

**VILLAGE OF WAUSAUKEE
WATER & SEWER UTILITY
COMMITTEE MEETING**

(COMMITTEE MEMEBERS: ROSIE FIGAS, HILBERT RADTKE, KELLEN STUMBRIS)

WEDNESDAY, APRIL 29TH, 2009

**WAUSAUKEE VILLAGE HALL
428 HARRISON AVENUE**

**6:00 PM
MINUTES**

1. Call to Order – Committee Chairman Rosalyn Figas called the meeting to order at 6:00pm. The following committee members present were Hilbert Radtke and Kellen Stumbris. Also present were Village Trustees Randy Schmidt, Julie Parkansky, and John Ranallo, Village Treasurer Sara Pullen, part time employees Pam Aide and Dave Heritsch, and Village Clerk Toshia Ranallo. Trustee Ranallo left the meeting at 7:00 pm to attend a Comprehensive Planning meeting which was held in the next room.
2. Approval of Agenda – Hilbert Radtke made a motion seconded by Kellen Stumbris to approve the agenda. Motion carried.
3. Discussion – Water/Sewer Finances – Figas stated that the reason for the meeting tonight is to become more aware with water/sewer finances and to see if the Village needs to raise the water/sewer rates. Treasurer Pullen stated that the problem that the Village encountered in the past year was that everything was in one company. All the money was interchangeable. Village money was used to pay W/S debt. CD's were cashed in that belonged to W/S and used for Village expenses.

She stated that in June of 2008 a water/sewer checking account had been created. The 2 checking accounts (W/S & Village) had been within the same QuickBooks (the accounting system) company. This created confusion and problems. She said that auditor Joel Rennie explained to her that items can be classified as water/sewer/village but checking accounts themselves cannot be classified. As of 2009, QuickBooks had been separated into 2 different companies (W/S & Village). Two checking accounts, for two companies.

Hilbert Radtke stated that Water/Sewer should be split up in to 2 different companies so technically having 3 companies. Village, Water, and Sewer. The reason behind this is that the Village can raise sewer rates whenever they feel like it, but you have to get permission from the Public Service Commission to raise water rates. Pullen said that auditor Rennie explains that water/sewer utility is one company. Figas stated that within the W/S entity it is separated into water and sewer, expenses and incomes. Pullen reassured that is now the case as of 2009.

Pullen handed out a Profit and Loss report from 2008. Figas asked if these numbers are ok since there had been a change in June. Pullen said yes to a point because items had been properly allocated to the right classifications even though numbers came out of 1 checking account. She stated that Rennie said it is difficult knowing what money belongs where and that is why they had created another company in QuickBooks. Pullen stated

that the reason for the 2008 report is to see big expenditures and income to properly form a W/S budget that has not yet been done.

The Committee went on to discuss large W/S loans that are due each year. Clerk Ranallo stated that the Environmental Improvement Fund is due May 1st of each year. She added that next year the amount of \$92,948.59 will be due. Figas asked what the loan payment was for, when it started and when does it end. Ranallo stated that it is for the WWTP that was built in 1995, payments started in 1996 and the last payment is due May, 2013. Radtke asked if this was the loan payment that we are behind on. Ranallo stated no, this loan has always been paid. Ranallo stated that Water is behind on a loan due to the Village. Ranallo stated that she had come across a 20 year promissory Note. The note stated that the Village lent \$205,845.01 with 3% interest to Water & Sewer Utility in December 2005 to pay off a Rural Development Loan #91.01 and a Bank North G.O. Debt Loan. It was to be 80 quarterly installments of \$3,421.74. Loan payments from Water & Sewer Utility were to be put into a general cash CD at Citizens Bank.

Later in the meeting Clerk Ranallo stated that since the Note is in default she will add it to the June's monthly meeting agenda as "Modification to the Promissory Note for Village Loan to Water," along with starting a new replacement CD at State Bank of Florence.

Hilbert Radtke asked Randy Schmidt about a DNR Replacement Fund. Schmidt stated that it was a fund that was earmarked for repairs for the WWTP. Schmidt and Radtke agreed that in past audits it was always brought to the Boards attention that they are behind on putting funds aside. Figas stated that she remembers this mentioned before she had been appointed to the Board. Figas added that whenever there is a loan from the DNR there must be a reserve account set aside. Figas stated that we need to find out where this DNR Replacement Fund is.

