

SPECIAL MEETING – August 27, 2019

President Hackl called the Special Meeting of the Muscoda Village Board to order at 6:30 pm in the Meal Site Room of the Kratochwill Memorial Building. The following members were present: Anderson, Bartlett, Bindl, Blood, Miller and Wiederholt. Also present: Wardell, and Johnson.

PROOF OF PUBLICATION: Motion Anderson, second Wiederholt to accept the Proof of Publication. Motion carried.

PLEDGE OF ALLEGIANCE.

PRESENTATION FROM JOHNSON BLOCK & COMPANY ON 2018 AUDIT REPORT AND RECOMMENDATIONS:

Auditor Bill Moilien from Johnson Block was present to review the financial position and activity of all funds in the Village. He prepared a “Board Summary” of the financial statements. The General Fund has a very favorable unassigned fund balance of over two million dollars. The policy is 15% of expenditures or \$245,000. The electric and water utility reported an operating income of \$418,726 and the sewer fund showed an operating loss of \$78,853.

General fund reported an increase in overall fund balance of \$452,705. Administrator Johnson noted that this amount includes the capital savings accounts such as boat landing, public works projects, equipment, and any capital expenditures.

Reviewed revenue sources, tax collection for other taxing jurisdictions, levies, equalized values, shared revenues and expenditures. Also discussed the budget restraint program and how that affects the expenditures between general expenses and capital projects.

Enterprise funds are the utility and as noted before the electric and water are sound until the switching station expenses start. However, the sewer department is still operating at a loss. The Board has reviewed preliminary rate increase structure, but no decisions have been made.

Two major recommendations:

- Related Party Transactions: Wisconsin Statutes regulate an elected official’s ability to negotiate, bid, or enter into a contract with a private party in which the elected official has a direct or indirect financial interest. These regulations apply to transactions exceeding a total of \$15,000 in any one year. Hackl Construction/Riverway Trucking is considered a “related party transaction” and may result in the Village exposing itself to possible violation. Auditor recommends the Board review contracts for compliance with the statute and consult with Attorney for any possible conflicts.
- Investments: During the audit it was noted that the Library and Cemetery have significant investments in asset and mortgage backed securities which are not in accordance with state statutes. Wisconsin Statutes regulates the investments a municipality may purchase. Auditor recommends reviewing the Statute for compliance on investments and consult with Attorney. Trustee Bindl said he would speak with Edward Jones about our investments.

DISCUSSION AND ACTION ON CLOSING TAX INCREMENTAL DISTRICT #2:

Auditor Moilien reviewed the finances of TID #2 and TID #3. Without knowing the final numbers for approved expenses in TID #3 (downtown-blight), it is anticipated that when the life of the TID is completed in April of 2024, it will be at a zero balance. That also includes an expense of \$160,202 to the sewer department. TID #2 (Industrial Park area) has no more expenses

and should be closed out. TID #2 owes sewer department \$64,081; has a positive cash balance and should pay final expense to sewer department. Moilien will work with Johnson on close out procedure. Between now and April 1, 2020 the Village will need to adopt a resolution to close the TID.

ADJOURNMENT:

Motion Bartlett, second Anderson to adjourn meeting. **Motion carried.**

Cinda Johnson, Village Administrator Clerk