

**Waterloo Town Council Meeting
Special Meeting with Baker Tilley
August 7, 2020**

A meeting of the Waterloo Town Council was held on August 7, 2020 at 1:30pm at Waterloo Town Hall with Baker Tilley via Zoom. Members present were:

David Bolton

Jess Jessup

Ken Surber

Josh Caudill

Pam Howard/Town Manager

Renee Duszynski/ Clerk Treasurer

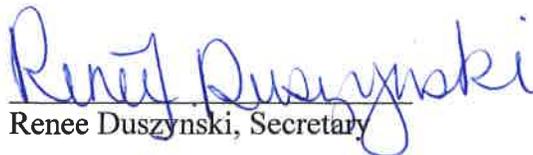
The following business was discussed, and action taken: Unless specified all votes were unanimous.

Jeff Rowe from Baker Tilley is going through the updated water reports. Some revisions were made to numbers. American Petroleum has been delayed so those numbers were removed from the projected revenue. We added in capital project for the tower and getting ongoing maintenance. Also, in 2018 the utility took a big hit and put us behind. Financial records show \$711,000 spent. Some of it was US 6 exit. Fund 745 was from Tif and marked in gateway as a water find, but those numbers even out. The sewer bond looks like it came out of water. Water dispersed \$227,000 unknown, but if we can document this, we can do an adjusting entry. Keep records to show SBOA. Howard asks how the condition of the books will look to the USDA. Rowe explained they are not favorable, but there has been a change in personal. So that should give some confidence. Jessup asks if there was a payment hanging out for the sewer bond Rowe explained if you feel confident that is great, but if you need assistance; they can provide it. Jessup asks to get numbers for sewer to make sure it did not also come out of there. Rowe explains it will fix the problem at hand, but not the annual overspending. We are spending more than we make. Capital improvements are really driving this annually. We have options. We could raise rates, but that is not favorable. We do not use water for Capital projects, but the funds like CEDLL, CDC, Rowe explains rates have not been adjusted in 6 years. That is 6 years of cost and maintenance that has gone up or not accounted for. Anything that is typically split, shift more of a burden to sewer to help offset for the time being. We would need to increase rates 28% to bring us even for our 5-year plan. We could do it in steps, but we are making up for lost steps now. Best bet is to bite the bullet and do the larger increase now and then build it. Baker Tilley has advised that the numbers weren't right so it is hard to advise. This is what we need to do to fix rates changes. We can take a look at that and help go through that.

The meeting adjourned at 2:15 p.m.



David Bolton, President



Renee Duszynski, Secretary