our short term loan for \$24,000 will be used on the capital improvements happening this summer. As agreed upon by the Board, the costs above the \$24,000 levied funds will come from the Projects Fund (estimated at \$39, 379.00). A copy of the Treasurer's report will be included at the end of these minutes.

Motion to approve the Treasurer's Report: Mike Hintz. Seconded: Mark Spitz. Approved.

Bruce Neerhof gave an administrative report regarding the following items:

1. Update on Village Hall and Park projects
  - Electrical service updated at Park; includes pull light in restroom closet & dusk to dawn change to LED
  - Chimney repair (August)
  - cement work by A.Chappa done at Village Hall (ramp/steps/ADA approach by sidewalk)
  - Zak Rick comes next week to form sidewalk
  - Spruce tree has been removed
  - A.Chappa coming last week of June to remodel vestibule
  - Asphalt hopefully mid-July
  - Goal of Village Hall done in time for Aug. 14th election
  
2. Memorial Hall doors
  - Lions Club donating \$2000 and labor to replace back doors
  - Thank you, Lions Club!!
  - Budgeted \$1500 also-may get some front door maintenance done as well
  
3. Weeds at Depot street and Waldo Dam brush cleaned up -inspection coming soon
4. Pothole repairs done
5. Waldo Park ball diamond infield cleaned up and graded
6. Spraying of village grounds for weeds-done
7. Sheboygan county gravel grading -scheduled for any day now
8. Trying out a new janitorial service at Memorial Hall
9. Christmas light update- electrical outlet installed on 5 more poles
  - stayed within budge
  - also one light will be donated
  
10. Waldo Bank/Hillcrest subdivision behind park
  - a picture of the drafted subdivision handed out
  - will need to have plan commission review and approve re-zone from Agriculture
  - Public Hearing for re-zone
  - Engineer then draws up plans for road and utilities/hydrant
  - Bruce checks over plans & then can bring to Village Board

Bruce was also asked to check vision triangle at two intersections. Some brush or tree trimming might be necessary.

The agenda order was altered. The Board's closed session was deemed worth waiting until after Items #14-17 since there would be no formal decision made in closed session.

#### **Police Report:**

- 3 citations for failure to fasten seat belt & no insurance on vehicle
- 3 warnings. Operation while suspended, suspended vehicle registration, speeding
- 14 property checks
- assist motorist
- traffic complaint Depot and W. Second
- Drug house in Adell-obtained a warrant and multiple drug related charges will be issued. At least two people taken into custody
- 10 hours in Waldo

#### **Correspondence**

- *Municipality Magazine* for Board members
- Ramona Trudeau's email on behalf of Waldo Wellness Center. She would like to developing a small store in one of the classrooms. There will be no structural changes. Open 2-3 days per week starting Labor Day weekend. Kind of like a farmer's market inside. Sell mostly to students and clients but all welcome. Massage therapy supplies, healthy snacks, local goods, etc. Bruce will contact her and direct her to the Public Health Department who may have some qualifications/restrictions since there will be food products available. He will also check the Waldo Code for any Commercial business restrictions.

#### **Board updates-comments**

- Discussion about possible walkway "Bridge" over the dam berm. Hingham has recently built one. The next Mill Pond Improvement Association meeting is Tuesday, June 26th. Board members may want to go and hear the discussion. ( A possible quorum notice was posted.)
- A Board member commented that he wonders if it is wise for us to have all of our accounts in one bank. Mike Hintz shared that when the banks crashed all over the State, WSB did not. He felt completely confident.
- Gary Dekker shared gratitude to Mike and Bruce for saving the day recently. The day before the water tower was going to be re-filled, the Village had a power outage. The water pressure available from the auxiliary water source was dropping dramatically. They had only a half hour to get the ancient generator working again and pressure back up before there would have to be a boil water notice. Relieved to have the water tower project behind us! The water tower went back online on Friday June 8th.
- At 7:48 p.m. Mark Spitz made a motion "to **GO INTO CLOSED SESSION UNDER**

**THE FOLLOWING WISCONSIN STATE STATUTES (WIS STATS 19.85(1)(c)&(f) )&(e)" to consider employment, promotion, compensation or performance evaluation data of a public employee over which the governmental body has jurisdiction or exercises responsibility, or to preliminarily consider specific personnel problems that, if discussed in public, would likely have a substantial adverse affect on the reputation of those**

involved." Roll Call Seconds received from Mike Hintz, Chris Madgwick, Gary Dekker, Jerry Hammarlund. The Board and Michelle went into the office. Rodney Schroeter left the building. Bruce Neerhof, John Port, John & Karen VanEss remained in the building.

At 8:14 the Board members and Michelle returned. Mark Spitz made a motion to reconvene. Roll Call Seconds were unanimous.

Motion to adjourn: Chris Madgwick. Seconded: Jerry Hammarlund. Adjourned at 8:15 p.m.

**TREASURER'S REPORT FOR JUNE 11, 2018**  
**VILLAGE GENERAL ACCOUNT**

**Account Balances**

<b>Project Fund</b>	\$145,090.72	
<b>General Fund</b>	\$39,859.66	<u>on June 12th after vouchers</u>
<b>Recreation Fund</b>	\$8,401.53	
<b>Cemetery Fund</b>	\$7,154.10	
<b>Mill Pond Dam</b>	\$1,506.61	
<b>Debit</b>	\$1,000.00	<u>after tonight's vouchers</u>
		<u>General Fund same time last</u>
		<u>year=</u>
		<b><u>\$24,952.19</u></b>

**DEPOSITS IN  
MAY**

DNR Recycling Grant	\$808.32
facility rentals	\$255.00
burn permits	\$20.00
from "due from Utility" account	\$3,005.41
Building Permits	\$300.00
Fines from April	\$45.00
General Fees	\$75.00
dog licenses	\$126.00
Interest on 05/31/2018	\$15.58
<b>TOTAL</b>	<b>\$4,650.31</b>

**Significant anticipated income**

Due from Utilities tonight	\$3,741.58
July 6 Transportation Aid	\$2,527.27

**Upcoming Significant Outlay**

Oct. meeting Clean Water Loan portion	\$7,789.91
Pending ADA Projects at Village Hall	\$45,569.00
Electrical and grill work done at Park	\$11,530.00

**Debit Card      May charges**

Fleet Farm tools Park bathroom repair	\$26.24
Kvindlogs-truck gas	\$24.28
Piggly Wiggly-Coordination Plan meeting	\$54.00
Post Office-water sample postage	\$29.70
Office Supply.com-filing, ink, 2 types envelopes	\$271.73
	\$405.95

July 24 State Shared Revenue	\$10,879.50
July 30 Computer Aid	\$457.63
August 22 August Settlement (County)	\$45,377.95
Oct 5 Transportation Aid	\$2,527.27
Nov 20 Shared Revenue	\$61,650.50

<b>Debit Card-early June charges</b>	
Café' gift cards for water tower neighbors	\$100.00
Kvindlog's gift cards for water tower neighbors	\$100.00
Fleet Farm-weed spray supplies	\$109.99
Kvindlog's gas for generator	\$13.16
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	\$323.15

