

**Waterloo Town Council Meeting
Special Meeting with Baker Tilley
May 6, 2020**

A meeting of the Waterloo Town Council was held on May 8, 2020 at 1:00pm via Zoom.

Members present were:

David Bolton	Jess Jessup
Nathan Diehl	Ken Surber
Josh Caudill	Pam Howard/Town Manager
Renee Duszynski/ Clerk Treasurer	

The following business was discussed, and action taken: Unless specified all votes were unanimous.

Jeff Rowe from Baker Tilley presented the report prepared for the Water Department, these reports are done annually and sums up where the department needs to be and where they are going. The cash position of the department can be viewed on page 5; this shows where cash reserves should be, and it needs to get closer to where we should be. Howard asks how does it show we have \$92K if the fund is in the negative? Rowe explains that it considers all the water funds including deposits and the debt reserve, but the negative in Water Operating needs to be resolved. Jessup is confused if we spent less, Rowe clarifies you can see the breakdown of receipts and disbursements on page 3 in 2017, 291K spent, in 2018 319K, and in 2019 spent 269K, so operating costs went down. In 2018 the capital spent \$711k which made the reduction in the cash balance. Jessup questions whether or not the operating is steady, Rowe confirms that it remains steady. Rowe explains the cause of the negative balance was what was spent in 2018 and the revenues were not high enough to recoup. Howard asks what was \$711k in 2018? Rowe was not sure and will have to look into it. Jessup questions if it was dealing with the annexation but not sure if it was from that. Diehl and Caudill thought that project was paid for by redevelopment. Jessup asks if this could be book keeping, Rowe states that is possible. Chris Lalonde, water Superintendent, asks how the data is provided to Baker Tilley, Rowe explains it is gotten onsite or sent electronically from the Clerks office.

Howard inquires what big projects are planned in 2021. The Water department explains that they want to participate in a bob cat lease program, the water tower needs maintenance, and they are in need of an excavator.

Rowe explains that we really need to look at the negative cash balance, we do not want to jump right into rate increases, we need to look at using other funds to help with the negative balance. Howard inquired how we can use other funds if they are their own business? Rowe explains one way is allocate payroll more out of a different fund if needed. Howard asks if we can call them all sewer employees, Rowe explains that the salary ordinance would need to be amended. Jessup asks if this would be better if we had a department of public works. Rowe explains that it would not matter that each department is still separate. Jessup notes that we are below the state average for water rates, and we have a big wastewater project coming up, can we raise water without raising sewer? Rowe states that yes, we can change them independently, you can raise water and

lower sewer, but you will just have to raise it again in the future for the other projects. Dan Hjelm, Water department, notes that in the meter issues that they found none of the municipal buildings were metered. He then inquires if it would be beneficial to have each department pay? Rowe explains that you can have each department pay for their water bill, but it is just a rob Peter to pay Paul situation. It would then also have to be built into all the budgets. Bolton states that rate increases are not palatable, and asks what about the idea of a hydrant fee, like an extra \$5. Rowe explains that the general fund pays for it so then we cannot collect in on property tax side, so it will not impact it overall. Surber states there is a possibility for new until crating extra revenue in the next few years and asks if that is built into the reports. Rowe explains the only growth that was factored in was American Petroleum, which is no longer moving forward and needs taken back out. Rowe reiterates to try to delay big projects until after the debt rolls off. That is not always ideal as you do not want thing to escalate. He recommends using CEDIT, CCD, TIF etc., as opposed to the Water Fund. He recommends looking at the CCD rate, the max is 5 cents. Lalonde asks what we would need to do to change the way the salaries are paid; Rowe explains that the ordinance would need to be changed. He also explains that it has been a long time since a rate increase. Howard asks if they can go up a little bit at a time, which he replies yes that is what they actually recommend doing.

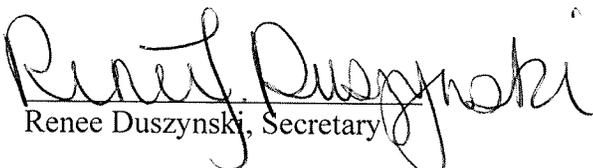
Rowe presents the sewer report stating that it is more positive on the sewer side. We are still above the minimum reserves and projecting out operating and revenue. You see a reduction in the payroll due to it not being done right in the past. Big projects will have an impact on future rates. We are in a surplus situation to go toward future debt. Howard explains that IDEM gave us four years, but did not approve it yet, the project will be about 8 million and we have to be done with it by January 1 2024. She also explains that it can be paid off early. Rowe explains it is imperative to make sure that it does happen with a 40-year loan, not everything will last that long. He recommends setting up the schedule to pay it off in 30 years. Rowe asks if we have seen any issues with COVID, Howard explains that we have not really, none of our businesses shut down. Rowe explains that each community is unique, and, in some cases, it can be a wash. Lalonde and Hjelm state that reads actually went up. Jessup asks if we will be able to get revisions of the reports. Rowe states that when they get the numbers for the sewer project, we can update the current report at any time.

Rowe recommends analyzing how much money will be needed on hand to get through the summer. The town can issue a tax anticipation warrant, Baker Tilley has with a lot of clerks to get hands on training. Hjelm also asked council if it was possible to get Key Utility Training. Duszynski states that the request for training was sent in several months ago. \

The meeting adjourned at 2:45 p.m.



David Bolton, President



Renee Duszynski, Secretary