Clerk Ranallo provided the committee past information from 2005 on funds (UDAG, DNR Replacement), previous loans and combined or transferred accounts. Ranallo also gave information on all CD's that have been opened and closed since 2005. Figas stated that this will have to be researched into further and discussed with our auditor. A Finance Committee meeting will be scheduled at a later date.

Pullen stated there is a \$9150.00 quarterly loan payment for a Rural Development Loan 91.04. She added that this was 1 of 3 Rural Development Loans. Two of these loans were paid off along with a big portion of this one in 2008. There is approximately \$174,000 currently due on this loan.

The committee continued to review the following areas that show large expenditures: Pullen distributed a utility report that is created every month that is divided into 3 categories. Village, Water/Sewer, and Fire Department. Figas asked how the water/sewer utilities are broken up. Pullen stated that she splits the water/sewer right down the middle. The committee reviewed the utility report and decided to allocate the proper fees to either Water or Sewer. The committee also agreed to allocate propane gas expenses to the proper locations. Clerk Ranallo mentioned that she is in the process of gathering quotes for propane for the next monthly meeting. Figas stated that at that meeting the board should discuss labeling the tickets so they can be allocated correctly.

Next the committee reviewed the CenturyTel and Cellcom bills and found areas that raised concern. Figas asked Clerk Ranallo to contact both companies and have an update at the next board meeting.

Figas pointed out that training was mostly allocated towards water and asked Pam Aide if that was the case for training in 2008. Dave Heritsch stated that most of all his training was sewer and Aide agreed. It was decided for any future training or purchases from the Water/Sewer department is clearly marked either water or sewer.

After a short discussion it was decided for the most part that employee wages have been classified accurately. Hilbert Radtke would like to know if Trustees wages should be classed as Village/Water/Sewer. Pullen stated she will put it on her list of questions for Auditor Joel Rennie.

Radtke also pointed out that for Darryll Schmidt's vacation, medical reimbursements, and insurance should be classed properly with suitable percentages. 90% Village, 5% Water, and 5% Sewer.

There was discussion on capital purchases. Figas stated that there will always be capital purchases which need to be budgeted. Figas stated that looking into capital purchases within past years should give an idea on how much to budget for the future. Heritsch stated that he is getting quotes for pumps at Southview. He added that he is looking into changing electricity in the future. Pullen stated that Darryll Schmidt said he needs one curb stop and one hydrant.

Figas asked about hydrant rental. Pullen stated that the Public Service Commission sets the rate for what Water/Sewer charges the Village for the use of the hydrants at \$575 per hydrant. The minimum amount is set at \$55,022 in which the Village will owe Water/Sewer. This amount is for 71 hydrants. Pullen stated that as of today she found that there are actually 76 hydrants. She said that there are 2 payment installments paid a year and totaling approximately \$58,000 from Village to Water/Sewer. Radtke stated that he thinks that the fire commission pays some of that. Pullen stated that not according to QuickBooks. Figas asked where is it classed as income. On the report \$58,472 is classed under hydrant rental income classed in Water. Pullen stated that a journal entry was made for half the amount in June 2008 by previous President Clark Caine and then an actual check was paid from Village to Water/Sewer in December 2008.

Next the committee discussed insurance. Figas asked why the workers compensation insurance is only allocated to Village. Figas suggested that it be broken down and allocated with proper percentages. Pullen stated that she will make those changes.

The committee asked why interest expense was only classified under Water. The report showed an amount of \$33,015.91. Figas stated that when loan payments are made, interest needs to be allocated to the proper classes. Pullen stated that as of 2009 it is allocated properly.

Medical reimbursement was discussed. Pullen stated that Darryll's medical insurance was classed as a medical reimbursement. Pullen stated that she will take Darryll's insurance payments out of reimbursements and create a new class.

The committee discussed the supplies classifications and found areas that need modifications. Figas added that supplies will have to be compared with past years to create an amount for the future budget.

After an extended discussion it was the consensus of the committee to find out answers to the questions that raised concern and schedule another committee meeting to create a Water/Sewer budget.

4. Adjourn – Kellen Stumbris made a motion seconded by Hilbert Radtke to adjourn the meeting at 8:49 pm. Motion carried.

Posted on (May 13, 2009)
At (10:00 AM) by (TR)

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